

International Co-operative Alliance.

REPORT

of the Proceedings of
the Tenth Congress of the
International Co-operative
Alliance held at Basle 22nd
to 25th August, 1921.

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ICA



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International Co-operative Alliance.

Founded 1895.

President:

Sir WILLIAM MAXWELL.

Executive:

Chairman: D. MCINNES.

Members: Sir W. MAXWELL, Sir T. W. ALLEN, JAMES DEANS,
A. WHITEHEAD.

General Secretary:

H. J. MAY.

Central Committee:

AUSTRIA	Mrs. Emmy Freundlich, Q. Kokrda.
BELGIUM.....	V. Serwy, L. Bertrand.
DENMARK.....	Severin Jörgensen, Anders Nielsen.
FINLAND.....	Prof. Gebhard, *Jalmari Sahlbom.
FRANCE	Prof. Gide, A. J. Cleuet, A. Thomas, and E. Poisson.
GERMANY	H. Kaufmann, H. Lorenz, K. Barth, R. Assmann.
GREAT BRITAIN.....	Sir W. Maxwell, D. McInnes, Sir T. W. Allen, James Deans, A. Whitehead, W. Gregory, J. J. Worley.
HUNGARY	E. von Balogh, A. György, J. Mailath.
ITALY	A. Vergnanini.

* Deceased July, 1921.

VI.

CENTRAL COMMITTEE—*continued.*

NETHERLANDS	G. J. D. C. Goedhart. Dr. F. E. Posthuma.
NORWAY.....	O. Dehli.
ROUMANIA	J. Duca.
RUSSIA	V. Sélheim, Prof. V. Totomianz
SERBIA	M. Avramovitch.
SWEDEN	Anders Oerne, Albin Johansson.
SWITZERLAND	B. Jaeggi, Dr. O. Schär, E. Angst.

Consultative Members :

Representing new States or national organisations admitted since Glasgow Congress, and authorised by Central Committee at Geneva, April, 1920 :—

ARMENIA	S. Akopian.
CZECHO-SLOVAKIA.....	Emil Lustig.
FINLAND.....	Three representatives.
GEORGIA.....	A. Gugushvili.
LATVIA	One representative.
LITHUANIA.....	One representative.
POLAND	One representative.
UKRAINE	Serges Sidorenko.
U.S.A	One representative.

Past Congresses.

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

London	1895	Budapest	1904
Paris	1896	Cremona.....	1907
Delft	1897	Hamburg	1910
Paris	1900	Glasgow	1913
Manchester.....	1902		

TENTH INTERNATIONAL CO-OPERATIVE CONGRESS.

List of Delegates and Representatives Present at the Congress.

GUESTS OF HONOUR.

- M. E. Schulthess, President of the Swiss Confederation.
 Dr. A. Brenner, President,
 M. Fr. Schneider, Councillor, } Council of State of Basle (City).
 M. Dr. A. Im Hof, Councillor, }
 Dr. A. Grieder, Council of State of Basle (Urban).
 M. Inatzo Nitobe, League of Nations (Secretariat).
 M. Lieut.-Colonel G. Schuster, C.B.E., League of Nations (International Credits Section).
 Dr. Eugene Sterne, } Ministère de Prévoyance Sociale de la République
 Mr. A. Klimt, } Tchéco-Slovaque (Prague).
 Mr. C. Mertens, International Federation of Trade Unions, Amsterdam.
 M. Victor Serwy, Union of International Associations, Brussels.
 Dr. Minuro Oka, Central Co-operative Union of Japan.

CENTRAL COMMITTEE.

Austria	Freundlich, Mrs. Emmy.
Belgium.....	Serwy, V.
Denmark	Nielsen, Anders.
France	Gide, Prof. Cleuet, A. J. Thomas, A. Poisson, E.
Germany	Kaufmann, H. Lorenz, H. Assmann, R.

VIII.

CENTRAL COMMITTEE—*continued.*

Great Britain	Allen, Sir T. W. Deans, J. Whitehead, A. Gregory, W. Worley, J. J.
Hungary	György, A.
Italy	Vergnanini, A.
Netherlands	Goedhart, G. J. D. C.
Russia	Selheim, V. Totomianz, Prof. V.
Sweden	Oerne, Anders.
Switzerland	Jaeggi, B. Schär, Dr. O. Angst, E.

CONSULTATIVE MEMBERS.

Czecho-Slovakia	Lustig, E.
Georgia	Gngushvili, A.
Lithuania	Salcius, P.
Poland	Rapachi, M.
Ukraine	Serbinnenko, A.
U.S.A.	Warbasse, Dr. J. P.

DELEGATES OF CONSTITUENT MEMBERS OF THE I.C.A.

ARGENTINE.

Buenos Aires.—“El Hogar Obrero” Co-operativa de Credito	Zaccagnini, A.
---	----------------

AUSTRIA.

Vienna.—Verband deutsch-österreichischer Konsumvereine	Abram, S. Freundlich, Mrs. E. Hauptmann, J. Korp, A. Kaff, S. Loria, G. Menges, F. Mladek, W. Obersteiner, E. Renner, Dr. Karl Skaret, F. Vukovich, A.
Grosseinkaufsgesellschaft für Konsumvereine	Loria, G. Menges, F.

IX.

DELEGATES OF CONSTITUENT MEMBERS—*continued.*

BELGIUM.

Brussels.—Office Coopératif Belge Serwy, V.
 Backer, A. de
 Logen, F.
 Octors, A.
 Mousty, —.
 Rousseau, E.
 Anseele, E.
 Bertrand, L.
 Bertouille, —.
 Mercier, —.

CZECHO-SLOVAKIA.

Prague.—Ustredni svaz ceskoslovenskych druzstev Beran, A.
 Beran, K.
 Dostál, J.
 Fencí, K.
 Fiser, V.
 Havránek, J.
 Klima, J.
 Klima, P.
 Komeda, K.
 Kufner, J.
 Lustig, E.
 Moravec, J.
 Pánek, R.
 Pobrislo, J.
 Podskalsky, V.
 Sach, J.
 Sturc, W.
 Suchánek, F.
 Vanicek, J.
 Vanickova, Mrs. A.
 Vesely, F.
 Yirásek, F.
 Zmrhal, A.

Verband deutscher Wirtschaftsgenossenschaften .. Dietl, A.
 Hackl, W.
 Hahn, A.
 Knobloch, F.
 Kreisky, R.
 Lorenz, W.
 Marks, J.
 Putzke, A.
 Rasch, J.

DENMARK.

Copenhagen.—Andelsudvalget Porse, N.
 Fællesforeningen for Danmarks Brugsforeninger . Broberg, L.
 Nielsen, F.
 Pedersen, F.
 Jydsk Andels-Foderstofforretning Kristensen, N. K.
 Nielsen, C. S.

X.

DELEGATES OF CONSTITUENT MEMBERS—*continued*.

ESTHONIA.

Tallinn.—Eesti Tarvitajateühiste Keskkühisus ... Teetsov, A.

FINLAND.

Helsingfors.—Suomen Osuuskauppojen Keskus-
kunta, R. L..... Alajoki, T. E.
Hynninen, E.
Juustila, V.
Linna, E.

Yleinen Osuuskauppojen Liitto Aaltonen, E.
Finell, E.
Lanrikainen, M.
Lehtonen, B.
Luukko, M.

Suomen Osuustukkukauppa R. L. Raittinen, P.
Wuolijoki, W.

Kulutusosuuskuntien Keskusliitto Karhi, O.
Puro, O.

Society Pellervo Hynninen, E.

FRANCE.

Paris.—Fédération Nationale des Coopératives de
Consommation'..... Antonin, —.
Auerbach, —.
Bernhard, R.
Bleu, J.
Bryant, J.
Camin, M.
Catel, A.
Caujolle, —.
Chègne, —.
Chègne, M^{me}.
Cleuet, A. J.
Cozette, E.
Cuminal, P.
Daudé-Bancel, A.
Fauconnet, A.
Gaillard, —.
Garbado, —.
Gide, Prof. C.
Gidel, M.
Gimond, L.
Jérôme, G.
Laferrière, Prof.
Lamothe, J. B.
Lévy, G.
Marty, —.
Menger, J.
Poisson, E.
Passeboac, J.
Peckstadt, —.
Riehl, C.
Rouxau, —.
Schmidt, J.
Stehlin, F.

DELEGATES OF CONSTITUENT MEMBERS—*continued.*

	Studemann, A.
	Svob, —.
	Thomann, J.
	Thomas, A.
	Velna, de —.
	Wentzinger, J.
	Wilks, E.
	Wurtz, T.
Chambre Consultative des Associations Ouvrières de Production.	Briat, E.

GERMANY.

Hamburg.—Zentralverband deutscher Konsum-
vereine

Adam, —.
Albiez, J.
Arlt, P.
Assmann, R.
Barthel, W.
Bästlein, H.
Bauer, J.
Bösch, F.
Feuerstein, F.
Frenzel, P.
Friedrich, G.
Friedrich, R.
Fritsch, F.
Funk, H.
Glanzmann, J.
Hammeracher, A.
Hentzschel, M.
Herman-Reutti, Baron
von.
Hirsch, W.
Hoff, —.
Hoffmann, B.
Hübner, E.
Jochim, K.
Kaufmann, H.
Klepzig, V.
Koch, A.
Köhler, H.
Kompf, —.
Kunzelmann, A.
Lange, P.
Lindner, —.
Lindner, W.
Lorenz, H.
Markus, E.
Mattmüller, L.
Meurer, W.
Mombert, W.
Müller, A.
Müller, A.
Müller, W.
Obermaier, A.
Oswald, O.
Petzold, H.
Prull, H.
Rösch, A.

XII.

DELEGATES OF CONSTITUENT MEMBERS—*continued.*

Rupprecht, A.
Schmitt, W.
Schulze, R.
Schwedt, H.
Saltmann, F.
Sommerhalter, Dr. A.
Späth, A.
Staudinger, Dr. Prof. F.
Strübe, K.
Trautwein, J.
Vieth, F.
Wacker, K.
Wiefel, R.
Ziegler, M.
Zschätzsch, B.

GEORGIA.

Tiflis.—Central Co-operative Union of the Republic of Georgia..... Gugushvili, A.
Kauktchishvili, M.

HOLLAND.

The Hague.—Centrale Bond van Nederlandsche Verbruiks-Coöperaties Breet, A. J. H. de
Cocq, Mrs. C.
Dolleman, J.
Gilst, A. van
Goedhart, G. J. D. C.
Horst, M. van der
Kersen-Muilwyk, Mrs. J. F.
Koppen, W.
Monnikendam, C.
Morison, H. H.
Romeyn, Dr. H. J.
Rnyven, B. H. van
Sluis, R. van
Smit, K. L.
Weulink, F.

Bongaards, Miss C. M.
Hooft, Miss C.
Hugenholtz, Miss A.
Kortman-Nieuwenhoven,
Mrs. C. M.
Mulder-Lots, Mrs. J. A.
Romeyn, Mrs. H. J.
Sluis, Mrs. R. van.

HUNGARY.

Budapest.—The Hangya Bernát, Dr. S.
György, A.
Magyarországi Szövetkezetek Szövetsége..... Bernát, Dr. S.

XIII.

DELEGATES OF CONSTITUENT MEMBERS—*continued.*

ITALY.

Milan.—Lega Nazionale delle Co-operative	Dugoni, E. Pittoni, V. Radaelli, —. Vergnanini, A.
Unione Co-operativa	Perego, G. Zanelli, P.
Istituto di Credito per le Cooperative	Forti, G.
Federazione Milanese delle Co-operative di Pro- duzione e Lavoro.....	Forti, G.
Federazione Milanese delle Co-operative di Consumo	Minguzzi, L.
Parma.—Federazione delle Co-operative di Consumo	Riguzzi, B.
Federazione Agricola	Porcari, Dr. R.
Pavia.—Consorzio fra le Cooperative di Con- sumo della provincia de Pavia	Oltran, —.
Torino.—Alleanza Co-operativa	Tasca, Prof. A.
Trieste.—Workers' Co-operative.....	Derosa, —. Scarell, —.
Tuscany.—Consorzio Toscano delle Cooperative di Consumo	Puliti, G.
Venice.—Associazione Venezia Cooperativa.....	Barro, S.
Federazione Agricola	Porcari, Dr. R.

LITHUANIA.

Kovno.—Union des Coopérative de la Lituanie ...	Salcius, P.
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NORWAY.

Kristiania.—Norges Kooperativa Landsforening...	Arnesen, R. Bonnevie, C. Juell, A.
Samvirkelag	Aarøe, P.
Fredriksstad.—Fredriksstad Samvirkelag	Just, O.
Hamar.—Kooperativa Selskap	Ditlefsen, A.

POLAND.

Warsaw.—Zwiazek Polskich Stowarzyszen Spo- zyeow.....	Kmita, Z. Mielczarski, R. Rapachi, M.
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XIV.

DELEGATES OF CONSTITUENT MEMBERS—*continued.*

Lemberg.—Landeskreditverband Lewyzyj, Dr. K.
Stepankowskyj, W.

RUSSIA.

Moscow.—Centrosoyus Polovtzeva, Dr. V. N.

SERBIA.

Belgrade.—Serbian Union Prohaska, Dr. L.

SWEDEN.

Stockholm.—Kooperativa Förbundet..... Eriksson, K.
Gjöres, A.
Oerne, A.

Helsingborg.—Kooperativa Föreningen Svea Larsson, J.

Landskrona.—Föreningen Arbetarnas Ring Sandberg, A.

SWITZERLAND.

Basle.—Verband Schweiz. Konsumvereine Angst, Auderwert N.
Aebli, Hartmann, J.
Barbier, F.
Bolliger, R.
Dettwyler, J.
Flach, J.
Fischer, G.
Gschwind, Toyss F.
Harry, A.
Honegger, A.
Huber, J.
Hunziker, —.
Jaeggi, B.
Jéggli, A.
Kundig, Dr. R.
Maire, M.
Meier-Brütsh, G.
Munding, Dr. K.
Oberer-Seiler, T.
Perret, C. U.
Rohr, H.
Rothlisberger, F. R.
Roulet, G.
Rusca, F. R.
Schär, Prof. Dr. J. Fr.
Schär, Dr. O.
Schneeberger, E.
Schweizer, G.
Schwarzenbach, F.
Suter, Dr. A.
Suter, E.
Thomet, F.
Walter, W.
Weckerle, Dr. F.
Zahnd, A.
Zumthor, Th.
Zellweger, E. O.

DELEGATES OF CONSTITUENT MEMBERS—*continued.*

Zurich.—Verband der Genossenschaften der Kon-	
kordia.....	Braun, G., Dr.
	Jung, Prof. J.

UNITED KINGDOM.

ENGLAND.

Ashington Industrial	Robinson, W.
Ashton-under-Lyne.....	Radcliffe, H.
Barnsley British	Jones, S.
Barwell	Geary, G.
Blackburn Industrial	Sharples, J.
	Sharples, Mrs. M.
Blackpool Industrial	Tomlinson, C. E.
Blaina.....	Allen, Sir T. W.
Blaydon-on-Tyne.....	Dodds, W.
Bolton	Forber, W.
	Wood, C. E.
Brightside and Carbrook	Barton, Mrs.
	Wood, C. E.
Bulwell	Taylor, Mrs.
Burslem and District	Hayward, Mrs. M.
	Hayward, F.
Cardiff	Dunbar, Mrs.
Chatham	White, H.
Dartford.....	Turnbull, W. T.
Denton and Haughton Equitable.....	Whitehead, A.
Droylsden—Co-operative Sundries	Radcliffe, Mrs.
Droylsden Industrial	Pogson, D.
Eccles Provident Industrial	Harris, Miss L.
	Enfield, Miss H.
Failsworth	Roe, A. S.
	Mitchell, G.
Fleetwood	Tomlinson, C. E.
Fylde	Tomlinson, C. E.
Gateshead	Christie, Mrs.
	Whitehead, Mrs.
Gillingham	Crayford, Mrs.
Grantham	Brodrick, T.
Gravesend	Turnbull, Mrs. J. M. B.
Great Yarmouth	King, D. T.
Haslingden	Gregory, W.
Hinckley and District Industrial.....	Archer, T.
Huddersfield Industrial.....	Whiteley, Mrs. M. H.
Hyde Equitable	Flanagan, J.
Ilkeston	Pidgeon Mrs.
Keighley	Bradley, Mrs. A.
Kettering Boot and Shoe Manufacturing	Cottrell, F.
Leicester—Co-operative Productive Federation ...	Worley, J. J.
Leicester—Sperope Boot Manufacturing	Hincks, A.

XVI.

DELEGATES OF CONSTITUENT MEMBERS—*continued.*

Liverpool, City of	McArd, Mrs. A. Haslam, G.
London	Elliott, W. H. Kerran, F. L.
London, West	Gasson, Mrs. M. A.
London—Women's Co-operative Guild	Barton, Mrs.
London—Enfield Highway	Pidgeon, Mrs. M. J.
London—Royal Arsenal.....	Neville, W. B. Reeves, J.
London—Willesden and District.....	Layton, Mrs. E.
Luton Industrial	Emerton, C. S.
Manchester—Co-operative Union	Gasson, Mrs. M. A. Millerchip, W. Ramsay, Rev. G. A.
Manchester—Co-operative Wholesale.....	Golightly, A. W. Marshall, C.
Manchester—National Publishing Society	Brownbill, G.
Manchester and Salford Equitable	Whiteley, E. Whiteley, W. E.
Mossley Industrial	Tomlinson, Mrs. A. B.
Newport, Mon.	Allen, Sir T. W.
Nuneaton	Martin, H.
Portsea Island.....	Green, Mrs.
Prestwich	Hall, Prof.
Ripley	Christie, Mrs. Wood, C. E.
Scarborough and District Industrial	Rowbotham, R.
Slaithwaite Equitable Industrial.....	Whiteley, E.
Southampton	Alcock, G. W.
South Suburban	Bailey, C.
Stockport Industrial	Watkins, W. P.
Stowmarket	Emerton, Mrs.
Sunderland Equitable Industrial.....	Rowbotham, R.
Swalwell and District.....	Millerchip, W.
Tamworth.....	Heyworth, S. W.
Ten Acres and Storchley	Cottrell, Mrs. M. E.
Throckley	Baskett, C.
Twerton.....	Ramsay, Rev. G. A.
Walsall and District	Millerchip, W. Whitehead, Mrs.
Warrington Equitable and Industrial.....	Whiteley, Mrs. Binns, Miss.
Wellingborough Industrial	Jessop, Mrs. L.
Wellingborough—Midland Boot Manufacturers ...	Hallgrimson, T.
Wellingborough—Ideal Clothiers.....	Jessop, L.
Woking	Bailey, Mrs. J.
Ynysybwl	Allen, Lady.

XVII.

DELEGATES OF CONSTITUENT MEMBERS—*continued.*

SCOTLAND.

Cambois	Batemean, —.
Cambuslang	Buchanan, Mrs. A.
Glasgow—Scottish Co-operative Wholesale	Stewart, R.
	Stirling, T.
Glasgow—Drapery and Furnishing.....	Todd, A.
	Gardiner, A.
Glasgow Eastern.....	McLean, Mrs. T.
	McLean, Miss C.
	Bowie, J.
Glasgow—Kinning Park	Reid, W.
Glasgow—St. Rollox	Kinlay, R.
Glasgow and Suburbs District Association	Biggar, J. M.
Glasgow United Co-operative Baking.....	Buchanan, A.
	McLean, T.
Greenock Central	Swan, M. S.
Kilmarnock	Malcolm, P.
Lennoxtown Friendly Victualling	Flanagan, J. A.
Newton Mearns	Pogson, Mrs.
Paisley Provident.....	Bradley, Mrs. H.
	Bradley, H.
Tillicoultry	Stavert, A.

IRELAND.

Belfast	Robinson, W. R.
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UNITED STATES OF AMERICA.

New York.—The Co-operative League of America	Warbasse, Mrs. A. D.
	Warbasse, Dr. J. P.
	Harris, Emerson P.

UKRAINE.

Kiew.—Union Dniproviennne des Unions de Con-	
sommation	Serbinenko, A.
Co-operative Bank	Baranovsky, C.
Agricultural Union.....	Godlaw, T.

The Congress Committee.

President :

Sir WILLIAM MAXWELL.

Vice-Presidents :

Mr. G. J. D. C. GOEDHART. Sir T. W. ALLEN.

Members :

Dr. A. SUTER. Mr. H. KAUFMANN.
Mr. E. POISSON.

General Secretary :

H. J. MAY.

Official Interpreter:

Dr. A. VELLEMAN.

XIX.

**THE
TENTH INTERNATIONAL CO-OPERATIVE CONGRESS**

IN THE

Musiksaal of the Stadtcasino, Basle.

AGENDA OF THE CONGRESS.

SUNDAY, 21ST AUGUST.

Meeting of the Central Committee.

FIRST SESSION OF CONGRESS.

MONDAY, 22ND AUGUST.

Opening of the Congress by the President, Mr. G. J. D. C. Goedhart.

Welcome to Basle by Dr. RUD. KUNDIG, President of the Supervisory Council of the U.S.C.

Inaugural Address of the PRESIDENT.

Reception of the Guests of Honour and Fraternal Delegates.

Report on the Work of the Alliance since the Glasgow Congress.

Consideration of Resolutions sent in by Members on matters contained in the Report.

SECOND SESSION OF CONGRESS (AFTERNOON).

Report on the Work of the Alliance since the Glasgow Congress
—*continued.*

THIRD SESSION OF CONGRESS.

TUESDAY, 23RD AUGUST.

Revision of the Rules of the I.C.A. Introduced by Mr. G. J. D. C. GOEDHART (Holland).

Election of the Central Committee of the I.C.A.

Election of the Committee of Honour.

Paper on "The Revision of the Glasgow Peace Resolution and the Principles of International Right, according to the Spirit of Co-operation." By Professor CHARLES GIDE (France).

FOURTH SESSION OF CONGRESS.

WEDNESDAY, 24TH AUGUST.

Papers on "The Policy of International Co-operation as outlined by the Inter-Allied and Neutral Conferences at Paris." By Mr. ALBERT THOMAS (France) and Mr. ANDERS OERNE (Sweden).

Paper on "The Relations to be established between the I.C.A. and an International Wholesale Society." By Mr. H. KAUFMANN (Germany).

FIFTH SESSION OF CONGRESS.

THURSDAY, 25TH AUGUST.

Paper on "The Relations between Co-operation and Trade Unionism." By Mr. VICTOR SERWY (Belgium).

Resolution on "The League of Nations." Moved by Dr. A. SUTER (Switzerland).

Resolution on "The International Labour Bureau." Moved by Mr. F. HAYWARD (Great Britain).

General Business.

Date and place of next Congress.

Close of the Congress.

SPECIAL NOTICES.

TUESDAY, 23RD AUGUST.

Meetings of the Committee on the International Wholesale Society.

THURSDAY, 25TH AUGUST.

Meeting of the newly-elected Central Committee, for the Election of Officers, Executive, etc.

STANDING ORDERS

GOVERNING THE

Procedure of the Congress during its Sittings,

As adopted by the Central Committee at Copenhagen, April, 1921.

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 27 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.

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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 question 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 normally 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 admissable at the end of a debate, or, if motions are submitted, after the voting has taken place

General Regulations of the Congress.

1. **The Tenth International Co-operative Congress**, consists of :—

(a) The delegates of the constituent members of the I.C.A., which are not in arrear with their subscriptions, and whose appointment has been duly notified.

(b) Members of the Central Committee and corresponding members of the I.C.A.

(c) Such other persons or representatives as may be invited by the Central Committee, by virtue of the power conferred by Article 23 of the rules of the I.C.A.

2. **The business of the Congress** will be conducted by the Congress Committee, consisting of the President, two Vice-Presidents, and three members appointed by the Central Committee.

3. **Admission of Visitors.**—Co-operators desiring to be present at the sittings of the Congress, as visitors, may obtain tickets of admission (so far as space is available) on application.

4. **The Right of Voting.**—*Delegates of the constituent members* of the Alliance have the right to take part in the discussion of all the subjects on the Congress agenda and to vote thereon.

Individual members have the right to speak but not to vote.

Fraternal delegates and Guests of Honour may, with the consent of the Congress Committee, address the Congress on any subject under discussion.

Societies and Unions which are entitled to more than one delegate may give the votes of the latter to a single delegate, provided, however, that no delegate may hold more than ten votes.

Voting Cards will be provided for use in all cases in which a demand for a count is made under Standing Order No. 10.

5. **The Official Languages.**—The business of the Congress will be carried on in English, German, and French.

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

The substance of every speech will be at once rendered in the other two languages of the Congress by the official interpreters.

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

6. **Emergency Appointments.**—Delegates whose appointment has not been previously notified can only be admitted by handing in to the Congress Committee satisfactory evidence of their appointment.

The Congress Reception Committee.

HONORARY PRESIDENTS.

Professor Dr. h.c. J. Fr. Schär.

Dr. Rud. Kündig, President of the Supervisory Council of the U.S.C.

MEMBERS.

B. Jaeggi, President of the Board of Directors of the U.S.C.

Dr. O. Schär, Vice-President of the Board of Directors of the U.S.C.

E. Angst, President of the Board of Directors of the local Co-operative Society of both Basles and Vice-President of the Supervisory Council of the U.S.C.

A. Jeggli, Member of the Supervisory Council of the U.S.C.

F. Gschwind, Member of the Supervisory Council of the U.S.C.

Dr. F. Weckerle, Member of the Supervisory Council of the U.S.C.

Dr. K. Munding, author of co-operative works.

H. Rohr, Member of the Board of Directors of the U.S.C.

M. Maire, Member of the Board of Directors of the U.S.C.

R. Bolliger, Member of the Board of Directors of the Co-operative Society of both Basles.

Th. Zumthor, Member of the Board of Directors of the Co-operative Society of both Basles.

SECRETARY.

E. O. Zellweger, Secretary of the Board of Directors of the U.S.C.

Visits and Excursions.

The Reception Committee, whose magnificent organisation of every detail which could add to the comfort of the delegates was such a marked feature of the Congress, also arranged a series of co-operative visits and excursions.

There can be no doubt that quite apart from its official sessions and agenda the Congress provided a means of instruction and recreation to the participants, the importance and pleasure of which it would be difficult to exaggerate.

The thanks of the International Co-operative Movement were deservedly rendered to Mr. Jaeggi and his unique band of co-workers for the ability and devotion with which they united to make the Congress and all its attributes a great success.

The ceremony at Freidorf, when the commemoration stone of that beautiful garden village was inaugurated by Mr. Schulthess, the President of the Swiss Confederation, will be ever memorable for its charming surroundings, innocent gaiety, sports and physical demonstrations, its great crowd of delegates from many lands, and its eloquent tributes to the high-souled conception of the Founder and Father of Freidorf—Mr. B. Jaeggi.

The following table of events will give some faint idea of the character of the entertainment of the delegates to the Congress at Basle:—

Tuesday, 23rd August.—Visit to the establishments of the Swiss Union, Administrative Offices, Printing Works, Boot Factory, Warehouses, etc., in Basle and Pratteln, also to the Dairy of the General Consumers' Co-operative Society of the two Basles.

Wednesday, 24th August.—Visit to Freidorf, the Co-operative Garden Village, founded by Mr. B. Jaeggi and being developed by the Swiss Union of Consumers' Societies, where the commemoration stone was inaugurated by Mr. Schulthess, President of the Swiss Confederation.

Thursday, 25th August.—Visit to the works of the Joint Stock Company "Bell" and to the warehouses of the General Co-operative Society of Basle at Lysbüchel (Basle).

Friday, 26th August.—Whole day excursion by special train to Lucerne, thence by special steamer for a cruise round the Lake of the Four Cantons.

We can only repeat that the splendid entertainments provided were taken full advantage by the delegates and combined to make the Congress an ineffaceable memory.

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Proceedings of the Tenth Congress of the International Co-operative Alliance.

FIRST SESSION OF CONGRESS,

Monday, 22nd August, 1921.

The Opening Proceedings.

Never have the delegates to a Congress of the International Co-operative Alliance assembled in more beautiful surroundings than did those to the Tenth Congress, held at Basle. The Swiss Co-operative Union laid itself out to honour International Co-operation, and itself, in the arrangements made for the reception of the delegates and their accommodation in the Congress Halls. The Stadtcasino was turned into a veritable fairy scene with its profusion of magnificent palms, plants and flowers. The walls were decorated with the flags of all the nations, and the whole scheme was carried out under the very able direction of Mr. B. Jaeggi (President of the Administrative Council of the Union) in a way which imparted as much of dignity as of beauty to the Congress proceedings. The magnificent organ was the vehicle of conveying the preliminary greetings to the delegates, by first-class recitals, and in accompanying the fresh young voices of the Swiss Co-operative Choir, which rendered appropriate songs.

Sir William Maxwell (President of the International Co-operative Alliance), who should have presided, was unavoidably absent through ill-health. The Congress was therefore presided over by Mr. G. J. D. C. Goedhart (The Hague). He was accompanied on the platform by the General Secretary, Mr. H. J. May; the Congress Committee—Sir T. W. Allen and Messrs. A. Whitehead, H. Kaufmann, E. Poisson, and Dr. A. Suter; the writers of papers for the Congress—Professor Charles Gide, Messrs. Albert Thomas, Victor Serwy, Anders Oerne, and Alderman F. Hayward; and also by the Guests of Honour, Dr. A. Brenner, Dr. Fr. Schneider, and Dr. A. Im Hof, representing the Council of State of Basle (City) and Dr. A. Grieder, representing the Council of State of Basle (County). Mr. E. Schulthess, the President of the Swiss Confederation, had accepted an invitation, but owing to urgent Government business was not able to be present until Wednesday morning, when he delivered an eloquent oration which is reported at length in the proceedings.

There were also present on the platform the following representatives of other bodies: Mr. Inazo Nitobe and Lieut.-Colonel George Schuster, C.B.E. (League of Nations), Mr. C. Mertens (The International Federation of Trade Unions), Mr. Victor Serwy (Union of International Associations), Dr. Eugene Stern and Mr. A. Klimt (Ministère de Prévoyance Sociale de la République Tchèque-Slovaque), Dr. Shiroshi Nasu (Central Co-operative Union of Japan); also Dr. R. Kundig, Mr. B. Jaeggi, Professor Dr. J. Fr. Schär, Dr. O. Schär, and M. E. Angst, representing the Swiss Union of Consumers' Societies. The delegates, including about 30 complimentary members, numbered 432, and were representative of 25 different States.

The President's Address.

Mr. G. J. D. C. GOEDHART, in opening the Congress, said: In the name of the Central Committee, I give you a very hearty welcome to our Tenth International Congress. It is a matter of great regret to us all that our revered President, Sir William Maxwell, has not been able to come to Basle. In our future work we shall miss his firm guidance and kindly help. It was my hope that he would have been able at least to take leave personally of the Alliance that he loved and served so well, but it was not to be. Sir William has been compelled to say his farewell to you in a letter, which at his request the Secretary will read to you. I venture to say that the name of Sir William Maxwell will live for ever in the Co-operative Movement. His courteous but strong personality will never be forgotten by his fellow countrymen, and we, as his colleagues, cannot think that he is no longer amongst us. Sir William has had a brilliant co-operative career. It has been given to him to do much for the movement he loved so well; to make his native country one of the foremost in the Co-operative Movement, and to command respect for co-operation throughout Europe, and indeed throughout the world. May he be spared as long as possible to see how the seed which he has sown, and which is budding everywhere, develops into fruition. It will be my pleasure to submit to the Congress a very hearty vote of thanks to Sir William Maxwell for the brilliant services which he has rendered. Our resolution will also express the hope that he may see the triumph of the ideas he has preached with so much eloquence, ability, and courtesy during more than half a century.

We have also to express our regret at the loss which the Alliance has sustained by the retirement of Mr. Aneurin Williams, Mr. D. McInnes, Mr. James Deans, Severin Jørgensen, Dr. Schär, and Mr. E. Angst, who have been members of the Central Committee since the inception of the Alliance. It may be that we shall in the near future lose others of the friends who helped to start the International Co-operative

Movement, and younger men will have to take their place. Happily I see around me the familiar faces of a younger generation, which give us the confidence that the places of the retiring members will be worthily filled.

In conclusion, let me express the hope that this Congress, so well prepared for by our Swiss friends, will be productive of good work in the highest interests of the movement.

Welcome of the Swiss Union.

Dr. RUD. KUNDIG, President of the Supervisory Council of the U.S.C., greeting the Congress, said: Dear co-operators of all countries, ladies and gentlemen, a very pleasant task has been put upon me, that of welcoming you to Basle in the name of the Reception Committee and of the co-operators of Switzerland. For the first time since the terrible war divided the nations by blood and hatred, the co-operators of all countries meet again for peaceful conference and deliberation. This is a memorable moment! It is a happy augury that this meeting takes place in this country which itself is called a "co-operative society"—for the German word by which the first Swiss Confederation was called was *Eidgenossenschaft* which simply meant the "Co-operation of the Oath"—and that the meeting should take place in a country that the League of Nations has chosen for its seat. The last Congresses took place in Hamburg (1910) and in Glasgow (1913). These were two big cities in two mighty countries; but to-day it is a small city in a small country that offers its hospitality. At the time of former Congresses there was peace on earth and economic relations appeared happy. To-day we live under the effects of the aftermath of the world war, and we are suffering the terrible consequences. Therefore, do not make comparisons between then and now, because such comparisons would not be in favour of the Congress City of Basle. We are not in a position to offer you brilliant festivals and exhibitions; but our hearts beat with yours, and these heart-beats mean a feeling of fraternity. I think that the arrangements made here at Basle will be of great interest to you. You will see the establishments of the Wholesale Society of the Swiss Union of Consumers' Societies, the central offices, the boot and shoe factories, the warehouses, then the establishments of the largest co-operative society in Switzerland—the General Distributive Society of Basle. You will be pleased with the co-operative garden city of Freidorf. Those who are fond of old cities will have great pleasure in taking a walk through Basle, which has much of interest. Behind us lies the terrible war that saturated the peoples with blood and hatred. It has had its evil effects upon co operative associations. We must, in future, try to avoid war. We have not been able to prevent it before because we were not strong enough. Our voices were silenced by the trumpets

of war; but our "International Bulletin" has given splendid testimony to the fact that the co-operators of the various States were able to think of each other in friendship and tried to keep in contact with each other. To-day for the first time after those fateful years we meet on the neutral territory of Switzerland to resume the old friendly relations. To-day we must remember the words that von Elm spoke at the Glasgow Congress: "All the co-operators of the world are friends!" The English poet, Shakespeare, has said somewhere: "Lament not for that which you cannot change, but change that which you lament." We cannot undo the war, with all its injustice and cruelty, but we must, with the utmost energy, so develop our Co-operative Movement and make it so strong that war will become impossible. The higher ideals of our Movement should enable us to forget what is past. We must be able to shake hands and work together for our common aims. What, after all, is it that causes war? It is the material conception of the world that might is everything. It is the system of private capitalism with all its bad outgrowths which has developed avidity and the desire for possession to such an extent that envy and jealousy between individuals and nations does not start back in terror, even in face of that which is most frightful, and consequently the fury of war is let loose. We must supplant that system. We must supplant that conception of the world and such an economic system that merely seeks the profit of the individual. It must be replaced by a co-operative system which will substitute for the profit of the individual, or the individual nation, the profit and good of all. By such a co-operative system we shall get rid of envy and jealousy between individuals and nations; and war will be impossible because the foundations of war will have been removed. Your deliberations at this Congress will be concerned with these things, and let us hope that after the experiences of the war and post-war periods they will lead to positive results. **Never since Co-operation came into existence has humanity been so ripe for Co-operation.** This Congress has, therefore, been called for the proper moment, and the agenda shows that the Executive have been able to understand the signs of the times. "Labour and Wait" is the motto of our English friends. Let us adhere to this motto and work without ceasing; let us await the time of fruition, and when it arrives let us act. May this Congress be fruitful for Co-operation, for that means for the whole of humanity. That is the desire of the Swiss co-operators, and the wish I desire to express in once more welcoming you to Basle.

The PRESIDENT: The inaugural address of Sir William Maxwell has been printed in English, French, and German, but the French and German copies have not yet arrived. It is therefore proposed to read the address in these languages. The English delegates may follow the address in its printed form.

The Inaugural Address of Sir William Maxwell (President of the I.C.A.).

Fellow Co operators,—I am certain it is with grateful hearts that each of us comes to Basle to-day. Eight years have come and gone since we last met in the Congress at Glasgow. Much that we would like to forget has happened since that memorable gathering. The great and fervent hopes we unanimously and rapturously expressed at that time were doomed to disappointment—still, there is much to be grateful for.

Amidst the mighty changes that have taken place, the Co-operative Movement, although its organisation has suffered loss and damage in areas devastated by the war, has nevertheless risen triumphant in every country as a national force, and now holds a higher place than ever among the organisations of the world, as a great and hopeful benefactor of mankind.

Our heartfelt sympathy goes out to-day to all our brethren who have suffered, and although we are living in a broken and distracted world, weighed down by financial burdens, our Movement is being remodelled and restored in a fashion that astonishes those who are unsympathetic with our cause.

The great lesson we have to learn and take to heart from the late conflict in Europe is that international peace and co-operation are synonymous terms, and if the peace we have now obtained is to be permanent, then the voice of Co-operation must be articulate, not only in your local councils, but in the national assemblies of governments throughout the world. Our humane and just principles, our gigantic and ever-increasing commerce, our great and important position, as producers and consumers, cannot and should not be ignored much longer in the councils of the nations. "

Many of us are in high hopes of the future work of the League of Nations (I hope we may not be disappointed with the results of that work); but there is another League, if properly guided and carefully organised, I am more interested in, that has all the power to prevent international jealousies and international conflicts; I mean the league of the people of which you are the representatives. Our international misunderstandings and differences would then be settled, not by infernal armaments, but by reason of commonsense and conciliation.

We pray that these ideals may be realised, not by wishing only, but by a persevering propaganda in every country. The time is now propitious to show the world the power and the benefits of Co-operation.

The peoples of most countries have lately seen that in the midst of their misery huge fortunes were being made by the individualistic system, whilst they had the greatest difficulty in getting the necessaries of life. At present they are overburdened by taxation to pay for war expenditure. Seize the present opportunity, then, to show how Co-operation can improve and raise the lives of mankind. Nothing less than the uplifting of the people materially and socially must be our objective.

Neither class, creed, nor colour must interfere or be outside our activities. All must at least listen to our appeal. Too many of us are quite satisfied if our own local efforts are successful. But the man whose mental outlook is limited by the horizon of his own society or country misses one of the greatest pleasures in life, namely, the betterment of the conditions of life in every part of the world. The working with and constant association with men of other countries than your own, not only broadens your outlook on life, but it widens your affections and immensely increases your knowledge and interest in your fellow men.

It has another beneficial effect: It destroys the old and too prevalent habit of being suspicious and jealous of everyone who belongs to another country than your own. The word "foreigner" should be dropped out of our vocabulary and replaced by "friend" or "brother." In such a state of society as we hope for, geographical boundaries may well be forgotten and mentally obliterated, for intelligent men of all countries, stripped of their language, habits and customs, are much the same in mind all the world over. These national characteristics are laid aside when they are brought to study problems that are common to all; such as you will be called on to discuss at this Congress.

The Alliance, by its frequent meetings of the leaders and the various organisations of our Movement, has largely succeeded in removing the obstacles of nationality that formerly kept us apart. The way is now clear for a closer union of the peoples if each of us will grasp the present opportunity. The mighty Alps, the Pyrenees, the Urals, and the great oceans that geographically divide us can now be forgotten as obstacles to our unity. As Professor Treub said: "Co-operation knows no frontiers."

International Co-operative Trading.

The great and fascinating thought, which the Alliance has cherished for many years, namely, international trading, will be discussed by you during Congress. It is to be hoped that

your united wisdom may take us a step nearer the realisation of our long-cherished hopes, and take the question out of the region of probability into that of practical action.

It is well to recognise that the problem is surrounded with difficulties, and not a few pitfalls, which will take time to surmount; but I am sanguine from what I know of the minds of the leaders in Europe that, whatever time it may take, the question cannot be allowed to sleep or be put aside. The ultimate and successful result of such a scheme would make the power of International Co-operation for good felt throughout the commercial system of the world.

Syndicates, combines, and companies are rapidly taking financial interest in each other's concerns in every part of the world, their hope and ambition being to exploit production and distribution all over the globe. If they can succeed by co-operating together, surely we who profess to know the benefits of Co-operation cannot fail. As we grow in strength and power, depend upon it we may expect stronger and more cunning opposition to confront us, and greater difficulties to surmount, which can only be met successfully by increased intelligence and enthusiasm by everyone who desires to see International Co-operation triumphant.

The three essentials to start with are: Confidence in each other's honour; goodwill accompanied by tolerance; and strong financial support from all. With these we cannot fail, without them we cannot succeed. I trust that your discussion will take us a step nearer our much-desired goal.

Sources of Supply.

While we express our great satisfaction at the great progress our movement has made in the past, there is still much to be achieved. The continuous developments of production by our European Wholesale Societies are a source of pride and satisfaction to all. Let me remind you that we have still, in most cases, to depend on the competitive market and the middleman for the supply of raw material. Years ago the two Wholesale Societies of Britain began to get over this difficulty by going themselves to the sources of supply in distant parts of the world. In India, Ceylon, Africa, Spain, Denmark, America, and Canada, and in many other places, they have planted the flag of Co-operation, and the raw material for their productions is secured without the intervention of the intermediary. Is the time not come to consider why the other Wholesale Societies in Europe should not enter upon this laudable and truly co-operative work? Nature in many places throughout the world has untold treasures waiting for development. The question is, are we to wait till

these undeveloped areas are secured by the syndicates and combines, and then depend for all time on the class who have little or no sympathy with the mass of the people, nor with our methods of equity and justice?

I know that I will be told that such schemes would cost more capital than you can afford at present. I admit that is perfectly true. But the cloud that at present darkens our hopes will not last for ever. A new world is now in the act of dawning; should we not be ready to take our part in its activities. Think for a moment of the better conditions of labour we might be able to introduce into many parts of the world. Think also of the prestige it would give to Co-operation. As to the capital to work out such schemes, the leaders of our movement should be tireless in their efforts to secure more capital for our further development.

Is it not too true that many co-operators in all lands are tempted to invest their money in private concerns while their own organisations are delayed in development for want of it? On the return of better times and normal conditions let the spirit of development enthuse our leaders to greater efforts and higher conceptions.

An earnest and eager crusade against the apathy and indifference of our members must be made before our power can be realised. The resources of this beautiful world would be more justly and righteously shared if we could only awaken the people's consciences to their own interest.

This brings me to speak of more intensive propaganda. If we are to make a united move forward the people whom we depend on for support must be continuously informed of our policy and our hopes for the future. The policy too often followed of "waiting till something turns up" leads nowhere. Therefore the policy of aggression must be ours. Our opponents are succeeding by uniting their forces and the adoption of aggressive methods. We cannot afford to wait for success, we must work for it. Bright and informing literature, frequent meetings and lectures, illuminated illustrations of our possessions and progress in all parts of the world will help to stir the minds of the apathetic and indifferent. The enlistment of the sympathy of your women members, whose influence for good cannot be overlooked nor overstated, and the interchange of visits from one country to another by parties of our members have had most encouraging results wherever they have been tried. No country has a monopoly of the best methods or the most perfect administration. It is essential then that your people should have an opportunity of seeing, if possible, the gigantic ramifications of our movement in neighbouring countries. Such visits would dispel local narrowness of mind, cement new friendships, and strengthen the belief in the growing power of Co-operation.

The future progress of the Alliance will very largely depend on the accurate knowledge each country possesses of the other countries' work and progress. This can be attained by a more widely read "Bulletin," where the co-operative work of each country is explained month by month. Knowledge of this kind ought to kindle a new interest among our people if they intelligently grasped the fact that co-operators all over the world had the same hopes and aspirations, the same difficulties to overcome, the same powerful opposition of self-interest and self-aggrandisement to surmount. The humblest village store would receive new hopes from the fact that men all over the world were taking an interest in their success.

Education.

If our success and progress is to be sound and permanent our educational efforts must be increased and amplified. To many this may not be an interesting subject, especially to our older members. They tell me that the pioneers had very little education. But I know that many of the pioneers attributed many of the early failures in our Movement to the want of knowledge. It is the foundation and the apex of all our progressive work. It is education in citizenship I am calling for. That men should know their duties towards others. That as citizens they should see that justice is meted out to all alike. If all were truly interested in citizenship, selfishness and greed would be largely eliminated and good men would co-operate to improve the habits and lives of the masses. Another and most important part of your future educational efforts, I trust, will be the study of languages by your young people. I have urged this before, and now I see the necessity of it more than ever.

As co-operators who recognise the interdependence of nations, as men who in this Alliance have to conduct important and intricate work, what a boon it would be if we could conduct our business in a common language. Our difficulties would be greatly lessened; our discussions would be much more attractive; our time and impatience would be saved from having frequent but necessary translations. Besides, our various languages are the cause, even with the best of translators, of little misunderstandings of each others ideas. I, therefore, again appeal to all who have the future of our international movement at heart to again consider if the time has not come when our young people should be encouraged by every society to study and become masters of a common language.

Esperanto at present holds the field as a simple and efficient vehicle of thought and expression. It has been taken up in all countries, and is now used for many purposes. In Finland. I am told, Parliament has voted 25,000 marks towards the encouragement of Esperanto. The Canton of Geneva has, I

understand, approved of it being a compulsory study in the schools. It is stated that France, through its Chamber of Deputies, has recommended its teaching both at home and abroad. Many other proofs could be adduced of its growing popularity. I will leave it with your own imagination to conceive how much the work of the Alliance would be facilitated if we adopted one channel for the purpose of conveying our ideas and thoughts at a meeting like this. I am aware that there are still a few opposed to any change, but we have had opposition to almost every new idea or invention since Galilio's time.

It is impossible to speak of co-operative education without expressing the great pleasure all must feel at the recent founding of a Co-operative Chair in the University of Paris. But our pleasure is immensely increased by the knowledge that our esteemed and scholarly friend and colleague, Professor Charles Gide, is to be first occupant of that. The authorities were wise in their selection, for no one better qualified or more highly respected could have been chosen. I am certain he has the best wishes for his success from every co-operator in the world.

Amalgamation.

It can scarcely be said that our unity in certain parts of Europe is so close and perfect as it might be. The excellent paper sent to last Congress by our late lamented friend and colleague, Signor Buffoli, of Milan, threw a lurid light on the disastrous effect of having too many societies in one district, each fighting for its own hand, and encouraging what we denounce outside our own Movement, namely, competition. Our own intelligence should teach us that this is not Co-operation. Let the leaders where this system prevails at once meet and do their utmost to bring about amalgamation. It will increase your strength and power against opposition, and give you new hopes for further extension and greater development. Experience has proved in many places that amalgamation has led to economic and harmonious administration.

You cannot afford then to remain longer in small and detached groups which will be much easier vanquished than one great and powerful organisation with one policy to guide it, and one great objective in view. I know that local prejudices are to be found in every society, but these must be given up in favour of the system that will bring to all a feeling of strength and security. Therefore I urge you to amalgamate wherever it can be done, and you will never have cause to regret.

It is not probable that I shall have the privilege of addressing you again, but individuals do not count for much in a world-wide organisation of this kind. To paraphrase Tennyson we may say—

"Men may come and men may go
But this goes on for ever."

My last words to you are, to have trust in each other irrespective of your nationality. It is a divine call to men to "love one another." Your international projects of the future will succeed in proportion to your love and trust of each other. Leigh Hunt, a British poet, has made this thought beautiful in one of his poems:—

ABOU BEN ADHEM.

Abou Ben Adhem (may his tribe increase!)
 Awoke one night from a deep dream of peace,
 And saw, within the moonlight in his room,
 Making it rich, and like a lily in bloom,
 An angel writing in a book of gold.
 Exceeding peace had made Ben Adhem bold,
 And to the presence in the room he said,
 "What writest thou?" The vision raised its head
 And, with a look made all of sweet accord,
 Answered: "The names of those who love the Lord."
 "And is mine one?" said Abou. "Nay, not so,"
 Replied the Angel. Abou spoke more low
 But cheerily still, and said: "I pray thee then,
 Write me as one that loves his fellow men."
 The Angel wrote and vanish'd. The next night
 It came again with a great awakening light,
 And showed the names whom love of God had blessed.
 And lo! Ben Adhem's name led all the rest.

Thanks to Sir W. Maxwell.

The PRESIDENT submitted the following resolution, which was carried by acclamation and ordered to be recorded upon the minutes of the Congress:—

"This Congress places on record its deep appreciation of the great services rendered to the International Co-operative Movement by Sir William Maxwell through a long series of years, and especially of his notable work as President of the International Co-operative Alliance. It receives the news of his resignation with deep regret, and tenders to him, in his retirement, the sincerest wishes for his complete restoration to health and the hope that the evening of his days may be rendered happy by the recollection of his many useful works and multitude of friends in every land."

The Congress also agreed to send the following telegram to Sir William Maxwell:—

"Heartiest greetings and sincerest wishes for your complete restoration to health, from the International Co-operative Congress at Basle."

Reception of the Guests of Honour.

Dr. A. BRENNER, President of the Council of State of the City of Basle, greeting the delegates, said: It is a great pleasure to me to have the honour to welcome you in the name of the Government, and the people of Basle, to this City of the Rhine.

We much appreciate the honour of receiving within our walls, and of offering hospitality to so many representatives of the Co-operative Movement, and especially do we welcome the members of the Central Committee of the Alliance. Although we are not in a position of great distinction, you may be sure that our welcome is most cordial. I hope, and indeed I am convinced, that your work will be fruitful, as every earnest endeavour for the welfare of the people should be.

Dr. INAZO NITOBÉ (League of Nations) said: In the name of the League of Nations, I wish to congratulate this Congress of the International Co-operative Alliance on its great work, and to wish it all success in its future undertakings, whether in the economic field or in the deeper and wider spheres of the moral and spiritual renovation of the world. I have felt more than ever this morning that the ideas which are actuating you are identical with those which the League of Nations has set before it. The idea of the League of Nations lies in the new force of International Co-operation, and I have therefore good reason to express my heartiest congratulations for your success in the past, and my sincere desire that you may have a like success in all your future undertakings.

Lieut.-Col. G. SCHUSTER, C.B.E., representing the International Credit Section of the League of Nations, said: Dr. Nitobe has emphasised the identity of the ideal which inspires the organisation which you represent, and those upon which the League of Nations has been founded. I want to speak from a different point of view, as a representative of the International Credits Organisation of the League of Nations. In the course of the Congress I hope to have an opportunity of explaining the scheme we are trying to organise to restore the economic prosperity of the world, and I hope to be able to show that the Ter Meulen scheme will be of great use in helping to encourage that international co-operative trade you wish to be developed, and which is to be discussed at this Congress.

Dr. EUGENE STERN, of the Czecho-Slovakian Ministry of Social Welfare, explained that the Ministry represented had been founded because Czecho-Slovakia had an ambition to be not only a democratic State but a social State. A study of Co-operation had just appeared in the last number of the "International Review." In the name of the Government and people of Czecho-Slovakia, he expressed the hope that they would soon be able to welcome the representatives of the International Co-operative Alliance in Prague.

Mr. C. M. MERTENS, International Federation of Trade Unions, said he spoke for the International, which represented over 27 million workers of the whole world. The Co-operative Movement and the Trade Union Movement had certainly much in common. Both of them were powerful manifestations of workers'

organisations, and both had particularly in view the peace and prosperity of the working classes. That was the first occasion on which the two international organisations had come together, but in May, 1919, the Co-operative Alliance had given its help to the Trade Unions of the different nations. Mr. Mertens made an appeal for the solidarity of the two movements in an effort to relieve famine-stricken Russia. He hoped that that Congress would seal for ever a union of the two mighty organisations, as suggested in the paper of Victor Serwy on the agenda of the Congress.

Mr. VICTOR SERWY, Union of International Associations, Brussels, said: This Union has been founded since the war, and its aim is to work in the service of right and justice. He had been asked, in the unavoidable absence of the secretary, to present the greetings of the Union to the Congress and their best wishes for the success of its deliberations.

Greetings by Post.

At the conclusion of the speeches of fraternal delegates the General Secretary read messages of cordial greetings and good wishes for the success of the Congress which had been received from the following:—

Central Union of Latvia. Riga.

The Regional Federation of Co-operative Societies of Cataluna (Barcelona).

The Central Co-operative Union of Consumers' Societies of Bulgaria (Sofia).

The Co-operative Union of Portugal (Lisbon).

A letter was also read from Altalanos, the General Consumers' Society of Budapest, saying that they were prevented from being represented at the Congress owing to the fact that the Hungarian Government had taken the Society under its control for three months.

All of the fraternal greetings, both oral and written, were received with enthusiasm and complete appreciation by the delegates.

APPOINTMENT OF TELLERS.

The GENERAL SECRETARY: In accordance with the Standing Order No. 12, the President has nominated the five following delegates to act as Tellers during the Congress: R. Van Sluis (Holland), J. J. Worley (Great Britain), F. Gschwind, Fr. Rusca (Switzerland), and Maurice Camin (France).

The PRESIDENT: The paper by Mr. Albert Thomas and the one by Mr. Anders Oerme, both dealing with the same subject, will be taken to-morrow following the election of the Central Committee instead of on Wednesday morning.

The Congress signified approval.

End of First Session.

SECOND SESSION,*Monday Afternoon.*

**Report on the Work of the
International Co-operative Alliance
since the Glasgow Congress.****(1913 to 1921.)**

Introduction.

The present report on the work of the International Co-operative Alliance is exceptional in practically every particular. It covers the longest period, between two Congresses, ever brought under review; it deals with the most devastating period in the history of every modern movement; the machinery and connections of the Alliance have been dislocated or shaken in nearly every part, but it nevertheless is able to record the greatest moral advance which the principles of Co-operation have made in a similar period.

In view of all these circumstances it is not possible for us to collect results into a careful analysis, or even to give a precise review of the period, which would correspond to any scientific pre-war standards.

The Congress at Basle will mark, we hope, the definite resumption of our world-wide task but on a somewhat different basis than formerly. Monarchies have fallen, states and systems have changed; the economic machine has been thrown out of gear, the old civilisation has gone—never to return to its old garb. Co-operation everywhere finds the way cleared for a great advance.

Our task at the moment is, therefore, to make up our accounts of the past eight years, consolidate the ground we have won, and adjust our constitution to the new conditions and new opportunities.

The Glasgow Congress reached a high-water mark in the development of international Co-operation, both as to the number of delegates present and the countries represented. In force, enthusiasm, and every quality which indicates successful progress that gathering of August, 1913, abounded.

In spirit of the assembly entered into the Central Committee and influenced their decisions and plans for the future work of the Alliance, and when the delegates separated at Glasgow it was with the confidence that the intervening years, until the Congress fixed for Basle in 1916, would witness a considerable growth and expansion of the activities of the Alliance.

How sorely these hopes were dashed to the ground by the outbreak of war eleven months later everybody knows only too well. In reviewing the period, however, we desire to express our satisfaction that in nearly every case the lines of communication, through strained, diverted, interrupted, and at times closed altogether have never been severed, and that the Alliance has passed through the ordeal, not scatheless or without obstacles, but intact, true to its basic principles, strengthened even in some of its parts, and with a more abounding hope of achieving its purposes than ever before. Its potentialities in the future schemes of reconstruction of civilisation and the economic and social life of the people are almost limitless.

The Glasgow Peace Resolution.

The now famous peace resolution of the Glasgow Congress, which was passed with such enthusiastic unanimity, was forwarded to the Government of each country represented at the Congress, and acknowledgments were received either direct or through the Embassies of the different countries.

The following is the text of the resolution:—

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

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

direction or in which they may participate. Congress also welcomes all demonstrations made, or to be made, by other organisations with the same aim."

The Central Committee decided at Geneva last year that this declaration should be revised in view of subsequent events, and the task of submitting a revised text to the Congress at Basle was entrusted to Professor Charles Gide.

The I.C.A. and the War.

The attitude of the Alliance towards the war was clearly indicated in the letter sent to the members of the Central Committee of the I.C.A. on the outbreak of hostilities, in which the Executive asked the opinion of the representatives of the various countries as to the issue of a manifesto. The letter of the Executive was published in the co-operative Press of many countries, and we cannot do better than reproduce it here:—

" DEAR COLLEAGUE,

" In view of the lamentable outbreak of international hostilities, the Executive of the International Co-operative Alliance desires to consult the members of the Central Committee on the situation.

" The Alliance has from the very first been founded upon the great principles of international peace and brotherhood. For those principles it has again and again raised its voice in an unmistakable manner, notably at its Congress at Glasgow in August last.

" Co-operators have not sought a merely material basis for their movement; they have worked with other similar movements for a union of the highest interests in life, that we might be bound together by an indissoluble union, which should make war impossible between nations, and leave the settlement of our differences to the intelligent arbitrament of reason and mutual regard. We are overwhelmed by the failure of such influences to prevent the descent upon Europe of all the horrors of war and the consequent setback of all our ideas of social progress.

" We have, therefore, felt bound to consider whether any steps could be usefully taken in the present crisis to reiterate and emphasise to our co-workers, the world over, our determination to promote peace and amity amongst all. We do not feel that any manifestation to the world, or even to the co-operators of the various countries, should emanate from the Executive alone without the concurrence of the Central Committee itself.

" We shall, therefore, be glad if you will express your opinion as to whether such a pronouncement should be issued

by the Alliance, and if so, will you kindly send us a draft of the thoughts you would like to see embodied in it?

“ Meanwhile, we are to assure you that the work of the Alliance will be carried on during the war as nearly as possible in the usual way. Some parts of our work may be stopped by the interruption of the postal communication and by other causes, but we shall go on with all our work until such a stoppage actually occurs.

“ The Executive further desire to express their earnest hope and prayer that peace may soon be re-established. Whatever may be the result of the present conflict, they are confident that nothing can diminish the close relationship which the Alliance has created between the co-operators of the various countries of the world.

“ On receipt of the replies to this letter, if it appears to be the desire of the Central Committee that we should do so, steps will at once be taken to issue a circular in the name of the Central Committee to all the unions and societies in the Alliance.

“ On the other hand, if you think that this letter sufficiently expresses the attitude of our Alliance towards the present unhappy events, we shall be glad if you will communicate its contents to all the co-operators in your own country.

“ On behalf of the International Co-operative Alliance,

“ Fraternally yours,

“ (Signed)

“ JAMES DEANS,	} Members of the Executive.
“ DUNCAN McINNES,	
“ A. WHITEHEAD,	
“ ANEURIN WILLIAMS, Chairman of the Executive.	
“ WILLIAM MAXWELL, President.	
“ H. J. MAY, General Secretary.”	

The replies were almost unanimously against the proposal to send out a manifesto, and no action in that direction was taken. Most of the members of the Central Committee urged the continuance of the work of the Alliance, as far as possible, and that task the Executive set themselves to carry out. They at once arranged to obtain from all the countries information as to the position created by the war, and to take every possible means of maintaining the organisation of the Alliance.

MEMBERSHIP OF THE I.C.A.

Since 1913, societies and central organisations have been admitted to membership or have withdrawn as follows:—

NEW MEMBERS.**Finland.**

HELSINGFORS.—Finnish General Union (Y.O.L.).
Central Union of Distributive Societies (K.K.).
Co-operative Wholesale Society (O.T.K.).

Holland.

AMSTERDAM.—Union of Dutch Labour Co-operative Societies.

Hungary.

BUDAPEST.—Central Union of Working Men's Co-operative Societies.

Norway.

CHRISTIANIA.—Amalgamated Co-operative Society.

Roumania.

BUCHAREST.—Central Union of Productive and Distributive Societies.

Russia.

ABASHA.—Co-operative Society.
KUTAIS.—Co-operative Society "Progress."
MOSCOW.—People's Bank.
NOVO-NICOLAIEVSK.—Co-operative Union "Zakupsbyt."

Spain.

BARCELONA.—Union of Co-operative Societies in Catalonia and the Balearic Islands.

United Kingdom.

209 Co-operative Societies.

United States.

NEW YORK.—Co-operative League of America.
SAN FRANCISCO.—Pacific Co-operative League.

NEW STATES.**Armenia.**

ERIVAN.—Union of Co-operative Societies.

Czecho-Slovakia.

PRAGUE.—Union of Czecho-Slovakian Distributive Societies.
Co-operative Wholesale Society.
Union of German Industrial Societies (*previously included in Austrian membership*).

Georgia.

TIFLIS.—Union of Co-operative Societies.

Latvia.

RIGA.—"Konsums" Central Union of Co-operative Societies.

Lithuania.

KAUNAS.—Union of Lithuanian Co-operative Societies.

Poland.

WARSAW.—Union of Polish Distributive Societies.

Ukraine.

KIEW.—"Dnipro" Union of Distributive Unions.
Central Union of Agricultural Societies.
People's Co-operative Bank.

RESIGNATIONS.

LEMBERG.—Russian Auditing Union.

MULHEIM.—Imperial Union of German Distributive Societies
and eight society members.

NUNSPEET.—Maatschappij "de Veluwe." (Velure.)

TURIN.—Co-operative Building Society "La Balnearia."

CHRISTIANA —Distributive Society "Vika."
Co-operative Agricultural Society.

MADRID.—Co-operative Society "El Hogar Espanol."

In addition to the resignations noted above, quite a number of individual organisations, mainly in Central Europe, have not yet resumed relations with the Alliance, but we have reason to believe that with the improvement of economic conditions, and the normal progress of our work, they will again take up full membership. (For full list of membership see Appendix I.)

The Publications of the I.C.A.

This section of our work has inevitably suffered heavily by the war conditions. We are always dependent upon the free and unfettered import of the reports and journals of the various countries, not only for statistics of Co-operation, but for information on all the questions of policy, principle, and progress which affect the movement the world over. Some idea of the sudden collapse of our resources in this respect can be gathered from the fact that at the beginning of 1914 we were receiving no less than 150 co-operative publications per month. By the end of the year four-fifths of that number had either ceased to appear or failed to reach the office of the I.C.A.

The "BULLETIN," however, after a brief suspension of the German and French editions, continued to appear throughout the war, though somewhat reduced in size and restricted in exact information.

Efforts have been made to keep its cost within reasonable limits, but owing to the large increase in the cost of production and dispatch, its charge on the general funds of the Alliance last year was, in round figures, £800. This is a charge which the funds cannot properly bear in the present circumstances. Every economy possible is being practised and propaganda has been undertaken in respect of each of the three editions to increase the income of the "Bulletin" by new subscribers. Still further economies would be secured by societies undertaking to pay a separate subscription for our journal during the present crisis.

"THE YEAR BOOK."—It is obvious that throughout the past six years little progress could be made with a publication whose first essential is accurate statistical information, and the second, that it should be comprehensive of all the countries in the Alliance.

Even if the information had been available, the circumstances of the time and their devastating changes would have rendered it useless before its publication could be achieved. Various plans have been made for future issues, which are still for future realisation, but we hope to attempt them without further delay.

THE OTHER PUBLICATIONS OF THE I.C.A. during the war have been few in number. With the exception of circulars referred to elsewhere in this report, they comprise the following:—

1914. Report of the Glasgow Congress, 1913.

1915. A brochure of 24 pages by the General Secretary on "The International Alliance and the War."

1916. Report of the Executive, I.C.A., 1913 to 1915.

1920. " " " " 1914 to 1919.

1917. Report of the Austrian Central Union on "Food Control in Austria." (Four pages.)

1919. Reports of the Inter-Allied and Neutral Co-operative Conferences at Paris.

1919. "The International Co-operative Alliance," by Professor Charles Gide, being a sketch of its history—12 pages Translated from the French by H. J. May

1920 Reports of the Central Organisations of the various countries on their activities during the war.

The Financial Position.

The detailed statement of the accounts of the Alliance from 1913 to 1920, both inclusive, has been duly certified by the auditor.

This series of balance sheets clearly shows the decline of the work during the war and the economies in expenditure effected by the Executive, also the gradual resumption of activity in 1919 and 1920, which it is hoped may at least reach the pre-war standard during the present year.

A further statement (Appendix II.) shows the total subscriptions received from each country during the same period. The arrears necessarily incurred owing to the war conditions were dealt with by the Central Committee at Geneva in the following resolution:—

“ That the arrears of subscriptions for the years 1915 to 1919, both inclusive, due from those countries in which the currency has seriously depreciated, should be deposited in the bank of the central co-operative organisations of the respective countries, at their present value, to the account of the I.C.A. at interest, and withdrawable by the Executive of the I.C.A. at their discretion. Further, that as regards the subscriptions for 1920, and until the next Congress, the loss on the exchange should be divided equally between the I.C.A. and the respective national organisations, while the whole question of the future subscriptions should be referred to the special committee appointed for the revision of the rules.”

A glance at the last two columns of the tabular statement of subscriptions reveals the remarkable loss which the Alliance has sustained by the depreciation in the currency, amounting to over £5,000 in the four cases dealt with, and augmented, in fact, by others which have not yet been adjusted, and by the continuing loss in subscriptions from other countries. The total loss to date, due to depreciated currency, is not less than £7,000.

In the new rules to be submitted to the Congress an attempt has been made to—

1. Adjust the burden as equitably as possible to the capacity of each country to pay.
2. Slightly augment the income of the Alliance in view of the necessity for increased activity.

We desire, however, to emphasise that this is only a temporary and an inadequate measure. The economic condition of Europe will adversely affect our income for some years to come by its reaction upon the value of subscriptions on whatever basis they may be placed. The position is, however, set out in the report on the revision of the rules to be submitted to the Congress by Mr. G. J. D. C. Goedhart.

Representation at National Congresses.

This is another question which has given the Executive some concern in their desire to maintain an attitude of impartiality to the various members of the I.C.A.

In the autumn of 1914 the General Secretary attended the Dutch Congress at Amsterdam. The President and Secretary also attended the French Congress in September, 1916. With these exceptions and the British Congresses, the I.C.A. was not represented at any national congress during the war. Efforts are now being made to meet the natural desire of the various countries that the Alliance should be represented at their congresses. This is, of course, fully in the interest of the Alliance itself, and it is hoped will result in the contribution of the necessary funds, the absence of which is the chief hindrance to a complete fulfilment of the annual programme.

The Resumption of the Work of the I.C.A.

FIRST PARIS CONFERENCE.—In 1916 the French Union invited the Executive to be represented at a conference in Paris of representatives of Central Co-operative Organisations in the allied countries. The object of the conference was to prepare the way for the resumption of the work of the Alliance at the conclusion of the war. To that end it discussed three questions:—

1. "Economic policy during and after the war."
2. "Our responsibility towards co-operative societies which have suffered during the war."
3. "The organisation of an international wholesale."

The Executive decided that they could not accept the invitation as their action might have been, at that period, capable of misunderstanding on the part of other members of the Alliance whom it was not possible to include in the conference.

A separate report of this and the subsequent Paris conferences has been published in English, French, and German.

LONDON CONFERENCE.—In January, 1919, MM. Victor Serwy and Adolp de Backer came to London and met the Executive to discuss the resumption of their work in Belgium and also the best means of re-establishing international co-operative relations generally.

Owing to the number of suggestions which the Executive had received on this and kindred matters, a general discussion took place.

The chief representations before the Executive were as follows:—

1. The case submitted by MM. Serwy and de Backer.
2. French Union's proposal that Co-operation should be represented at the Peace Conference, either through the Alliance or its national sections.

3. The Co-operative League of America's proposal through its President urging co-operative representation at the Peace Conference and an International Congress at the same time and place.

4. Communications from the French Union asking the views of the Executive as to the holding of another Conference in Paris (to be convened by the French Union) of the central co-operative organisations of the allied countries.

5. Letters from Holland, Switzerland, and Norway.

After a very lengthy discussion, the Executive came to the following decisions:—

(a) That it was not practicable at that time to convene a meeting of the Central Committee at which all the members could be present.

(b) That, for the same reason, any question of an International Congress or any other International meeting must be postponed until a later date.

(c) That, in view of both the foregoing decisions, the suggestion of the Fédération Nationale of France, that it should convene a special conference to discuss the above-named subjects, be approved.

(d) That the I.C.A. be represented at such Conference by its General Secretary, and, if possible, by its President, who should act in a consultative capacity, giving such advice and information as might be desirable in the interests of international Co-operation, but without exercising any vote on the questions of policy or principle that might be submitted to the Conference.

SECOND PARIS CONFERENCE.—The subjects discussed at this Conference, which was held in Paris on 7th and 8th February, 1919, were the same as those of the first Paris Conference, except that the first question was somewhat enlarged and became—

“ The Influence of the Peace Treaty on Economic Relations between the Peoples and on Co-operation.”

THIRD PARIS CONFERENCE.—The Third Conference, which was held in Paris in June, 1919, was enlarged to include representatives of co-operative organisations in neutral countries. On this occasion the I.C.A. was represented by the Chairman of the Executive, Mr. Aneurin Williams, M.P., and the General Secretary. No less than 20 States were represented.

The programme of the Conference comprised the three following subjects:—

1. International co-operative policy after the war and the economic relations of the peoples.

2. The organisation of commercial relations between the Co-operative Wholesale Societies.

3. When, how, and under what conditions international relations should be resumed.

On the first question a lengthy report was submitted to the Conference, which is set out in detail in its report. It will, perhaps be sufficient here to note that papers on the subject will be submitted to the Congress by M. Albert Thomas (France), who presided over the special committee which considered the question at Paris, and also by Anders Oerne (Sweden) who was a member of that committee, and submitted an independent statement to the Conference.

The second question was the subject of a resolution, which, with its results up to the present time, is dealt with in a separate section of this report under the heading of "International Trading Relations."

The third question, viz., the conditions under which the International Co-operative Alliance should resume its work, was dealt with in a series of resolutions which were remitted to the Executive of the I.C.A. for consideration and adoption, as follows:—

1. That a special meeting of the Executive should be convened for the 19th August, 1919, to consider the date, place, and agenda of the next meeting of the Central Committee of the I.C.A., and that the members of the Central Committee should be informed of the special meeting of the Executive in order that they might attend if they so desired.

2. That the meeting of the Central Committee should be held at the end of the year 1919, and, if possible, at Geneva.

3. That the agenda of that meeting should include—

(a) The resumption of the work of the I.C.A.

(b) The arrangements for the next International Congress.

(c) The consideration of the decisions of the Inter-Allied and Neutral Conferences.

4. That the central organisations of the newly constituted States be invited to join the International Co-operative Alliance and conform to its rules. Further, that those who so joined and paid their subscriptions should be invited to send a representative, in a consultative capacity, to the meetings of the Central Committee until the Congress at Basle.

The Action of the Executive.

The special meeting of the Executive was held in London on 19th August, when, in addition to the Executive, the members of the Central Committee were present from Great Britain, Belgium, France, Switzerland, Russia, and Finland.

The main decisions of that meeting were:—

1. That the meeting of the Central Committee should be held at Geneva in December, 1919.

2. That additional representatives of organisations already represented should be admitted to the meeting of the Central Committee at Geneva, in respect of increased subscriptions and in accordance with Article 28 of the rules, but without the right to vote.

3. That representatives of all national co-operative organisations which might be admitted to the I.C.A. should be allowed to send one representative in a consultative capacity.

4. That the rules of the I.C.A. should be revised with respect to representation and voting.

5. That the subjects proposed by the Paris Conference should be included in the agenda for the meeting of the Central Committee.

6. That, in view of the resolution on international peace, passed unanimously at the Glasgow Congress in 1913, and of the failure of the co-operative organisations of the world to prevent the war, and in order to find a common basis on which to resume the work of the I.C.A., each central organisation be asked to include in the report on its work during the war (or, if preferred, in a separate communication to the Executive) a statement of its present attitude towards the principles contained in the resolution of the Glasgow Congress.

The Revision of the Rules of the I.C.A.

The decision of the Geneva meeting of the Central Committee to appoint a special committee to prepare amendments to the rules of the Alliance had become absolutely necessary, not only because of the lapse of time but also in view of the entirely changed conditions following the war, and the new and enlarged sphere which was opening up for the Alliance.

The special committee held its first meeting in London in July, 1920, and subsequent meetings at The Hague and Copenhagen. The two latter were held in connection with the meetings of the Central Committee, at each of which the progress of the revision was reported and reviewed.

The results of the committee's labours are embodied in the report of Mr. G. J. D. C. Goedhart, and the new draft of the rules which is to be submitted to the Congress for approval.

Constitution of the Central Committee and the Executive.

The constitution of the Central Committee has been provisionally modified in the several respects noted in the section of this report dealing with the Paris Conferences, and the special meeting of the Executive on 19th August, 1919.

The reasons for this departure from the letter of the rules are, the long period which has elapsed since the Congress; the unavoidable changes in the elected members through death and

other circumstances ; the entrance of several new States into the Alliance ; and the general emergency conditions which have entered into the work of the Alliance as a result of the war, and the absence of Congresses at which the necessary modifications or adjustments could be regularly made.

For similar reasons, and in view of the new rules to be submitted to Congress, it was decided at Copenhagen that the whole of the members of the Central Committee should retire this year. Nominations have, therefore, been requested for the whole of the seats, and the election at Basle will be of an entirely new Committee.

The question of constituting the Executive on an International basis has also been fully considered since the last Congress and provision made in the new rules for its election at Basle.

Programme of Future Work.

The following programme of future work was adopted by the Central Committee at the last meeting held at Copenhagen in April last. It is estimated that an income of not less than £15,000 per annum would be necessary to give effective expression to this scheme:—

1. The convening of international Congresses for the purpose of exchanging ideas and experience on methods of organisation, lines of development, and policy. Also with the object of concerted action to secure objects of national and international importance.

2. The initiation of propaganda meetings in great centres to spread the co-operative faith nationally and internationally.

3. The organisation, where possible, of international exhibitions of co-operative productions to aid 1 and 2.

4. 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.

5. 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.

6. The establishment at the seat of the Alliance of a permanent library of co-operative literature and publications.

7. The promotion of international co-operative trading.

8. The promotion of international co-operative banking.

9. The establishment of a central bureau of economic statistics and information.

10. The development of a policy of international Co-operation with a view to establishing fiscal relations between nations on the principles of Co-operation.

11. The co ordination of " co-operative production " in order to secure to the co-operative world the most efficient service at the lowest cost and supplies direct from their sources.

12. The preparation of charts, diagrams, photographs, etc., illustrative of the works of Co-operation.

13. The promotion of relations with other international organisations, such as the International Labour Bureau, the Trade Union International, the Bureau of International Statistics, Housing, etc.

14. The collection and publication, where desirable, of full information on the constitution, methods, experience, results, etc., of the various national co-operative organisations.

15. The promotion of the study of languages by co-operators.

16. The organisation of holiday travel and study travel, and the general facilitation of personal relations between co-operators of different countries.

17. The development of the I.C.A. into an effective League of Nations.

Relations with Russia.

The question of restoring relations with Russian co-operative organisations, which had been more seriously interrupted by the war than those with any other country, was first taken up actively by the Executive in 1918, when in June of that year they received Dr. Harold Williams, a well-known journalist from Russia, together with his wife (herself a Russian lady), and discussed the possibility of opening up relations. The Executive subsequently invited representatives of the British Union and wholesale societies to meet Dr. Williams with a view to organising a delegation to Russia. The time was, however, considered inopportune and no further action was taken until January, 1920.

From this point the question of the authentic representation of the Russian co-operative movement in the Alliance is inextricably mixed with the Russian trade delegation and the progress of the negotiations for establishing trading relations with Russia.

On the 16th January, 1920, the Supreme Council at Paris decided to permit trading with Russia through the co-operative organisations. The vital passages of the agreement were as follows:—

" With a view to remedying the unhappy situation of the population in the interior of Russia, which is now deprived of all manufactured products from outside Russia, the Supreme Council, after having taken note of the report of a committee

appointed to consider the re-opening of certain trading relations with the Russian people, has decided that it would permit the exchange of goods on the basis of reciprocity between the Russian people and the Allied and neutral countries.

For this purpose it has decided to give facilities to the Russian co-operative organisations, which are in direct touch with the peasantry throughout Russia, so that they may arrange for the import into Russia of clothing, medicines, agricultural machinery, and the other necessities of which the Russian people are in sore need, in exchange for grain, flax, etc., of which Russia has surplus supplies."

On January 19th, 1920, Messrs. Selheim, Berkenheim, Yakhmistroff, and Madame Lenskaya, representatives of the "Centrosojus" of Moscow, telegraphed to the Alliance from Paris asking for the moral assistance of the I.C.A. in establishing trading relations with Russia under the agreement, in pursuance of which inquiries were sent to Moscow to Mr. Korobof, President of the All-Russian Central Union, as to whether the co-operative organisations would be authorised to export goods in exchange for raw materials; whether Russian representatives in London could accept responsibility for the safety of goods sent to Russia; what goods were required, and what could be sent in exchange, and whether they were prepared to export on a large scale at once.

The reply received in London was to the effect that the All-Russian Central Union had received from the Soviet Government permission to enter into direct commercial relations with co-operative societies and firms in Western Europe, America, and other countries; also authority to undertake the exchange of goods, and all guarantees would be given concerning the protection of goods exported and imported. This message was duly authenticated with the signatures of A. Lezhava (President), D. Korobof (Vice-President), and M. Paretchny (Secretary).

On 26th February, Mr. Berkenheim received a message from Mr. A. Lezhava, President (Moscow), announcing the appointment of Messrs. Litvinoff, Krassin, Nogin, Rosovsky, and Khintchouk as a Trade Delegation to London with power to conduct negotiations and conclude transactions on the spot. It was obvious that this delegation was not only authorised by, but consisted largely of, direct representatives of the Soviet Government. Following the appointment of this delegation the question was at once raised as to the liberty and independence of the voluntary co-operative organisations of Russia, and the genuineness of the delegation as representing them.

This was the position when the Central Committee met (for the first time since 1914) at Geneva, in April, 1920. A long message from Russia detailing the then position of affairs was read by the Russian members of the Central Committee. That message

showed that the co-operative organisations of Russia had been made subject to the decrees of the Soviet Government. At the conclusion of the discussion which ensued, the following resolution was adopted unanimously :—

“ That this Central Committee approves of the immediate raising of the blockade of Russia, which is necessary in the interests of the populations of Russia and of all other countries. It considers it essential that the co-operative organisations should participate in the re-establishment of trading relations with Russia.

“ Moreover, it protests against the loss of the independence and full autonomy of the Russian co-operative organisations and against the intervention of the Government in the matter of the freedom of co-operative organisation.”

“ The Central Committee considers as representatives of Co-operation only such persons as have received their mandate from free democratic co-operative organisations.”

At the next meeting of the Central Committee held at The Hague in October last, the Executive submitted a report summarising briefly the course of the negotiations from the beginning and giving a précis of the documents received from the various parties to the controversy. The correspondence included a letter from Messrs. Krassin and Nogin asking the assistance of the I.C.A. in achieving the objects of the Russian Trade Delegation and the recognition of its authority as representing the Russian co-operative movement.

On this report the Executive submitted two specific questions to the Central Committee for consideration and decision.

1. “ The representation of the Russian co-operative organisations on the Central Committee of the Alliance, which involved the question of which Russian organisations were members of the I.C.A.”

2. “ The promotion of economic relations with Russia through Co-operation.”

After a lengthy discussion extending into two sittings of the Committee the following resolution was adopted with regard to Question 1 :—

“ The Central Committee, having considered the report of the Executive Committee on ‘ The Relations with Russia,’ protests once more against all the measures which have deprived the Russian co-operative organisations of their independence and full autonomy. It declares again that it only regards as representatives of Co-operation those persons who are duly accredited by free and democratic co-operative organisations. The present Russian delegates on the Central Committee being, like the other delegates, appointed from

one Congress to another, in accordance with the rules of the I.C.A., therefore remain in office.

“ Further, the Central Committee requests the Executive to continue its efforts to obtain the fullest possible information on the position of the co-operative movement in Russia and, if occasion arises, to send a deputation to Russia.”

On Question 2, the following general motion was adopted:—

“ In view of the absolute necessity of the resumption of the economic life of Europe, the Central Committee confirms its resolution adopted at Geneva protesting against the economic blockade, and invites the co-operative organisations in every country, on their part, to use all their influence to facilitate the resumption of economic relations between the different countries.”

In pursuance of the instruction contained in the last paragraph of the resolution 1 quoted above, the Executive continued to keep in touch with the progress of negotiations for the establishment of trading relations and also with developments in Russia affecting the voluntary character of the co-operative organisations.

The Trade Agreement with Russia was signed in London on 16th March, 1921, exactly 16 months after the decision at Paris to reopen trading relations with Russia through Co-operation. By this agreement all special restrictions on exportation and trade were removed.

The report submitted to the Central Committee at Copenhagen set out these facts and the principal happenings affecting Russian Co-operation between the two meetings of the Central Committee. It was, however, strongly criticised by some members of the Central Committee chiefly because of its suggestion that the conditions affecting the liberty of co-operative organisations in Russia showed a tendency towards amelioration.

Eventually the report was referred back to the Executive for further consideration.

It is necessary to pause for a moment to consider the position as a whole and as it had then developed.

The resolutions of the Central Committee passed at Geneva and reiterated at The Hague had refused to recognise the de facto condition of Co-operation in Russia as being in any conformity with the constitution of the Alliance. They had confirmed in their office, as representatives of organisations which they declared had no longer any existence, representatives originally appointed in strict conformity with our rules, but who were then and are still domiciled in London, and admittedly cut off from Russian Co-operation, either under the new or the old régime.

That recognition, however, was only to extend until the Basle Congress and on the explicit ground that the election of one Congress held good until the next.

The Executive were, therefore, faced with the necessity of preparing a definite recommendation to the Congress for the solution of the whole problem, if possible, but at least for the regular and proper nomination of representatives to the Central Committee and the Congress.

On the other hand, their report had been referred back without the slightest constructive or helpful suggestion. Nearly at the end of their resources, for the time being, they resolved upon an heroic course and invited the members of the Russian Trade Delegation in London who had previously presented their claim to representation, and also the original representatives in London of "Centrosoyuz" to meet them at the office of the Alliance to discuss the whole situation with a view to an amicable settlement.

The invitation of the Executive was declined by each of the parties, on the ground that it was impossible to discuss with the other the question of Russian co-operative representation in the Alliance which each section claimed as its own particular prerogative. The Executive, therefore, proceeded to reconsider the whole situation and eventually adopted the following resolution.—

"That, having fully considered in all its bearings the question of the representation of the Russian co-operative organisations in the International Co-operative Alliance, this Executive finds itself unable to come to any other conclusion than the following:—

" 1 That the only authority which can properly nominate representatives of Russian Co-operation to serve on the Central Committee of the I.C.A. or appoint delegates to the Congress at Basle, is the Board of the Centrosoyuz at Moscow.

" 2. That the form and constitution of the Board and of the All-Russian Central Union is primarily a matter for the decision and approval of the Russian co-operators in Russia.

" 3. That, therefore, the Executive have no alternative but to accept any properly authenticated nominations for the Central Committee, or appointment of delegates to Congress, which may be forwarded to the Alliance by the Board of the Central Union at Moscow, in accordance with the rules of the I.C.A. and that the General Secretary be instructed to act accordingly.

“ 4. Finally, that the Congress at Basle be strongly recommended to adopt these conclusions as the solution of the present deadlock in our relations with the Russian co operative movement.”

International Trading Relations.

The question of the establishment of international trading relations is quite as old as the Alliance itself. In this report, however, we have only to deal with its development since the war, or, more strictly, since the first Paris Conference of 1916, when the question was one of the principal items discussed.

The Conference unanimously adopted the following resolution :—

“ That this Conference approves of the principle of an International Bureau of Commercial Information (as the embryo of an International Wholesale Society) under the auspices of the International Co-operative Alliance, and is of opinion that the establishment of the bureau should be effected, as soon as possible, in conjunction with all the organisations which desire to participate in its work.”

The second Paris Conference in February, 1919, reaffirmed this resolution and urged its immediate operation by the Alliance.

The question was again considered at Paris in 1919, at the second and third Conferences, when resolutions were adopted affirming the necessity of organising, as early as possible, international co-operative commercial relations with the object of creating an International Co-operative Wholesale Society.

The resolutions recalled that a proposal in this sense was adopted at the International Congress at Cremona in 1907; and that the Congresses at Hamburg in 1910, and at Glasgow in 1913 ratified that decision.

With the object of realising that purpose, the Conference proposed the appointment of a committee composed of one delegate from each of the Wholesale Societies then in membership with the Alliance, and also of those who might be admitted subsequently.

The Executive was asked to convene such a committee to meet in London on 20th August, 1919, and for the first meeting to include all the Wholesale Societies without requiring any previous declaration from them in support of the objects of the committee.

That meeting was duly convened by the Executive and the delegates met in London under the auspices of the Alliance and the English C.W.S. on the date mentioned above. A sub-committee was formed from amongst the Wholesale Societies' delegates present, which was charged with the duty of preparing a practical scheme.

In March of the present year, however, this committee issued its first annual report. A copy was sent to the Alliance and submitted to the Central Committee at Copenhagen. The text of the report is as follows:—

**First Annual Report of the Committee of the International
Co-operative Wholesale Society.**

In submitting this report to the International Co-operative Alliance, we have to say that meetings of the full Committee were held in:—

London, on August 20th, 1919,
Geneva, on April 14th, 1920,
The Hague, on October 13th, 1920,
and of the Sub-Committee in—
London, on October 14th, 1919,
Bristol, on May 25th, 1920,
London, on July 29th, 1920,
The Hague, on October 13th, 1920,
London, on January 12th, 1921.

The Sub-Committee appointed to frame the regulations was—

Mr. Golightly (Chairman)	England
Mr. Stewart	Scotland
Mr. Cleuet	France
Mr. Serwy	Belgium
Mr. Selheim	Russia
Mr. Nielson	Scandinavia
Dr. Suter	Switzerland

with Mr. Brodrick (England) as Secretary and Convener.

This Sub-Committee drafted the following proposals, which were submitted and accepted at the meeting of the full Committee in Geneva, April, 1920:—

CLAUSE 1.—That, as a preliminary towards the realisation of an International Wholesale Society, the first step should be the concentration of all co-operative effort in each country, so as to form one body with which the Co-operative Wholesale Societies in other countries may communicate and arrange direct business. This would at once consolidate resources and power and tend to reduce working costs, also produce a better understanding.

CLAUSE 2.—That each Co-operative Wholesale Society be invited to form an export department in order that by specialisation they would become conversant with the requirements of co-operators in other countries through inquiries made and therefore, in due course, would be able to anticipate their desires by sending patterns, samples, and prices of what surplus productions they had to offer, or could obtain and ship to advantage.

CLAUSE 3.—That invitations be extended to the Co-operative Wholesale Societies to associate themselves with this scheme and to supply any information which may be mutually beneficial; same to be circulated by the Committee or those appointed to act in such circumstances on their behalf.

CLAUSE 4.—That, where experience indicates an article could be jointly purchased with advantage owing to the greater purchasing power thus obtained, arrangements shall be made by the Committee to focus orders through one buyer.

CLAUSE 5.—That a Central Bureau be organised for the collection of statistics and circulation of information and details which would assist in developing and carrying out these arrangements, and that we suggest it be established under the C.W.S. in Manchester.

The names of the members of the Committee present at such meeting were as follows:—

Mr. Golightly	England
Mr. Stewart	Scotland
Mr. Cleuet	France
Mr. Serwy	Belgium
Mr. Mirrer	Holland
Mr. Juell	Norway
Mr. Akopian	Armenia
Mr. Selheim, Mrs. Lenskaya	Russia
Mr. Stavenhagen, Mr. Linna	Finland
Mr. Johansson, Mr. Muller	Sweden
Prof. Bernat, Mr. von Balogh	Hungary
Dr. Cuter, Dr. Schär, Mr. Angst, Mr. Jäggi	Switzerland
Mr. Soumbatishvili	Georgia
Mr. Salcius	Lithuania
Mr. Serbinenko, Mr. Rebikoff, Mr. Sidorenko, Mr. Timoshenko.....	Ukraine
Mr. Lustig	Czecho-Slovakia
Mrs. Freundlich	Austria
Mr. Worley	England

SECRETARIAT.

Messrs. Brodrick and Radcliffe England

The Sub-Committee have had the various suggestions before them at their several meetings during the war, and the Central Bureau has been duly formed in Manchester.

In accordance with Clause 3, a Questionnaire was addressed to the various Wholesale Societies as to what kind of goods they had to offer for export to any other country, with grades, quantities, and prices; method of payment, or what kind of goods they wished to import in exchange; whether there were any

suggestions to make which they considered might be of practical benefit to the project. All the replies were considered by the Sub-Committee and a detailed list containing the information was circulated amongst the countries concerned with a request that same have their careful consideration.

Whilst valuable ground has been covered and prepared, and understandings have been established which we hope will have practical effect in the future, the conditions of Europe have been against business being transacted during the past year.

Considerable correspondence has taken place between the various Co-operative Wholesale Societies and ourselves in trying to focus trade, but out of about 60 distinct lines of goods which appeared to have reasonable prospects of success only two have actually materialised.

Lack of credit has prevented inter-trading with some countries, but much more important is the fact that the pre-war standard of quality can no longer be relied upon, and this produces a natural lack of confidence with buyers.

The experience gained has proved that very great care must be exercised in merchandising goods, as it is so liable, under present market conditions, to lead to misunderstanding and distrust of the international movement, and that far better it would be to make headway slowly by dealing primarily with articles manufactured or produced by the selling Wholesale Society or its auxiliaries.

So far as barter trade is concerned, we are only able to record one transaction of note, and this has not been of a satisfactory character.

The Sub-Committee was reappointed in October, 1920, for a further twelve months, with the addition of a representative from the German Wholesale Society, whose name has since been given as Herr Petzold.

Signed on behalf of the Sub-Committee,

A. W. GOLIGHTLY, Chairman.

T. BRODRICK, Secretary.

Other Efforts Within the Movement.

This report would be incomplete without some reference to the other efforts which have been, or are being, made to establish international trading relations, viz., the Scandinavian Wholesale Society, being a combination of the co-operative organisations in Denmark, Norway, and Sweden, is an accomplished fact, and has, for some time, been in operation as a Joint Purchasing Agency; the proposals contained in the memorandum submitted to the Geneva meeting of the Central Committee by the Co-operative Union and Wholesale Society of Sweden; the proposals, which

up to the present do not appear to have assumed definite practical shape, to establish a Slav International Co-operative Banking arrangement in the belief that by this means the most effective system of international commercial relations can be established. There is also the initiative taken by the Italian movement in entering into definite trade agreements with the "Centrosoyus" of Moscow so long ago as in June, 1920, the texts of which have been published in the "Bulletin."

There are, of course, many other schemes for reconstructing international trade, but those noted above are all inside the co-operative movement and demand our careful consideration.

At Copenhagen, resolutions urging the Alliance to promote international co-operative trading were submitted by several British societies, and were referred to the Committee of National Wholesale Societies' representatives.

Other resolutions of a similar type have been sent in to the Executive for submission to the Congress at Basle, and will be considered in connection with this section of the report.

Mr. H. Kaufmann (director of the German Central Union) has, at the request of the Executive, prepared a paper for the consideration of the Congress, on "The Relations to be Established between the International Co-operative Alliance and an International Wholesale Society."

International Labour Bureau of the League of Nations.

At the instance of the Fédération Nationale, Paris, the Executive applied in March, 1920, to the Council of the International Labour Bureau for the appointment of a representative of the co-operative movement in each country to the Council of the Bureau, which is at present composed of representatives of the employers, the employed, and the Governments of the respective countries included in the League of Nations.

Representations were also made by the Alliance to the central co-operative organisations of the various countries in its membership asking them to press their respective Governments to support our request to the Council of the Bureau, whose seat has since been removed from London to Geneva.

Three methods of putting the proposal into practice were suggested:—

1. That each Government should appoint one or more co-operators as technical advisers.

2. That each Government should appoint as one of its two delegates (with a deliberative voice) a representative of the co-operative movement.

3. Co-operators should ask that in the representation of each country there should be one co-operative delegate having the same rights as the workers' delegates

At the meeting of the Central Committee at The Hague it was suggested that this latter proposal represented the maximum proposition from the co-operative point of view, but there does not seem to be any good reason why co-operators should limit their demands in that way.

On the other hand, the slow progress of the negotiations would rather indicate that the proposal for a direct co-operative representative on the Council of the Bureau is, in practice, likely to be much more than the maximum.

It is true that M. Albert Thomas, Director of the Bureau, pointed out to the Central Committee at Geneva that no speedy decision on our proposal was possible, as the question could only be decided at the General Conference which would meet in 1921. Early in 1920 the governing body of the Bureau had decided to make inquiries on the subject with a view to its full consideration at the General Conference this year.

At The Hague in October last the question was further considered by the Central Committee, and the following resolution adopted:—

“ The Central Committee of the International Co-operative Alliance notes with great satisfaction the decision of the Council of the International Labour Office, authorising the Director of the International Labour Office to recommend to the Governments, to secure, at the next International Labour Conference, representation of the consumers' interests through the co-operative organisations of consumers.

“ The Central Committee tenders its thanks to the Director of the International Labour Office for the support he has given to the request of the International Co-operative Alliance and invites all co-operative organisations members of the I.C.A. to take all necessary steps, so far as their own Governments are concerned, in order to get their best qualified members appointed either as delegates or, at least, as advisers to the International Labour Conferences. In the choice of these delegates or technical advisers, the right of the National Co-operative Organisations of Consumers to nominate should be recognised.

“ The Central Committee requests the Executive Committee to follow up and direct the steps that should be taken in each country, and to seize every opportunity in order to get the direct right of representation of the co-operative organisations recognised.”

Subsequently M. Albert Thomas addressed the following appeal to the Government of each of the countries in the League of Nations:—

“ The International Co-operative Alliance, which covers, in point of fact, a very large number of co-operative societies

in various countries, has put forward a request to the International Labour Office for the representation of consumers' societies in the International Labour Organisation. This request was founded on the consideration that the co-operative societies may be regarded in many countries as the only independent organisations which can be considered as representative of the interests of consumers.

"The Governing Body of the International Labour Office examined this request in the course of its last meeting. It came to the conclusion that it would be possible to satisfy in some measure the wish of the International Co-operative Alliance by suggesting that Governments might nominate, as one of the technical advisers whom they are entitled to attach to their delegates, a representative of the co-operative societies. I am therefore authorised to inform you of this suggestion, and to ask you to take into consideration the possibility of its application in connection with the nomination of Government technical advisers for the next session of the Conference."

A copy of this letter was addressed to all the members of the Alliance, with a further appeal to them to pursue its proposals with their Governments.

Only nine countries have given us any intimation that they have carried out our request and have requested their Governments to give effect to the appeal for co-operative representation.

It is, however, a great satisfaction to note that the German Government responded to the appeal almost immediately. Our colleague, Mr. Heinrich Kaufmann, Director of the German Central Union of Consumers' Societies, was promptly appointed as the technical adviser to the German Ministry on Economic Matters and has been called upon to act in that capacity from time to time during the past year.

It is to be hoped that this initial success of our endeavours may be speedily added to as the result of renewed efforts upon the part of every Central Co-operative Organisation in the I.C.A.

The main question is included in the agenda for the Congress, and will be the subject of a motion to be submitted by Mr. F. Hayward (Great Britain).

The Retirement of Officers.

The retirements from membership of the Central Committee announced at Geneva, The Hague, and subsequently, will make a serious gap in the ranks of the officers of the Alliance when full effect is given to them at Basle Congress. Sir William Maxwell, Mr. Aneurin Williams, M.P., Mr. Duncan McInnes, and Mr. James Deans have together constituted until now a

firm link with the past, and a band of stalwarts from the British side, who have followed the fortunes of the Alliance from its earliest history.

Our President, Sir William Maxwell, announced at Geneva his coming retirement in the fullness of his years and of health impaired in the service of international Co-operation. His determination to lay down the reins of office in person at Basle will afford an opportunity of suitably appreciating his great work in the cause.

Mr. Aneurin Williams, M.P., relinquished the post of Chairman of the Executive, which he had held for many years, at The Hague meeting in October last. In his case, the desire to devote himself more fully to several other tasks, such as the League of Nations, Labour Co-partnership, and his Parliamentary duties, led to his early withdrawal from the Alliance before it entered upon the more strenuous period which is obviously before it. The Central Committee recorded its appreciation of his services in terms which the Congress will at least desire to ratify.

Mr. Duncan McInnes, who, with the late Mr. J. C. Gray, worked hand in hand to secure the firm establishment of our work, has just retired from the post of Director of the English C.W.S., and has now announced his withdrawal from the Chairmanship of the Executive to which he was appointed in succession to Mr. Aneurin Williams.

Mr. James Deans is now advanced in years and feeling the need of a more restful evening of his days than the work of the Alliance affords, especially bearing in mind the fact that his home and daily work for British Co-operation are located in Scotland.

To each and all of these veterans of Co-operation the Congress will certainly desire to pay a just tribute for the noble self-sacrifice, courage, and ability which they have brought to bear upon the work of the Alliance throughout its existence.

The international movement will be the poorer for their departure, and all who have been associated with them will feel the wrench of long and happily established associations.

Conclusion.

This all too inadequate summary of our work during and since the war will at least give an idea of the difficulties through which we have passed, the success with which many of them have been surmounted and the preparations that have been made to take advantage of the great tide which is flowing freely towards the ideals of the common people everywhere.

In pressing forward we cannot overlook the claims which the women of our movement are making with increasing force and unity for a place in our ranks, our councils, and the direction of our

work. Apart altogether from the bare justice of their demand, the circumstances of the hour make it imperative that women should be received into all our work on equal terms, as indeed they have ever been in the main stream of co-operative membership under the Rochdale system of Co-operation. If the future is to Co-operation and the "common people," then it is to the women especially, because the standard of social advance is to a very high degree determined by the status of women.

We are glad to record the admission into the Alliance of comprehensive co-operative organisations of America like the Co-operative League of New York and the Pacific League of San Francisco, and earnestly hope that the consolidation of the various associated efforts in that vast Continent may proceed more rapidly now that they have begun to manifest national characteristics.

The difficulty of attempting to deal, from a co-operative point of view, with numerous States, and a variety of races, upon the conception of one nation, cannot be overestimated.

The new fields which Co-operation has yet to conquer, nationally and internationally—and perhaps the latter first as the best means to the former—are those of India, China, Japan, and the Colonies. In all these countries a more or less successful start has been made. Even Palestine and Egypt have their co-operative society. All the principal European States have done something in their colonies to promote associated effort. Britain in India, Canada, Australia, and Africa; Germany in the Phillippine Islands; France in Morocco and Algeria; Holland in the Indies, all are contributing to the sum of co-operative achievement.

Spain and Portugal have each established organisations, which we trust will ere long be included in our ranks.

Iceland and Labrador in the most Northern regions have each their established organisations developed far beyond the initial stages, the latter owing its vigour and enlightenment to the missionary zeal and devotion of "Grenfel of Labrador."

The field of our future operations is limitless, its scope and possibilities incapable of estimation. The need for our efforts and the hope of humanity are as insistent as the way is clear. Some of the roads are unmapped, some of the seas are uncharted, but look in which direction you may there is the clear light of a dawn which it is the task of the Basle Congress by its courage, determination, and enlightened policy to turn into a glorious day for mankind.

On behalf of the Central Committee,

WILLIAM MAXWELL,
President.
HENRY J. MAY,
General Secretary.

APPENDIX I.

List of Members
of the
International Co-operative Alliance
JUNE, 1921.

Under the rules of the Alliance, provision is made for the admission of two classes of members (1) those societies, unions, or federations having local, district, or national dimensions, which are admitted as single units or "individual society members" (Article 18); (2) those unions or federations having district or national dimensions, which join the Alliance with all their constituent society members, or "collective members" (Article 19). For the sake of clearness the list is here divided into those two categories.

Individual Society Members.

Country.	
AUSTRIA	Grosseinkaufsgesellschaft für Consumvereine.
ARGENTINE	"El Hogar Obrero" Co-operativa de Credito, Buenos Ayres.
ARMENIA	Union des Coopératives Arméniennes, Erivan.
CANADA	The Co-operative Union of Canada, Brantford, Ontario. British Canadian Co-operative Society, Syd- ney Mines, Nova Scotia. Co-operative Association, Guelph, Ontario.
DENMARK	Andelsudvalget, Copenhagen. Fællesforeningen for Danmarks Brugsfor- eninger, Copenhagen. Jydsk Andels Foderstoffforetning, Copen- hagen.
FINLAND	"Pellervo," Helsingfors.
FRANCE	Chambre Consultative des Associations ouv- rières de production, Paris. Société Co-operative Brugniot Cros and Cie, Paris. Société Coopérative "La Lithographie Pari- sienne," Paris.
GEORGIA	Union of Co-operative Societies, Tiflis.
GREAT BRITAIN	Co-operative Union, Manchester, and about 450 Societies.

HOLLAND	Co-operative Stoomzuivelfabriek, Alkmaryp. ErsteNederlandscheBeetwortelzuikerfabriek, Sas van Gent.
HUNGARY.....	"Hangya," a Magyar gazdaszovetség fogya- sztsási es értékesítő szovetkezete, Budapest. Magyarországi Szovetkezetek Szovetsege, Budapest. "Haztartás" Konsumgenossenschaft, Buda- pest. Altalanos fogyasztási Szovetkezet, Budapest. Landes Central Kreditgenossenschaft, Buda- pest.
ITALY	Lega Nazionale delle Co-operative Italiane, Milan. Unione Militare, Rome. Unione Co-operativa, Milan. Alleanza Co-operativa Torinese, Turin. Società Anonyma Co-operativa Suburbana, Milan. Federazione italiana dei consorzi agrari, Piacenza. Unione Co-operativa di Consumo, Florence.
LATVIA	Union Centrale "Konsums," Riga.
LITHUANIA.....	Union des Coopératives de la Lithuanie, Kaunas.
NORWAY	Norges Kooperativa Landsforening, Kristiania. Haldens Arbeideres Handelsforening, Halden. Kristiania Samvirkelag, Kristiania. Hamar Kooperativa selskap, Hamar. Fredriksstad samvirkelag, Fredriksstad.
POLAND.....	Zwiazek Stowarzyszen Spozywcow, Warsaw. Landes-Kredit-Verband, Lemberg.
ROUMANIA	Casa Centrala Cooperativelor Satesti de Productie si Consum, Bucarest.
SERBIA.....	Union Générale des Sociétés Co-opératives agricoles serbes, Belgrade.
SWEDEN.....	Kooperativa Förbundet, Stockholm.
SWITZERLAND.....	Genossenschaft Grütli Buchdruckerei, Zürich. Coopératives Réunies Chaux-de-Fonds et Lock, Chaux-de-Fonds. Verband der Genossenschaften der Kon- kordia, Zürich.

UKRAINE.....	Union Dniproviennne des Unions de Consommation, Kiew. Union Centrale Ukrainienne des Coopératives agricoles, Kiew Banque Coopérative Populaire de l'Ukraine, Kiew.
U.S. AMERICA.....	The Co-operative League of America, New York City. Pacific Co-operative League, San Francisco.
YUGOSLAVIA.....	Union des Caisses Rurales Serbes, Agram.

Collective Members.

		No. of affiliated Societies.
AUSTRIA.....	Zentralverband österreicher Konsumvereine, Vienna	96
BELGIUM	Office Coopératif belge, Brussels ...	—
CZECHO-SLOVAKIA..	Ustredni Svaz Ceskoslovanskych druzstev, Prague	1117
	Verband deutscher Wirtschafts-genossenschaften, Prague.....	300
FINLAND	Suomen Osuuskauppojen Keskuskunta	500
	Yleinen Osuuskauppojen Liitto.....	108
	Suomen Osuustukkauppa.....	
	Kulutususunkuntien Keskusliitto.	
GERMANY	Zentralverband deutscher Konsumvereine, Hamburg	1320
FRANCE	Fédération nationale des Co-operatives de Consommation, Paris...	2198
HOLLAND	Centrale Bond van Nederlandsche Verbruiks Cooperaties, The Hague	151
SWITZERLAND.....	Verband schweizerischer Konsumvereine, Basle.....	476
HUNGARY.....	Zentralgenossenschaft der allgemeinen Arbeiter-Genossenschaften Ungarns, Budapest	17

Appendix II.—TABLE SHOWING TOTAL SUBSCRIPTIONS RECEIVED FROM EACH COUNTRY, 1913-1920.

Country.	1913.		1914.		1915.		1916.		1917.		1918.		1919.		1920.		Normal value of deposits. £ s. d.							
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.									
Argentina	1	4	0	1	4	0	1	4	0	1	16	0	1	4	0	1	4	0	733	0	0			
Armenia†	182	4	0	180	0	0	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Austria	31	15	9	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Belgium	0	12	0	0	12	0	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Bulgaria	0	12	0	1	4	0	0	12	0	1	0	0	1	4	0	0	0	0	...	...	...
Canada	1	0	0	1	0	0	1	0	0	6	4	0	1	4	0	0	0	0	...	...	...
Cyprus	1	0	0	1	0	0	1	0	0	1	0	0	1	0	0	0	0	0	...	...	...
Czecho-Slovakia† .....	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Denmark	28	13	9	28	1	5	30	6	10	33	14	9	29	9	6	25	0	0	...	...	...
Finland	30	16	8	38	4	7	38	4	0	57	2	0	101	18	0	88	2	0	...	...	...
France	87	17	6	83	11	6	83	0	0	83	11	9	82	3	6	107	4	7	...	...	...
Georgia† .....	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Germany	304	12	0	302	19	0	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Great Britain	669	0	0	670	14	0	674	19	2	742	18	6	766	0	2	728	15	6	...	...	...
Holland	30	14	0	31	19	2	28	7	6	35	9	8	38	10	2	25	18	0	...	...	...
Hungary	62	12	0	62	11	0	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
India	12	0	0	15	0	0	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Italy	20	19	0	21	7	9	17	15	0	16	18	4	18	0	8	12	3	8	...	...	...
Japan	0	12	0	0	12	0	0	12	0	0	12	0	0	12	0	0	12	0	...	...	...
Latvia† .....	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Lithuania† .....	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Norway	14	16	0	14	16	0	14	16	0	9	17	0	9	17	0	10	17	0	...	...	...
Poland .....	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Roumania	7	7	0	9	8	0	2	7	5	...	...	...	...	...	...	...	...	...	...	...	...
Russia	23	18	0	14	14	0	16	10	6	10	0	0	35	0	0	60	0	0	...	...	...
Serbia	10	0	0	10	0	0	10	0	0	...	...	...	...	...	...	...	...	...	...	...	...
Spain	1	4	0	6	4	0	5	10	11	...	...	...	...	...	...	...	...	...	...	...	...
Sweden	30	12	0	30	12	0	30	12	0	30	1	0	30	1	0	74	12	8	...	...	...
Switzerland	91	4	4	93	6	0	96	3	1	112	15	8	93	15	11	117	19	8	...	...	...
Ukraine† .....	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
United States	3	9	0	0	6	0	0	6	0	2	6	0	2	7	1	7	12	5	...	...	...
Totals	1647	14	10	1613	6	5	1052	6	5	1053	18	8	1144	6	8	1210	18	0	1294	9	2	2141	17	2

* Subscriptions marked thus represent payments for the years 1915-1920 inclusive. They have been deposited in the national currency in the banks of the respective countries in accordance with the resolution of the Central Committee at Geneva in April, 1920. The amounts shown represent the actual value (sterling), while the normal values of the amounts deposited are shown in the last column.

DISCUSSION ON THE REPORT.

The PRESIDENT: The report is now open for discussion, and I have to remind speakers that under the Standing Orders those who move resolutions are allowed ten minutes and other speakers five minutes.

The first part of the report to which attention was directed was that relating to

The Financial Position of the Alliance.

Sir THOMAS ALLEN (Executive) said: The financial position of the Alliance is in a serious plight. Owing to the depreciation of the currency we have had a substantial loss, which amounts to about £7,000 sterling. The Executive Committee, in view of the work it has to do, recognises the seriousness of this position. It is hoped that, if the rules which are to be submitted to-day are passed, the financial position will right itself in the process of time. That, however, cannot be for at least for a year or two. Already we have received all the subscriptions that can be expected for at least one year, and realising that, we recognise that additional money must be procured in order to enable us to carry on our work. It is anticipated that at the close of the Congress the Executive will find itself with a balance on the wrong side. The Central Committee, at their meeting yesterday, agreed to recommend to the Congress to-day that a special appeal should be issued to all the societies in the countries associated with the Alliance in order to meet financial deficit. I therefore beg to move:—

“ That the Executive Committee be instructed to issue a special appeal to all societies associated with the International Alliance in order to provide the funds necessary to carry on the work.”

The PRESIDENT: You have all heard what Sir Thomas Allen has said. We hope that you will think about it and that on your return home you will support the appeal.

The resolution was unanimously adopted.

The PRESIDENT continued to submit the various sections of the report in their order, and they were accepted without discussion until the section on Russia was reached.

Relations with Russia.

With reference to the report recording the decision of the Central Executive to recognise the Centrosoyus as the only authority entitled to nominate members of the Central Committee and to appoint delegates to the Congress, the PRESIDENT stated that the Central Committee, after a long discussion at

its meeting held the previous day, had accepted the following resolution:—

“ The Central Committee, regretting the absence of the delegates of the present organisation at Moscow, which has prevented it from coming to a definite decision on the question of Russian representation in the Alliance, and considering, on the other hand, that no solution of a really decisive character can be arrived at by this Congress in view of the division in the Russian Co-operative Movement itself, recommends the Congress to leave vacant, until the next meeting of the Central Committee, which will have to consider the question, the places to which Russia is entitled on the Central Committee.”

Mr. H. J. MAY (General Secretary): I have the rather difficult task this afternoon to attempt to place before you the reasons upon which the Executive based the report which is before you on pages 25 to 30 of the English agenda, and to do that in the face of the fact that the Central Committee—not the Central Committee as a whole, but a majority of the Central Committee—have taken the extraordinary course of proposing an amendment to their own report, prepared in their name by the Executive, and with their knowledge and consent. I have, therefore, to speak against the decision of the majority of the Central Committee, and I want to state as clearly as possible the facts of the situation, leaving the decision to your judgment afterwards. The amendment which has been proposed has only one operative clause, and that is the last one, which recommends the Congress “ to leave vacant until the next meeting of the Central Committee, which will have to consider the question, the places to which Russia is entitled on the Central Committee.” This proposal is contrary to the rules of the Alliance. In Rule 28 it is clearly laid down that the Central Committee consists of the representatives of the organisations in the different countries belonging to the Alliance and elected by the Congress. That being so, it is out of the power of the Central Committee—it is even out of the power of this Congress—to deprive any national organisation, which continues in membership, of its right to nominate representatives to the Central Committee. You will be told that no organisation exists in Russia which can nominate. In the minutes, however, there is a statement which is included in this report showing that the Central Committee itself, at The Hague in October last, decided that some such organisation did exist and was likely to exist till this Congress, because the Central Committee decided that the representatives of the Centrosoyus, duly nominated and elected in 1913, had a right to continue in their position and office till this Congress. They are here to-day as members of the Central Committee—and representing an organisation that some

of my friends describe as having ceased to exist. That is an argument for their own purposes and is contradicted by their own decision at The Hague. Till the early part of 1920 there was no question at all as to the existence of the Centrosoyus, its membership in the Alliance, and its full right to all the privileges of membership, but after that time, at meetings of the Committee—both Central Committee and Executive—representations were made repeatedly by representatives of the Centrosoyus who were opposed to the changes brought about in Russian Co-operation, for the time being, against the recognition of the Centrosoyus as a member of the Alliance. The comical aspect of the whole situation is that side by side with these representations the claim has been made that the non-existent organisation should continue to be represented in the Alliance. The Executive were defeated in their desire to put this question on a commonsense basis in accordance with the resolution at The Hague. They presented at Copenhagen another Report, which was rejected without rhyme or reason, with no other intelligent suggestion than that it should be "taken back."

M. ALBERT THOMAS (interrupting) wished to know under what conditions the General Secretary was authorised to speak against a motion accepted by the majority of the Central Committee.

The PRESIDENT: The question before the Congress is a very important one, and the delegates should be fully informed before coming to a decision. It seems to me that Mr. May is perfectly entitled to inform the Congress. Moreover, the Secretary has authority to speak on this point because, according to Article 35, which enumerates the duties of the Secretary, he has to take part in the meetings of the Authorities of the Alliance, with power to give advice, but without a vote.

M. ALBERT THOMAS: Yes, to advise, but not to controvert.

The PRESIDENT: The General Secretary is entitled to proceed.

M. ALBERT THOMAS: Will you please read paragraph (c) of the same Article?

The PRESIDENT: That paragraph authorises the Secretary to carry out the decisions of the Executive and the Central Committee. I still think the Secretary is entitled to proceed.

Mr. MAY (continuing): There is no member of the Executive, so far as I am aware, who has ever yet said anything in favour of Bolshevism or of the Soviet régime in Russia; but every member has the desire to render justice to the co-operators in Russia, to consider their position objectively, and to regard it as a serious matter to disfranchise the largest community of co-operators in the Alliance without just and adequate cause. The Executive have come to the decision laid down in this report

because they have felt that after twelve months of playing with this question, avoiding the issue, and refusing to accept the plain interpretation of the Charter, in the rules or in the decisions of Congress, that the time had come when, the responsibility having been left upon them, they should take their courage in both hands and decide what they believed to be in the interests of justice and in the interests of the Alliance. They are, therefore, faced with this situation, that, in the absence of any decision which prevented them from doing otherwise, they had to consider who in Russia was entitled to appoint representatives to this Congress, and also to nominate representatives to sit on the Committee of the Alliance. They have decided that, in view of the fact that the Centrosoyus has been a member of the Alliance since 1903, that we have accepted its subscriptions to the present year, that its representative is in this Congress to-day—this organisation has the right to nominate representatives to Congress and to the Central Committee. They were strengthened in this by the fact that the Central Committee decided at The Hague that the representatives appointed in 1913 should remain in office until this Congress, and they said: How can we be logically or otherwise wrong if in view of these facts we accept their right to nominate members to the Central Committee? If you adopt the resolution the Central Committee asks you to adopt to-day three-fourths of the decision of the Executive stands, and the only question left is that of delay in according to Russia its rightful place on the Central Committee.

M. E. Poisson (France): Permit me a few words which may serve to clear up the little incident which arose just now between our friends May and Thomas. The Central Committee made a mistake in not appointing someone yesterday to propose the amendment which has been submitted in its name to-day on the votes of two-thirds of its members. What is the situation? Against the proposal of the Executive Committee contained in the report to recognise the right of the present Centrosoyus to send representatives to this Congress, one old delegate from Russia has laid a protest. The old delegate has explained to us that the Centrosoyus is no more a co-operative organisation. Whatever your decision, this amendment must not be interpreted as showing enmity to the Central Russian organisation or in any way as a desire to exclude the Russian Co-operative Movement from the Alliance, nor as a condemnation of Bolshevism. That does not concern us, but it is for us to know whether the Centrosoyus as it exists to-day is co-operative or not. That is the only matter of interest to us. If it is a co-operative organisation it has a right to a place in this assembly. If it is not a co-operative organisation there is no place for it in the Co-operative Alliance. We have been influenced, doubtless, by various accusations of

a very grave nature which have been made against the Centrosoyus, particularly the circumstances under which it has been deprived of its liberty. We do not know whether they are justified or not, and we do not wish to prejudge the case. We would like to put the question to the present Centrosoyus: Do you consider that your organisation is co-operative in conformity with the statutes of the Alliance, or is it a State organisation? This is the real question before us, and we regret that the delegates are not here who could answer the question. There is a lady here who represents the Centrosoyus, but she does not know the present position of the movement in Russia. We would like to put the question to those who have come straight from the people themselves: Are you co-operative or not? Do you accept the statutes of the Alliance or do you wish to establish a rival International? Then, according to the answers received, we would take the proper decision.

Herr LORENZ (Germany): Let me say that the amendment before you was accepted yesterday by a majority of two-thirds of the Central Committee. If the General Secretary, in reporting on this resolution, had fulfilled the whole of his duty he would not only have presented to you the side of the minority, but he should also, in an objective manner, have given the reasons of the majority. It is his duty to explain the position to you objectively. If it had been supposed that he would not do so, the Central Committee would probably have appointed someone to report specially on the question. As to the basis of the decision of the Central Committee, I am entirely in agreement with M. Poisson. The political situation in Russia is a matter of indifference to us. We are solely concerned to know whether the Centrosoyus is a co-operative society in conformity with our statutes or not. It is naturally a matter for the Congress to determine who is to be admitted to its ranks; that is obvious. For this purpose we have rules and regulations which would otherwise be useless. Twice already the Central Committee have taken a negative attitude with regard to this question at Geneva and The Hague. Can it be that since then something has taken place in the organisation of Russian Co-operation which justifies the Central Committee in changing its attitude? No, nothing of the kind. Up to the time of this Congress the Central Committee has recognised, and still recognises, the old representatives, Dr. Totomianz and M. Selheim, as the legitimate representatives of Russian co-operative societies, now we have to inquire, who is entitled to represent them in the future? The amendment is necessary in order to give power to the Central Committee to hear delegates from Russia before coming to a final decision. We cannot in this Congress form a correct idea of conditions in Russia. I hope the Congress will accept the amendment. If not, it will have an unpleasant surprise. The

important question to us is the co-operative character of our Alliance, the principles of which are expressed in our rules.

Sir THOMAS ALLEN (Great Britain): Mr. Lorenz urges you to take a negative attitude, but let me remind you that the function of an Executive Committee is not to do what it likes, but to act constitutionally. If you will turn to Article 26, it is stated that the Central Committee shall consist of representatives nominated by the authority of the national organisations in different countries elected by Congress. Now the Centrosoyus has elected its representatives, some of whom are present at this Congress. If you will turn to paragraph 3 on page 29 of the Congress agenda you will see that we, as an Executive, have no alternative but to accept the proper nominees that are received. The Centrosoyus have discharged their obligation in common with all delegates here. They have elected their representatives to take their places at this Congress and on the Central Committee. The real issue before the Congress is: Are you, as a Congress, going to deny them the fulfilment of their duties? This Congress, if it passes the amendment, asks really that a serious departure shall be made from what we regard as being the constitutional position; it desires that the accredited representatives already at this Congress and elected to the Central Committee shall not have a place for the time being. It asks you to refer the matter to the Central Committee, and by doing that you confer powers upon them which are properly the function of, and ought to be discharged by, this Congress. And if this amendment is adopted what follows? If the Russian delegation meets the Central Committee it may come to a decision quite contrary to the decision that this Congress may arrive at. And, in addition to that, I would remind Congress that already both sides have had the opportunity of presenting their case to the Executive, and both sides have refused to come and state their case. Is it likely if they refused in the first instance that they are going to accept in the second? M. Poisson has mentioned that the former delegates have lodged their protest against the position of the Executive, but yesterday M. Poisson and the French delegates admitted that the old representatives had no longer a place on the Committee. The amendment did not recognise any representatives, new or old. The Executive is of the opinion that the nominating body does exist, while here to-day the amendment says the Russian organisation is already outside the International Alliance, and some inquiry must be made before they are re-admitted. The Executive view is quite the contrary; and if the Congress or the Central Committee are going to deal with this matter there are really only two points before it. First, is the Russian delegation, who have continuity of service in the International Alliance without any break whatever, to remain, or is the Congress going to take upon itself the

solemn responsibility of expelling Russia from the International Alliance? The nominees are already before you, and are incorporated in this report, and what you are really asked in the amendment of the Central Committee is to expel Russia from any further participation in the affairs of the International Alliance. Politically we know this, that the Allied Governments presumed a certain condition of things prevailing in Russia, and they took a certain course, and we know what the consequences have been to the world at large. If co-operatively a certain condition of things prevails in Russia, and it is decided to act on that presumption, we say, as an Executive, it is conceivable that we may make a very regrettable mistake. The Executive ask you, therefore, not to accept the amendment moved by the Central Committee, but to accept the position arrived at by the Executive and indicated in clause 4, page 30, of the Congress agenda, namely, "That the Congress at Basle be strongly recommended to adopt these conclusions as a solution of the present deadlock in our relations with the Russian Co-operative Movement."

Madame POLOVTSEV (Russia): I am glad that it is not the Congress that asks about the right of the Centrosoyus to be a member of the Alliance. The Centrosoyus is a member of the Alliance, and I am its fully authorised representative at this Congress. As such, I will give you all the information I can, and the decision will then be yours. To my regret my colleagues from Russia also elected as delegates to this Congress, and worthy in the highest degree to represent its interests, are not here. My greatest desire has been to get permission for Comrade Lezhava, Acting Commissary of Foreign Trade, who is now waiting in Germany, to come to Switzerland. He could give you a clear and complete idea of the difficulties, achievements, and part which the Centrosoyus has played in the economic life of Russia. I greatly appreciate the honour of representing the Centrosoyus, but I recognise all the more the difficulty of acting singly as the representative of one of the mightiest of all existing co-operative organisations, and I apologise at once for the inadequacy of my knowledge and the difficulty of discharging the task in the absence of my comrades. Since the beginning of this year Russian Co-operation has passed through another stage of its development. The Russian Government, due to the constantly changing economic situation, and the difficulties in connection with the famine, found it necessary to change the line of its economic policy. It devoted its attention to the organisation of the exchange of goods, and upon the shoulders of Russian Co-operation the Government decided to place this task of exchange in order to regulate the relationships between town and village to increase the productivity of the peasant masses, and thus increase

export so as to put foreign trade on a more normal footing. The first development of the Centrosoyus before and up to the Revolution of 1918 may be regarded as the "thesis" of its existence, during which it proved its capacity for work within its own limited sphere. In the second period after the Revolution of 1918, Russian Co-operation and the Centrosoyus were enlarged by incorporating all the consumers of that enormous country. Mr. Victor Serwy says in his Congress paper: "There is no better means of improving the economic conditions of the people, and no surer guarantee for world peace, than the grouping of all consumers in co-operative societies." During this period, 40 provincial unions completed their organisation. The Centrosoyus entered into relations with 53 provincial unions in Central Russia and 26 provincial unions in the Autonomous Soviet Republics and regions. At this stage Co-operation took upon itself the functions of distribution on an unprecedented scale—and "distribution," Mr. Anders Oerne says, "is the key to the whole system." It began to feel and regard itself as an organ of national proportions, although it did not yet conceive the fulness of its tasks. This second period may, from this point of view, be termed the "antithesis" in the life of the Centrosoyus. Its individual, self-contained existence found its direct counter-part in the fact that tasks of national importance and magnitude were brought to its attention and within its scope. The third period into which the Centrosoyus has just entered may be regarded as its "synthesis." In this period its grown wings begin to spread out with full force. The Centrosoyus regains its independence, it receives back its nationalised assets, it is the collaborator and the nearest assistant of the State Power. The stage upon which the Centrosoyus enters now begins the realisation of the remotest aims that the most advanced co-operators ever dared to think about. I will quote here the words addressed to the Centrosoyus by a member of the Russian Government at the Pan-Russian Congress of delegates of the Centrosoyus on July 18th, which characterise the present position of Centrosoyus: "You are the lever by which the Soviet power attempts to shift from its place the economic life of the country, which has got hampered, to increase the exchange of goods and to revive industry. Co-operation must be the closest collaborator—not an appointed officer—in the people's Government, in the building up of the economic life of the country." Is that not the position which the advanced wing of Co-operation in all lands is aiming at, and is striving to occupy in the economic life of the respective countries? In order to show how seriously the Centrosoyus regards the position before it, and by what means it hopes to achieve its task—and also to satisfy, at least so far as lies in my power, the natural interest of the fellow co-operators gathered here as to the conditions under

which Russian Co-operation carries on at the present time—I will lay before you some of the results of the Pan-Russian Congress.

The PRESIDENT: The speaker's time has expired. I put to the Congress the question whether you will allow another five minutes.

Agreed.

Mme. POLOVTSEV (continuing): Two hundred and fifty representatives, with a right to vote, and 134, with consultative powers, came from all parts of Russia to take part in the Pan-Russian Congress. Among the fully accredited representatives there were delegates not only from the whole of Central Russia, but from Siberia, Ukraine, Turkestan, and Caucasus, as well as delegates from workers' and transport societies. The Congress was opened by the President of the Board of Centrosoyus, Comrade Khinchuk, an old co-operator, well-known to many friends here. In his address Khinchuk emphasised the importance attaching to the fact that Centrosoyus was entrusted with the exchange of goods as a result of the Decree of April 7th. In accordance with this Decree, the stocks of goods accumulated by the Government Provincial Organisations of Supply were to be handed over to the Centrosoyus. On May 25th a general agreement was signed—not an order given by the Government, but an agreement signed by both—between the Centrosoyus and the People's Commissariat, for the delivery to the former of the available stocks of goods. From that period until the Middle of July—that is, in the course of one and a-half months—goods to the value of 4,000,000 gold roubles—that is, half-a-million sterling, or 12,500,000 French francs—have passed into the hands of Centrosoyus. An idea of the tasks involved may be obtained from the fact that the total amount of goods to be distributed for the purpose of exchange was estimated for the year 1921 at 296,000,000 gold roubles—that is, £37,000,000 sterling, or 925,000,000 French francs. The Centrosoyus may fully rely upon the assistance of the Government. On July 15th the Council of People's Commissaries passed a resolution to the effect that the greatest possible assistance must be given to the Centrosoyus in the matter of the exchange of goods. The financial side of the work of Centrosoyus henceforward is to carry on its work on its own account. In connection therewith Comrade Khinchuk made reference to the fact that it will be essential to subscribe to shares, to stimulate deposit operations, to organise new undertakings, to strengthen productive co-operatives, to establish international co-operative relations, and take steps for the foundation of an International Co-operative Bank. The granting of loans by the Government is also under consideration. As an inevitable and direct parallel to the functions undertaken by the Centrosoyus,

it has to become a potent factor in trade, not only in Russia, but also in the International market. . . .

Mr. ALBERT THOMAS (France): We have listened with the greatest attention to the statements of Dr. Polovtsev about the unity of Co-operation in Russia. I have followed her exposition in the hope of finding therein some new particulars which would assist us in coming to a decision. I acknowledge the ability with which she has spoken to the Congress for the purpose of enabling us to arrive at a sound judgment, but I see nothing in the new historic documents which she has outlined which gives us any help in that direction. Sir Thomas Allen asks that we should not deprive the Congress of the right of decision in this matter. The Congress is the supreme organ of the Alliance, as is stated in Article 22 of our Rules, but like a good ruler the Congress has proposals submitted to it by other authorities. There are two propositions before us, viz., the proposal of the Executive Committee on the one hand and that of the Central Committee on the other. What does the decision of the Executive Committee mean? It means that we have sent out invitations to the Centrosoyus; the Centrosoyus has made appointments of delegates, therefore it is necessary to recognise these appointments. This reasoning has, in my opinion, but one fault—it is too simple, because whatever may be the desire of the Executive Committee to settle the difficulty by saying the uncertainty has lasted too long and we must therefore find a solution, I consider it is morally impossible to close our ears to the complaints we receive from Moscow. If a co-operative society, of production, for example, had become a capitalistic society, if everything indicated that it was a capitalistic society, would the fact that an invitation had been sent to it by the Alliance be sufficient to justify its delegates being accepted without question at this Congress? I venture to think no one could support such a view. Dr. Polovtsev has told us many things, but she has not given a clear answer to the one question that matters, viz., is the Russian organisation on a co-operative basis? Does it conform to the statutes of the Alliance or not? Up to the present we have not been able to obtain a reply to this question, and in view of this lack of assurance the Central Committee has maintained its attitude. What is the proposition which it has adopted by 20 votes to 11? It says there has been a discussion for months past between Russian co-operators. Is it for the Congress here to judge of the delicate points in connection with all the facts and happenings of the past years? The Russian delegates can be heard at the meeting of the Central Committee, where they can explain their position in detail. It is not a question of pronouncing their exclusion nor of following the policy of certain Governments of the Entente, but of forming a sound judgment

with regard to their work before the sole organisation capable of so judging, viz., the Central Committee of the Alliance. Such is the substance of the proposal of the Central Committee. Let that Committee judge with full information and knowledge. In my opinion the Congress will act wisely if it decides that the question shall be dealt with in that way.

The PRESIDENT: I have the names of several speakers who want to deal with this question, but before proceeding I would like to know your wishes on the matter. Do you wish to proceed to the vote without further discussion?

On being put to the vote that proposition was adopted.

The President allowed a ten minutes' interval before the vote was taken to enable the various groups of delegates to consult together. After this interval the amendment of the Central Committee to the report and recommendations of the Executive was put to the Congress.

A card vote was taken by the Tellers, and the result announced by the PRESIDENT as follows:—

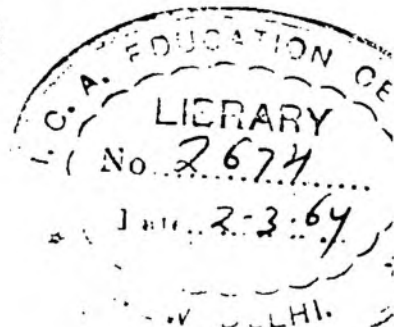
For the amendment	474
Against the amendment	733

The amendment of the Central Committee was, therefore, declared lost.

End of Second Session.

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THIRD SESSION.

Tuesday, 23rd August, 1921.

International Trading Relations.

Consideration of the report was resumed on the section dealing with "International Trading Relations."

The PRESIDENT directed attention to resolutions which had been sent in by the English Women's Guild and by the Leicester Society, England, dealing with this question.

I. Proposed by the English Women's Co-operative Guild:—

"This Congress notes with satisfaction the steps already taken to set on foot international co-operative trade, and records its opinion that the extension of such trade with the least possible delay is of vital importance to the recovery of Europe from the grave economic difficulties caused by the war.

"It calls upon the International Committee of Wholesale Societies to make the fullest use of the opportunities afforded by the present breakdown of international trade through capitalist channels for the purpose of establishing international trade through co-operative channels.

It recognises that the exchanges cannot be made normal and that international trade cannot be re-established on sound business lines except by each country paying for its imports directly or indirectly by its exports, and that the International Co-operative Wholesale Society must be built up on this foundation.

It therefore recommends the International Committee of Co-operative Wholesale Societies to take steps at once to assist each country to utilise all its available resources to build up an export trade through co-operative channels, by encouraging the purchase of goods through the co-operative movements of each country and by helping to organise the marketing of the goods so exported.

"Further, this Congress urges the International Co-operative Alliance Committee and the International Committee of Wholesale Societies to take all possible measures to ensure the removal of any Government or other obstacle to international co-operative trading, and to secure that any special schemes set up, under the League of Nations or by individual Governments, for the facilitation of trade by credits or otherwise, are on lines suitable to the circumstances of the co-operative movement and are used to the utmost by the movement."

II. Proposed by the Leicester Co-operative Society (England) :—

“ This Congress, being anxious to encourage every genuine endeavour to restore the economic life of Europe on co-operative lines, instructs the Executive Committee of the International Co-operative Alliance to examine the present economic situation with a view to ascertaining :—

“ 1. The practicability of establishing an international clearing house whose function it shall be to stimulate the exchange of goods between the nations, particularly those whose Governments are favourably disposed towards employing the machinery of the co-operative movement for the purpose of international trade and exchange.

“ 2. What the initial commitments are likely to be and how far the several national movements are willing to meet same.

“ 3. How far the suggested schemes for international credit may be utilised to promote international trade through co-operative channels.”

The PRESIDENT announced that the English Women's Co-operative Guild wished to substitute another resolution for that previously sent in. The new draft was an attempt to combine the two resolutions on the agenda. **The proposed new text was as follows :—**

“ This Congress notes with satisfaction the steps already taken to set on foot international co-operative trade, and records its opinion that the extension of trade through the machinery of the Co-operative Movement is of vital importance to the recovery of Europe from the grave economic difficulties caused by the war.

“ It recognises that the exchanges cannot be made normal, and that the international trade cannot be re-established except by each country paying for its imports, directly or indirectly, by its exports.

“ It therefore recommends that steps be taken at once to assist each country to utilise all its available resources to build up an export trade through co-operative channels, and instructs the Executive Committee of the International Co-operative Alliance to examine the present economic situation with a view to ascertaining :—

“ 1. The practicability of establishing an international co-operative clearing house, whose function it shall be to stimulate the exchange of goods between the nations.

“ 2. What the initial commitments are likely to be and how far the several national movements are willing to meet the same.

“ 8. How far the suggested schemes for international credit may be utilised to promote international trade through co-operative channels.”

Mr. A. WHITEHEAD (England): There is a difference in these resolutions. The Guild resolution proposed to remit the matter to the International Committee of the Co-operative Wholesale Societies, while the Leicester resolution and the proposed new resolution remit the matter to the Executive Committee of the International Co-operative Alliance. Would it not be better to remit the matter to the Trading Committee?

Mr. J. J. WORLEY (England): It might perhaps be well to hear the explanation of the mover of the resolution, which might qualify the explanation given by Mr. Whitehead.

Mr. A. W. GOLIGHTLY (England): The resolution now proposed is an entire contradiction to that already on the paper. You cannot put a resolution of this kind. It will put the English C.W.S. right out of the international co-operative trading movement. I object to this being thrown at the Congress in this manner.

Mr. ROBERT STEWART (Scotland): I agree with Mr. Golightly. It is inopportune to bring forward a matter of such importance as this.

The PRESIDENT: I am not responsible for the proposition; but as the alteration is objected to we will rule it out and keep to the resolutions as printed in the agenda.

Mrs. BARTON (England): We had hoped that, by combining the resolution of the Guild with that of the Leicester Society, we might save the time of Congress. That was the only reason for attempting to combine the resolutions. Congress has now decided that we must keep to the resolution printed on the paper, and I now move that resolution in the name of the Guild. The women of England feel that the time is ripe for us to go forward and try to get into our hands the trade now carried on under capitalistic conditions and to bring it under co-operative conditions. The women know the difficulties that have obtained during the last six or seven years, and they recognise that the capitalist methods of trading have broken down. We know perfectly well that every endeavour is being made by capitalist traders, with the help of the Governments, to build up trade again on capitalist lines. We co-operators feel that when there is this disturbance in ordinary commerce we should go forward and lay, internationally, the foundations upon which we can build co-operative trade. If capitalism can entrench itself again, then we see nothing before us but future wars. Co-operation is going to save the world, and we should, therefore, put our house in

order, build up co-operation in each country, and also build up international means of co-operative trading. This resolution asks for an international clearing house, and in that connection it would be necessary to have an expert appointed. We do not want to go muddling through. We want our business established on the very best foundation; and we need to get the best information and the best help possible. The resolution mentions credit. The Co-operative Movement should take whatever it can get from the Governments; but we have to help the movement to build up trade, and while we recommend that we should make use of credits, we feel that we should build up on other lines as well. Some people feel that we should only trade in co-operatively produced goods. In setting up this co-operative exchange between the various countries, our co-operative clearing house should deal in all commodities used by co-operators—in our own stores we have to buy many things that are not co-operatively produced—and by that means we should be building up co-operative trade till the time comes when we shall produce all the things co-operators need. At present we are helping to build up capitalist trade instead of getting trade into our own hands; and this Congress should recognise the necessity for co-operators getting the whole of the trade under their own control.

Miss LILIAN HARRIS (England) in seconding the resolution, said: It is a great opportunity for our movement to start international trade through co-operative channels. We are very desirous for the advancement of the machinery for international trading, and, in our view, our proposals for a clearing house appear to be most practical at the present moment. We do not, however, in the present resolution, deal with details, but we desire to express the principles of this international trading which are essentially to be for directing exports of all countries into co-operative channels, and the means for including in international trading not only co-operative productions, but all imports and exports which the Co-operative Movement requires. I would like to express most strongly the interest that the women co-operators feel in this great question of international co-operative trade. We desire most earnestly that the Co-operative Movement should be free from the dependence upon capitalistic channels of trade. I would earnestly appeal to Congress, therefore, to accept this resolution.

Mr. W. GOLIGHTLY (England): So far as we in England are concerned, we raise no objection to this resolution. There is a part of it, however, which appears to suppose something which is not quite the case. In the last paragraph we are asked to remove any Government obstacles. Let me say at once, so far as the British Government is concerned, they place no obstacle whatever in our way; indeed, quite the opposite is the case—

they are only too willing to give us help. I do not know that we need say anything more on the question of the resolution, except we say we think the chairman is quite right in ruling the other resolutions out of order. Now we are indebted to our women folk in England for the enthusiasm they are showing in this business, and it is far from my intention to place a wet blanket on their efforts. What I want to do is not to control them in any way, but to ask them to be a little more patient in observing what is being done. Mrs. Barton says the first thing to be done is to put our house in order. Let me say to Mrs. Barton our house is in order—in Balloon Street, in Manchester. (Laughter.) We have formed our export department and are operating it, and we have established a general information bureau. Altogether we, in England, have got our house in order, and we are ready to commence international trade at any time—we have emissaries on the Continent at the present moment. The next thing Mrs. Barton says is, "Some one must devote their whole time to the business." I suppose she means we must establish some expensive organisation which I do not understand. Sufficient for me to say we have an understanding with all other countries, and we have a special man devoting himself and his whole time to the work in Balloon Street, and a special department to deal with the business. Now I come to another point, which might be misconstrued. It is suggested that we are dealing only with co-operatively produced goods. Nothing of the kind. We sell everything in a co-operative society in England, and sometimes we get chided by the Women's Guild for doing so, and told that we ought to do more in co-operative goods. Our ultimate aim is to deal in co-operative goods, but, in the meantime, we are prepared to deal with anything that we can sell. Now Miss Harris comes along with a clearing-house scheme. I don't quite know what she means, but I should say, taking her own words, it implies a credit or clearing house in every country. Now we are enabled to deal with this business without this expensive clearing house, and we are getting on as fast as we can. But you can give us as much ginger as you like; it only helps us on. Now, coming to banking, it may be information to this Congress to know that we have just concluded the first real international arrangement for setting about international co-operative banking, by entering into an agreement with the Andelsbank in Copenhagen. We have now decided that all our business hitherto done by private banks shall go through the Andelsbank. Therefore, we are getting on in that direction. Just one other point before I sit down. It is assumed by the movers of this resolution that the C.W.S. has done nothing; in fact, we are told we are not getting on. Now I ought to tell the Congress this, that the C.W.S. directors have gone just about as far as they can go, seeing that they are the custodians of

other people's money, in regard to establishing credit. Altogether we have advanced credits to the extent of £800,000, and done £64,000 of business with the Russian Centrosoyus, £82,000 with the Antwerp Federation, £132,000 with the Polish Federation—we have a gentleman in Poland trying to get payment—£158,000 to the Polish Union, and £400,000 to the Roumanian Federation—and the same gentleman is out there trying to get payment for goods supplied by us. Altogether we feel we are trying, and successfully trying, as an international trading committee. We have a meeting this afternoon, where we shall report progress. I ask Congress to pass this resolution because we do not disagree with it, and I am assuming I am quite as earnest in my endeavours as any other co-operator in England. I have spent my life in the movement, and my heart is in it. But to hurry into this matter is to put difficulties in the way. I went to Finland to buy timber. I found I could not because the Finnish co-operators have no control in the timber market. We have had trade experts in Switzerland seeking to buy clocks and watches, but we find the Swiss Movement has no control in Swiss clocks and watches. We go to other countries and find, with very few exceptions, that none of the national co-operative organisations command the markets to the same extent as the C.W.S. does. What we want is to encourage the Co-operative Movement in every country to place themselves in their country as we are in England, and then we can buy from co-operative sources. I am getting on in life, and I am afraid I shall not see the end of it, but I do believe we have but started a scheme that will bring about all that the Co-operative Women's Guild desires.

The PRESIDENT: I now call upon Lieut.-Colonel Schuster to address you as the representative of the International Credits Department of the League of Nations, and with special reference to the Ter Meulen scheme.

Leiut.-Colonel SCHUSTER said: I am afraid it will be impossible in the short time at my disposal to give any sort of detailed exposition of the Ter Meulen scheme with which I am connected. It is a technical matter, and to go into all the technical details at this stage is impossible. We want to make this a practical scheme, and we would like to learn how it strikes people who look at it from the point of view of their own particular situation. The scheme is an attempt to re-establish normal conditions, to help countries in difficulties to get credit to import things necessary to re-establish their productive industries. The Women's Guild resolution rightly emphasises the fact that no progress can be made unless exports balance imports. Therefore, we have to consider the means necessary to produce that state of affairs. I need not dwell at length on the prices of to-day. You are all aware of the serious situation that exists in every

country. A large part of the world lacks the necessary purchasing power. The goods are there. Half the world is loaded up with goods. The goods are wanted; but the purchasing power is wanting. To supply the goods without helping these places to pay for them will not help the situation: it will leave us, in the end, in another and perhaps more serious situation than at present. What is necessary is this: there are two means of dealing with the matter. The first is, we must help to improve the producing power of the poorer country, and the second is, we must remove the obstacles to the free trade of the world. These obstacles are to be classified in three categories: (1) Material difficulties, such as transport; (2) difficulties constituted by the fluctuations in exchange, and (3) difficulties constituted by political barriers and regulations of that nature. What is necessary to remove these obstacles may also be classified under three heads: (1) We want credits of the right kind that will help countries in difficulties to produce goods and pay for the things they need; (2) we must have some measures for stabilising exchanges; and (3) we need a new spirit in the world to make the world realise that the interests of the whole world are one, and that no country can prosper on the misfortunes of another. I do believe that the Ter Meulen scheme, if properly applied, can help in these directions. Briefly, the scheme is this: It assumes that every country, however impoverished, possesses certain revenues or revenue-producing assets to which a gold value can be assigned. It therefore proposes that a small International Commission be appointed by the League of Nations, consisting of first-class men in the various countries whose names will command the confidence of the whole world. Then, if any country wants to take advantage of the scheme, it will have to apply to this Commission stating what assets it is willing to pledge. The Commission would then assess the gold value of those assets, and authorise the issue of Ter Meulen bonds to that amount; the bonds would then be issued, and would be available to be used as collateral securities for the credits required by importers, in the borrowing country, for obtaining the material required. The importers may be private organisations, such as co-operative societies or private firms, importing raw material for carrying on their work; or the importer may be the Government itself importing such things as rails and rolling stock for State railways. The essential thing is that the bonds, before they are issued, must be counter-signed by the International Commission; and this counter-signature will not be given unless the materials to be imported are such materials or prime necessities as will help to promote the productive power of the country. The whole idea is to create a security that may be used to back up credits of the right kind. It is hoped that the granting of the credits will be facilitated; because the bonds being issued by

the International Commission, and the service of the bonds being watched by the Commission, it is expected that the commercial world will have confidence in them, and that the banks will finance transactions backed by these bonds. (Applause.) There must be a great deal of technical detail in the working out of this scheme; but I want to show that the scheme does help towards the three main objects aimed at. It first of all provides a security to be used for credits of the right kind; and they are credits that can only be used to help production in the countries that borrow, and help them to reach the stage when their exports and imports balance. Does it affect the question of the stabilisation of the exchange? What is it that produces instability of the exchanges to-day. Without going into details we can say that there are two main factors which prevent exchange from having stability. First of all, if a country cannot balance its exports and imports, its own currency is bound to deteriorate in the exchange market. In the second place, and perhaps more important, is the financial policy of the Government. If a Government embarks upon reckless expenditure and, instead of balancing its expenditure by taxation, turns out new notes on the printing presses to meet its needs, the exchange value of its currency cannot be stable. As regards the first factor, we can create a state of affairs where exports will balance imports. As regards the second, it will be impossible for the Ter Meulen Commission to consent to the issue of bonds unless the financial policy of the Government in question is going to result in balancing its budget. It would be impossible to put a gold value on the national assets otherwise. To achieve an object of this kind is a matter of the greatest difficulty. It demands the support of the public opinion in the country. It is from that point of view, and to get that support that I welcome the opportunity of talking to this Congress. You, the co-operators of the world, are in touch with public opinion. I now come to the last point. What part can co-operative societies play? How can the scheme be used by them? I would like to say this. The Women's Guild resolution calls attention to the desirability of co-operative societies making use of any of the schemes of credits that are going. I would say, from the point of view of one interested in at least one of these schemes, that we do earnestly court the interest of the co-operative societies. This particular scheme is attempting a very difficult task, and it has not the support of the capitalist influences. The capitalist interests do not believe in this special scheme, and it is to people like you that we look for support. We want this scheme to be used to help countries back to work, and not to help any private individual to make profits. There is a great danger of the scheme being abused, and, therefore, we want public opinion to see that it is properly applied. From that point

of view we want the co-operative societies to take an interest in the scheme. The scheme itself may be of interest and of use to co-operative societies, because they can use these bonds as a means of creating credit. It is easy to see how productive societies could, by means of these bonds, get raw material, and thus help the productions of the country. This scheme can be applied to ordinary consumers' purposes, because there is sometimes a lack of opportunity of getting required goods because the producers believe that there is no incentive to produce. We hear that in Russia the small peasant will not produce more than he wants for his own consumption because he has a difficulty in exchanging his surplus at reasonable rates. Co-operative organisations can help these producers to have the opportunity of acquiring goods at reasonable terms. In that direction this scheme would certainly apply. Lastly, I want to refer what I said about the necessity of creating a new spirit. The League of Nations, which has adopted this scheme, does create that new spirit. The League itself cannot put the desire to work in this new spirit into effect unless it is supported by the peoples of the world. The League will be an instrument for great good if the peoples of the world take an interest in it. If the great democratic organisations take no interest in it it will become open to the secret political interests and to all those influences which we hoped the experiences of the last war would sweep away. I appeal to you to help to make this attempt to improve the economic conditions of the world a real success. It is seriously meant; and, so far as it comes within the scope of your activities, I want you to take advantage of it and to help us who are trying to see that it is properly used for the benefit of the world and not to give private individuals opportunities of making profits.

The PRESIDENT: It is now 11-15, and at 1 o'clock we shall have to finish our agenda for to-day, so we must proceed a little swifter. Do you agree to close the discussion? ("Agreed.")

The Leicester Resolution Withdrawn.

Mr. WORLEY (England) said: We had framed that composite resolution in the interests of the economy of the time of the Congress, and we regret that the Congress did not agree. However, with the further desire to economise time, I ask the permission of the Congress to withdraw the resolution standing in the name of the Leicester Co-operative Society. I do so in view of the explanations given to us this morning by Mr. Golightly. From the printed report of the International Wholesale Committee we gathered that this Committee thought it would be better to "make headway slowly by dealing primarily in articles manufactured or produced by the

selling Wholesale Society or its auxiliaries," as stated on page 33 of the report (English edition). So that we may play our part in restoring the economic life of Europe, in saving the people, making our contribution to the solving of present problems and clearing up the chaos in which we find ourselves—

Mr. R. STEWART (Scotland): I rise to a point of order. Mr. Worley rose to withdraw the resolution of the Leicester Society but he is making a speech—

Mr. WORLEY: I am concluding in a sentence, but I wish to make clear why I withdraw. The Committee appear to have undertaken a wider task than is reported here, and, if that be so, our purpose is served. We do not want to reflect upon the activities of the Committee of National Wholesale Societies, and there is no society in England that has a greater appreciation for the services that body has rendered to the International Movement than the Leicester Society. . . .

The discussion was declared at an end and, the Leicester resolution having been withdrawn, the resolution of the English Women's Guild was put to the vote and declared carried.

INTERNATIONAL CO-OPERATIVE BANKING.

Memorandum of the Fédération National des Coopératives de Consommation, Paris.

The development of the present capitalist system tends more and more, and especially in the circumstances arising from the world-war, towards a banking system of organisation.

The number of banks has increased considerably during the war, and even where the number has remained the same the importance of credit organisations has been considerably augmented. This may be seen in two directions, the opening of new branches (and there is no town in the world where the banks and their branches have not turned to account for their own purposes the most central and advantageous sites) and the adoption of new activities (warrants, documentary credits, industrial schemes, personal credits, etc.). The large quantity of State Loans launched during the war by the belligerent countries has also facilitated banking operations and strengthened the position of the banks. Moreover, the circulation of paper money has produced new elements in the power of exchange.

Why are the banks called upon to play such an important part in times of great commercial activity? It is because the real mission of financiers is the collection of all moneys for which the owners have no immediate use and their distribution amongst enterprises which are short of capital. Bankers become, so to

say, the arbitrators between the old producers and the new producers or the beneficiaries of former output. They alone are in a position to make proper use of accumulated funds, extending or checking, according to requirements, the circulation and exchange of commodities.

The part which banks have to play imposes on them the important task of superintending the enterprises in which they are called upon to interest themselves, for fear of seeing their capital placed at the disposal of such enterprises either badly administered, or even disappear. But such a part can be played either for private interest or for the general good. Frequently we have seen banks interesting themselves in new undertakings, supporting them, and causing them to prosper by reason of the financial aid rendered them. Yet, on the other hand, it often happens that banks wreck enterprises by cutting their credit whenever the interests of the financial groups which constituted the bank are opposed to the success of the enterprise.

Now that world Co-operation has made such considerable progress it is to be feared that co-operative organisations will be threatened, more or less, to the extent that they are dependent on private banks. It was this same reason which led co-operative organisations a long time back to establish their own banks or banking departments of the central organisations. For some years such departments have been increasing, and have acquired a certain importance. They exist in England, Germany, France, Switzerland, Sweden, Norway, Denmark, Finland, Italy, and Belgium; in short, in all countries in which the Co-operative Movement has developed, but the organisation is not uniform. In certain cases, as, for instance, in Denmark and Belgium, the organisation is autonomous, while in France, England, Germany, Switzerland, and Sweden the banking services form departments either of the Unions or Wholesale Societies. In Finland, Sweden, and also in Switzerland, insurance companies play an important part in the collection of capital. Everywhere there is a tendency and desire to get free from private banks and capitalists.

We have indicated above the important part to be played by banking organisations and the pressing duty which devolves on them. The advocates of an International Co-operative Wholesale have now in view the international exchange of commodities, and we cannot ignore the part which banks will have to play in the scheme.

The present loss of world equilibrium and the formidable economic crisis through which the world is passing are characterised by an important fact, i.e., the diminution of international exchange. Whereas certain countries stand in need of manufactured goods but have an abundance of foodstuffs, which, however, they are unable to export, other countries have a surfeit

of manufactured goods but are unable to import footstuffs and raw material. The crisis of unemployment which prevails at present in countries with a large industrial output is proof of this.

The crisis of exchange is likewise a very serious hindrance to the resumption of international economic relations, and each country endeavours to be self-supporting, either by means of its own productions or by those of its colonies. This means a veritable economic regression, resulting in the return to national production and the suppression of international production. Capitalist banks are powerless to stop this regression; indeed, they are often accomplices in this backward evolution.

That which capitalistic trade perverted in its development by profit-seeking cannot or will not undertake ought to be attempted by International Co-operation.

In all countries the Co-operative Movement has grown. In countries where the war has left devastating traces, and in countries whose financial strength has been increased by the war, the exchange organisations, which are pre-eminently the banks, have developed with more or less rapidity, and now that the establishment of an International Co-operative Wholesale Society is contemplated is it not above all necessary to furnish it with the indispensable instrument for its future operation, i.e., an International Co-operative Bank?

In our opinion, this bank ought not to be established as an entirely new organisation, but it ought nevertheless to have a definite legal status. The shareholders should consist solely of National Wholesale Societies and National Co-operative Banks. Its initial funds could be constituted, in the first place, by capital subscribed and guaranteed by each of the Wholesale Societies proportionately to the turnover. Further, the banking services of the different Wholesale Societies and the Co-operative Banks should be required to pay into the International Co-operative Bank part of their deposits. Each Banking Department or National Bank would thus become an agency of the International Co-operative Bank, and all the business done by a Wholesale Society with a foreign country, and with the help of the International Co-operative Bank, would be transacted under the control of the National Agency and the International Co-operative Bank. Credits would always be opened by or through the International Co-operative Bank in the currency of the country in which purchases are made. Thus the requirements of each country from abroad could be practically made known to the extent of the transactions effected, and registered by a Statistical Office at the General Offices of the International Co-operative Bank. With such statistics in its possession it would be easy for the International Co-operative Bank to establish international industries in the most favourable places and according to world requirements.

The profits of the International Co-operative Bank would be in part returned to clients, that is to say, to the National Wholesale Societies pro rata of their transactions (discounts, credits, etc.), and in part allocated to reserves for the purpose of extending the operations of the bank and the establishment of international enterprises.

If considerable difficulties are met with in connection with the establishment of an International Wholesale Society, it seems at least possible to establish at the present time an international organisation of co-operative banks which would be certain to develop international co-operative trade and give it the place in the world markets which it ought to occupy in view of the development of human progress.

We ask that a Special Conference of the representatives of Banks and of Co-operative Banking Departments be convened as early as possible with a view to the realisation of a definite scheme for the establishment of an International Co-operative Bank.

DISCUSSION ON MEMORANDUM.

The PRESIDENT: The French National Federation of Co-operative Societies has sent in a motion to appoint a special conference of representatives of co-operative banks to consider the possibilities of International Co-operative Banking, and I now call upon Mr. Poisson to move the resolution:

Mr. E. POISSON (France) formally moved the following resolution:—

“ That a special conference of the representatives of banks or banking departments—co-operative only—be convened as soon as possible with a view to formulating a definite scheme for an International Co-operative Bank.”

M. GASTON LEVY (France), in seconding the resolution, said: I do not wish to claim the attention of the Congress for long, the more so since the report presented by the National Federation of French Co-operative Societies explains the scheme which it is our intention to support. It is not a matter of considering, as in the discussion which has just taken place, all the aspects of international relations from the point of view of international trade; in our opinion, we have to explain and render practical, international relations between the different Wholesale Societies and the different National Co-operative Movements throughout the world. We have been struck by the fact that for some years past international trade and production have to a large extent been dominated by the banks and financial organisations.

The old system of trading, according to which traders themselves utilised the capital placed at their disposal for the purchase of goods and their re-sale, has become transformed. There is

a special commerce in capital according to which financiers whose task it is to collect savings and utilise them for trading purposes or for capitalist production, are in a certain measure the real distributors of the savings effected; the result is that they permit the development of this or that production or trade according to their own particular interests or desires.

During and since the war we have witnessed the prodigious development of banking organisations. There is not a town in which the best sites are not occupied by the agencies of credit and financial establishments. On all sides successful attempts have been made to drain the savings of the people, and it is the financiers who have become to an increasing extent absolute masters of the organisation and development of industry and trade.

The Co-operative Movement felt that when the time arrived that its development would appear dangerous to those who have the power of controlling and distributing capital, it might find itself suddenly deprived of its resources. For this reason in all countries successful endeavours have been made to organise either Co-operative Banks or Banking Departments of the National Co-operative Wholesale Societies.

To-day we would ask you to consider whether it would not be possible to establish co-operative banking on an international basis and to utilise the co-operative savings of each nation, not only for the co-operative development of the respective nations, but for the development of international trade by the co-operative organisations themselves.

The organisation of exchange to which you aspire more and more can only be undertaken if you have in your hands a sufficiently powerful weapon to effect such exchange. The organisation of an International Bank can only be undertaken to the extent that the national banks are strongly constituted, both as regards payment and the purchase of goods, thus offering full guarantees. It should be the task of the national banks to establish agencies of the international banking organisation. Private capitalism tends more and more at the present time, in spite of the efforts made in democratic countries, towards each nation being self-supporting. The present organisation of private capitalism leads, in fact, to a diminution of international exchange, and the general tendency is, therefore, one of economic retrogression. Both the small and large nations aim at being entirely self-supporting, and consequently development is retarded, since private capitalism is powerless or lacks sufficient strength.

The co-operative organisation, which has in view the reconstruction of society, can endeavour to utilise the co-operative savings of each country to aid the development of international trade, and thereby demonstrate that the development of the

organisation of international trade is linked with the general economic development.

We, therefore, suggest that you consider in this light the establishment of an International Co-operative Bank. For to-day we content ourselves with asking that technical experts representing the national co-operative banking organisations should meet in conference with a view to determining a positive and practical scheme, which would then be submitted to the organisations in the different countries, and thus furnish as quickly as possible for those who are supporters of the development of international exchange the indispensable instrument for effecting exchange in the way of progress and according to modern technique.

The resolution moved by M. Poisson was unanimously adopted.

ADOPTION OF THE I.C.A. REPORT.

The PRESIDENT: I now propose that the report as a whole be accepted without further discussion.

The Congress agreed unanimously.

Report on "The Revision of the Rules of the International Co-operative Alliance."

BY G. J. D. C. GOEDHART (THE HAGUE).

It has been truly observed that the rules of the Alliance have been revised many times, and those revisions have always coincided with the evolution of the organisation.

After an interruption in the International Congresses of eight years, and as a consequence of the great influence the world war has had on Co-operation, as well as on other matters, a new revision seemed necessary in order to adapt the Alliance to the new needs and to the new functions which events and the situation demand.

The ever diligent General Secretary took the matter in hand, and it is thanks to his never tiring and arduous work that the Committee appointed to undertake the revision brought their task to an end in due time.

It took four sessions to complete the work, and the final touches were given to it at Copenhagen before the meeting of the Central Committee. In the lovely capital of Denmark, in the midst of co-operative surroundings of the first class, the Central Committee agreed to the final form of the revision, and now it is for the Congress to decide whether the International Co-operative Movement shall enter upon the way which the Central Committee has prepared for it.

If we view the proposed changes as a whole, it will be evident that their tendency is towards raising the Alliance from the position of a loose federation of organisations and individuals, pursuing the aims of Co-operation by different routes and degrees, with rather vague ideas of the homogeneity of the movement, into a closely knit alliance of national organisations, drawing their experience and examples from national effort, and definitely attempting to influence social and economic conditions internationally. They seem to form the first and necessary step to the emergence of the Alliance as a real International. It is noteworthy that following the world war, the League of Nations has been given its first and most powerful expression through the International Labour Bureau, established at Geneva under the able direction of our friend and colleague M. Albert Thomas.

The International Co-operative Alliance seeks to do in the economic sphere what the International Labour Bureau has undertaken for the industrial sphere, and to compel by its effective development the same recognition and place in the League of Nations (if, indeed, it does not rival it) which has been conceded as a right to the industrial organisation.

Viewed from this standpoint, the proposed alterations are as important as they are modest for the high purpose they have in view.

When we examine the proposed new rules we find the following changes indicated:—

ARTICLE 1.—“ The name of this Society, which was founded in London in 1895, is The International Co-operative Alliance.”

“ The International Co-operative Alliance, in continuance of the work of the Rochdale Pioneers, seeks, in complete independence and by its own methods, to substitute for the present competitive régime of private enterprise a co-operative system organised in the interests of the whole community and based upon mutual self-help.”

In the Revision Committee, as in the Central Committee, it was a very long time before the members could come to a solution.

Of course, every one agrees that the Alliance seeks to continue the work of the Rochdale Pioneers, and, equally, that the Co-operative Movement seeks to raise human society to a higher level, but the difficulty was how to embody the declaration of these facts in a form that could not do violence to any political sentiment, the Alliance being based upon neutrality in politics and religion.

After various endeavours, the Committee, at its last meeting, agreed upon the text printed above, a text, we think, that will be generally approved, because it gives a lead to the future, and reminds co-operators of the high aims of the Movement, while it points to the old ideals, which must never be forgotten if the Movement is to be maintained in a sound, healthy condition.

ARTICLE 2.—In immediate connection with the revision of Article 1 is that of Article 2, which at present reads as follows:—

“ The Alliance is a Society formed of Co-operative Societies, Unions of Co-operative Societies, and such other Societies as aim at the development of Co-operation.

“ Individuals may be admitted as honorary or corresponding members, in accordance with the rules.”

It is proposed to amend this article as follows:—

“The Alliance is an International Association formed of National Unions or National Federations of Co-operative Societies, National Federations of Co-operative Unions, Regional Unions or Regional Federations of Co-operative Societies, Co-operative Societies and recognised National Auxiliary Organisations of the affiliated National Unions or Federations having national dimensions.”

This amendment marks a step forward in placing the national organisations in the primary position amongst those eligible for membership of the Alliance.

The original proposition of the French Federation, strongly defended on their behalf in a reasoned memorandum by M. Poisson, was that only national organisations should be admitted to the International Co-operative Alliance, thus excluding not only Regional Unions, but also local Co-operative Societies and individuals.

He argued with force that it is not logical that societies should adhere to the international organisation and not adhere to their national one. Further, he said, “Is the International Co-operative Alliance to be an International Association of National Unions and Wholesale Societies, or will it continue to be an International Association of all the individual co-operative societies of Britain, and only in part of National Unions and Wholesale Societies? Of course, in the absence of national organisations in any country Regional Federations or even local societies should be admitted to the Alliance, or where the national organisations themselves fail to join the Alliance. The practice should also be continued of admitting more than one national organisation in any country where unity has not yet been achieved. With these reservations, the Alliance ought, above all, to proclaim that it is an International Association of National Associations—an international group of all national co-operative groups.”

This proposition was accepted in principle, but as an amendment to the rules it was rejected at The Hague by the Central Committee as being too drastic in its practical application at the present time. The movement in the various countries has not yet recovered from the dislocation of the war. In some countries it has been rent asunder by the territorial adjustments of the Peace Treaty; there are also several new States admitted to the Alliance whose co-operative centres are not yet in full consonance with the older members, and, as indicated by M. Poisson, the British societies have until now held the right to separate membership of the International Co-operative Alliance. To alter the rule suddenly to the ideal laid down in the French proposal would be to endanger a considerable proportion of the income of the

Alliance from British sources. The Union at Manchester could not adjust itself immediately to such a drastic change as would be involved in collective membership and the consequent payment from its funds of the very large contribution to which it would become liable in respect of four-and-a-half million members.

As we have said, the principle was fully accepted, and will doubtless be kept in view for adoption in the future. Meanwhile, the Central Committee at Copenhagen confirmed the decision of The Hague that Regional Unions and local societies should also be admitted. The last phrase of the text given above, with reference to Auxiliary Associations, was added at Copenhagen in view of the more rigid definition of co-operative societies which had been adopted in Article 8, and which appeared to exclude the Women's and Men's Co-operative Guilds.

ARTICLES 3 AND 4.—These amendments call for no particular comment as they are verbal rather than of substance or principle.

ARTICLE 5 has been amended to the effect that:—

“ The communications and publications of the Alliance may also be issued in other languages than English, French, and German, if the members interested bear the expense, or if the Central Committee so decide.”

The amendment seems clear without further elucidation. The languages to be used by the authorities of the Alliance are English, French, and German.

The use of three languages involves great expense and occupies much time. The adding of other languages would entail still greater expense and loss of time. Expenses incurred in issuing publications in other than the three official languages must, therefore, be borne by the Union concerned until such time as the financial resources of the Alliance are considerably increased.

ARTICLE 6.—“ The seat of the Alliance.” (No amendment.)

ARTICLE 7.—“ Neutrality.” (No amendment.)

ARTICLE 8.—The present wording is as follows:—

“ The following are eligible as members of the Alliance:—

“ (a) Co-operative Societies.

“ (b) Unions of Federations of Co-operative Societies.

“ (c) Federations of Co-operative Unions.

“ (d) Associations aiming at the promotion of Co-operation.

“ (e) Individuals nominated by the Central Committee and elected as honorary members by any Congress until the next Congress, for distinguished services, who have the right to speak but not to vote.

" All societies which carry on any business, trade, or industry, and which aim at the amelioration of the economic and social conditions of their members, and which conduct their business in accordance with the principles established by resolutions of Congress, are considered as co-operative societies in the sense of this article, irrespective of their legal constitution."

It is proposed by the Central Committee to amend this article as follows:—

" *The following are eligible to be admitted as members of the Alliance:—*

" (a) *National Unions or National Federations of Co-operative Societies.*

" (b) *National Federations of Co-operative Unions.*

" (c) *Regional Unions or Regional Federations of Co-operative Societies.*

" (d) *Co-operative Societies.*

" (e) *Recognised National Auxiliary Organisations of the affiliated National Unions or Federations having national dimensions.*

" *The following are considered as co-operative societies in the sense of Article 2, irrespective of their legal constitution:—*

" 1. *Consumers' co-operative societies which conform to the principles of Rochdale, particularly as to—*

" (a) *The equal right of voting of all the members irrespective of, or without regard to, the amount of shares held by each.*

" (b) *The distribution of the surplus, apart from the limited interest on shares, either amongst the members in proportion to their purchases, or carried to collective reserve funds, or allocated to works of education and solidarity.*

" 2. *All other associations of persons that have for their object the social and economic amelioration of their members by the promoting of undertakings on the basis of mutual self-help, and which in practice observe the principles established by the rules of the I.C.A. and the resolutions of its Congresses."*

This amendment will be clear to everyone who has read the explanation of the amendments to Articles 1 and 2.

ARTICLE 9.—" Application for Membership."

The amendment is slight, and needs no explanation.

ARTICLE 10.—“ Right of Appeal.”

Slight amendment.

ARTICLE 11.—“ Cessation of Membership.”

This article is only a slight amendment of the existing Article 12. It is framed as follows:—

“ *Membership ceases—*

“ (a) *By voluntary resignation, notice of which is to be given at least three months before the end of the financial year;*

“ (b) *by non-payment of subscriptions. A member which has been requested in two successive years to send in its subscription and has not done so shall be removed from the list of members;*

“ (c) *by resolution of the Central Committee members which act contrary to the interest of rules of the International Co-operative Alliance, or whose activity is inconsistent with the principles of the Alliance, may be excluded.*”

It will be clear that such provision was necessary.

ARTICLE 12.—The old Article 11 now becomes Article 12.

ARTICLE 13.—The old Article 14 now becomes Article 13.

ARTICLE 14.—“ Committee of Honour.”

This is a new article, which runs as follows:—

“ *There shall be constituted within the International Co-operative Alliance a Committee of Honour, consisting of persons throughout the world who have rendered services to the Co-operative Movement.*

“ *Such persons shall be nominated by the Central Committee and elected by the Congress. The number of the members of the Committee of Honour is not limited; they shall have the right to take part, in a consultative capacity, in the meetings of the Central Committee and the Congresses.*”

This amendment follows and is partly consequent upon the alterations to Articles 2 and 8. It is intended to supplant the admission of individuals under old Article 8 (e) and the election of corresponding members under old Article 15.

It has been urged that real co-operators do not seek honours, but do their duty because they see in the furthering of co-operation a great cause and in the success of the Movement itself the uplifting of human society. This may be true, but it is in the interest of the Alliance and the furthering of its aims

to bind to the institution persons who have served the Movement well, and to give them the opportunity to be present and to speak at the meetings.

The old Articles 8 (e) and 15 are deleted.

We come now to a very important section of the rules, i.e., Section III., Finance.

ARTICLE 15 (new) runs:—

“ FINANCIAL YEAR.

“ All subscriptions are due on 1st of January in each year.

“ Organisations admitted to membership after 30th June in any year shall only be required to pay one-half of the annual subscription in respect of that year.

“ The financial year ends on 31st of December.”

“ INCOME.

“ The income of the Alliance is derived from:—

“ (a) The subscriptions of the members.

“ (b) The receipts derived from the sale of the publications of the Alliance.

“ (d) Voluntary donations and such endowments as may be established for its benefit.”

ARTICLE 16 (old Article 17).—No amendment.

ARTICLE 17.—“ Rate of Subscriptions.”

“ I. The subscription payable by any union, federation, or society admitted to membership of the Alliance shall be fixed at a rate per cent. of the turnover, but with a different rate for retail and wholesale societies.

“ The date at which this basis shall come into operation, and the rate of the subscription, shall be decided by the Central Committee. Until the Central Committee so decide, the subscription shall be calculated as follows:—

“ (a) INDIVIDUAL MEMBERSHIP.

“ II. The minimum subscription for each national organisation admitted under Sub-Sections (a) and (b), and national auxiliary organisations admitted under Sub-Section (e), of Article 8, shall be £10, subject to the obligation upon each such national organisation to induce its society members to become direct subscribers on the scale for societies admitted under Sub-Sections (c) and (d), or, in the alternative, of itself paying the difference between the total subscriptions received in respect of its constituent members and the amount of the subscription for ‘ collective membership ’ calculated in accordance with Clause 3 of this article.

“ The minimum subscription for each society admitted under Sub-Sections (c) and (d) of Article 8 shall be in accordance with the following scale :—

£1	if the membership does not exceed 1,000.
£1 10s.	“ “ is between 1,001 and 3,000.
£2	“ “ “ 3,001 “ 5,000.
£3	“ “ “ 5,001 “ 10,000.
£5	“ “ “ 10,001 “ 25,000.
£7 10s.	“ “ “ 25,001 “ 50,000.
£10	“ “ is more than 50,000.

“ (b) COLLECTIVE MEMBERSHIP.

“ III. Collective membership, or the admission of a national union or federation, with all its constituent members on a basis that accords the privilege of membership to each of the latter, is acquired by a minimum subscription of £10 in respect of the union or federation concerned, and a further £10 in respect of each national organisation included in its membership, with the addition of a contribution for each other constituent society-member in accordance with the following scale :—

1s.	if the average number of members does not exceed 300.
2s.	“ “ “ is between 301 and 600.
4s.	“ “ “ “ 601 “ 1,000.
6s.	“ “ “ “ 1,001 “ 2,000.
8s.	“ “ “ “ 2,001 “ 3,000.
10s.	“ “ “ exceeds 3,000.

“ IV. NOTE.—The standard of all subscriptions shall be the pound sterling, but, while the present depreciation in the currency of various countries continues, payments may be made at not less than the mean rate between the pound sterling and that of the respective countries as officially quoted at London.

“ When, however, the Central Committee decide to adopt the basis of turnover, all subscriptions shall be calculated at the standard rate.”

It will be seen that the regulation of the subscriptions has been amended very considerably.

This was necessary as the expenses of the Alliance increase steadily with the work. There is urgent work to be taken in hand, and at present there is an estimated deficit of £1,000 on working of the present year.

The Central Committee has drafted a scheme of the work to be carried out, which will require great activity and ability on the part of the General Secretary and his staff, so that it will be necessary to give him all the help he requires. This will make great demands on the exchequer of the Alliance, and the Central Committee has, therefore, had to seek means for increasing the funds with a view to rendering possible the execution of the new programme.

The Central Committee were practically unanimous in agreeing that a subscription based on the turnover would be the best and most equitable system, but they were equally of the opinion that the present time was not propitious for applying it. It was, therefore, resolved that a system of subscriptions based upon the membership should be laid before the Congress, but that the Central Committee should be authorised to bring into operation a subscription based upon the turnover, with a different rate for retail and wholesale societies, when the time appears opportune.

The Central Committee do not anticipate that the new method of computing subscriptions will yield a yearly income to the Alliance of more than £4,000, which will be quite inadequate to the needs of the work.

But it is hoped that this sum will tend to increase under the amendments now proposed, and that with the restoration of economic conditions the present amendments will give place to the basis of turnover. At present the possibilities of the movement are great and capable of exerting considerable influence, provided the Alliance has the power to spread its wings over the whole world.

The increase of publicity and action in the various countries will also tend to improve our resources.

The programme includes: The convening of International Congresses for the exchange of ideas and experience, and for concerted action to secure aims of national and international importance; propaganda meetings in great centres for spreading the co-operative faith nationally and internationally; the organisation of international exhibitions of co-operative productions; the publication of journals, books, pamphlets, etc., dealing with the history, principles, and practice of Co-operation, economic problems and statistics; a Press exchange for news and literature; a permanent library at the seat of the Alliance; the promotion of international co-operative trading and banking; the development of a policy for establishing fiscal relations between the nations on the principles of Co-operation; the co-ordination of co-operative production in order to secure the most efficient service at the lowest cost and supplies direct from their sources; the collection of charts, diagrams, photographs, etc., illustrative of the works of Co-operation; the promotion of relations with other international organisations; the furtherance of the study of languages by co-operators; the organisation of holiday and study trips and the general facilitation of personal relations between co-operators of different countries.

It will readily be seen that the execution of this programme, worthy of the great movement that is ours, will require big sums, more even than the Alliance now asks, but the development of the Alliance will result in its income growing even

faster than the institution itself. Co-operators are a little slow in comprehending that what they expend in propaganda flows back to them in the shape of the results achieved. We hope, however, that in the near future, this will be presented, with a clear demonstration of this excellent truth.

ARTICLE 18.—“ Authorities.” This is the old Article 20, unamended.

ARTICLE 19 (hitherto 21), with the addition:—

“ Notification of the date and place of the meetings of Congress, together with a copy of the agenda and printed forms for returning the names of delegates, shall be issued to every member of the Alliance three months before the assembling of Congress. The return of the names of delegates must be received at the office of the Alliance at least one month before the Congress.”

This is a necessary amendment in order that the work may be conducted in an effective manner and the rights of members safeguarded.

We pass over amendments of lesser importance and come to the alteration made in the election of officers.

ARTICLE 29.—“ Election of Officers.”

“ The Central Committee at its meeting immediately after each Congress shall elect from among its members a President (who shall be President of the International Co-operative Alliance and who shall preside over the Congress) and two Vice-Presidents.”

The alterations to Articles 29 and 30 are very important. Article 29 now provides definitely for the election of a President of the Alliance by the Central Committee immediately after each Congress. It also decides that the person so elected shall be the President of the Congress, of the Central Committee, and of the Executive.

In other words, that the Alliance shall in future have no mere figurehead in the shape of an Honorary President, but only a live and active President (such as Sir William Maxwell has been in his more limited sphere), who shall carry his influence and experience into the chair of all the authorities of the Alliance. This change will undoubtedly tend to the co-ordination and concentration of the different parts of our work.

The addition of two Vice-Presidents under the same rule does two things: first, it automatically establishes a “ Bureau ” of Presidency for the meetings of the various authorities of the Alliance and representative of the three official languages; and second, it gives the opportunity to elect representatives of three countries to places of honour and responsibility.

At this point it slips into Article 30, because in the election of the Executive the President and two Vice-Presidents are included "ex-officio," but with all the powers of elected members.

ARTICLE 30.—" Executive Committee."

" The Executive shall consist of the President, two Vice-Presidents, and seven other members elected by the Central Committee from amongst its members immediately after each Congress."

The great importance of the new Article 30 lies in the fact that for the first time since its foundation in 1895 the Alliance will have an International Executive. From an outside point of view it may have appeared curious and even anomalous that an International Organisation should be controlled by a purely British Executive. There were, however, several good reasons for the course which has hitherto been adopted. From the inception of the Alliance British co-operators have been amongst the keenest for its promotion, while their advanced development, extensive organisation and great resources naturally gave them the premier place in the administration.

The seat of the Alliance has for similar reasons nearly always been in London. What more natural, then, that in its adolescence and progress towards maturity the Congress and the Central Committee should have agreed to the practical arrangement of leaving the day-by-day concerns of the Alliance in the care of the men on the spot, and with the largest portion of resources at their hand.

Incidentally this arrangement was of the greatest advantage during the war, which is demonstrated by the report on the work of the Alliance since the Glasgow Congress.

But the time has come for reconstruction and advance. The alterations of the constitution already dealt with show that the Alliance is passing to a new phase of its development into a larger sphere of activity, with aims of increased importance. It is organising itself as a completely international body on democratic lines, and whether we consider the constitution from the point of view of the scientific theory of democracy, or what weighs more, the practical needs of an ordered advance, it appears vitally necessary that the Executive authority and influence should be attached to the most broadly based administration which it is practicable to obtain.

ARTICLE 33.—" The General Secretary."

" The General Secretary is charged with the execution of the decisions of the Congress, the Central Committee, and the Executive, and with the conduct of the current business of the Alliance in the intervals between the meetings."

“ He is responsible for the preparation of the minutes of all meetings, and has in particular the following duties and obligations:—

“ (a) To take part in the meetings of the authorities of the Alliance, with power to give advice, but without a vote.

“ (b) To conduct the office work of the Alliance.

“ (c) To edit the organ of the Alliance.

“ (d) To manage the funds according to the Budget.

“ (e) To appoint the office staff.

“ (f) To furnish an annual report of his work.”

The alterations in this rule are in a similar direction to that of the President, that is to say, of clarifying the position, and of fixing definitely the responsibility for carrying out the decisions of the various authorities of the Alliance and also its day by day work. In this way the work of the General Secretary is now invested with the greatest responsibility, while its variety and extent are more than sufficient for the strength of one man.

CONCLUSION.

My brief review of the new rules is complete and, in submitting them to the judgment of the Congress, and in asking for their unanimous adoption, I would suggest to you that they give a better interpretation of the aims of the Alliance and an improved constitution. They fix upon its officers more clearly defined duties and more direct responsibilities. In the matter of representation, either at Congress or upon the Central Committee, the amendments will secure greater consideration for the various parts of our body co-operative and a more equal distribution of power.

The proposed future scale of subscriptions is admittedly only a temporary expedient pending the general re-establishment of the movement in every country, and the return to something like normal economic conditions.

It should be clearly understood that it cannot, even under the best conditions, provide an income to the Alliance adequate for the work that lies immediately to our hand, and still less for the larger programme just adopted provisionally at Copenhagen and submitted to this Congress in even ampler dimensions.

The Central Committee, however, rely upon the enthusiasm for an advance, and the practical common sense of co-operators in every country in applying their ideals, to provide finances at a steadily increasing rate for the advancement of our work, and in such measure as the tasks we have in hand may be definitely achieved.

Last, but not least, we must mention the inclusion of the basic principles of the Rochdale Pioneers in the text of our statutes.

Their spirit and purpose were always there, but it is all to the good that our mottoes should be expressed, and our ideals clearly inscribed upon our banners.

DISCUSSION ON THE RULES.

The PRESIDENT: Now we come to the revision of the rules, the proposals on which are fully set out and explained in the report before you. I now formally propose their adoption as a whole.

The GENERAL SECRETARY: Before you accept the resolution submitted by the President, I have to suggest, in the interest of accuracy only, an addition to his proposal that you adopt the rules *en bloc*, subject to the comparison and the verification of the texts in English, French, and German. Every effort has been made to produce them to you accurately, but, unfortunately, several small errors have crept in. For example, in the German edition, on page 84 and at the bottom of page 83, under collective membership III. (b) and in the table which follows, £1 sterling has been printed instead of 1s. In the previous table the £1 sterling has been properly inserted. The compositors have evidently mistaken the English sign in the translation. The same thing occurs in the French edition. Only the English is correct. I have, therefore, to ask the Congress to accept the proposition of the President, subject to the verbal verification of the text, but not to the alteration of the principles or fact.

The proposition of the President that the amended rules be adopted, subject to the verification of the texts as suggested by the General Secretary, was agreed to unanimously.

The Policy of International Co-operation

As outlined by the Inter-Allied and Neutral Conferences at Paris.

Paper I.—BY ALBERT THOMAS (FRANCE).

The Central Committee of the International Co-operative Alliance, in placing the question of economic relations between nations on the agenda of the Basle Congress, referred expressly to the resolutions passed by the Inter-allied and Neutral Co-operative Conferences which were held in Paris in 1919.

It is not necessary to recall the circumstances in which these conferences were convened, nor the part which they played in uniting all the members of the great international co-operative brotherhood. We cannot stop to congratulate ourselves on the work which has already been accomplished. New tasks await us, and none of these is more imperative on all men of good will than the effort to establish solidarity in the organisation of the economic activity of all nations.

The efforts of the co-operators for this purpose should be two-fold. On the one hand, the practical work of Co-operation should be increased and co-ordinated on an international plan, and on the other, the principles of the movement should be widely disseminated and laid before the world as the surest basis for peace between the nations. This external activity should be conducted with the confidence which we have acquired, not only from the prestige which we owe to our increasing strength, but also from the recognition of our services for the common good which we have won both from public opinion and from the Governments.

The resolution on the international programme of Co-operation, which was adopted unanimously by the delegates of the 20 nations represented at the last Paris Conference, comprised two parts. In the first, entitled "Principles of International Co-operation," it was stated "that of all democratically-managed organisations the co-operative societies were those which had undergone the most important, regular, and stable development in modern times." After a reference to the principles of the Rochdale co-operators, the first part of the resolution then showed the importance of Co-operation, and in particular of Consumers' Co-operation, as a means to social development. At the request of several delegates, the original text of the first part was amended so as to show more clearly the universal character of Co-operation—the possibility of further definition remained open.

Those members who were most anxious for a solemn declaration of the constructive value and the uniform organisation of the Co-operative Movement later received full satisfaction by the introduction, in the proposal for the amendment of the statutes of the International Co-operative Alliance, of a concise statement defining the characteristics of Co-operation and setting up a common ideal object for its various forms. As this statement was agreed, we only think it necessary in the present report to propose to the Congress, for approval, the second part of the Paris resolution, dealing with the definite question of economic relations between nations.

The question of the international policy of Co-operation was raised at the Paris Conferences by a memorandum from the pen of our eminent colleague, Professor Ch. Gide. This memorandum was the origin, not only of the fundamental ideas embodied in the Paris resolutions, but also of the clearest and most vigorous expressions in which these resolutions are couched.

It was in the following terms that M. Ch. Gide expressed the point of view of Co-operation, the adherence of co-operators to all efforts towards economic co-operation between nations, and their opposition in principle to all forms of international competitions.

“Up to the present, commercial policy has been a policy of war as regards international trade, at any rate, and even as regards internal trade.

“This war has, however, assumed two different forms: The first is above all defensive. An effort is made to defend the country against what is called a foreign invasion, i.e., against imports, by the setting up of Customs barriers. Foreign industry has to be prevented from capturing the home markets, as the expression is, by selling goods at a lower price than the manufacturers of the country itself are able to do. The cheaper the foreign goods, the greater the danger of competition they appear to present, and consequently they are more heavily taxed. It is thus attempted to set up a protective tariff so as to neutralise the cheapness of the foreign goods and to raise their price at least to that of the home-produced article. This is called the Protectionist system, or sometimes, to give it a more favourable name, the compensatory system.

“In the other commercial system, which is known as Free Trade, it appears, on the other hand, as if peace and goodwill between nations prevailed. This is the impression produced by the statements of the Free Traders who always carry an olive branch, and, indeed, by the essential articles of the programme. The spirit which inspires the system is, however, that of competition, and consequently it is only another kind of war in an offensive form. The object is not in this case to defend home markets, but to capture foreign ones. Importation is not restricted, as the Free

Trade countries think themselves too strong to fear it. Importation is welcomed, but, on the other hand, efforts are made to develop exportation by sending the national products to all countries of the world at such low prices that they can defy competition.

"These two policies are not mutually exclusive. They can be combined, and this is done by those nations which are most ambitious in the economic sphere. These nations attempt at the same time to close their home markets to foreign goods and to capture foreign markets by an ingenious system of trusts and dumping. If necessary, they even sacrifice the interests of the home consumer to their desire to acquire foreign customers.

"Which of these policies should be adopted by the co-operative societies? If it were necessary to make a choice, it should certainly be the second, but, if possible, neither should be chosen, since both are forms of war.

"The first system, Protection, is undesirable because it is contrary to the interests of the consumers whom it is our duty to defend, as it raises the prices of goods and prevents consumers from reaping the benefit of economies which can be effected in production by foreign producers who are placed in an advantageous position by natural conditions or other favourable circumstances.

"The second system, that of Free Trade, is, however, also undesirable, for, although it might appear more acceptable to co-operators, as it aims at low prices and tends to decrease the cost of living, it is, nevertheless, as we have just said, a system of competition. It is a form of the struggle for existence, and Co-operation cannot be the ally of international any more than of internal competition. This explains why the British Labour Party has never really accepted Free Trade, in spite of the great benefits which it has procured. It must not be forgotten that the Free Trade system was the work of the Manchester traders, and that the great Manchester commercial men had nothing in common with the humble Rochdale Pioneers, though they were very near neighbours. The former fought for profit and every man for himself, while the latter fought against profit and for one another. These are two diametrically opposed principles.

"The commercial policy of the co-operative societies is, therefore, neither nationalist protection nor free international competition, but association between all nations. This is exactly what it is hoped to realise in the political sphere under the name of the League of Nations, an ideal which corresponds to that recently formulated in Manchester itself by President Wilson: 'Honesty is the basis of commerce (he means, should be the basis of commerce), and for this reason commerce is an excellent means of friendship.' This would be true of commerce in which each nation did not, of course, sacrifice its own interests to those of others, for that would not be commerce but philanthropy, which is, nevertheless,

based on the common interests of all countries. In commerce of this kind there would be no attempt to exclude foreign industry from markets or to supplant foreign industry on the home markets in order to make profits. These objects would be replaced by the sole desire of organising world-production in the most economical manner possible, of making use of all the resources of the earth, and of the aptitudes of each nation in the best interests of all."

We consider it important to reproduce M. Ch. Gide's statement of principles in full. This statement, we are sure, will win over all co-operators to the principles which have already been unanimously adopted by the delegates at the Paris Conferences.

We agree with the Free Traders in accepting the international division of labour as a condition which is clearly necessary to the progress of humanity. We are with them in opposing the tendencies towards national exclusiveness which have been aroused in many countries by the war and its consequences. We consider that the triumph of these tendencies would mark a step backward in civilisation. We are, however, not deceived by the illusions of the Liberal school. We do not believe that general welfare and harmony will arise necessarily and automatically from a universal conflict between private interests all fighting for gain. To the spirit of competition we oppose the principles of mutual help and justice. The success of co-operative institutions has demonstrated the economic, as well as the moral, value of these principles. We are resolutely in favour of the organisation of the world on a basis of solidarity, so that the nations may no longer regard one another as rivals, but as partners. We must try to define exactly how we conceive this organisation and in what measure Co-operation can help to bring it about, both by the development of its own constructive work and by the influence which it can and should exercise on public opinion and the Governments.

In the first place, we should investigate the best means of abolishing or limiting the abuses of speculation by establishing the exchange of goods on a regular and stable basis which would give no opportunity for profitable operations by middlemen.

In the second place, we should define the most effective measures for controlling international monopolies and trusts. The aim of control should not be to hinder the attempts of the great international, financial, and industrial combinations to improve technical organisation. We are fully aware of the advantages which may be offered by a coherent system of production and distribution, based on a plan worked out by an intelligent central management. We do not regret the unrestricted play of competition. Competition between rivals of limited conceptions and limited means only produces a moderate degree of order at the cost of a great waste of human energy and natural wealth. Our complaint against the trusts is that they place uncontrolled power in the hands of a small

group of men, who make, or at any rate may make, use of it in a way which is contrary to the general interest. Our attitude towards the trusts should be to attempt to make the co-operative point of view prevail by supervision of the conditions under which they work. This point of view is that of organised production for the satisfaction of the requirements of all and the sale of goods at a fair price.

Finally, we should study the means by which it is possible to remedy the unequal distribution of natural resources among the various national States and to see that each nation receives fair treatment in the distribution of raw materials and foodstuffs. These questions are more closely connected in proportion as the States have joined hands with the trusts, as they now do with increasing frequency, in order to establish control over the sources of raw materials.

It is, of course, in vain to imagine that the solution of problems such as these is immediately within our power. In the near future we can only expect to attain partial solutions, which will increase in efficacy in proportion with the progress of the spirit of concord and peaceful collaboration between nations, and with the degree of development of international institutions.

These questions have already been raised in various quarters. First, at the Co-operative Conferences in Paris as regards the distribution of foodstuffs; then by the workers' representative, Baldesi, at the International Labour Conference at Washington, from the point of view of the connection between unemployment and the distribution of raw materials and shipping; and, finally, in August, 1920, by the International Miners' Congress as regards coal. This Congress voted a unanimous resolution in favour of the institution of an international office for the distribution of fuel, ores, and other articles necessary for the resumption of the normal economic life of all nations. In accordance with the desire expressed by the Miners' Congress, this resolution was submitted to the Governing Body of the International Labour Office, which, after a careful examination of the problems which it raised, adopted the following resolution at its meeting of October 6th, 1920:—

“The Director is authorised to continue negotiations with the League of Nations on the following bases:—

“(1) The constitution of an international office of statistics of prices and supplies (the first section of which might deal with coal) attached to the Economic and Finance Section of the League of Nations;

“(2) This office shall be constituted in such a manner that the International Labour Office shall be represented on it, and that, through the medium of its officers or of the members of the Governing Body, it can follow carefully from day to day the investigations made and the results obtained, and thus respond practically.

to the aspirations and desires expressed in the resolution of the International Miners' Conference."

Mr. Tittoni, taking his stand on the movement in favour of the systematic organisation of distribution, and also on the peculiar position of his own country, raised the question in the name of the Italian Government at the meeting of the Council of the League of Nations at San Sebastian, and later at the First Assembly of the League at Geneva. Mr. Tittoni asked for the appointment of a Commission to study and present definite proposals to prevent the monopolisation of raw materials, either by States or by great international trusts, to regulate the distribution of such materials, and to ensure equitable commercial treatment for all States.

The Economic and Finance Committee of the League of Nations, to which the Council has referred the question, is at present conducting an inquiry on the statistical position of the various countries as regards their immediate requirements of raw materials and articles of prime necessity. This Committee has also sent the Governments of the various countries a *questionnaire* on monopolies and also on the legislative, juridical, or administrative measures at present in force as regards import and export restriction.

The part of the *questionnaire* which refers to monopolies asks the various Governments what are the powers of the administrative authorities and of the courts for the suppression of abuses arising from the possession of a monopoly or from the effective control of any trade or industry by individuals or companies. Each Government is also requested to make any observations "with regard to the prejudice, if any, caused at the present time to the supply of the reasonable requirements of the population in respect of any essential commodity by the operation of any monopoly or combination relating to manufacture, sale, import, or export, either within or outside the country."

Members of co-operative societies cannot fail to take an interest in these first efforts of the League of Nations to deal with the problem of equitable treatment of the various countries as regards commerce, which is mentioned in Article XXIII. of the Covenant of the League. They can help to give these efforts the necessary support of international public opinion, so that the preliminary investigations which have already been undertaken may result as rapidly as possible in concrete proposals. In our opinion the first stage would be the institution of an international office for statistics of prices and stocks, in accordance with the resolution of the Co-operative Conferences of 1919. This office, acting in the name of the Economic and Finance Committee of the League of Nations, would continue the inquiries which have already been undertaken, and would also centralise and give the greatest possible publicity to all information concerning the production, distribution, and consumption of raw materials and foodstuffs.

The very fact of giving publicity to this information would help to restrain speculation by placing international trade under the supervision of well-informed public opinion. In this way it would limit the power of trusts in so far as this power is abused. It would stabilise the exchanges, and ensure settled conditions of trade and production. The information collected by the office would also make it possible to prepare and to propose to the different States partial or general conventions which would pave the way for a system of economic collaboration throughout the world.

After the statement of the general principles of Co-operation and the conclusions to be drawn from them as regards Customs policy and the international control of production and consumption, the resolution of the Co-operative Conference at Paris recommended the adoption of a number of measures for the restoration and development of international economic relations. Some of the measures proposed were connected with the conditions of the moment, while others concerned questions such as the unification of weights and measures, which are of undeniable importance, but, nevertheless, lie outside the strict sphere of Co-operation. We consider it necessary, on the other hand, for reasons which will be stated below, to retain one of the measures proposed by the Paris Conference—the recommendation adopted at the request of the Irish delegates concerning the establishment of relations between agricultural producers in one country and organised consumers in others.

We consider that the problem of the relations between consumers and agricultural producers is one of the most important with which we have to deal at the present time. It can safely be said that the development of Co-operation in the near future, and its organisation throughout the world, depend to a great extent on the solution of this problem.

We must first abandon certain ill-considered schemes which, on the basis of limited experiments, made us regard the organisation of agricultural production on the same lines as industrial production, as a theoretical possibility. It has been supposed that if large agricultural estates as well as factories were united under a single management representing the organised consumers as a whole, a condition would be reached in which all the various divergent trade interests could be harmonised for the satisfaction of the needs of all. It appears, however, that this is a merely theoretical view and that the practical conditions of the organisation of agricultural production compel us to find a different solution for the question of the relations between agricultural producers and organised consumers.

Without entering into a discussion on the technical advantages which are offered respectively by large and small scale farming for

the various kinds of crops, we must admit that the system of small peasant ownership has been strengthened and consolidated by the war in all those countries where it was already the prevailing type. In Eastern and Southern Europe, moreover, we observe that the efforts of the rural workers towards social emancipation have been directed towards the breaking up of large estates. In all the new States of the new Europe the agrarian reforms, which have already been or are about to be applied, will result in the formation of great peasant democracies. These democracies will soon make use of co-operative organisation to consolidate what they have gained. We may therefore expect to see—and indeed we see already—a rapid development of various forms of agricultural Co-operation in these countries. These forms of Co-operation are adopted either to individual or collective farming and exist side by side, and in more or less close connection, with consumers' Co-operation. Denmark and Ireland will no longer be exceptions in Europe as regards their co-operative system. It is thus clear that the development in international co-operative relations will depend above all on the connection between the wholesale establishments of industrial countries and the co-operatives engaged in sale and exportation in agricultural countries.

It also appears possible that the example of the relations which have been established between consumers' and agricultural co-operatives in various countries will assist the effort towards mutual comprehension in the semi-industrial and semi-agricultural countries, which have already resulted in Italy, Austria, Germany and Poland in the constitution of a common organisation for the various forms of Co-operation.

The real importance of the question cannot, however, be completely seen unless the transactions between the different parts of the world are considered as a whole.

We cannot fail to admire the striking testimony to the great development of the English and Scotch Wholesale Societies presented by their tea plantations in India and Ceylon, their palm and cocoa plantations in Africa, and their cornfields in Canada. It is nevertheless possible to doubt whether this solution of the problem of the supply of European consumers with over-seas products is a durable one. The solution of the future will probably not be the employment of paid labour on lands belonging to the co-operatives of another country, but relations between co-operative communities which are autonomous, although associated. The Manchester Wholesale Society itself has given us an example of Co-operation of this kind by making an agreement with the organised farmers of New Zealand for the sale of their entire productions. Such relations between co-operatives should be multiplied and gradually extended to all kinds of imported and exported goods. The nations where Co-operation is organised

would thus be associated in an international system of exchange of services. In pursuit of our common ideal, as well as of common economic activity, we should, therefore, establish relations between the European co-operatives and the consumers' and producers' co-operatives of Canada, the United States, India, the Dutch Indies, Australia, New Zealand, the Philippine Islands, and Japan.

One of the messages issued by President Wilson asked his countrymen to remember that they were not merely citizens of a province. We on our side must remember that European Co-operation is only a province of the International Co-operative Alliance, and that if we are to construct a co-operative economic system which can claim to be self-sufficing, we must associate the co-operatives of all parts of the world for their mutual benefit.

Discussion on the Paper.

The PRESIDENT: The paper of Mr. Albert Thomas is now open to discussion, and I call upon him to submit the resolution thereon.

Mr. ALBERT THOMAS formally submitted his resolution, the text of which is as follows:—

“The tenth Congress of the International Co-operative Alliance recognises that commercial policy has up to the present been a policy of war; that this war has assumed a defensive form when countries have adopted the system of Protection in order to defend themselves against what they call enemy invasion, i.e., against imports, by raising customs barriers; that the system of Free Trade, on the other hand, has resulted in offensive war when countries which were too strong to be afraid of imports have tried to invade other countries; that other countries have pursued a bold and ingenious policy of Imperialism by a system of dumping and trusts, by which they attempted both to close their home markets to foreigners and to capture foreign markets.

“Co-operators denounce competition and war in all their forms. They recognise that in many cases the system of Free Trade has helped the consumer by reducing the cost of living. Their own policy, however, cannot be either nationalist, protectionist, or free international competition. The object of the Co-operative Movement is association between all nations.

“It does not demand the abolition of customs duties or of commercial treaties. It is aware that the same practical system, whatever it may be, produces quite different results, according to the spirit which inspires it. It declares that commercial treaties should be multiplied. It demands, however, that they should no longer be governed by the spirit of bargaining, which has hitherto prevailed. It also desires that these treaties should be renewed for a sufficiently long period to assure the sound development of industry.

"The Congress further associates itself with the proposals which have already been made to the League of Nations concerning the establishment and regulation of the conditions of a just distribution of raw materials and foodstuffs and the institution of control over international monopolies and trusts.

"It expresses the hope that the Economic and Finance Committee of the League of Nations may as soon as possible set up an International Statistical Office entrusted with the collection and publication of all necessary information concerning production, supplies, and requirements in various countries.

"Finally, 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 organisation of the International Co-operative Alliance to unite all the co-operative organisations of the whole world."

Dr. RENNER (Austria): The Austrian and Norwegian delegates will abstain from voting on the resolution since they cannot accept it. To vote against it would be of little value because there are very few delegates from Austria. Our united voice against that of the other States is so small that it would be as an Austrian crown in comparison with an English pound.

The first and third paragraphs of the resolution deviate from traditions which have existed for decades. The International Co-operative Movement, in so far as it is based upon Rochdale principles, has hitherto adhered to the principles of Free Trade and made no compromise with Protection. In the resolution before us such a compromise is demanded of us for the first time. We consider, however, that such vital questions ought first of all to be discussed, and that we cannot simply override an old tradition by recognising, even with reservations, a system of Protection.

Further, the resolution does not seem quite clear. We are in agreement with the attempt to substitute for competition between the nations and competition as represented by tariffs, the economic association of the nations. In this connection we are referred to the League of Nations. Our delegates have the greatest respect for the idea of the League of Nations, and regard it as a new receptacle in which all the great ideas of humanity will ultimately find their place. At present, however, this receptacle still contains old and rather sour wine. We have, therefore, not sufficient confidence that the League of Nations

will help us to make this economic organisation an accomplished fact. When we regard present conditions, we Austrians must admit that we are perishing as a result of the mutual isolation of the nations. If we had to wait until frontiers were opened up to us by the League of Nations, we fear that the help would arrive too late for the patient, the same as the international credits which have been presented to us in such a favourable light in Colonel Schuster's report, but for which we have already waited two years. As sick people we applied for this aid two years ago, but in vain, and it is a wonder that we are still alive.

We have not sufficient confidence in the power of the League of Nations to change the Protectionist tendencies of certain Governments. On the other hand, we do not wish to vote against the resolution because there are some passages in it with which we are in agreement. In our opinion, the Co-operative Movement is entering upon a new phase and is confronted with great problems. We consider the methods of discussion as practised here altogether inadequate. We urge that all resolutions be submitted not only to the Central Committee, but to special committees appointed to deal with the different subjects, so that the co-operators of the different countries who are interested in certain subjects may have the opportunity of joint discussion and of arriving at a mutual understanding such as is lacking to-day. In view of this we refrain from voting.

Dr. P. WARBASSE (America): I am in agreement with much contained in M. Albert Thomas's report, but there is a passage to which exception must be taken. I desire particularly to call your attention to the amazing proposition in the last paragraph on page 89 of the English agenda. We find the movement on the part of consumers to reach back to the control of raw materials and the control of agricultural production referred to as "ill-considered schemes." We find also that this movement on the part of organised consumers to secure control of the land is referred to as "a merely theoretical possibility." Now when we look upon the work of the British C.W.S. and of many of the larger consumers' organisations and discover that they have actually accomplished this reaching back to the land and secured control of raw materials, we are amazed that such a resolution should be presented to a Co-operative Congress. I therefore suggest the following amendment to the resolution submitted by M. Thomas:—

"The consumers constitute all of the people of the world; and the purpose of the consumers' movement is to organise the people to the end that they may secure larger access to the necessaries and good things of life. Production and distribution for use and not for profit is the aim of the Co-operative Movement. The best interests of humanity will be served and the

above purpose best attained through the control of production by co-operatively organised consumers. To this end the consumers' co-operative societies should organise and unite to control not only the distribution of commodities and surplus, but also the field of production, and, finally, secure control and possession of the land and the ultimate sources of raw materials."

Professor TOTOMIANZ (Central Committee): I am in agreement with both reports which have been presented, but I must draw attention to the importance of agricultural Co-operation, which has not been taken sufficiently into account. There are people who say it is not necessary, because the agricultural societies are special productive associations working for their own ends. But let me remind you there are such societies working for production not only in the country, but also in the towns, that would fall under the same heading, i.e., Workers' Trade Unions. In the same way that we stand on a good footing with the Trade Unions—often after having overcome great difficulties—we can likewise find the way to the agricultural societies. As you all know, co-operative production often suffers severely owing to the claims and demands of the Trade Unions. As, however, we are always successful in overcoming urban difficulties, we can certainly do more than hitherto for the agricultural societies, since it is these societies which provide the towns with all that is necessary in the way of provisions.

Moreover, in certain countries there are National Co-operative Unions which comprise not merely consumers' societies, but all forms of co-operative societies, as, for instance, in Italy, Hungary, and Czecho-Slovakia. Formerly the agricultural and credit societies belonged to our Alliance. Unfortunately we have lost them; now is the time to make efforts to win them back. Yesterday we extended our frontiers on the left; we must now extend them on the right. The time is favourable since the "Green International," which existed before the war, is no longer. Let us try to get these societies back into the Alliance. In my opinion, that is one of the most important tasks of the Alliance if we wish to have anything to do with agriculture.

Mr. KERRAN (Great Britain) considered further discussion of M. Thomas's report useless, and moved that the agenda be proceeded with in accordance with Article 9 of the Standing Orders.

Mrs. McARD (Great Britain) seconded.

M. ALBERT THOMAS (France): I wish to call attention to Article 5 of the Standing Orders, which states that the proposer of a motion or an amendment shall be allowed ten minutes for his speech. The ten minutes have not yet been accorded me, and I therefore claim them.

M. POISSON: M. Kerran has moved that we do not proceed with the discussion of Mr. Thomas' report. The French delegates

will vote against such a motion, since it means that the matter be entirely dropped and no vote taken on the resolution.

The PRESIDENT put the question to the vote and the show of hands was against the proposal of Mr. Kerran.

The discussion was, therefore, continued.

Mr. E. LUSTIG (Czecho-Slovakia), on behalf of the Czech delegation, said: I wish to criticise that part of the report which deals with protective duties or import taxation, since we consider that the fundamental principles of Co-operation have been violated by a passage in Mr. Thomas's resolution. For reasons of principle we demand that the Co-operative Movement shall be the champion of the great idea of the brotherhood of man. Protectionist tendencies aggravate hostility between nations. It happens that a commercial treaty may be concluded between two nations and advantageous results sometimes follow. Then, owing to the fluctuations of the exchange and before the treaty has hardly become ratified, it is annulled, and the amounts fixed for import duties are doubled or even trebled. Such economic wars have already broken out, and the danger is that they may lead to a war of blood. It is the duty of co-operators throughout the world to see that freedom of trade be maintained. We cannot give up our old principles, and, therefore, I propose that the resolution presented be referred back to the Central Committee. otherwise I shall be obliged to vote against it.

Mr. R. STEWART (Great Britain): I would not have intervened in this discussion but for the fact that I fear that if our friend's paper and his resolution be approved here it will go out to the world that this International Co-operative Alliance is opposed to the principle of Free Trade. There is much in Mr. Thomas's resolution that I approve of, but I cannot follow his strictures regarding the main principles of Free Trade. First of all, he says that Protection is undesirable. We know that in Great Britain Free Trade has been the sheet-anchor of the welfare of the people of the country. In another part he refers to the British Labour Party as being opposed to Free Trade. I am not, however, aware of that view ever having been expressed in any Trades Union Congress. At all our Co-operative Congresses we have passed resolutions unanimously in favour of Free Trade, and we must remain loyal to this principle. Therefore, the principle is one that we in Great Britain want to stand by till the better time arrives, the era of associated effort, of which our friend speaks. You cannot have that better time without Free Trade. I am at one with our friend from America, that this Congress should stand by these principles. It is all very well to say that our friend Thomas is not against Free Trade. What was the result of Protection in France during the war? They had to sweep away protective duties on food, notably flour and

bread. That showed that Protection was of no use to France. Even our friends in Germany had to do away with many of their customs duties, because the system did not operate to the best interests of the people. In the time of stress these Protectionist principles have not been able to stand the strain of the Great War; but we are able to stand out prominently from that point of view, and therefore I take up the position that I cannot support this resolution, however much I am in favour of many of the ideas enunciated by my illustrious friend. I hope Congress will speak out with no uncertain voice and declare that we are in favour of the British Congresses and British industrial movements in their desire to see the time come when man to man all over the world will be knit together. We cannot have that so long as we have tariff barriers.

Professor F. HALL (Great Britain): I should like to speak for a moment or two in regard to this question. There is so much in the paper and the resolution with which I agree, but there are some aspects of the paper and some suggestions in the resolution that I, for one—and there are others in England—cannot agree with. We believe that, for the full development of international Co-operation and international brotherhood, the removal of all restrictions on international trade is necessary. We believe strongly that tariffs divide mankind. We are Free Traders in the Co-operative Movement because we want freedom for co-operators the world over. I ask you, therefore, not to commit yourselves to that part of the resolution which suggests that we believe in tariff barriers of the people. The resources of the world must be made available for all mankind, whatever country they may belong to, and for that purpose it may be necessary, and for the purpose of international Co-operation it is necessary, that we should be Free Traders and should encourage the free exchange of commodities the world over.

Mr. ALBERT THOMAS (France): In the first place I would say that this resolution cannot be called a futile resolution conceived by some individual delegate. It is the Central Committee and the Executive Committee who have discussed the text of this resolution and who have put it into words, and they have asked me to present the report and support this resolution before Congress. Many of the speakers, in fact all, have said it contains certain good points. Now, do you not think that when you have found a good thing you should stick to it and approve it? As to the bad things, we can eliminate them. The text before you has been discussed at length, and at the Committee meetings in Paris it was also accepted, on two occasions, by our English friends. If you are for the idea of international association and international solidarity you should accept the text of the resolution. There are two theories that stand hostile one to the other.

There is the theory of Protection, and there is the theory of complete Free Trade; but it is impossible to realise the solidarity of nations either by the complete application of the one or the other. Whether a State be Free Trade or Protectionist, both kinds have had war; and even under a system of Free Trade such as is practised to-day, it very often serves private interests. Free Trade in certain circles facilitates trusts and rings, and other big combinations contrary to the interests of the community. I would say further that neither the complete application of Free Trade nor the principle of Protection will serve our ends. That is stated in the second paragraph of our resolution: "Co-operators denounce competition and war in all their forms." The passage in the resolution particularly criticised consisted of the first three lines at the beginning of the third paragraph, but I am willing to strike them out. They read as follows: "It does not demand the abolition of customs duties or of commercial treaties. It is aware that the same practical system, whatever it may be, produces quite different results, according to the spirit which inspires them." Now, I hope, it will be possible for you to approve of what remains.

I would like, however, to say a few words to those who have spoken on the resolution. I hope my friend Lustig will be satisfied with the suppression of the four lines mentioned.

21 | Let me say to Dr. Warbasse, that if Co-operation is to work to the fullest extent of its aims, it certainly must try to bring about an understanding between the consumers and the producers.

With regard to Professor Totomianz, I would say that if he re-reads our statement of motives, he will see that out of all the special resolutions which followed the special Paris resolution, we retained, with a view to drawing the attention of Congress to this point, the observations with regard to agriculturists. In fact, I am at one with our friend in stating that probably at the present time there is no phenomenon more calculated to claim the attention of co-operators throughout the world than what is taking place in the sphere of agriculture. A number of countries in Central and Eastern Europe have achieved agrarian revolutions which cannot be efficacious from the point of view of world production unless they be directed towards Co-operation, and unless a system of co-operation and understanding be established between the workers and urban consumers, a system which permits the development of production in the interests of consumers.

Dr. Renner tells us he is in agreement with some of the principles expressed in the resolution, but objects to others because they are violations of former old principles. Is it the spirit of the revolutionary to appeal to the principles of the past? I know you are very revolutionary, and, faced by facts, I do not

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think you will hesitate to abandon a formula which is incomplete. He also makes some reference to the League of Nations.

Obviously, it is somewhat difficult for me to deal with that question. He makes allusion to old wine in new receptacles. Let me say the League of Nations is a new receptacle, and we are trying to eliminate the old wine and animate the League in accordance with the spirit of democracy and Co-operation. That is what I am proposing to you. We ought not to be handicapped by old methods and prejudices. We ought to adopt resolutions in harmony with the needs of the times. We have deleted the lines which divided us, and I now ask you to vote for the resolution. We see, as we look around, that there is disorder and everywhere a state of unrest. This is brought about to a great extent by unemployment all the world over. I read only recently articles in the "Co-operative News" of the consequences of unemployment in England and the decrease in the turnover of co-operative societies as a result of this. Shall the Co-operative Movement remain mute in the face of these problems? Have confidence in the community of nations, in the power of association as opposed to profit; and I hope in this spirit you may be able to accept my resolution.

At this point it was decided to postpone the taking of the vote until the following morning.

Election of Central Committee.

The PRESIDENT formally proposed the election of the following list of persons nominated to serve on the Central Committee for the ensuing period and under the new rules:—

- 1. Armenia One to be elected.
- 2. Austria Frau E. Freundlich and Dr. K. Renner.
- 3. Belgium Victor Serwy.
- 4. Czecho-Slovakia... Adalbert Fiser, Emil Lustig, and Anton. Dietl.
- 5. Denmark L. Broberg.
- 6. Finland—
 Keskuskunta ... Hugo Vasenius, V. Fagerstrom, and Prof. Hannes Gebhard.
 Keskusliitto V. Tanner.
- 7. France Prof. C. Gide, Albert Thomas, A. J. Cleuet, and E. Poisson.
- 8. Georgia A. Gugushvili.
- 9. Germany R. Assmann, K. Barth, H. Kaufmann, and H. Lorenz.

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| 10. Great Britain | Sir T. W. Allen, W. Gregory, F. Hayward, A. Whitehead, J. J. Worley, R. Stewart, and W. R. Rae. |
| 11. Hungary | E. von Balogh. |
| 12. Italy | A. Vergnanini, V. Pittoni, Gorni, and Baldini. |
| 13. Latvia | One to be elected. |
| 14. Lithuania | One to be elected. |
| 15. Netherlands | G. J. D. C. Goedhart. |
| 16. Norway | A. Juell. |
| 17. Poland | R. Mielczarski. |
| 18. Roumania | One to be elected. |
| 19. Russia | L. Krassin and Dr. V. N. Polovtsev. |
| 20. Serbia | Michael Avramovitch. |
| 21. Sweden | Anders Oerne and Albin Johansson. |
| 22. Switzerland | B. Jaeggi and Dr. A. Suter. |
| 23. Ukraine | A. Serbinenko. |
| 24. United States | Dr. J. P. Warbasse. |

The nominations submitted were unanimously approved.

The GENERAL SECRETARY: The list you have just adopted has been completed as far as possible up to this morning, but the representation of the Czecho-Slovakian movement has been since increased by the addition of Mr. Anton Dietl. Further, Signor Pittoni has just paid over an amount of subscription on behalf of Italy which entitles the Italian movement to three more representatives on the Committee, and, as you all understand, the financial position of the Alliance is such that, at the present time, we cannot refuse money.

End of Third Session.

FOURTH SESSION.

Wednesday, 24th August.

The Policy of International Co-operation

The Vote on Albert Thomas' Paper.

The PRESIDENT: The first item of business is the resolution submitted by Mr. Albert Thomas, adjourned from yesterday and now submitted in an amended form. The amendment consists of the deletion of the following lines from the beginning of the third paragraph of the resolution:—

“ It does not demand the abolition of customs duties or of Commercial Treaties. It is aware that the same practical system, whatever it may be, produces quite different results according to the spirit which inspires it.”

The amended resolution of Mr. Albert Thomas on Paper I. was put to the vote and adopted by a large majority.

Paper II.—By ANDERS OERNE (SWEDEN).

Before I perform the honourable duty entrusted to me by the Executive of the Co-operative Alliance, of presenting to the representatives of the co-operative societies of the world here present some points of view on the question of the co-operative programme, I have a confession to make. I am not prepared to recommend the adoption of any conclusive co-operative programme at this Congress. Perhaps it may be said that I have placed myself in a somewhat compromising position by not having declined, under such circumstances, the task entrusted to me. But, the more I considered the problem before us, the more clearly convinced I became that the time is not yet ripe for its definite solution. It involves such immense possibilities that it will take many more years of preliminary discussion and theoretical study before the scheme can be successfully realised. I must therefore assume at the outset that any opinions expressed at this Congress on the question of the programme will only be provisional, and intended merely as a basis for further discussion in the literature of the Co-operative Movement and in the Press. I desire, therefore, that my paper be regarded as a modest contribution to this debate. To begin with, allow me to remark that

one can draw up a programme for the world's Co-operative Movement in two widely different ways, according to whether one views it principally in the light of its being a grouping of people or a form of economic enterprise. In the former case, one is tempted to take into consideration the general social ideas of the members. The programme then becomes simply a mass of expressed wishes and demands, which interest different groups among the members in their dual capacity of co-operators and socially interested citizens. In the latter case one simply takes as a basis the essential character of the co-operative type of enterprise and the forces which conduce to its success. The programme will then merely comprise a formal statement of the rules the members have to observe in order to retain the co-operative type of enterprise in its original form. All else must follow logically as a result of the effort to attain the economic objects of the movement. For my part, I adopt without the slightest hesitation the last named method of procedure.

If one concedes the claim that the co-operative plan of action shall include all social and political aspirations which are popular among the members, one runs the risk, I think, of the scheme finally developing into a general confusion of ideas and endeavours which have not the slightest connection with the Co-operative Movement. Nothing can be more dangerous in the long run for the success of Co-operation than such confusion. Indeed, all true development consists in concentration and differentiation. It is just these special economic aims which make the co-operative system what it is. It is only by a concentration of effort upon these aims and by the constant purification of the economic form on which the co-operative association is modelled, viz., separating them from casual outgrowths and extensions, that the co-operators can carry out the scheme for organising the economic life along co-operative lines. This idea will be more closely developed in my address. Before we turn to that, however, I should like to say that, contrary to the apprehension of certain co-operators, such a limitation will in no way lead to moral degradation and intellectual poverty. As a matter of fact, the direct opposite is the case. Just as a rushing stream becomes powerful and attracts interest by reason of its being concentrated along a fixed river bed between solid banks, so also Co-operation will make sure and rapid progress if it is kept within its natural economic boundaries. If the river overflows its banks, the result will be a harmful and poisonous swamp.

To obtain the true perspective of Co-operation one must always remember that it is not a body of men united by a "social contract" with the object of getting certain joint claims satisfied, as in the case of Trade Unions or political parties. It is rather a new system of economic activity, viz., the manufacture and supply of articles of general utility, and the rendering of practical

service to meet the demands of mankind in the way of food, clothing, housing, and general comfort and enjoyment. It is, as I have said, a form of enterprise, and as such is subject to the influence of general laws similar to those which have resulted in that gigantic system of private enterprises which is now spinning its web over the entire globe. Just as the system of private economy has without conscious endeavour stamped its character on all political and social conditions, so must Co-operation, independent of the opinions of its members and by virtue of its growing development, reform the community and the social ideas of humanity. My thesis is, therefore, this: *Solely by reason of its economic principles will the co-operative form of economy advance towards its goal, winning ground from the businesses carried on for personal profit.* This principle derives its strength from the interest members have in satisfying their needs by the best possible means. If clearly understood, this interest must necessarily create the co-operative type of enterprise which was first introduced at Rochdale in 1844, and has since spread over the entire world, producing a conglomeration of other species, in some ways differing widely from the original form, but united by the important characteristic that they are all an expression of the members' desire to further directly, through the activities of the enterprise, their individual household economy or the practice of their various trades.

Where divergences from the true type of Co-operation exist, they are to be accounted for by a lack of knowledge as to what is the best means to the goal, for the attainment of which the enterprise was founded, or a general inability to manage an economic business on right lines. On the other hand, the actual opinions and knowledge of the members on questions other than those which concern the correct management of the co-operative society's affairs are of no consequence whatever from the co-operative point of view. Therefore, it is, in my opinion, quite meaningless to speak of socialistic, civic, catholic, or neutral co-operative societies. Properly speaking, there exist only undertakings with greater or less co-operative effectiveness. Of course I am fully aware that these claims may at first sound over-bold, and possibly, somewhat strange to many ears. Therefore, it is necessary for me to dwell on this point for some moments longer in order to develop my views a little more fully. I shall endeavour, therefore, to describe the co-operative form of economic activity in its historical connection.

The ruling system of economic activity in our days is chiefly characterised by the fact that it has broken away from all intimate connection with the needs of humanity, which it is its principal object to satisfy. Owners of the various forms of undertakings have, in most cases, no direct interest in the operations. For them, undertakings thus carried on are only a means of

profit. Striving for the greatest possible profit has, to a great extent, been the driving power in the development of the economic system, which has gradually transformed the entire world. It was the desire of gain that drove Phœnician and Greek merchants to build ships and defy storms and the force of the waves. It was that same desire that, in course of time, destroyed the system of the guilds in the Middle Ages, exchanged the ancient system of producing commodities in individual families for their own private use, for that of acquiring the necessities of life by means of barter, and succeeded in establishing, by means of legislation, the principle of free competition. It is that same desire which in our day has brought into existence the gigantic commercial and industrial enterprises, and, to a large extent, substituted free competition for a system of monopolies, partly on an international scale. Every means of progress offered by science and up-to-date organisation have been adopted by industrial proprietors in view of the prospect of thereby increasing profits.

It cannot be denied that the result of this development has been a decided increase in the output of human labour. Solely by manufacturing and distributing goods suitable to fulfil the requirements of mankind it has been possible to gain this much-sought-after profit. This and nothing else has induced the people to tolerate the system of appropriation of profits, which has contributed so largely to the growth of social class differences, to an appallingly unequal distribution of wealth, and to an ever increasing lack of freedom allowed to consumers; that is to say, to the great masses of people who must struggle hard for their daily bread.

Although the entire economic system neither has, nor ever can have, any other rational object than that of being of service to the consumers, the latter are nevertheless deprived of all means of assistance (in the shape of capital and organisation), which are essential, not least on account of labour becoming ever more and more widely distributed. While in former times most families were self-supporting, i.e., competent to produce within their own circle and out of their own private resources, the most essential articles of consumption, we have now reached such a stage of development that most people, even to supply their own needs, have not the slightest use for the result of their own labours, because each one only executes a small part of a manufactured article. The ownership of capital and the right of control over the necessary organisation have, as I ventured to point out at the Inter-Allied and Neutral Conference in Paris in 1919, become independent functions, which in modern communities, at least for the present, are carried out by an indispensable and consequently a powerful minority.

Modern Co-operation arose as a protest against the injurious effects produced by the existing profit-system. At its very inception it involved a negation of the entire principle on which the economic system of the time was founded, namely, free competition and the division of the community into one dominating group of producers and one oppressed group of consumers. In fact, Co-operation substitutes the interest in profits as the sole inducement to carry on economic activities for the interest in commodities as a means of satisfying human needs.

One may certainly have good reasons for doubting whether the honest Pioneers of Rochdale had any clear conception of the fact that by their enterprise they really laid the foundations of an entirely new economic system, which in its very essence differed from that under the tyranny of which they themselves and their fellow men had suffered. In their general programme they appear to have been to a certain degree the slaves of contemporary ideas. But that does not signify very much. The main point is that their endeavour to obtain goods of better quality and of greater variety in exchange for their own handiwork received logically defensible and practically feasible expression in the enterprise they founded. Of general reform programmes and schemes for the reorganisation of the community, there has never been any lack. The greatness of the Pioneers lies not so much in the fact that they associated themselves with such a scheme of reconstruction, but that they succeeded in formulating the business rules, the strict application of which must, of necessity, lead to the creation of a system of production, including the connecting link which is called distribution, and which is different from the prevailing system of business for profit (from the consumer's point of view goods are not available before they have actually reached the consumer's own home). The change in locality which the products of factories or of the earth must undergo in order to attain this purpose is quite comparable with the transformation of raw material and its component parts which following, for the sake of convenience, the ancient terminology are classified under the term "production."

Let us now consider briefly along simple lines well known to every co-operator the origin of the co-operative form of business, in order to get a firmer grasp of the problem. When the consumers came to realise that their requirements were not satisfied in the best possible manner through the profit-making system, they were compelled by circumstances to unite in establishing and carrying on business on an economic basis for obtaining the necessaries of life. To return to the ancient system of producing commodities in individual families for their private use is out of the question, as it would cause an immense reduction

in the standard of living, even if the adoption of that expedient admits of any consideration at all. It is equally impossible, as experience soon shows, to solve the problem satisfactorily by coming to an agreement with certain dealers or manufacturers by which they would allow rebate, or, in primitive fashion simply, to confine oneself to the joint purchase of some of the more essential commodities, to be delivered after ordered and apportioned amongst the members themselves at a prearranged meeting.

A business undertaking owned and controlled by the members is therefore an absolute necessity. Capital, however, is required to start and support such an enterprise. To borrow from capitalists would mean that power over the concern would, to a certain extent, be transferred to others. The members, therefore, must contribute towards the funds required for effecting the first transactions. The better the undertaking is financed the more cheaply will it be able to make purchases, and the more extensive will be its operations. Certain rules, therefore, have to be adopted for the purpose of ensuring an uninterrupted supply of capital.

Participation in the movement is voluntary. No one can be made to join it. The bond that unites its members is a common mutual interest in obtaining good and cheap articles. It follows quite naturally then that all members should be given an equal opportunity of controlling the settlement of questions connected with the business. Thus the principle of one man one vote is inevitable.

The more extensive the scale on which the undertaking can be worked, the more favourable will be the result. It is only, however, on the condition that the persons whom the enterprises actually serve are allowed to take part in the management that it can possibly maintain its real purpose. Therefore, all those who wish to profit by its shops or other establishments must be granted membership.

Experience soon shows the impossibility of supplying goods at cost prices, if one tries to do so at the outset. On the slightest reflection one will soon realise that costs cannot be anticipated, as they stand in a certain close relation to the quantity and quality of articles on sale and under manufacture at the time.

In view of this, the adoption of the system of selling at cost price involves a whole succession of psychological difficulties. Finally, this policy is opposed to the fundamental law of economics, according to which the produced means of production—capital—must be created and maintained by restricting immediate consumption. The best method, therefore, is to sell the goods at current market prices. If this policy for regulating prices is adopted under normal circumstances a surplus will result. The members will have paid more for the goods than the latter cost the

association. This surplus is consequently the members', i.e., the buyers' own property, to which they can lay claim in proportion to the amount of their contribution towards its foundation. Therefore, any part of that surplus which is not utilised for increasing the common property of the members—the funds of the undertaking—must be returned to the respective purchasers in proportion to the amount that each one has expended.

The members who voluntarily contribute to the share capital do the enterprise an important service. Indeed they make a point of refraining from placing elsewhere the savings already in their possession (which, under present circumstances, there is always a possibility of doing) or else they restrict their consumption in order to save new funds for the further development of the enterprise. It seems to me, therefore, that it is only just that these members should receive interest on the money invested in the associations; not, however at an unlimited rate of interest, but at a rate restricted to the prevailing quotations in the money market. Allowing credit on household necessaries is extremely harmful to the poorer classes. It involves carelessness in household economy, and weakens their power to resist the misfortunes of life. Besides, it is opposed to the principle of the equal right of members, for it absorbs, to the benefit of those who buy on credit, part of the capital of the concern. Therefore, it is imperative to build up this business on the cash system.

Finally, it must of course be understood that only commodities of good quality and full weight are to be supplied to customers. It seems to me quite impossible to arrive at any other conclusion than the one just stated, if one seriously agrees to arrange on a voluntary basis for the supply of goods to a large number of households solely with a view to satisfying their needs as fully as possible, and if one wishes to get to the very root of the problem.

But the enterprise that is based on these lines must be from beginning to end a true copy of the Rochdale Weavers' Association, i.e., of that very co-operative enterprise which has served as a model for all other co-operative societies. In the same manner if one wishes to find out how a large business in the form of a combine should be organised so as to bring in large profits for the shareholders, *one arrives at the joint stock company, which exists similar in its main features in all countries alike.*

One may say, therefore, in all truth, that the mere fact of keeping strictly to the purpose of satisfying human needs by business methods must necessarily lead to the foundation and maintenance of the purely co-operative type of enterprise.

We will now go further and seek to show by some examples that the working methods and programme of action of the Consumers' Co-operative Movement easily admit of their being based on this fundamental principle.

Thanks to the extensive division of labour which characterises the modern community, machinery devised for the purpose of distribution is of very vital importance to the process of production. It is clear one cannot get away from the fact that the goods which the consumers require must be conveyed *en gros* from thousands of places of production to a limited number of shops where the different families can choose what they need. If one and all were to order what they require direct from the various producers, a good deal of their time would be spent in arranging accordingly. The distributing firms save them all that trouble and are consequently of immense value to the community. One may truly say that distribution is the key to the whole system. A combination formed for such purposes as the co-operative society now fulfils therefore quite naturally begins by setting up a business for purchasing and retailing necessary commodities to its members. To begin with production is like building the roof before laying the foundations of a house.

Starting with distribution and production simultaneously is only possible in the bakery business, owing to the fact that in most countries that line of business has its own separate and highly specialised machinery for effecting distribution.

When this point has been clearly realised—it is well known that numerous other experiments were made before the founding of the Rochdale Association—development becomes automatic; the local co-operative undertaking which is desirous of doing its utmost to carry out its duties soon begins to feel the need of an institution on which it can rely for procuring goods wholesale. It, therefore, seeks to form a connection with other consumers' societies, and, together with them, founds a co-operative association of the second order, viz., a wholesale society. It also needs the advice and assistance of specialists on a number of points of organisation and other questions, as well as material for propaganda and education. This it can obtain by combining in a similar way with the rest of the co-operative societies to form one society, i.e., a co-operative union. These two institutions may also be united into one single organisation, as is the case in Switzerland, Sweden, and other countries.

But if the machinery for distribution has been set up and proved to be functioning satisfactorily, then the foundations are laid for the co-operative manufacture of articles of necessity. The fact will soon be realised that the requirements of the members cannot be properly looked after unless the organisations themselves are in a position to produce the principal kinds of commodities. *Co-operative production through local and wholesale trade associations becomes a reality.*

One more example may here be cited as an illustration of the general principle on which we take our stand.

One of the essential conditions for maintaining the interest in goods as a means of satisfying human needs is that the co-operative societies be organised on rational lines, both from a technical and an economic point of view. That can only be the case if the activities of the members are directed exclusively towards this end. If the co-operative organisations are so conducted that too much attention is paid to irrelevant questions, then their development will cease. A dangerous division of forces will result in the majority of cases if more than one consumers' society exists in each district. This will almost invariably involve a risk of bitter antagonism between neighbouring societies. The management and the members of each society will at once be obliged, when enlisting new members, to hold up their own association as offering the most attractive advantages. Since there very often exists a certain difference in the capacity for economic achievement, special reasons are naturally looked for as to why prospective members should join the one or the other association. Appeals are made in the case of particular railway or postal unions to the solidarity of those particular callings, in the case of associations comprising a large majority of the members of a certain political party appeals are made to political solidarity or even to political hatred, while in the case of "neutral" associations general co-operative principles are advanced. People are everlastingly disputing about the right policy to follow as regards prices, the advantages of grants for social purposes, or the control system, etc. In other words, the members are exposed to a propaganda analagous to that used in various countries by nationalists to provoke the population to mutual hostility. Sometimes in the heat of strife one has no compunction whatever in resorting to obvious slander, lying rumours and personal insults. Boards of management and members, under all this provocation, lose sight of the main issue. They devote all their interest to these ridiculous quarrels instead of building up sound and productive concerns. There is only one way of avoiding this—to *organise consumers into united bodies in every locality and into united wholesale trade associations and leagues in every country*. Experience shows that this policy always wins in the end, although valuable time is often needlessly wasted before this end is attained.

Having thus endeavoured to illustrate and defend the fundamental principle on which the co-operative programme must, in my opinion, be essentially based, I will say a few words on a number of special questions which must be explained before a tenable programme can be formulated.

I pass then first to a brief examination of the various kinds of Co-operation and the relation between them. In this connection, however, it is absolutely necessary to begin by settling the question of the proper economic classification of the existing co-operative societies.

To select as the basis of classification that link in the complete process of production with which the societies concern themselves would prove in a great measure profitless. The old classification into distributive and productive societies takes into consideration a very unessential feature, in that a distributive society must always sooner or later, if it is to fulfil its proper functions, go on to production, while a productive society can very easily open a distributing centre of its own. It is far preferable than to classify societies, as the German scientist, Dr. Eduard Jacob, does under the headings of Societies of Producers and Societies of Consumers. The former are founded to further the practice of the various trades of their members, the latter to promote the exercise of private domestic economy (industrial and provident societies). The same writer applies as a basis for sub-classification the question whether societies act in the capacity of procurers or purveyors of commodities. The former kind procure goods wholesale and distribute them in smaller lots among the members; the latter receive from the members the products of their industry in small quantities, and possibly, after some preliminary work on the goods, place them wholesale on the open market. In actual practice the consumers are not in a position to found societies for any other purpose than for the procuring of commodities, while the societies of producers (e.g., the farmers) act not only as procuring centres, but also as centres of supply.

The purchase societies, to which belong the consumers' societies proper, building societies, consumers' baking societies, etc., as well as the farmers and tradesmen's associations formed for the purpose of purchasing raw material for carrying on their trade, and also those for obtaining commercial credits, such as co-operative banks and other credit associations, all these without exception are characterised by the fact that their members have equal and joint interests in keeping down the level of prices and in procuring the greatest possible quantity of goods or assistance (i.e., financial assistance) with the smallest possible sacrifice of their means of exchange. In fact, it may be said that, in practice, all these societies work on similar lines. The only possible clash of interests between them would be in a case where they encroached on one another's sphere of action, but that can easily be avoided by means of an amicable arrangement.

The other kind—the supply societies—have directly opposed interests. Their members form associations with the object of arriving at the highest possible price for their produce—milk, meat, gardening products, etc. Their members are competitors against one another and unity exists only so long as the association is able to offer higher prices than other buyers. Among this group should be included the so-called “workers' productive

societies," the function of which is to procure for their members a profitable market for their energies. Between these two principal groups of societies is found the same natural antagonism as always exists between buyer and seller.

A number of writers would divest the supply societies of all their co-operative character. Dr. Eli F. Heckscher, professor at the Commercial High School in Stockholm, is among them. He has quite strikingly suggested an analogy between the supply societies and the phenomenon existing in modern industrial enterprise and even the co-operation of consumers, which is called integration, and consists in business undertakings extending their activities to an ever-increasing variety of stages in the process of production.

Nevertheless, in my opinion, it is an undoubted fact that these concerns most certainly differ from the ordinary profit-earning businesses in this important respect, that it is sheer interest in the actual *working* of the concerns that has brought them into existence. In fact, they formally fulfil all the requirements of a co-operative concern, since they have based their regulations on the Rochdale programme.

For my part, I cannot entirely associate myself with those who would divest the purveying societies of their co-operative character. Whether this ought to be the case or not depends entirely on the attitude adopted by the societies themselves. The Danish farmers' supply societies have been obliged to regulate their price policy very largely according to the situation of the English market. They have endeavoured to benefit their members exclusively by improving the quality of their produce and by reducing the cost of production by up-to-date methods. From the consumers' point of view there is not the slightest objection to such a policy; in fact, it is rather the other way, for by means of increased and cheapened production they have done a great service to the consumers of the world. On the other hand, if the supply societies were to take advantage of their position—as has sometimes been attempted in other countries, and, in a few cases, also in Sweden—to try and create a monopoly, and in a manner not warranted by the state of the market to force up the prices of goods on delivery, that would be a very different matter. To the extent that the actual members themselves are—as in the case of the small farmers—manual labourers getting their wages in the form of proceeds from selling their produce, such supply societies, as far as results are concerned, may practically be compared with the Trade Unions formed by industrial workers.

In my opinion great care must be exercised for the present in handling the problems connected with this subject, particularly on account of a circumstance concerning which I shall now take the liberty to make brief mention.

It has often been said that consumers' Co-operation cannot be regarded as having reached its goal until it has acquired control over agriculture as well. That may doubtless be right from a purely theoretical standpoint, but, practically, speaking, the transference of agriculture to the hands of the associated consumers is nothing but a wild Utopian idea. In a country where the land is principally occupied with full owners' rights by a large number of small farmers—as in the majority of European countries, with the exception of England—and where this method of cultivation has been brought about out of respect for natural conditions and the character of production, any attempts to organise the work in the form of undertakings on behalf of the consumers are doomed to complete failure. How circumstances may possibly shape themselves in the course of a hundred years or so it is idle to speculate. The agricultural population is at present engaged in carrying out a system of economic exchange. It may be won over, as examples from Denmark, Sweden, and Finland show, to the co-operation of consumers in the same way as the industrial workers and employés. The extent of their purchases for their domestic needs increases year by year. Further, as buyers of articles of daily use they have indifferently the same interests as all other consumers. As business people they are both buyers of raw material and sellers of produce. In the former capacity their interests coincide with those of the consumers; in the latter capacity they desire, similarly to all other business men, as high an income as possible out of the products they sell. Where Free Trade exists, the quantity of produce, as the example of Denmark shows, tends to increase and its quality to improve through the efforts of the supply societies. From a purely national economic point of view, therefore, these societies indicate a remarkable advance, and the consumers indirectly gain thereby in the same way as they do from modern science and inter-communication. The opposition which must eventually grow up between the societies of consumers and the supply societies can scarcely be avoided, any more than the struggles between the consumers' societies and their employés, but neither the one nor the other need lead to uninterrupted conflict. On the contrary, it is to be hoped that it will very often be possible to settle quarrels by means of free discussion and amicable arrangement.

A certain portion of organic production can undoubtedly be placed under the control of the consumer, namely, that portion in which purely industrial methods are employed, as, for example, the cultivation of fruit and vegetables on a large scale, particularly for conserving purposes, plantation work for the manufacture of tea, coffee, vegetable oils, etc. Animal produce, on the other hand, such as meat, bacon, milk, butter, etc., and everything in connection therewith, are, in my opinion, indissolubly

bound up with the individual agricultural business, since it demands a degree of watchfulness and personal care such as wage earners display only in exceptional cases. Working on a large scale can technically be arranged excellently even in this sphere of industry, but in the great majority of instances it proves uneconomical, i.e., from the point of view of the whole community, injurious.

The relation to the State is quite another question, which has, during the past few years, become a very real one within co-operative circles in many countries. Originally the co-operative movement demanded of the ruling powers nothing more than to be left in peace, exactly as did that form of enterprise which is based upon the competitive system. In a great measure this policy is still probably the right one. The co-operative concerns are in a position, by means of their own resources, to fulfil all the duties which belong to the true objects of the movement. And what is more, experience gained from the war shows quite plainly that these concerns are actually means for promoting the public welfare, and they far transcend State and communal organisation, implying as they do flexibility and the power of production. But, unfortunately, the profit earning concerns have gradually abandoned their negative attitude towards the public authorities. They do not hesitate to employ them for the purpose of acquiring special privileges of various kinds, and at the same time they endeavour, by means of legislation, to place direct obstacles in the way of the free development of the co-operative type of business, as for example by unfair tax legislation. Under such circumstances it is not possible for the Co-operative Movement to remain indifferent to State and communal policy. Here, however, we come up against a very intricate problem, since general politics are directed along entirely different lines from the mere question of standing for or against the co-operative idea. Members of the co-operative societies are, like citizens, organised into political parties or groups of interests with extensive programmes involving the administration of the State and its relation to other States. These programmes deal, for example, with military organisation, taxation problems, popular education, the Church, social measures, tariff policy and a mass of other questions. Were the co-operative societies to associate themselves with part of these programmes, there would inevitably be a split amongst the membership, and the (from their own point of view) indispensable unanimity of the movement would be sacrificed. Besides, this factor thereby turns all parties with their various programmes into open opponents. Should the Co-operative Movement try to draw up a programme of its own, it would prove to be much too general in scope to be able to gain adherents, while at the same time it would find all existing parties hostile to it. "Incidit in Scyllum qui vult vitare Charybdim." Without in

any way wishing to condemn the tactics employed in other countries—which can only be properly understood in the light of the circumstances peculiar to each country—I venture to assert that we in Sweden have succeeded rather well in our attempt to avoid Charybdis without falling into Scylla. While maintaining a scrupulous neutrality towards the various political parties, the Co-operative Union has endeavoured to combine forces with the members of all parties organised on the co-operative system, wherever important questions were involved. As far as that is concerned, it has even managed to effect a working arrangement with the farmers' co-operative movement, for example, in the question of taxation, which extends over a fairly broad front. Thanks to this, we succeeded in 1920 in effecting a considerable alteration of the taxation law, to the benefit of the movement, in spite of strong protests from our opponents. The Labour Parties have adopted a particularly friendly attitude towards the demands of the movement. The farmers in the other parties have likewise shown much sympathy. Under such circumstances there can be no question of our putting up our own co-operative candidates. Had we done so, we should not have won over, as has actually been the case, friends and adherents to the movement in all the three Ministries which have succeeded one another since the autumn of 1917. Indeed, several of the members of these Ministries have, not only in Sweden, but also in Denmark and Finland, been active co-operators.* In order to gain the necessary influence in public life it is certainly far better that the Co-operative Movement should try to win the support of a body of able men in the political and literary world than to come forward at elections with its own candidates, who, even if by any chance they were elected, would never be likely to have much influence. A leading politician would certainly never place himself at the disposal of a "co-operative" election programme. I should like to emphasise once more the fact that, after what has just been said, I have never wished to interfere in the discussions on policy of the different national central organisations, but merely to state my own personal point of view, which is the outcome of experiences gained in Scandinavia.

The co-operative programme, which is here involved, must however adopt a definite line of policy with regard to the relation of the movement to a problem which is of a particularly political nature, namely, the interference of the State in the internal

* The present Swedish Minister in London, Count E. Palmstierna, for instance, officiated as chairman on the Administrative Council of Stockholm's Consumers' Society during the whole time that he was Minister for Marine as well as during the greater part of his time as Minister for Foreign Affairs. The above-mentioned co-operative society is probably the only one in the world which has the Minister for Foreign Affairs officiating as its chairman.

administration of the co-operative organisations. For my part, I do not hesitate for one moment to deprecate all such tendencies. Since our societies are open to all, and are under entirely democratic management, yet do not compel anyone to become a member, there is no reason whatever why State inspection in any shape or form should be instituted over them. Still less can we recognise State-elected representatives on the management of our concerns. The administration must, in fact, entirely represent an expression of the wishes of the members. In order to be able, with some degree of authority, to get rid of interference of the kind just referred to, the Co-operative Movement ought to hold itself aloof from public support of its activities. Only in the atmosphere of freedom can Co-operation develop sufficient strength to enable it successfully to fulfil its mission.

Finally, I propose to take the liberty of saying a few words about co-operative education and the problems it involves, such as arise out of the point of view expressed in my statement.

I have attempted to show in the foregoing that it is solely the members' interest in finding out the best possible method of satisfying their needs that has created and evolved the co-operative form of business, i.e., a purely economic force. If anyone wishes to conclude from this that the education of the masses on co-operative lines is superfluous, I feel bound to utter a very strong protest against such an inference. Even now, the organised system and technical plan on which the co-operative form of business has to work pre-supposes such education among the masses with whose co-operation the present system has come into existence. Knowledge as to the right methods to employ for improving means to satisfy their needs is absolutely indispensable to members if any useful results are to be obtained. And for that very reason solidarity is the most essential condition of all, i.e., the capacity for taking joint action with a definite goal in view, or in other words, a highly developed moral sense in dealing with the community on the part of those participating in the movement. Nothing but the efficient education of the people can call forth these necessary qualities.

The interest which acts as a driving force in the Co-operative Movement is not the narrow-minded egoism which only regards what is best for the individual. On those lines only profit-earning concerns can progress—those whose object it is to gain advantages for their shareholders at the expense of others, or, at the very highest, to win some sort of co-operation inspired by very narrow deals. The interest which forms the motive power of the Co-operative Movement possesses, on the other hand, a strongly social character. It springs from the same mutual feelings of common humanity which, in spite of all obstacles and dissensions, make of human society a living entity.

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The central idea of co-operative education must be the development of social morality, of a common brotherhood, of a sense of responsibility. The idea of utilising a portion of the profits of the consumers' societies to defray the expenses of so-called social activities appears to me to be only defensible according as such activities constitute a link in an educational system aiming at these civic virtues. The social duty which the Co-operative Movement has imposed upon its members is, in fact, not to support by means of grants all kinds of mutual benevolent organisations, but through reforming the economic structure on which the existence of the masses depends to create a happier community.

On these lines I shall now proceed to outline a preliminary draft of the co-operative programme, which, however, I myself do not regard as complete, but only as intended to express some of the more important points which should be taken into due consideration when working out the details of the co-operative programme.

Co-operation is an economic system based on the immediate interest of the associates in commodities and public services. It exists in the form of organisations set up by persons who intend to make a personal use of the business which the organisations transact for the purpose of improving their own domestic economy or for carrying on their profession.

The direct opposite to Co-operation is conducting business for profit, organised as undertakings, the proprietors of which regard the manufacture and distribution of goods as merely a means of gaining profit for themselves. In order to safeguard the interest on which its existence is based, it is imperative that the co-operative concern should apply the rules laid down by the pioneers of Rochdale, which are as follows:—

1. The society must be carried on by means of its own capital. On the funds contributed by the members no dividend is payable, but only ordinary interest.
2. The society must supply commodities of good quality and not deliver articles of consumption on credit.
3. The ordinary current prices must be applied to sales.
4. Surplus on the business must belong to those who have contributed towards its establishment by making use of the undertaking.
5. In the decision of all matters connected with the undertaking the principle of equal suffrage must apply.
6. A certain amount of the surplus to be used for educational purposes.

Concerns which apply these rules and which grant membership to anyone who can find a use for their services are to be regarded as co-operative, whether they act in the service of the

consumers from a domestic economic point of view, or in the service of the small independent producers—of the farmers, for example—in the exercise of their profession. Among the latter may be distinguished two principal groups. :—

1. Purchase societies, which, like the consumers' societies, procure goods in large quantities for distribution amongst the members.

2. Sale societies, which receive from the members the product of their labours in order to sell same in large lots at the highest possible price. Among these may also be reckoned the workers' productive societies, which look for a market for the goods resulting from the joint labours of their members.

Between the consumers' societies and the supply societies of producers there exists the same relation as between buyer and seller, that is to say, a conflict of interests, which cannot indeed be entirely removed, but may be mitigated by voluntary agreement.

The most important group of co-operative concerns from the point of view of the community are the Consumers' Societies, the direct descendants of the Rochdale Society. By consistently following out their own economic plan they once more bring economics into direct service for satisfying the requirements of humanity. Instead of hunting after profit, whether it finds expression in the form of keen competition between private enterprises or in sheer tyranny which is exerted by private monopolies, they direct their common efforts for the benefit of all. The overwhelming majority of the members of modern communities, that is to say, all those who have interest in articles in common use, manufactured under conditions of big-scale production and a fair distribution of labour, being as cheap and as easily attainable as possible, may be won over also to the consumers' co-operative organisations, in the same way as the latter prove that they are in a position to produce more than the profit-earning concerns.

In order to arrive at the highest possible capacity for production on the part of the consumers' concerns, the following conditions must be fulfilled:—

1. The gathering of all consumers, irrespective of profession or opinion, within every geographical division suitable for the purpose, into united bodies, well constituted both technically and as regards organisation, for the purpose of distributing goods as well as of manufacturing such goods as have to be produced in the place where they are to be consumed.

2. The establishment of united central organisations for the local consumers' concerns in every country, with the object of procuring goods either by wholesale purchase or by their own mass production, and to look after the needs of instruction and education.

Since every kind of economic progress requires the use of an ever-increasing amount of produced means of production, i.e., capital, the co-operative concerns must utilise every suitable method for augmenting their capital reserves. The principal sources from which co-operative capital may be obtained are: Annual surpluses, which should be transferred to common reserve funds or separate balances in the concerns, savings placed on deposit by the members, loans on mortgage taken up with co-operative insurance societies, and the placing of bonds on the market.

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Refraining from the immediate use of available cash implies a real act of sacrifice on the part of the consumers, which should be rewarded. So long as members are able to receive such remuneration in the form of interest paid by banks, savings banks, or through purchase of State securities, the co-operative concern can scarcely, without detriment to its own development, avoid paying similar interest on funds deposited with it.

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Funds in the hands of the consumers' societies and their central organisations best further the development of the community if they are utilised in the main for developing, by direct means, the societies' capacity for economic production or for the direct improvement of the consumers' co-operative education and their firm co-ordination with the co-operative system.

In order to succeed, the co-operative concern must enjoy complete freedom to develop according to its own inherent natural laws with the sole assistance of its own powers. Any sort of outside interference—even if induced by the most honest intentions—with the administration or policy of the concern must for that reason be resolutely declined. A concern which has deprived its members of the right, along democratic lines, to regulate its management, and in which as a consequence even the ultimate responsibility over its affairs lies in the hands of persons other than the members themselves, cannot be recognised as a co-operative concern.

Since any participation in matters which lie outside the purely economic functions of the co-operative concern is apt to make for disunion, any such action must, if possible, be avoided. The relations of the Co-operative Movement with the State and with public life are in the main established along the best and safest lines by means other than by contesting elections.

In order to maintain the purity in type of the co-operative concerns, (which is a necessary condition of ultimate victory) an

essential factor is the development of social morality and a sense of brotherhood amongst the members, and the widening of their knowledge as to the true meaning of the co-operative system, through radical instruction and education on co-operative lines, to support which every local society as well as every central organisation must provide regular grants.

Discussion on the Paper.

Mr. ANDERS OERNE (Sweden), in opening the discussion on his paper, said:—

Recently, when I had the opportunity of speaking with Mr. Albert Thomas, the author of the resolution you have just passed, he expressed the hope that our respective papers would not contain any material differences. But from the printed reports it is clear that the divergence is so great that they have hardly anything in common, and, in fact, that we do not seem to treat of the same subject.

The reason is that I confined myself exclusively to the first part of the resolution which was adopted by the Inter-Allied and Neutral Conference in Paris on the "Co-operative Programme After the War"—that is to say, that part which deals with the principles of the International Co-operative Movement.

As will be seen, I have thought it necessary for the sake of clearness to deal with the general economic programme and the internal policy of the Co-operative Movement. That is also why I expressed the wish that the co-operative organisations in the various countries should discuss the problems involved.

For some years past it has seemed to me that there is a lack of clearness in many circles, and not least among my Social Democratic Party friend, as to the real nature of the Co-operative Movement. Far too often it has either been considered as a kind of crutch, to help the working class over the period that must elapse until the establishment of State Socialism, or as a kind of sect, animated by similar ideas to that of the Salvation Army.

In my short investigation, which for obvious reasons is incomplete, I have tried to destroy that idea, by pointing out that the motive power of the Co-operative Movement is of a purely economic nature, that it has its own bases and is independent of all other movements, having grown out of the same root as every other economic activity.

I have also tried to show that the whole structure of the Co-operative Movement and all its methods can be derived from its fundamental economic principle, i.e., from its interest in goods as a means for supplying the needs of mankind.

Personally I am convinced that the method by which I have chosen to establish the theory of our movement on purely economic principles is the only one that will lead to practical and lasting results.

The time has perhaps not yet come to formulate a final programme for the Co-operative Movement throughout the world. I therefore propose the following resolution for the adoption of the Congress:—

“ That the whole question be referred to the members of the International Co-operative Alliance, with the request that they will give it publicity in their national co-operative journals, and later forward their observations to the Executive with a view to a future discussion on specific proposals.”

The PRESIDENT formally submitted the motion to the Congress, and it was adopted unanimously.

GREETINGS FROM THE PRESIDENT OF THE SWISS CONFEDERATION.

The PRESIDENT: Ladies and gentlemen, Mr. Schulthess, the President of the Swiss Confederation, has just arrived in our midst. We welcome him heartily and hope that he will find pleasure in taking part in our deliberations. To-day more than ever, the Co-operative Movement enjoys throughout the whole world a position of esteem which it has not always enjoyed. We are now entering upon a new phase in our development which, however, must always be based on liberty and justice, that is to say, that it will always have the same basis as that of the Swiss Republic, which we receive here in the person of its excellent President. I will now ask Mr. Schulthess to address you.

The Discourse of President Schulthess.

President SCHULTHESS, who was received with enthusiasm, said: It is for me a pleasant duty to welcome here, on behalf of the Federal Council and of the Swiss people, the members of the Central Committee of the I.C.A., and those delegated to the Tenth International Co-operative Congress. I must cordially thank you for the honour done to Switzerland in convening your first Congress after the war in our country. My thanks are also due to the Swiss Co-operative Union for having invited the Federal Council to be represented at this Congress, thus affording it opportunity of coming into contact with such an important and powerful economic organisation as is represented by the International Co-operative Alliance.

In Switzerland the combination of individuals for the achievement of economic aims upon a business, and, at the same time mutually beneficial, basis has been productive of great results.

A living witness to this fact is the Swiss Co-operative Union,¹ which is affiliated to the I.C.A. It is for me a great pleasure to here pay tribute to the far-sighted and well-nigh perfect business administration of this Union. It is administered by men who have at heart both the well-being of members and of the whole country, and in consequence of this attitude the Swiss Union has become a factor of influence in the economic life of Switzerland.

During the war, when we were surrounded by warring powers, we had to try to accommodate ourselves to the new needs and circumstances. The leaders of Co-operation were our fellow workers and our advisers in the measures we had to take. I am glad to have the opportunity at this Congress of expressing my thanks to the Swiss Co-operative Union, and especially to the President of the Management Committee, Mr. Jaeggi, for the eminent services he has been able to render to his country. He has been able to work for the interests of the consumers, and at the same time to recognise the just claims of other groups in the economic life of Switzerland.

The Swiss people are in sympathy with the idea which gave birth to Co-operation: Far-reaching solidarity, the equal rights of all members, a policy directed towards the furtherance of the commonweal in which all participate fully. These form not only the basis of Co-operation but also of a modern democracy such as is represented by Switzerland. What else is, in fact, the Swiss State but a large co-operative society in which all have their place?

The co-operative principle is largely applied in Switzerland in connection with agriculture.

While the co-operative associations pursue the aim of procuring more cheaply for the consumers the goods necessary for their daily needs to the exclusion of the middleman, the agricultural societies seek to realise three different aims: Some aim at facilitating production, others undertake the sale of agricultural products—milk, for example—while others, again, buy wholesale raw material, etc., for agricultural purposes, and also goods for consumption.

Without a doubt the Co-operative Movement contains for the people an important element of education. The person in a co-operative association, especially those who take a leading part, becomes interested in economic problems; he considers these economic problems no longer with the ignorance, prejudice, or hostility often observed in those who have no knowledge of economic intricacies. He learns the difficulties and the risks attaching to the procuring of commodities; he learns about the cost of distribution, and so far as the association goes in for production, he learns the cost of production and the conditions of

sale. Co-operation, rightly understood, becomes a school for instruction in economics and economic justice. Is it an illusion if I see in this participation by co-operators in economic affairs an element which makes for understanding between the economic groups of the different countries? In view of this, it seems to me that the time is nearer when the policy of using big words and of a one-sided conception of things must give place to a judgment of things in accordance with reality. Is it right to divide the community into two sections and say that there is one section all producers and the other consumers, as is often asserted by the uninitiated? Is it right to say that one section is only interested in high prices and that the other is interested in low prices? Each one has in matters economic a head like that of the Roman god Janus with two faces: one of our faces is that of the consumer, the other that of the producer. We have all two faces, one looking towards production and one towards consumption. Every one is a consumer; but he can only receive, what he does receive, directly or indirectly from production. Each citizen is therefore interested in production, especially that of his own country, since it is the source of his income.

Such considerations which confront the co-operator in the management of his society are well suited to bridge over the differences between the opposing economic groups and to afford the masses an understanding of that side of economics with which the co-operative societies are to-day specially concerned, i.e., the distribution of goods.

Those who like myself had the opportunity during the war period of observing economic processes and their development, especially the correlation between private enterprise and nationalised enterprise, must be greatly interested in the Co-operative Movement and its aims. I see in the problems with which you have to deal a series of questions that are also of interest to us, especially at the present time, of the State decontrol of war economy.

Do not your motives, which aim at extending the sphere of influence of Co-operation and at substituting co-operative activity for private enterprise and profit, call to mind the measures adopted by the State in undertaking the control of certain branches of economic life for the common good? Co-operation is another form of bringing under the influence of the collectivity a branch of economic life; it is a stage between purely private enterprise and State control, resembling in form the first system and in tendency the second, with this difference, however, that the influences which prevail in State control only do so in part in Co-operation. I am convinced that great tasks are reserved for Co-operation in all forms of economic life. At the present time, especially, when we are faced with

one of the greatest problems, i.e., the rational and cheap distribution of goods, with a view to bringing down prices, Co-operation has a great task, in view of the fact that private companies are united in syndicates for the purpose of keeping up prices. Co-operation must work for the regulation of prices, for the abolition of impossible demands, but, at the same time, must ascertain the true cost of distribution, and thus help to further the peaceful and fair solution of this problem. One thing is particularly important in the Co-operative Movement, if Co-operation is to continue to be fruitful: you must leave free scope for individual initiative. You must see and remove from your eye the mote of bureaucracy which is found in all large enterprises having numerous ramifications, a bureaucracy which you regard as a beam in the eye of the State. Further, Co-operation must, in its own interest, be preserved from ossification by the competition of private trade which is easily mobile, not bound down by any definite form, and prompt in its decisions. You will agree with me that the human mind must in no respect be placed in fetters. Economic life must not be allowed to suffer from lassitude owing to monotony and stifling of initiative.

Co-operation must regulate its affairs according to business methods; as one speaker has remarked, it must not be burdened with more onerous labour contracts than are imposed on other enterprises.

If Co-operation became general, useful human qualities would be suppressed in their effects, while on the other hand it would be necessary for man to possess qualities which are not peculiar to him. Therefore, both in the interest of co-operative societies and that of their members, I desire that side by side with them may exist the energetic activity of private trade. Both of the two systems have their advantages: each can learn from the other, and as a result of the application of both, there will be progress and the greatest benefit to the entire community.

I know that in expressing this opinion it does not correspond with the expectations which many of my audience place in the future development of Co-operation. It is, however, the view of a man who during the seven long years of war economy has followed closely economic processes, and who in looking back can say that he never suffered disillusion when he reckoned with the realities of practical life and with men as they are.

Allowing for this reservation, a large field of activity is still yours in the cultural and economic spheres. Both in your own countries and in the International Alliance you will be a powerful factor destined to influence the economic and even political development.

I see that certain problems of world policy are inscribed upon your agenda. You will consider how by means of co-operative

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organisation and relations between the co-operative unions peace can be assured. I need scarcely say that the Swiss Government and the Swiss people are fully in sympathy with any such endeavour on your part. Switzerland by its traditions stands for peace; by its traditions it stands for the conciliation of the different nations. The great war through which we have passed has given us the opportunity of witnessing the terrible misery involved. We have seen passing through this country the trains full of evacuated populations, of prisoners, of wounded, and of the victims of the destruction caused by the war. We have witnessed the sufferings of those who had to leave their own countries. In certain aspects we only now realise the extent of the destruction through its economic aftermath. Switzerland, too, has suffered. After a short period of what seemed to be a fictitious prosperity, a great crisis has followed, and we are now suffering from extensive unemployment. The high value of our money is not exclusively to our advantage. Some countries suffer from the depreciation of their currency; we suffer from the high value of ours, for this is not in itself sufficient to protect the economic interests of a country. Whole nations are now suffering from these effects of the war as well as those organised in the co-operative societies represented here.

The Swiss people are therefore glad that a powerful association like yours, which by its rules is neutral in religion and politics, takes an interest in this great problem of the avoidance of wars.

In looking through your agenda I find there is a resolution to be submitted which welcomes the principle of the League of Nations, in which you express the wish that its development may be on more democratic lines. In Switzerland the question of adhesion to the League of Nations was submitted to a referendum, and we joined. Its Covenant was examined, and we found things to criticise, yet we hope in future progress. It will be so if the leaders of the League are equal to their task, and if they understand that they must work for universal peace. Moreover, the work of the International Labour Bureau, which is affiliated with the League, and whose director I welcome here to-day, can contribute powerfully to the reconciliation of opposing interests between the nations.

The Swiss nation, like you, desires peace amongst the nations, a real peace, when arms will be laid aside, when mutual confidence shall once more be established between the nations, and peace reign in the hearts of men. Only when we have such a peace shall we be able to undertake the true reconstruction of the world.

Because of this harmony of sentiment between us I am glad to greet you, and I hope that your stay in our country will be something pleasant on which to look back.

The PRESIDENT: On behalf of the Congress, I desire to thank Mr. Schulthess for his excellent speech, and especially for recognition from so high a quarter of the aims and objects of our movement. The loud and prolonged applause will have proved to him that he has touched the heart of Congress.

I once more ask him to accept our cordial thanks, and hope that he will follow with interest the rest of the proceedings.

Thanks to the Retiring Members of the Central Committee.

Professor CHARLES GIDE moved the following resolution:—

“ This Congress tenders its heartiest thanks to the retiring members of the Central Committee (whose names are appended hereto) for the long and valuable services which they have rendered to the International Co-operative Alliance, and expresses the hope that in their retirement from active participation in its work they may find some compensation in the knowledge that their labours have the fullest appreciation of international co-operators, whose sincere good wishes for their future happiness are hereby recorded: Aneurin Williams, M.P., Duncan McInnes, J.P., and James Deans (Great Britain), Dr. O. Schär and E. Angst (Switzerland), Louis Bertrand (Belgium), Severin Jörgensen (Denmark), O. Dehli (Norway), K. Kokrda (Austria), A. György and G. J. Mailath (Hungary), V. Totomianz and V. Selheim (Russia).”

Professor Gide added a few words to the official resolution, and said:—

We do not wish the resolution to be regarded as a farewell oration. Amongst these colleagues, of whom there are 13—an unlucky number!—we hope there are some who will return to us, and we therefore say a temporary and not a final goodbye to them. As for those who for personal reasons, or who owing to change in the distribution of seats will not return, these are not lost to us, for it is not necessary to belong to the Central Committee in order to render services to Co-operation any more than it is necessary to be a Member of Parliament, or of the Government, to perform services to one's country. Even those members who do not return to the Committee will always be our companions, as they have also been our forerunners and guides.

Mr. B. JÄGGI (of the Swiss Union) seconded the resolution, which was unanimously adopted.

The Election of the Committee of Honour.

The PRESIDENT: Now I have to propose to you to appoint a Committee of Honour, in accordance with Article 14 of the Rules. The first list of names for this distinction, which the Central Committee submit for your approval, is as follows:—

M. E. de Boyve (France), Sir William Maxwell, Messrs. Duncan McInnes, James Deans, Aneurin Williams, E. O. Greening and H. W. Wolff (Great Britain), K. Kokrda (Austria), Louis Bertrand (Belgium), Severin Jørgensen (Denmark), A. György and J. Mailath (Hungary), Luigi Luzzatti (Italy), O. Dehli (Norway), V. Totomianz and V. Selheim (Russia), Juan Salas Anton. (Spain), Dr. O. Schär and E. Angst (Switzerland).

The list was unanimously approved.

It was also agreed that the Central Committee should have power to add at their meeting, at the close of the Congress, any other persons entitled under the rule to be included in the Committee of Honour.

Additions to the Central Committee.

The PRESIDENT: I now ask that power be given to the Central Committee to accept members to the Central Committee from (a) those countries which have paid their subscriptions but have not yet nominated their representatives; (b) additional representatives from countries increasing their subscriptions in accordance with the rules; (c) representatives of countries which may become members of the Alliance before the next Congress.

The proposal was approved.

Greetings from Portugal.

The GENERAL SECRETARY: We have received a telegram from Senhor Reis Santos, the President of the National Federation of Co-operative Societies, in which he regrets not being able to come to our assembly, and tenders his best wishes for the success of our deliberations.

The
Principles of International Right
 according
to the Spirit of Co-operation.

BY CHARLES GIDE

(Professor at the College of France.)

The subject of the report which I have to submit is indicated in the above title which I reproduce exactly as it was given to me, but I must admit that its meaning does not appear to me to be very clear from the title formulated. It is, therefore, necessary, to endeavour to define it more precisely before attempting to reply to the question.

In our research we are guided by the knowledge that the aim of this report is the revision of the peace resolution adopted by the Glasgow Congress on the 26th August, 1913.

Let us then first of all refer to the text of that resolution.

In order to render clear our explanations we will divide it into two parts; the first, which can be accepted without difficulty now as at the time of its adoption, and the second, which calls specially for revision.

1. What Co-operation has to Learn from the Last War.

The first part of the Glasgow Congress resolution reads as follows:—

“ That this Congress fully endorses the action recently taken by the Executive and Central Committees of the International Co-operative Alliance in order to manifest that it is in the interests of the co-operators of all countries to do their best to uphold peace. The Congress emphasises once more that the maintenance of peace and goodwill among all nations constitutes an essential condition for the development of Co-operation and the realisation of those ends which are aimed at by this movement, ”

These declarations give rise to no dispute; indeed, they are only confirmed by the terrible events which have taken place since that time.

It is true, however, that one of the forecasts of Mr. Goedhart, who moved this resolution, has been contradicted by facts. He said it was clear that war would do the Co-operative Movement a great deal of harm.

On the contrary, it has been seen that the most terrible of wars has been of much benefit to the Co-operative Movement! After a brief period of shock, which menaced the co-operative enterprises like all others, the war gave to the movement a quite unexpected impetus, especially in the belligerent countries. It was not only that sales increased threefold or fourfold, which might, however, be regarded as a deceptive sign due to high prices, but also the number of members increased, while there was progress recorded in the concentration of societies, and the authority and credit of Co-operation gained tremendously, both in the eyes of the public and of the public authorities.

It is not necessary to explain here the causes of this happy phenomenon; they are known to all of us.

But are we to see in this surprise a denial of the affirmation that "peace is an essential condition for the development of Co-operation," and would we dare to conclude that Co-operation has greater chance of development in time of war than in peace?

In order to guard ourselves against such blasphemy, it suffices to say that if the war has strengthened the Co-operative Movement it is because it intensified all those evils which it is the aim of Co-operation to combat, viz., high prices, the rise in the cost of living, and especially the accentuated pursuit of profit-making and all the most hideous forms of speculation. The war has enriched Co-operation in precisely the same way that epidemics enrich doctors, or the ruins of the devastated areas enrich architects. It is because it has appeared, at least in a certain measure, as a means of salvation from all the scourges which have been let loose that Co-operation has grown in public esteem; it has been the ark lifted up by the waters of the deluge. But if the deluge had lasted, all the ideals which we have set before us would have been definitely swallowed up by the waters.

Moreover we must not disguise the fact that the realisation of our future programme has been compromised, or, in other words, considerably postponed. When is the cost of living likely to revert to its former level? When will Labour be liberated from the tremendous burdens placed upon it as a result of the unproductive war expenditure? No one knows.

How can we prevent a certain feeling of discouragement when we compare the figures which mark the progress of the Co-operative Movement, and of which we were not long since so proud—with the figures of the cost of the war and war damages. What are the two milliard francs constituting the capital of the British co-operative societies, and which has been amassed with difficulty as the result of eighty years' thrift, compared with an expenditure of 200 milliard francs, consolidated to-day in the form of public debt of England, or the 500 millions of yearly dividend compared with the eight milliard representing the interest on the war

debt? Only consider, that if the capital of the total number of co-operative societies in all countries were added, it would scarcely represent five or six days of the cost of the war, a war which lasted 1,570 days! It would be comparable to an ant hill crushed under the foot of an elephant; nevertheless, even in this case, the ants would not hesitate to resume their task. We likewise will not be less courageous, but at the same time we see in these disasters all the more reason for condemning war and for reiterating, with new and unanimous conviction, the affirmation of the Glasgow Congress, "that it is in the interests of the co-operators of all countries to do their best to uphold peace."

2. Why the Abolition of War cannot be expected from a Social, Economic, or Juridical Revolution.

Let us pass on to consideration of the second part of the Glasgow resolution, which reads as follows:—

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

It is in connection with the second part of the resolution that a revision has been demanded. Why? Because the terms in which it was formulated appear to-day inadequate and too optimistic. This sanguine confidence in the generalisation of Co-operation to abolish war, these appeals to goodwill in the direction of "exhortations," this welcome of "demonstrations" which may be made by other societies or other organisations, without stating precisely what is the nature of those efforts and what are the organisations—all this seems very vague in the light of the conflagration which has since been kindled in Europe.

In the letter which I addressed to the Glasgow Congress excusing my absence, and which is reproduced on page 44 of the Congress report, I said, in anticipation of this motion: "We know that the voice of co-operators, even the united voice of the co-operators of all countries, is not strong enough to outweigh that of the combination of interests and passions." M. Albert

Thomas, who did me the honour to read this letter to the Congress, accompanying it by all too kind appreciations, took exception to my "words of disillusion and scientific disenchantment," and replied: "We do not doubt that in any case our co-operative forces are strong enough to oppose the folly of some of our Ministers." It is true that M. Albert Thomas did not count solely on co-operators, but also on socialists, for the efficacy of this intervention. Mr. Mclean, the Scottish delegate, expressed the same confidence.

However, it is only too well known how easily co-operators and socialists, from the very first day of the war, were carried away like a piece of straw by the powerful waters of the popular current; for it was not only Ministers, but—and it must be recognised with humiliation—the entire masses on both sides of the frontiers were stirred up as by an irresistible impulsion, and a conviction shared by both sides alike that they were fighting for their honour and their lives.

For this reason co-operators have asked themselves in anguish of mind what they must do in order to avoid a repetition of so disastrous a misunderstanding. It was in fact M. Albert Thomas, who, at the meeting of the Central Committee of the International Co-operative Alliance held at Geneva in April of last year, demanded the revision of the Glasgow resolution "according to the superior principles of international right, as they are capable of conception by co-operators united in the International Co-operative Alliance." The task with which I have been entrusted ought therefore to have devolved upon our eminent colleague, if he had not been requested to deal with another question on the Congress agenda.

It now remains for us to consider what exactly calls for revision. In the first place we cannot be satisfied with the promise and announcement that the universal adoption of the co-operative régime will result in the disappearance of war. That is taking a passive attitude. We should have to wait too long for that, perhaps centuries, and if in awaiting the realisation of this Messianic vision we were obliged to cross our arms, it would be an idle solution, or as M. Poisson, said, at the meeting at Geneva, a fatalist view of the matter, with which we cannot allow ourselves to be satisfied.

I would go even further, although I know that my Socialist colleagues will not agree with me on this point, when I say that I do not believe that the ultimate realisation of the co-operative programme by the abolition of profit, or that of the Socialist programme by the abolition of property, and the capitalistic system, would necessarily result in the abolition of war. I cannot ignore the fact that war existed amongst men long before capitalism was known, and there is therefore no scientific reason

for supposing that it will cease with the disappearance of that system. At the Glasgow Congress Mr. von Elm, one of the German delegates, said: "The root of all war was capitalist profit." Personally, I do not think so. I know it is a mere platitude to assert that the causes of all wars are economic and due to conflict of interests, viz., the struggle for profit, and moreover, that such causes are traceable in all wars, even those of antiquity. This celebrated doctrine, termed historic materialism, and which forms one of the bases of Marxist Socialism, does not, however, appear to me to have ever been demonstrated. Stuart Mill, a great economist, said that one conviction was stronger than ninety-nine interests. Although I am myself an economist by profession, I consider that economic causes have less influence in the world than moral causes; in other words, that men are swayed by their passions more than by their interests. When in going back to the war of Troy, I see learned economists claiming to explain its cause as due to commercial rivalry, I incline to the view that old Homer was nearer the truth when he said it was due to the carrying off of the beautiful Helen, that is to say, to the fury of love and jealousy. And if we had to examine the causes of the recent world war, without denying that commercial rivalry and annexionist appetite played their part, greater causes still of this conflagration were the antipathies, hatreds, jealousies, rancours, and hegemonic ambitions.

If I am not inclined to believe that the abolition of capitalism and profit would necessarily involve the abolition of war—for do you suppose that if all the countries of Europe were to become Bolshevistic they would like each other better—still less am I disposed to attribute the same virtue to the suppression of customs duties and the general adoption of Free Trade. This theory has, however, been forcibly expounded in the book written by the great Belgian industrialist, M. Henri Lambert, and entitled "Pax Economica," the character of which is sufficiently indicated in the sub-title, "The Freedom of International Exchange, a Necessary and Sufficient Basis for Universal Peace"—a NECESSARY basis; well, I am willing enough to believe that, but a SUFFICIENT one—No! In other words, I admit that there will be nothing more than a precarious peace so long as the nations protect their frontiers with barbed wire in the form of customs duties, but I do not think that the removal of these barriers would be sufficient to bring about a good understanding between the nations.

Moreover, even if this virtue be accorded to Free Trade, it would still remain to be seen when our co-operative organisations would be in a position to realise Free Trade! At present they are far from doing so, and incapable even of reacting against the present policy of all the countries, which is becoming more

and more Protectionist, even in the hitherto Free Trade countries such as England.

This does not, however, mean that it is not the duty of co-operators to exert all their efforts for the abolition of Protection and profit, for these are essential articles of their programme; nor does it mean that they are not entitled to expect from the realisation of these reforms superior results to those of a purely economic order; that is to say, the paving of the way towards peace, or at least the adoption of means for lessening the risks of conflicts between the nations. We do not, however, think that this purely co-operative policy, operating merely in the economic sphere, is sufficient to meet the pressing dangers of the present time.

Is the solution to be sought no longer in the economic but in the judicial sphere, and are we to create, as it would appear from the title of the report that we are invited to do, "A New International Right Inspired by the Spirit of Co-operation?" That would be a task before which I would recoil, for it would exceed by a long way, not only my competence, but I think I may also say, that of the entire Co-operative Movement. It must be remembered that whatever the imperfection of International Right at the present time, it has required several centuries and the work of great minds to constitute it. Even if we reduce this ambition and confine ourselves to seeking in international right the rules that we ought to accept and those that we ought to reject, as being in conformity with or contrary to the co-operative principle, I believe that this judicial analysis might lead us astray in the paths of vain discussions.

What would they avail? As M. Serwy said at the meeting at Geneva, "It is a matter of knowing what co-operators must do to prevent war in the event of it appearing on the horizon."

3. The Moral and Educative Action of Co-operation with regard to Peace.

Yes, what is to be done? That is a question to which it is all the more difficult to reply when it is remembered that the co-operative organisations have not at their disposal any of the powerful means of action of other organisations—neither the pressure of the general strike of the Trade Unionist organisations; nor the power of the Socialists to refuse to vote taxation, nor yet again, as in the case of the Women's League, the power to pledge themselves never again to participate directly or indirectly in war. That is easier for them than for us men! In fact the economic function of co-operative organisations, which is only exercised in the sphere of consumption, does not imply any power of constraint.

It is, however, a mode of action which we can exercise at present, and without going beyond our sphere, for it must not

be forgotten that Co-operation claims, and rightly so, to be not only a moral, but at the same time an economic factor. It can, therefore, operate in the moral sphere by influencing public opinion. President Maxwell said at the Glasgow Congress: "Every man and woman in the International Alliance has some influence; let them use that influence, so that the huge and costly armaments of war that disfigured the civilisation of the 20th century might be abolished for ever!" Yes, but up to the present it must be admitted that co-operators have scarcely made use of that influence. Moreover, if it is true, as we have just remarked, that men are governed by passions more than by interests, then it is their feelings that must be acted upon.

Do not let it be said that this purely moral action is of small importance; on the contrary, the realisations aimed at in the economic sphere will not be possible of achievement until they have first been effected in the moral sphere.

Egoism in the economic order—a French Minister recently laid stress on its necessity at Brussels, while before him an Italian Minister proclaimed for his country "sacred egoism"—will not disappear from politics until it has first been destroyed in the hearts of men.

Do not let it be said that co-operators are still too few in number to exert any effective influence on public opinion. Do you, then, think that the war-lovers, the chauvinists and jingoes, or any other names that may be given to them according to their country, are greater in number? No, they are only a small minority in each country, and yet it is they who mould opinion and set it up like an irresistible wave.

No, the persons responsible for the catastrophies of war are not a few crowned heads and presidents of the Senate, who are only too often docile instruments in the hands of fanatics and a Press cunning in the art of cultivating all the germs of discord. We are as numerous as they, and although we have not at our disposal the power of money, we have as compensation the sympathy of the popular classes. The rôle of co-operators ought to be similar to that performed on the human body by the white globules known as phagocyte, which after the penetration into the blood of infectious baccilli, neutralise, envelop, and finally absorb them.

The means of exercising this salutary influence would not be lacking if we knew how to use them; they are those employed in our co-operative propaganda, and which ought to be utilised for pacifist propaganda, viz., conferences, pamphlets, journals, congresses. True, we have no great newspapers at our service, but an organisation which comprises, as in England and elsewhere, a quarter or a fifth of the population, could exercise an effective control over the great Press. If every co-operator were

to make it a rule not to subscribe to papers which excite the nations one against the other, by exaggerating the smallest disputes, or even by inventing them, that would be a very effective check to the excitement of the Chauvinist Press.

Propaganda in favour of peace, and the bringing to light of the disasters of war, does not occupy, either in the co-operative Press, or in the Year Books of Co-operation, nor even in the programmes of schools of Co-operation, the place which it should. Let me here indicate the principal points on which propaganda should concentrate its efforts.

It ought to react against all which tends to uphold the prejudices of nations one against the other, and the hatred of the foreigner; against all that tends to caricature and ridicule the foreigner, exaggerating disagreements and inevitable differences of opinion.

It ought also to counteract the dangers of monomania, which consists in regarding every stranger as a spy, a disease which has been called "spy mania," and which unfortunately is very prevalent in France; against all administrative formalities, such as passports, authority for remaining in a country, taxation of foreigners, and other police measures to which the fear of Bolshevism has given an appearance of justification. It is better to run the risk of admitting a few undesirables than to place an obstacle in the way of one of the most sacred rights of man and one of the most essential for the co-operation of the peoples, viz., that of liberty of movement of the individual.

Co-operation ought also to react against what I call the sophisms of war, that is to say, against the unfounded assertions which poison the public mind; against patriotic falsehoods characterised in France by the expression "stuffing the brain"; against statements such as the following which we have heard so often: "This is a war to end war," "Our dead have not died in vain," "War creates new energies," or "War creates more men than it kills"; or, again, this which is now reiterated more than ever, "The preparation for war is the surest way of avoiding it." All these sophisms which have gained currency ought to be exploded by co-operators in the same way that one would shoot mad dogs.

In addition, however, to this negative task which consists in opposing the instigators of war, there is also a positive task which consists in aiding the servants of peace, viz., the pacifist societies, and societies for the drawing together of the nations. Every co-operator ought to make it a rule to become a member both of a pacifist society and an anti-alcoholic society; these are two duties belonging to the same category; defence against intoxication.

Co-operation, whose rôle in the economic sphere is the defence of the consumer, the household, and the home, ought to consider

itself as the natural representative and mouthpiece of "those dumb crowds" of whom President Wilson spoke—of these millions of women and children, the innocent victims of war.

4. The Extent to which the Covenant of the League of Nations Corresponds with the Co-operative Ideal.

Above all, we ought to present to the world the beautiful vision of a Co-operative Confederation of Nations, of which our International Co-operative Alliance is but a rough outline. We already see it realised in part in the League of Nations, which we owe to the untiring perseverance of President Wilson, who in the struggle for its establishment sacrificed his political career and almost his life.

We find in the Covenant of this League of Nations many excellent principles which conform entirely to the co-operative programme, viz. :—

1. The obligation to submit all disputes between the nations to a procedure of inquiry and conciliation, and eventually to arbitration (Article 12).

2. An agreement with a view to the reduction of armaments and the prohibition of the manufacture of arms by private firms, thus avoiding the dangerous temptation of profit leading up to war (Article 8).

3. The prohibition of all secret treaties (Article 18).

4. The transformation of colonial policy: the colonies and their native inhabitants being henceforth placed under the control of the League of Nations, the colonising authorities being merely the agents of the League of Nations; and all recruiting of the native population for military service being prohibited (Article 22).

Nothing will be more favourable for the peace of the world than this last clause, if it be observed, which, however, is as yet uncertain.

5. Guarantee of freedom of communications and of work, as well as equitable treatment of commerce between all the members of the League of Nations (Article 23e).

This principle, to which we attach such importance for assuring harmonious relations amongst the nations, was formulated in much wider terms in the third of the 14 Points of President Wilson: "Suppression, as complete as possible, of all economic barriers." Unfortunately, we see from the text which we have just quoted that it has only been enunciated in the Covenant in an inadequate and equivocal manner, and it obvious that those who are responsible for its formulation had no intention of taking it seriously. Co-operators ought energetically to demand not only the right

for foreigners to visit their countries, but also to establish themselves as traders and manufacturers, the same right being, of course, accorded to all countries.

6. Proclamation of the principle of the international protection of Labour and Public Hygiene, and the establishment of the necessary machinery for its realisation.

We consider also, as being in conformity with co-operative principle, the purely consensual character of the League of Nations, such as it has been constituted; by that I mean to say the maintenance of the sovereignty of each of the nations, adhering to the League, without imposing limitations other than those agreed to voluntarily by each of them. It is true that in these circumstances the League of Nations will be often impotent, and regret has been expressed that it was not constituted in the form of a Federation, properly so called, with the signification attaching to this word in International Right; that is to say, the constitution of a central power strong enough to impose its decisions and giving them sanction, either civil, by means of an international tribunal, or military, by means of an international army.

But the formation of a Federation implies between the members of this Federation the consciousness of a common destiny; the nations of the four Continents do not, however, as yet seem alive to this, not even those of Europe. In the present state of affairs we must, therefore, reject simultaneously the Communist idea which wishes the elimination of countries with a view to their absorption into one single association comprising the whole of Humanity; and the Imperialist idea of a Super-State representing the central power of the World Federation, a power which would probably become oppressive, especially if, as is certain, the rôle devolved on one of the great Powers.

Let us, therefore, maintain in the international organisation of nations, the double principle, independence and union on which it is founded, a principle, moreover, implied in our motto: "Each for all and all for each." Let us also admit that, considering its constitution, the League of Nations realises moderately this principle.

But in face of these realisations, to which it is fitting to pay tribute, there are serious gaps in the constitution of the League of Nations as it emerged from the Treaty of Versailles.

It is not *universal*, because certain of the great nations do not as yet form part of it, such as the United States, Germany, and Russia. Not only must the door be opened to them without first requiring their penitence, but the words of the Gospel must be applied: "Compel them to come in!"

It is not *pacifist*, because it sanctions and perpetuates the results of the war by assuring the predominance in the Council

of the Nations, and in the Assembly, of the five victorious Powers. The Council ought in future to be subordinate to the Assembly.

It is not *democratic*, because the delegates are appointed by their respective Governments, and are consequently diplomats, officials, or politicians. It is true that no article in the Agreement forbids recruiting by election, but neither does it demand it. *We*, therefore, must demand it.

Allowing for these reservations, we ought to support the League of Nations with all our power, defend it against the scoffers and sceptics, and consider it as the younger sister of the International Co-operative Alliance, although much larger and far better endowed. We can even have the legitimate ambition to act as a guide to her, marching before her, lighting up her path.

5. A Co-operative Europe.

Of all the beautiful dreams of the future which can enchant Co-operation, none will be more beautiful than the hope of seeing Co-operation re-establish in the world this fraternity, this moral unity, which to a certain extent existed in the Europe of the Middle Ages, when all professed the same religion and all the intellectuals spoke one tongue which was Latin—religious and intellectual unity which was called "Christianity." But during the terrible crisis through Europe which has just passed, the Church failed in its mission; it invoked in the opposed camps the God of Battles. It is the task of Co-operation to undertake that mission. Co-operation will certainly not have the powerful means which were at the disposal of the Church, it has no Rome and no Pope, and I do not think that Esperanto will be able to replace the intellectual converse in the Latin tongue. Nevertheless, 20,000,000 co-operators, whose number to-morrow or the day after may have increased to 100,000,000, united in one fraternity and one faith, which in its secularity approximates very closely to the Gospel and the words of Christ, "No man liveth to himself," and whose faithful echo of this is "Each for all and all for each"—these co-operators can do much, if they wish, in helping to make Europe what it ought to be become, a true Co-operative Federation.

Discussion on the Paper.

Professor GIDE (France): I will sum up three main points in my paper. In the first place, could the I.C.A. prevent a new war? The opinion I expressed in my letter to the Glasgow Congress was "No!" I did not think the power of the Co-operative Movement was sufficient to attain this great end. My friend and colleague M. Thomas was, however, more optimistic and said: "We do not doubt that in any case our

co-operative forces are strong enough to oppose the folly of some of our Ministers." Well, you have seen that Co-operation has been impotent in this connection, and if to-morrow the folly of men were to let loose another war the International Alliance would be equally impotent. We have not the weapons for action that others possess. We do not sit upon the benches of the Governments like the Socialist Parties in some countries. We have not the weapon of the general strike that the Trade Unions possess.

Now let us consider the second point. Supposing that the Co-operative Movement became universal, would the realisation of our programme, i.e., the suppression of profit, have the power to prevent future wars? The Glasgow resolution says that it would, and that the surest means of preventing future wars would be the generalisation of the co-operative régime. Personally, however, I do not think so. I do not consider that an economic revolution—either the abolition of profit by the establishment of the co-operative régime, or the abolition of property as under the communist régime, would prevent men from making war. War existed long before there was any mention of the capitalistic or of the co-operative systems. It has known how to appeal to the sympathies of the masses to cover the crimes of man. For centuries long there were religious wars when Christian fought against Mohammedan, and Catholic against Protestant. One might have said then: "If you abolish religion you will abolish war." Well, religion has not been abolished, but there are no longer religious wars. Yet war itself continues. There was a time when nations went to war for their kings. There was the Hundred Years' War between England and France to decide which of the two sovereigns should sit on the French throne. There was the War of the Austrian Succession. The people fought for heritages, successions, and for the marriage of their kings. In France and elsewhere there are now no kings; yet there are wars. Then, again, in the far back ages women were often the cause of men going to war. For instance, there was the Siege of Troy to capture the beautiful Helen. It might at that time have been said: Let us abolish women and there will be no more war. We are under the same illusion when we say that the suppression of profit will abolish war. Even if profit were abolished men would still find reasons for fighting, since passion, ambitions, hatred, and jealousy lead to conflicts.

We now come to the third point: What can we do, since we cannot rely on economic means to prevent international hatred? We must rely on moral means and on the education of the masses. But we cannot do much. We are only a small minority in each country. Is it to be supposed that those whose interest it seems to be to kindle the evil passions of nations are the more numerous?

I think not. The Chauvinist, the Nationalists and their Press are not a large section. We are probably as numerous as they, and we can have a pacifist and moral action equal to their stimulating and bellicose activities. I think it is in this restricted and modest sphere that Co-operation can act.

I have pointed out in my report what are the means of propaganda of an educative nature which, in my opinion, could allow Co-operation to act in this sphere and teach men not to seek in war a solution of their difficulties. There is still another point with regard to this question. Do not imagine that I carry the paradox so far as to say that there is no connection between economic events and war—it goes without saying that war produces economic effects of great importance, even if they are only financial—and I also admit that economic considerations, such as competition for colonial markets, for maritime power, and for right of way by land or sea, have their influence on war, since they serve as a pretext and stimulant to the hatreds and antipathies of nations. It is these economic causes, these pretexts, which arouse men when they wish to fight. But whether it is a case of economic causes, of a railway from Bagdad or of war in Morocco, it is always a question of pretext. I now come to the resolution. I would, however, point out that my personal collaboration terminates with the text of my report.

RESOLUTION. ✓

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

“ It once more expresses the hope that, notwithstanding the cruel deception experienced, the progressive general adoption of the co-operative programme in the economic order—in particular the elimination of profit and competition, and free exchange amongst the nations—will result in strengthening the bonds of international solidarity, thereby reducing the risks of war.

“ Although not expecting the early realisation of these aims, and without placing absolute confidence in the efficacy of economic revolutions to abolish the causes of conflict between the nations no less than between individuals, the International Co-operative Alliance earnestly requests the co-operators of all countries to strive in the moral domain in which Co-operation claims its place, to exercise vigilant action for removing all cause of friction between nations, and to adopt as a rule of conduct

towards the men of all nations the rule which every good co-operator observes towards his comrades of the same society.

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

“ And in the event of the folly of men letting loose a new war, it relies on the co-operators of all countries not to linger over irritating discussions as to which side was the aggressor and which the defender, but fearlessly to face patriotic prejudice and official censure, uniting in a unanimous protest which would not cease as long as the war should last.”

Certain of my French colleagues consider that the last paragraph might give rise to misunderstanding and be interpreted as advice to co-operators to undertake direct action in the case of declaration of war. Such, however, was not my idea. Throughout my long life I have never contemplated direct action, and in the event of the outbreak of a new war I would advocate neither desertion nor the refusal of our compatriots and those of other countries to serve their countries. One of my comrades remarked to me: “ But, then, there is contradiction in the text of your resolution. If co-operators are told that they ought to protest against a new war, it is at the same time telling them that they ought not to serve.”

Well, that is not my idea, and I do not see that there is any contradiction. It is possible to detest war and yet serve one's country. There have been Christians in both the opposed camps whose religion forbade them to have recourse to war and who, nevertheless, have served. There were amongst the Romans Christians who refused to fight, but, on the other hand, there was quite a legion of Christians who did their duty. In the past war there were Christians in the various camps. We know by the letters that came from the front that many of these men detested war; that they suffered the greatest misfortunes while in the trenches; but were ready to serve their country to the death because they did not think it possible to do otherwise. There was no contradiction there. One can detest a certain course of action and yet feel it one's duty to render service owing to the spirit of solidarity. Take, for example, a guide leading tourists over a dangerous mountain. He sees the right way; but headstrong and unreasonable people want to go another way. Is he to abandon them to their fate, cut the cord and let them go to death? He knows they are wrong, but still he accompanies them to render assistance. I look upon a true co-operator in the same way, a co-operator who will serve his country even unto death, but still protest that war is an abominable crime. I have still one observation to make so as to avoid any misunderstanding by the

Press, which is always hostile to co-operators. I suggest that the last paragraph of the resolution be amended to read as follows:—

“ And in case the folly of man should provoke another war, that without disputing the right and duty of each country to defend its independence, but considering that no war, not even a defensive war, can be admitted as a solution of conflicts between nations, the International Co-operative Alliance is confident that the co-operators of all countries, even those who may consider themselves the victims of unjust aggression, without fear of patriotic prejudice and official censure, will unite to impose upon the belligerents the cessation of the conflict by recourse to arbitration.”

Dr. TOTOMIANZ (Russia): Our eminent colleague Professor Charles Gide has aptly remarked that passions far more than economic causes are responsible for the outbreak of wars. I am in entire agreement with him. This conclusion is, however, very pessimistic. There is only one means by which to oppose war, and that is by education, both from an economic and a moral point of view. Yet that is not sufficient, because the general system of education in most countries is in the hands of the Governments. The Governments should be asked to introduce the teaching of Co-operation into school curricula. The great tamer of wild beasts, Carl Hagenbeck, of Hamburg, has shown what can be done by the training of wild animals. We must, therefore, not despair of the training of man, especially of children. Co-operative instruction should begin in the schools, not in the Universities. //

Herr FEUERSTEIN (Germany): The German delegation considered the resolution and found its essential parts unacceptable from the standpoint of the principles that underlie the Co-operative Movement. Therefore, we proposed to the President that the resolution should be referred back to the Central Committee of the Alliance. He, however, pointed out that this might not be expedient, as there were amendments to consider. Now, we are in agreement with the amended paragraph, nor had we any objection to the original of that paragraph; but, on the other hand, we take exception to paragraphs 2 and 3. I should like to criticise briefly the whole resolution. We have nothing to say against paragraph 1. Paragraph 2 reads as follows: “ It once more expresses the hope that, notwithstanding the cruel deception experienced, the progressive general adoption of the co-operative programme in the economic order—in particular, the elimination of profit and competition and free exchange amongst the nations—will result in strengthening the bonds of international solidarity, thereby reducing the risks of war.”

The German delegation is in agreement with the elimination of profit and competition and the introduction of free exchange,

but the term "free exchange" should certainly be more closely defined, since there is private-capitalistic free exchange, and in our opinion there should also be co-operative free exchange, which is fundamentally different from private-economic trade.

That is our first fundamental objection to the resolution.

Then paragraph 3 completely contradicts paragraph 2. Since it is stated in paragraph 2 that the risks of war will be reduced to the extent that a co-operative economic order becomes adopted by the nations, we must not say in paragraph 3 that we are not convinced that the adoption of a co-operative economic programme by all nations would prevent war and assure permanent peace. In my opinion this passage is decidedly contrary to the convictions of the large majority of co-operators in all countries, and especially of German co-operators. We are therefore unable to support the view expressed in this paragraph of the resolution.

What would become of us if to-day we were to throw overboard our peace ideal which we have combined with the special economic system represented by us? All those who for the past 20 years and more have been actively engaged in co-operative propaganda have always allied their moral ideal with their economic conviction. This has been expressed by one of our first and best co-operative leaders in the words "Co-operation is Peace." Are we to throw overboard this great moral principle because it can be said that there was once a war on account of the fair Helen, that wars existed before capitalism was known, and that there have always been wars?

That is just what the reactionary and unreasonable people say in Germany. Our rejoinder is: There must not always be war! I deeply regret that Professor Gide has made such a trivial saying his own, a saying which we hear only too often in Germany. He will reply that not material and economic interests determine the question of war or peace, but the passions of hatred, ambition, etc. I would, however, ask if these passions are not, for the most part, called forth owing to economic opposition? In former times, before the existence of capitalism, men fought to obtain additional hunting ground. Again, the whole period of colonisation in the civilised world is soaked with blood, not on account of the passions of hatred, etc., but for material interests.

The great Englishman, Darwin, found the key in his teaching of "the struggle for existence" not only among individuals, but among nations. It is our conviction that war will be abolished and peace established only when either the Socialist programme is realised or Co-operation has become general. Democracy is now becoming established in the world and has been embraced by the leading peoples. So long as the capitalistic system prevails there

will be wars, but to the extent that the co-operative system be adopted the danger of war will diminish until it finally disappears. I will conclude with the words of Schultze-Delitzsch, who said, "Co-operation means peace, and shall and must bring peace to the world."

Mr. POISSON (France): I propose to the Congress that no vote be taken at this stage on Professor Gide's resolution. The question is so important that it would be well to try to arrive at a unanimous finding. All the criticism has been criticism of form rather than of substance. I propose that a commission be appointed, which shall also include Professor Gide, to try to effect such amendment as will secure a unanimous vote of Congress. I think it will be in the general interest of our movement to be able to formulate a uniform view; and I hope the Congress will accept my proposal and defer the vote till to-morrow.

M. GOEDHART: I propose that a commission be appointed, consisting of one French, one English, and one German, to consult with Professor Gide and endeavour to arrive at an understanding. M. Poisson (France), Herr Feuerstein (Germany), and Mr. Marshall (English C.W.S.) were appointed.

The discussion was, therefore, adjourned to await the report of the sub-committee.

The Relations to be Established between the I.C.A. and an International C.W.S.

By HEINRICH KAUFMANN (GERMANY).

The idea of an international co-operative exchange of goods has occupied the attention of co-operators of all countries for many years past, and every co-operator is willing to do his share towards the realisation of that ideal. Experience shows that the co-operative distributive movement in each country stands or falls with the prosperity or want of success of its Wholesale Society. The Wholesales of each country are called upon to solve such important co-operative problems that without their collaboration these problems would remain unsolved and the movement be crippled. In the same way it may be said that the International Co-operative Movement stands as urgently in need of an International C.W.S. as the National Co-operative Movement does of a National Wholesale Society.

This inference is due to our recognition that within the entire co-operative movement there is an inner law at work. The idea which led to the establishment of co-operative societies, composed of individuals (member-societies), naturally leads still further to the federation of member-societies into larger co-operative organisations, such as central societies, wholesale societies, and co-operative unions of every description. The same idea has necessitated the establishment of an International Co-operative Alliance, and will further lead to the organisation of the international exchange of goods.

Just as in many countries the establishment of Wholesale Societies was preceded by the grouping together of consumers' societies for the joint purchase of goods, so likewise must it be borne in mind that a big and efficient International C.W.S. cannot be immediately established by a mere decision to organise. The idea of the international co-operative exchange of goods is a plant that must grow and send out shoot after shoot, until the time for flowering arrives and it is able to bear fruit.

The precursors of an International Co-operative Wholesale Society are to be found in the common organisation, for definite purposes, of the British Wholesale Societies. Further, the Scandinavian C.W.S., composed of the three National Wholesale Societies of Denmark, Norway, and Sweden, is to be regarded as a step on the road to the establishment of an International C.W.S. The casual trading relations between the

Wholesales of the various countries, or between the C.W.S. of one and the Industrial or Agricultural Productive Societies of another country, also prepare the way for an International C.W.S. There can be no doubt that all such institutions deserve our utmost attention, and are worthy of co-operative nurture and development.

Moreover, within the International Co-operative Movement it was decided to set up a Committee for considering the question of an International C.W.S. This Committee at its meeting held at Geneva on 14th April, 1920, determined the principles of its activities. These principles recommend the concentration in one body of the co-operative forces in each country; the establishment of an export department by every Wholesale; the exchange of information between the Wholesale Societies; purchase in common, as far as it is advantageous; and the setting up of a bureau for the collection of statistics, the supply of general information, and the circulation of special reports. The Committee meets regularly and has chosen Mr. Golightly as its President and Mr. Brodrick as its Secretary. General meetings of the representatives of all Wholesale Societies are convened at regular intervals. It is the duty of this Committee to lead the International Co-operative Movement, having due regard to every possibility for development, with zeal, circumspection and foresight, towards the realisation of an international exchange of goods.

This gives rise to the question whether it is desirable and necessary to proceed from the hitherto existing loose form of organisation between the Wholesale Societies to a more concrete form; this more concrete form to be the International C.W.S., once it is established. It would, therefore, be a Wholesale Society composed of Wholesale Societies; having an enormous capital, central warehouses and representatives in every country, owning factories and plantations, and having steamship routes and means of communication. It cannot be denied that the conditions precedent to the establishment of such an all-comprising and commanding Wholesale Society, with almost unlimited capital, do not at present exist.

A more substantial form than the hitherto loose connection between the Wholesales would be the establishment of an International Union of Wholesale Societies, which would, nominally, at least, have to be set up as a capitalist company, and, as such, entered in the commercial or co-operative register of a country—in this case it would only be a question of the United Kingdom—in order to obtain legal rights. Compared with the present-day loose connection between the Wholesales, such a Union would be a further step towards the attainment of our aim. The organs of the Union would be the board of management, i.e., the present

Committee, directed by a President, the Secretary, and the general meeting of representatives of all the Wholesales concerned.

Further, it must be considered whether such a Union of Wholesale Societies is to be brought into touch with the International Co-operative Alliance. For the consideration of this question it is well to survey the existing relations between the national Wholesale Societies and the national Co-operative Unions. Co-operative friends in almost every country have sent me extensive material for the examination of this question. I deeply regret that limited space does not permit of full reproduction and consideration in detail. I must confine myself to the shortest possible extracts, but wish here to express my hearty thanks to all my friends who have given me their help.

The relations between the national Unions and national Wholesale Societies are very varied in the different countries. In the United Kingdom, the oldest and the leading co-operative country, there exists a national Union for all urban societies, distributive, productive, and other societies. The English, the Scottish, and the Irish Wholesales are members of this Union, and their representatives are eligible for membership of the governing bodies of the Union. On the other hand, however, no provision is made for the representation of the Union on the corresponding bodies of the Wholesale Societies. But this does not exclude members of the governing bodies of the Union from being appointed by another electoral body to the Committees of the Wholesales, thereby establishing a certain personal connection. The relations between the Co-operative Union and the Wholesale Societies in Great Britain are very cordial. For the solution of special problems joint committees are set up, and there is also a permanent committee to consider matters of general importance.

In Denmark the economic grouping together of different kinds of societies into central organisations for trade, industry, agriculture and finance dates back farther than the organisation of the Union. These—at present 16—central organisations constitute the Danish Co-operative Union. One of these 16 central organisations is the Danish C.W.S. As a member of the Union it has an influence on that organisation, but the Union does not influence the Danish C.W.S., nor the other 15 central organisations.

In Italy there has existed for many years a Co-operative Union comprising co-operative societies of every type and tendency, which are becoming more and more divided into three groups; consumers' societies, industrial co-operative work societies (productive societies), and agricultural societies, which to a large extent are societies for the joint tilling of the land, and must, therefore, be designated as agricultural work societies. The Union has purely representative duties. A Wholesale Society

has been formed by the consumers' societies, but is, at present, still in its infancy. It is to carry out the duties of a Central Union of Consumers' Societies, and will set up for that purpose commercial and organising departments.

In **Germany** there is a Union of Distributive Societies. Its affiliated consumers' societies form at the same time ten auditing unions and a wholesale society, which is a member of the Central Union, and, as such, has a greater influence than any other single society, namely, that of an auditing union. It is entitled, as a member, to have a representative on the Committee of the Central Union, and twelve on the Union's general council. The Central Union has no influence on the internal affairs of the C.W.S. However, it has become customary for the members of the supervisory board to be nominated at the Congresses of the auditing unions, and they are proposed in the name of these unions. The Board of directors of the Central Union is also represented by two members on the supervisory board of the C.W.S.

Further, it is customary for a director of the Wholesale to be a member of the honorary board of directors of the Central Union. Some of the presidents of the auditing unions, who, in that capacity, are either members of the Committee or of the honorary board of directors of the Central Union, are proposed by their auditing unions for nomination to the supervisory board of the Wholesale, and are elected to that body by the general meeting. There, therefore, exist close organic relations and various personal connections between the Central Union and the Wholesale Society. Another form of relation is that existing between the Publishing Society and the Central Union. In accordance with the rules, the members of the Committee of the Central Union and the board of directors form at the same time the supervisory board and committee of management of the Publishing Society of the German distributive societies.

In **Czecho-Slovakia** there are two Unions and two Wholesales. The first Union comprises not only consumers' but also societies of every kind, especially productive, housing and building societies, for which it has set up special craft unions. The consumers' societies form the larger part of the membership, and they are grouped into district unions. The Wholesale Society is officially represented on the administrative bodies of the Union, whilst the Union has no representative on the board of directors of the Wholesale, but there nevertheless exist various personal connections. The Union and the C.W.S. have jointly set up a Co-operative Bank. The other Czecho-Slovak Union is that of German provident societies, and its Wholesale Society is a principal branch of the Viennese Wholesale Society. It has

official representation on the board of the Union, and there are many personal relations.

In **German-Austria** there is a Union and a Wholesale Society. Their relations are very close, established partly by the rules and partly by custom. The direction is in the hands of a committee, consisting of the President, Vice-President, the Secretary of the Union, two Directors of the C.W.S., and the Editor of the Union's Journal. The Committee of Management is the executive organ, both of the Union and of the Wholesale, by whom the respective interests of both organisations are safeguarded.

The management of business in the C.W.S. rests with the Directors, and in the Union with the Secretary and the Editor. Reports, however, are submitted to the Board of Administration.

The relations between the Unions and the Wholesales of the three last-named unions and wholesales approach a type, which under the able administration of clear-sighted co-operators, has developed in **France** during the past ten years. Before the concentration of the French Co-operative Movement in 1912 and 1913, there were two Unions and two central trading organisations in that country. The Unions amalgamated into the "Fédération Nationale des Sociétés Coopératives." The two Wholesales have likewise become merged into one. The National Union gives effect to the legal provisions regarding associations, and the Wholesale Society to those regarding trading companies, especially companies with variable capital and staffs. Formerly no connecting links existed between the two organisations, but after the concentration of the movement, practically the same persons spread the co-operative ideal and undertook, in addition to the direction of business, the work of organisation in the true sense. There was further a mixed committee composed of members of the C.W.S. and the National Union, occupying itself with international questions such as the relations to the I.C.A., representation at international Congresses, the fixing of the date and agenda of National Congresses and the general meeting of the Wholesale Society, which were both held at the same time and place. This common arrangement proved thoroughly satisfactory.

During the war it was decided to go a step further. The National Union sent delegates to the general meeting of the Wholesale; its Secretaries belonged to the board of administration of the C.W.S., whilst the representatives of the Wholesale took part in the National Congresses of the Union and became members of its board of management, thereby strengthening the bonds between the two organisations.

This arrangement proved entirely satisfactory, and in 1918 a further mutual permeation of the two organisations was agreed upon. Since 1920, the Union and the Wholesale have had a united

board of administration, two-thirds of the members being representatives of the district unions and one-third representatives of the entire Co-operative Movement, i.e., three Secretaries of the Union and the Directors of the C.W.S. The united board meets once a month; in the morning as the board of the Union, and in the afternoon as that of the Wholesale. Between the monthly meetings, the executive bodies of the Union and the Wholesale hold meetings in common, having a clear and concise agenda of business, at which they pass resolutions which must be approved by the united board of management. These deal chiefly with international relations and foreign representation, for French co-operators attach great importance to adopting a united attitude towards their friends in other countries.

In **Finland** there are two Unions and two Wholesale Societies. In the older Wholesale Society the relations between the Wholesale and the Union are so close that it may almost be said that the Wholesale has taken over the functions of the Union, while, however, maintaining the independent character of the Union; in other words, the business management of the Union is entirely in the hands of the Wholesale Society, which also meets the expenditure incurred.

The relations between the new Finnish Union and the new Wholesale Society are likewise extremely close, although within the Union the Wholesale Society has only the status of an auditing union. The subscription of the Wholesale Society is, however, as large as the total subscriptions of the affiliated societies. In addition, there is an extensive personal connection, according to which the General Secretary of the Union, a member of the board of directors of the Union, and the President of the board of administration are members of the board of directors of the Wholesale Society, while the Managing Director of the Wholesale Society is a member of the board of administration of the Union, and the second Director of the Wholesale Society is President of the board of directors of the Union. Thus it is seen that the interpenetration in the case of both these Finnish double organisations is very extensive.

Before considering the last and closest connection between the work of a Co-operative Union and a Wholesale Society, I must survey briefly the development in **Holland**. The Dutch Association of Civil Servants and Officers, "Eigen Hulp," established for the purpose of co-operative propaganda, founded the Dutch Co-operative Union, it thus being a department of "Eigen Hulp." The Dutch Union divided its energies between two departments, the advisory and trading. The artisans' and the workingmen's distributive societies were excluded from this organisation. The development of the co-operative movement outside the narrow confines of "Eigen Hulp," and the interest

that all distributive organisations had in the Wholesale Society, led to the severance of the movement from "Eigen Hülpe" and to the separation of the Wholesale Society and the Union. At the present time there exists the Central Union of Distributive Societies, while the Evangelical-Christian and the Catholic-Christian Co-operative Societies have formed Unions of their own; the majority of the societies are also members of the Wholesale Society. The Wholesale Society, therefore, comprises the distributive societies of all kinds; while both the Christian distributive groups remain separate from the organisation of the Central Union.

It is in **Switzerland, Sweden and Hungary** that there is the closest connection between the Union and Wholesale Society. The Association of Swiss Distributive Societies, which was established in 1890, had as its first duty the protection of consumers, and therefore began to consider the question of joint purchase. According to the propositions formulated by Professor Schär, and which were adopted in 1892, the Union of Swiss Distributive Societies was at the same time to form the Wholesale Society. A special official was therefore appointed to deal with this work. The development of trade necessitated the conversion of the Union into a Central Co-operative Society, and this led to the withdrawal of many distributive societies which did not wish to share the responsibility of wholesale purchase. The "special official" ultimately became manager of the Central Society, and could, therefore, no longer deal with the business of the Union, so that in 1897 a Secretary of the Union was appointed. From 1897-1909 there existed within the Union of Swiss Distributive Societies two separately organised departments, viz., the central organisation for the supply of goods, having at first one Manager, but later several, and the secretariat with its Director. All were subordinate to the honorary board of directors, who were vested with responsibility according to law.

When in 1907 the rules were amended, it was decided to unite the two departments, but to appoint three Managers of the trading department and the Director of the secretariat as members of the board of directors. The allocation of work remained much the same, but it was not subjected to any rigid formula, so that if necessary the business of the secretariat could be dealt with by the trading department, and trading matters, such as the management of the printing department, be transferred to the secretariat.

The **Swedish** Co-operative Union, which was established in 1899, was originally on the lines of the British organisation, and intended to comprise all types of co-operative associations. Amongst the objects of the Union was the promotion of joint purchase. At the next Congress, however, it was decided to

found a special Wholesale Society at Malmö. The manager of the Wholesale Society was appointed to the board of directors of the Union. However, in 1903 the Wholesale was obliged to liquidate, and consequently at the next Congress of the Union it was decided to again take up the joint purchase of goods as part of the work of the Union, and for this purpose to appoint a specially trained official. The Union began with an agency business, but gradually undertook the purchase of goods on its own account. At the beginning the trading operations of the Union lacked definite form. The Union was at that time not registered, and it was not until 1905 that it was officially registered as a society; consequently legal requirements made necessary the addition of an appendix to the rules setting forth the activities of the Union.

This form of organisation was not satisfactory, and the question of dividing the Union into two organisations, namely, a Union and a Wholesale Society was considered. The idea, however, met with no support. A complete reorganisation was decided upon in 1918, and the maintenance of only one Central organisation, thus making rational division of work between the departments. The central organisation of the Union is not divided into two sections, as in Switzerland, but into three. They are: the department for organisation, exercising the function of a Union; the sales department; and the banking and accounting department. The directors of these three departments form the board of directors. They are chosen and controlled by the board of administration, which is elected annually by the Congress, to which it is responsible for its activities.

The most important co-operative organisation in **Hungary** is the "Hangya" Productive, Sale, and Distributive Society, the Co-operative Central Society of the Union of Hungarian Farmers. It was established originally as a distributive co-operative propagandist institution, but it was not long before it assumed the functions of a Wholesale Society, and has since combined them more and more with those of a Central Union. Its activities extend over a number of departments, which are all under the control of directors, who have a decisive influence in the administration of the Union.

In addition, the majority of the Hungarian co-operative societies are federated in a Union of Hungarian Co-operative Societies, whose work, for the most part, is of an educational and propagandist nature.

The above exposition of co-operative experiences in the different countries, which is deplorably brief in comparison with the extensive material placed at my disposal, shows that the *relations between the National Union and the Wholesale Society*

are extremely varied, both from the simple existence side by side of both organisations up to complete fusion. It also shows that on the whole development tends in the direction of closer organic relations, and in many cases of closer personal relations between both organisations. In all big countries the two organisations have been maintained, complete fusion having only taken place in the smaller countries, probably because the simple form suffices for the attainment of the desired end, and has, moreover, the advantage of being less costly. Further, we see that historic conditions have had a decided influence on the movement in the different countries, and that, in certain cases, the existing co-operative form has become the almost complete expression of co-operative will and endeavour. I say "almost" because historic development reveals a certain inclination to adhere to what already exists, and a corresponding disinclination for change, which has the disadvantage, however, that ideas are not given tangible form; on the other hand, there is the advantage that deviations of any considerable nature are avoided, and the status quo is better maintained.

It is not possible on the basis of the co-operative experiences above outlined to make a purely constructive proposition in regard to the relations of an International Wholesale Society to the International Co-operative Alliance. This is all the more difficult since the International Wholesale Society, as the ideal which we have before us, is still in its embryonic stage, and, moreover, the I.C.A., in its organisation and constitution, is by no means complete.

In reality the I.C.A. ought to be composed of National Central Unions, which alone would be the supporters of this organisation, but, up to the present, it has not been possible to carry out the idea, primarily because the nation which is a co-operative model, and which, owing to its age and the strength of its movement, is the chief supporter of the I.C.A., considers that it must take into account the importance to be attached to its historic development.

We must, therefore, confine ourselves to giving *the best possible form to the present stage of development, bearing in mind* that it is not final but of a preliminary character; that it merely represents a transition to still better and higher forms, the one giving place to the other in proportion to development.

The organs of the I.C.A. are the International Congress and the Central Committee. For the transaction of business the Central Committee appoints an Executive Committee. The carrying into effect of the decisions is in the hands of the General Secretary, assisted by the office staff. The International Union of Wholesale Societies, as outlined in my introductory remarks, would have as its organ a General Meeting, a Committee, and a Secretary.

The importance of the Wholesale Societies within the entire organisation, and their small number, would appear to make the following bodies equivalent :—

Central Committee of the I.C.A. and General Meeting of the International Union of Wholesale Societies.

Executive Committee of the I.C.A. and Committee of the International Union of Wholesale Societies.

General Secretary and Secretariat of the I.C.A. and Secretary and Secretariat of the International Union of Wholesale Societies.

It is customary that in connection with a meeting of the Central Committee of the I.C.A., and at the same place, a meeting of representatives of the Wholesale Societies be held, and it would present no difficulties if in connection with a meeting of the Executive of the I.C.A., and at the same place, a meeting of the Committee of the International Union of Wholesale Societies were convened. This would naturally result in a certain personal contact, for the same persons representing a nation on one body would also represent it on the other.

Further, it seems to me right that an International Union of Wholesale Societies should, as such, occupy a privileged position as a member of the I.C.A. The large majority of all the co-operatively organised countries are represented in the I.C.A. almost exclusively through their national unions. I should consider it proper for the International Union of Wholesale Societies to hold the status of a national union within the I.C.A., and to have a corresponding representation on the Central Committee and the Executive of the I.C.A.

Who these persons should be is a matter for close consideration. In order to best fulfil their purpose it is necessary that the leading personalities in the work of the International Union of Wholesale Societies, notably the President and the Secretary, should represent this organisation on the Committees of the I.C.A.

The question also arises whether and to what extent the I.C.A. should be represented in the International Union of Wholesale Societies. Here, again, I consider it fitting that representation in some form should be provided for, and in such a way that it be undertaken in particular by the President and Secretary.

On the strength of these statements I arrive at the following proposals :—

“ The International Co-operative Congress, held at Basle from 21st to 25th August, 1921, resolves to advise the various Co-operative Wholesale Societies which are directly or indirectly affiliated to the International Co-operative Alliance to establish a special International Union of Co-operative

Wholesale Societies as an ordinary co-operative society, registered in England, which shall be brought into organic relations with the existing International Co-operative Alliance.

“ The controlling authorities of the International Union of Wholesale Societies should be an Executive Committee and the General Meeting of the members. The administration should be entrusted to a Secretary.

“ The meetings of the Executive of the International Union of Wholesale Societies should be fixed at the same time and place as those of the Executive Committee of the I.C.A., and the meeting of the members of the International Union of Wholesale Societies should be held at the same time and place as the meetings of the Central Committee of the International Co-operative Alliance.

“ The Presidents and the Secretaries of the I.C.A. and the International Union of Wholesale Societies should fix the time and place of the meetings.

“ A joint committee consisting of three members of the Central Committee of the International Co-operative Alliance, three members of the Committee of the International Union of Wholesale Societies, together with their respective Chairmen and Secretaries, should be appointed. This committee should consider the means of establishing organic relations between the two organisations, should recommend any necessary changes in their rules and fix the amount of subscription to be paid by the International Union of Wholesale Societies to the International Co-operative Alliance.”

As co-operative work is mutual work, and since the collaboration of co-operators and mutual discussion tend in the direction of the adoption of a common view-point, leading to proposals for the furtherance of the question, I have submitted the present statement to the Central Committee through the General Secretary, and the matter has been considered at the meeting in Copenhagen, from the 12th to the 14th April. Our colleague, M. Poisson (France), moved the following additional amendment, which I accepted, and to which the Central Committee unanimously agreed:—

“ That pending the development of the present proposals into a complete constitution for an International Wholesale Society reports shall continue to be exchanged on the respective activities of the two organisations, each of them inviting from the other a fraternal delegate to present its report.”

Obviously the proposals must be submitted to the International Committee of the Wholesale Societies. The meeting at

Copenhagen, therefore, unanimously agreed that the following resolutions should be submitted to the Congress at Basle, to be held from 22nd to 25th August, 1921:—

“ This International Congress of representatives from all the countries comprised in the International Co-operative Alliance agrees with the principles as laid down in the paper submitted by Herr Kaufmann for the establishment of an International Co-operative Wholesale Society and its relations to the International Co-operative Alliance, and notes with satisfaction the efforts already made to form such an organisation. It therefore pledges itself to do all in its power to further promote these proposals, and refers them to the Committee of the National Wholesale Societies.”

My statement, and the manner in which the matter was treated by the Central Committee of the International Co-operative Alliance at Copenhagen, show the enormous difficulties that have to be overcome before an International Co-operative Wholesale Society can be established, which is to be a gigantic trading concern, with offices, purchasing establishments and warehouses in every part of the world, together with huge productive works, and factories in most suitable productive territories, plantations in the tropics for the production of tropical raw materials, mines for raising minerals, etc. It must have its own means of communication by land and sea, uniting together all co-operative organisations, and last, but not least, an International Co-operative Bank for adjusting co-operative capital.

Whoever has studied the fascinating development of the English and Scottish Co-operative Wholesale Societies knows also that practically everywhere on the Continent the Wholesale Societies are advancing tremendously, and that in the course of their development they will ultimately reach the goal already attained by the two British Wholesales. He will also agree with me that the picture which I have drawn of the International Co-operative Wholesale Society is no mere illusion. In due course it will stand as a living reality before the eyes of co-operators, but not of those who are taking part at the Basle Congress in 1921.

Are we to be intimidated because of the magnitude of the difficulties? Are we to fold our arms because we realise that even our best efforts towards the achievement of our aim are only as one stone in the gigantic structure? Are we going to stand still, afraid to go forward, because the road is too long? Such action would be neither manly, courageous, nor co-operative.

The road towards the goal consists of thousands and millions of single steps. If the first step is not taken, the second cannot be. All necessary co-operative precaution must be taken, and we must let ourselves be guided by co-operative experience. At

first we shall proceed waveringly and by feeling our way. But we will go forward. We must fix our eyes, not on the ultimate object glimmering in the far distance, but on the nearest, and we must start our first day's march. The proposal which I have made refers only to the first and immediate object, but I am sure that step by step the various objectives will be attained, as is ordained by the law of co-operative development.

Forward, therefore, with courage and enthusiasm!

In the beginning was the deed!

Discussion on the Paper.

Mr. H. KAUFMANN, on rising to submit his paper, said: I greatly regret that our British friends are absent at a special meeting, as the establishment of an International Wholesale Society requires especially their collaboration and aid. I hope, however, that Mr. Golightly will be able to give the necessary explanations as regards his own country. There is general agreement with my proposal that an International Wholesale Society could be created with a small capital and acquire judicial rights. Our British friends have declared their intention to establish in due time, with the aid of the other Wholesale Societies, a powerful organisation which would be in a position to meet all demands made upon it. A more difficult question is that as to the relationship between the International C.W.S. and the International Co-operative Alliance. On the Continent we see that it is deemed wise to have organic collaboration between the Unions and the Wholesales and thus avoid friction and differences. Our British friends, however, are of the contrary opinion and say that in their case such an agreement would lead to difficulties. The proposal in this report that two representatives of the International Co-operative Alliance should sit on the Executive of the International Wholesale Society and vice-versa would, therefore, have to be somewhat modified. There is, however, unanimity that the meetings of the two bodies should take place at the same time and place, and that members of the one body could at the same time be members of the other. The countries could, therefore, endeavour to so arrange that the same persons sit on both committees. Further, there is unanimity that the International Wholesale Society should be a member of the I.C.A. Our British friends advise us that if close union between the two bodies is needed we ought to wait for a few years before establishing close relations, and should it then appear desirable to establish closer organic relations the matter could then be reconsidered. I propose that we should accept this counsel of our friends with a view to achieving complete unity. Personally, I feel sure that we shall also achieve our aim in this way, which is what we desire. The chief thing, after all, is to proceed towards our goal.

Mr. GOLIGHTLY (English C.W.S.): It is a great pleasure to me that Mr. Kaufmann has seen his way to accept the British position. A misunderstanding has arisen mainly because there prevails in England quite a different system from that which prevails in many part of Europe. In Britain we have studiously endeavoured to perfect our wholesale organisations by keeping them to trading and separate from propaganda and education. We claim, rightly or wrongly—and I think our Continental friends will give us the credit that we deserve—that we have reached a stage of development second to none in Wholesale Co-operation in Europe; and that has mainly been accomplished by keeping to this principle. I was sorry to find that the International Wholesale Movement that we have been trying to set up was in danger; but I am glad that after the explanation I have given to Mr. Kaufmann he has agreed to leave this matter in abeyance till we have floated the International Trading Committee as a successful concern. We commenced this effort in a very unfortunate period. The exchanges are against us, the economics and politics of the world are in the melting-pot, and it therefore follows that a commercial venture, whatever form it takes, is a difficult thing to accomplish. There is not much to add at the moment, except to ask you to let this International Trading Committee remain as it is for another two or three years. We are the main supporters of the Co-operative Union both by finance and effort. We are the main supporters of the Alliance in every way. We have no desire to withdraw our support from the Alliance. We desire to be in accord with the Alliance; but we do insist that the custom that has been so successful in Britain should not be placed in jeopardy by any hasty decision. Yesterday we had an example of this. I am under the impression that Mr. Goedhart will probably be the representative of Holland on both Committees. A similar thing has taken place with regard to Russia. Therefore, you have the position asked for almost established—and the President of the International Alliance is a member of the Trading Committee. We ask you to acquiesce in our suggestion, as Mr. Kaufmann has done. Let us get on with the work, and some day the International Trading Committee will come and ask you to admit them to the Alliance as a real entity on their own account. I would just like the resolution to be made clear. In the resolution as submitted from the meeting at Copenhagen, I would like you to take out the words “and its relations to the International Co-operative Alliance.” We hope the time will not be long till we consider the matter again; but I ask you to delete these few words now. I wish to second Mr. Kaufmann’s effort, and to thank him for accepting our view.

Mr. KAUFMANN said: In view of our agreement, the words mentioned by Mr. Golightly must be deleted. My first proposal

was to have a Common Committee for the Alliance and the Wholesale, but that proposal is now dropped after the explanations.

The PRESIDENT: Will you agree to the deletion from the resolution of the words " and its relation to the International Co-operative Alliance " ?

The delegates generally signified approval.

The resolution as amended was then put to the vote and adopted.

FIFTH SESSION.

Thursday, 25th August.

"THE PRINCIPLES OF INTERNATIONAL RIGHT," ETC.

The Resumed Discussion on Professor Gide's Paper.

The last session of Congress was opened by Professor Charles Gide, who submitted his resolution, as amended, after consultation with the Special Committee appointed on the previous day.

Professor CHARLES GIDE: Yesterday we had a meeting for the purpose of amending the text of the resolution, and we arrived, by common agreement, at the drafting of a new text, which I will read to you. There are a few words which I myself would have expressed differently, but it is not a matter of personal, but of collective, opinion in this direction. I therefore request my comrades to accept the new wording as an expression of the unanimous desire of all the members of the Congress.

Paragraph 1 remains unchanged.

Paragraph 2: "The Congress expresses the conviction that, notwithstanding the cruel deception experienced, the progressive general adoption of the co-operative programme in the economic order will gradually eliminate the essential causes of war."

Paragraph 3: "In order to attain this aim the Co-operators of all countries have the duty not only to work continuously for the economic development of their societies, but also to put into action, at every favourable opportunity, the moral factors of Co-operation against any conflict between peoples and against the political or economic oppression of any people."

Paragraph 4 has been added at the request of our Belgian friends. "The Congress requests the National Co-operative Unions and all co-operative societies, each in its own sphere of activity and with its own means, to exercise vigilant action in order to prevent any political and economic conflict between peoples, and specially to endeavour to propagate the idea of diminishing everywhere the military expenses to the strictly necessary, in order to lead the way to a general, complete, and simultaneous disarmament on land and on sea."

Paragraph 5 is merely a repetition of paragraph 4 of the original resolution.

Paragraph 6, the last paragraph, which had already been amended by me in order to be in accord with my French

colleagues, but which, on the other hand, was not objected to by our German colleagues, reads as follows: "And in case the folly of men should provoke another war, the I.C.A., without contesting the right of every country to defend its independence, but considering that any war, even a defensive one, should not be allowed to settle differences between nations, is confident that the Co-operators of all countries, even those who believe themselves to be the victims of aggression, without fear of patriotic prejudice and official censure, will unite to impose on the belligerents the cessation of the conflict and the adoption of the method of peaceful arbitration."

Mr. FEUERSTEIN (Germany): The Commission which you appointed has come to an agreement in regard to the text of the resolution submitted by Professor Gide. I would add that the essential points which I laid before you yesterday, from the standpoint of the German delegation, find expression in paragraphs 2 and 3, as proposed by myself to the Commission. In this connection I should like to express my great appreciation of the friendly attitude of Professor Gide and Mr. Poisson, which shows how Co-operators of the different countries, in spite of all that has divided them for years, are able to settle such matters in an amicable spirit.

Mr. Feuerstein, after pointing out certain inaccuracies in the rendering of the German translation, remarked, in regard to paragraph 6, that this now differed considerably from that submitted by Professor Gide on the previous day, since the passage concerning defensive war had been suppressed. This was necessary, as the passage contained a justification of former preventive wars.

Mr. LANGE (Germany): Mr. Feuerstein has requested me to point out that in paragraph 4 of the German translation the phrase. "The Congress requests the National Co-operative Unions and all consumers' societies," should read, "The National Unions and all co-operative societies." Further, it is desirable, at the end of this same paragraph, to speak not only of disarmament on land and sea but also in the air. I point out these amendments at the desire of Mr. Feuerstein and request you to take note of them.

My own personal opinion is that the wording of the last paragraph, as submitted to us yesterday, was a considerable improvement on the present. Professor Gide, however, said that an amendment was necessary in view of the hostility of the Press. Personally, I find it very regrettable at this stage to take into consideration the hostility of the Press. If we now fear that, what, then, would happen if war broke out? We should be in full flight.

I greatly regret that the steps taken by the Executive of the I.C.A. in 1914, suggesting that the Central Organisations of all countries should issue jointly a manifesto against war, were not accepted by the Central Organisations of other countries. I should also like to give expression to the esteem in which I hold our British friends for having had the courage at that time to make such a suggestion.

The Congress should adhere to the original text of the concluding paragraph, for it is merely weakened by the amendment which seeks to justify the former attitude of the Co-operators of all countries. We do not, however, wish for any justification of our actions during the war. What we do want is to determine lines of action for the future which will be better than those previously adopted.

Mr. C. MARSHALL (Great Britain): After very careful consideration, for over two hours, my British colleagues and I came to the conclusion to recommend to you the acceptance of the amended resolution. It is a very great step forward when French, German, and British delegates can agree on a resolution of this kind. There may be some statements in the resolution which do not meet the wishes of my fellow delegates, but I want them to take the resolution as a whole, and I think they will agree that it is a very great step forward. It has been pointed out that it may be necessary to police the seas, and, therefore, necessary to have some armaments. But to police the seas is vastly different from having dreadnoughts. The ordinary policeman has a truncheon, and not a gun; and the ships policing the seas can have their bludgeons, but they need not have cannon.

The resolution in its amended form, with the additional amendment of Mr. Lange, was carried without opposition. The following is the text of the resolution as adopted:—

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

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

“ In order to attain this aim, the Co-operators of all countries have the duty not only to work continuously for the economic development of their societies, but also to put into action, at every favourable opportunity, the moral factors

of Co-operation against any conflict between peoples and against the political or economic oppression of any people.

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

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

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

The Relations between Co-operation and Trade Unionism.

BY VICTOR SERWY (BELGIUM).

The Co-operative Movement, which has arisen out of economic circumstances, is directed towards an ideal of social justice. It is profoundly humane, having been called forth by poverty and injustice as well as by individual aspirations. It has been created by the effort of the awakened proletariat, and as a result of their persevering and sustained activities it has become an economic and moral power.

There is nothing of a benevolent character in which it is not interested. The movement is progressing, and does not reject any means towards the attainment of its ideal, which is the satisfaction of needs on an equitable and peaceful basis.

While considering as of foremost importance the point of view of the consumer, it does not ignore man in his capacity of a producer. Being of a realistic nature Co-operation aims at the establishment of more equitable conditions of distribution and labour, even in a capitalist society. That is why Co-operation has always maintained in all countries friendly relations with Trade Unionist organisations.

The question of the relations between the organisation of Co-operators and that of Trade Unionists is not new. At the present time it has assumed a grave character which cannot be disregarded. For some years past the Co-operative Movement has been growing and expanding prodigiously; it has penetrated into trade and industry, agriculture and finance, and has thus become an employer of labour on a large scale. On the other hand, the deceptions and distress engendered by the war, in addition to the influx to the Trade Unionist organisations of inexperienced recruits, have accentuated the causes of conflict.

For a long time past the necessity of an agreement between Co-operative Societies and Trade Unionists has been recognised by co-operators. The co-operative congresses in the majority of countries have had this question under consideration. For many years it has figured regularly on the agenda of the German Congresses, and has been given effect to by the establishment of agreements and collective tariffs between the Union of Employees, Bakers, Transport Workers, etc., and the Co-operative Organisation.

Before the war the Trade Unions and Co-operative Societies were at peace one with the other; their relations bore the stamp of

friendship, but since the revolution large numbers of skilled workers who have been admitted into the Trade Union organisation have displayed such lack of discipline that strikes have taken place in spite of the advice of their leaders. The Co-operative Societies, however, desire to maintain cordial relations with the Trade Unions. For instance, at the present time the constitution of a joint bank of Co-operative Societies and Trade Unions is under consideration.

In England there is an understanding between Co-operative Societies and Trade Unions in respect of the application of agreements, and also in connection with Joint Boards of Conciliation and Arbitration. A national joint committee of Trade Unionists and Co-operators functions following the resolutions adopted by the national congresses, and a similar organisation exists locally, in which both parties have equal representation and share equally in defraying the expense. Moreover, there is a joint committee of Trade Unionists and Co-operators elected on the basis of four delegates by each of the respective congresses, and which is called upon to examine all disputes between Co-operative Societies and Trade Unions before they develop into strikes.

As early as 1905 the Congress at Herisau, Switzerland, recognised the utility of collective labour contracts, and declared itself in favour of the establishment of arbitration tribunals with a view to the settlement of disputes. In France, also, there exist joint organisations for the solution of the differences between employees and managers of Co-operative Societies.

In Belgium, owing to the close relations which exist between the Co-operative Societies and Trade Unions, disputes have been of rare occurrence, and have always been speedily settled by joint meetings. In other countries the question of the maintenance of friendly relations between the two organisations has led to the issue of a number of regulations and the establishment of commissions. Nevertheless, in spite of the existence of agreements, disputes and strikes have been more frequent during the last two years: in England a strike of the employees of the Co-operative Wholesale Society and of the employees engaged in the printing works of the Wholesale, strikes in the Wholesale Societies of France and Denmark, a partial strike and a general strike of the employees of the co-operative society of the two towns of Basle, and a strike in the large co-operative bakery at Glasgow. This question is of international interest.

In considering the problem of the relations between the Co-operative and Trade Union organisations, our desire is to draw the attention of the Trade Unionist employees to the Co-operative Movement.

We know that the aim of both Co-operative organisation and Trade Union organisation is to improve the conditions of the

material existence of the working class population, the first from the point of view of the consumer, and the second from that of the producer.

It cannot, however, be reasonably maintained that in general the workers, even those who are Trade Unionists, attach to Co-operation the economic importance with which it is invested both as a factor for the improvement of material conditions and also for social transformation.

Have we not observed that in the fight against the high cost of living the workers attach almost exclusive importance to the question of wages, and that they have not sufficiently understood that the fall in the cost of living is not only found in increased production, but above all in the combination of the powers of distribution and the concentration of the forces of production in the form of Co-operative Societies?

The rise in wages experienced during 1920 did not solve the problem of the high cost of living, and, moreover, will not solve it if the employers of labour continue to increase the cost prices of commodities.

Improvement is not to be found exclusively in the systematic increase of wages, but in equitable remuneration based on the value of the utilisation of wages. That is what Co-operation must endeavour to make clear to the workers. It is also a consideration which the Trade Union organisations ought to bring prominently before their members. They must also know equally that Co-operation is fighting against the trusts, cartels and speculation, and that it is in its very nature anti-capitalist. It represents the general interest; it defends the community in their capacity of consumers, and as such they ought to be members of Co-operative Societies. To whatever group of producers they belong their interest is identical, viz., the satisfaction of their needs on the most economic basis.

Co-operative solidarity extends to all men. It is not altogether the same as Trade Unionist solidarity, since the latter only includes a portion of humanity, that is to say men in their capacity of producers. On the other hand, Co-operative solidarity includes not only the producer but also women, children, the infirm, invalids, and aged people. Thus Co-operation is concerned with safeguarding the interests of all. Supposing that the one-sided triumph of the claims of producers became an accomplished fact, it would merely represent that of an important portion, but only a portion, of humanity and not of the entire community.

Over and above corporate interest, however worthy of notice that may be, there is, and always will be, that of the collectivity. For this reason it is important that the workers, particularly the Trade Unionists, should be loyal Co-operators.

The problem of the relations between the Trade Unions and Co-operative Societies is not limited to the moral obligation for the producer to become a member of a Co-operative Society, but at the same time the problem of the Trade Unionist as producer within the Co-operative organisation calls for consideration. The Trade Unionist organisations have to consider Co-operative Societies as organisations which do not aim at profit-making, and which as institutions of general interest cannot become assimilated with capitalist enterprises. The dominating feature of Co-operation being, we repeat, the interest of the community, we can rightly claim that it is essentially a doctrine of peace. Not only does it desire peace amongst the nations but also amongst consumers and producers, in the workshops, offices, fields, and factories.

Gen// Does not the past history of the co-operative movement furnish abundant proof of its spirit of social transformation, its desire to treat the producer as a human being, a collaborator in the common task?

It is the duty of the Trade Unionist employees of our Co-operative Societies to secure that in all privately-owned enterprises the advantages already procured by Co-operative Societies be likewise accorded. It is in their immediate interest never to place in a position of inferiority, from the point of view of production and competition, their own organs for distribution.

Differential treatment of any kind would be a privilege in respect of capitalism, and would certainly be contrary to the sentiment of Trade Unions.

Co-operative Societies have always recognised Trade Unions. It may be generally stated that they have never placed obstacles in the way in connection with the grouping of their members; in fact, they have often laid it down that admission to the service of a Co-operative Society must be conditional on membership of a Trade Union. They have always maintained the best relations with the Trade Unions. Co-operative Societies have aided strikers by granting them goods on credit or on the security of their dividend; they have also advanced loans and voted sums of money to the strike committees. They were the first to have recourse to joint commissions for conciliation and arbitration in the matter of differences.

It is they who adopted the first collective contracts. All the societies apply the wages scale of the Trade Unions, in fact payment often exceeds these scales. The reforms voted by Parliament have always found fields of experiment in the co-operative bakeries, factories, and other co-operative enterprises.

And this is only natural for our societies form the embryo of future society. They wish to set an example both as

regards the organisation of labour, remuneration, working hours, holidays, hygiene, insurance, thrift, etc., thus preparing themselves to become the producers of all wealth. What they have accomplished in the past they will endeavour to carry still further in the future. It will be their aim to grant the best conditions of labour to their employees.

Having said so much, it is necessary that the Trade Unionist organisations bear in mind that while being economic and social creations, Co-operative Societies nevertheless function in a capitalistic state of society and are subject to competition, thereby being restricted in their efforts towards reform.

We repeat, the conditions of labour must be the best possible, yet there are limits to this. It has often happened that the Trade Unionist employees of our Co-operative Societies, and less rarely of the Trade Unionist organisation, have demanded of us wage scales which they would not think of asking of the capitalist enterprises. Such demands are excessive.

To demand from Co-operative Societies which are concerned with combatting the high cost of living more than the Trade Unions demand from their employers and more than they are able to grant, would involve the loss and destruction of the common work, and would, moreover, be playing into the hands of capitalism.

If unfortunately the Trade Unions were to adhere to these exaggerated demands the immediate result would be the increase of cost and selling prices, the desertion of co-operators and the disappearance of the Co-operative Society.

Thus Trade Unionism would have killed the goose which laid the golden eggs. Capitalism as master of the situation would once more fleece the consumers without the producers deriving any advantage.

Co-operative Societies could not support exaggerated demands which would compromise their *raison d'être* and their future. Nor must Trade Unionist organisations demand wage tariffs considerably higher than those imposed on similar enterprises, as has been done in England, Switzerland, Denmark, etc. Co-operative Societies cannot be asked at the same time to sell below competitive prices, and to pay substantially higher wages than those of the tariffs generally in force. Moreover, Trade Unionist organisations have shown their disapproval of such exaggerated demands. For instance, at the time of the strike in the printing departments of the English Wholesale Society in 1918 the highest labour authorities in Great Britain decided in favour of our line of argument, and recognised that the workers and employees of Co-operative Societies ought not to enjoy a privileged position, neither in regard to wages nor Trade Union organisation, but that they ought to be governed by

the same tariffs and belong to the same Trade Unions as all the workers of their particular trade.

The Trade Union workers do not always make the necessary effort with a view to the general adoption by competitive commerce and industry of the conditions which they enjoy in the Co-operative Societies. It is important to make clear to them that the maintenance of this superior position is closely linked with their spirit of initiative and combativeness as opposed to capitalism.

Workers employed in a Co-operative Society are not to be regarded as wage-earners in a private enterprise. In whose service are they engaged? Is it for an employer, who for his exclusive advantage exacts a tithe on his labour? No, the workers and employees in the service of Co-operation are employed by the collectivity and for the collectivity; they work to satisfy their own needs and those of all their comrades, and not for the accumulation of profits in favour of one or several persons as is the case in joint stock companies.

Moreover, they have the right, and better still the duty, to become members of the Co-operative Society, thus being the owners of the enterprise on an equal footing with all the other members. They have equal rights at the general meetings, and they take part in all decisions of a general character, thereby sharing the responsibility; they aid in appointing the boards of management and supervision, and can obtain any explanations desired in regard to the situation and management. They take note of the balance sheets and approve them or otherwise.

Does the same thing apply in the case of a capitalist organisation?

The capitalist is absolute master, while the Co-operative Society operates solely for its members, including its employees. It cannot therefore be treated as a capitalist enterprise. The worker or employee of the Co-operative Society is no mere wage-earner but a co-partner. Co-operation works for the emancipation of the people, and contributes in an effective manner to the work of social reform.

Such are the facts which it is necessary to bring to the notice of Trade Unionists and Trade Unions.

Are there still further questions to be considered?

The worker in a Co-operative Society not being regarded as a wage-earner will perform his work in a different spirit from what he would if employed by a capitalist. Knowing that he is working both for his own emancipation and that of humanity, he will perform his task with greater care, devotion, and love.

The time has come to tell the workers and employees of our Co-operative Societies that they must work not only well but better than ever, for at present the custom seems to be to put

forth the least effort. It is often a question of rights in our Societies, but of duty—never.

Did not the Workers' International inscribe on its banner more than fifty years ago:

No rights without duties;
No duties without rights?

It is necessary that the worker and employee should be aroused to a full sense of his duty. He is not working for a capitalist but for the collectivity, and in contributing to the prosperity of the latter he is at the same time promoting his own welfare. An employee of a Co-operative Society who does not perform his work conscientiously compromises the interests of the community. There is no place for him in our institutions. Workers entering the service of the co-operative organisation ought to know that they must work as for themselves.

In this connection the publication of literature and leaflets and the holding of lectures is necessary. The workers in our Societies must be animated by one thought, one ideal, and that is that they are performing their part in the building of a new world, which will be all the more speedily realised if they will only put their heart into their work.

The first task of our workers is to produce well during the eight working hours, and the second task to produce economically.

As the popular song-writer says: "It is for humanity that I work." The refrain of the co-operative employee should be: "It is for the collectivity that I work."

In the first place, the Co-operative Societies cannot contest the right of association of their employees. At the same time they feel obliged to state that by reason of the eminently social and anti-capitalist character of Co-operation it is really paradoxical to use against friendly institutions the most deadly weapon for crushing capitalism. Can it possibly be in the interest of the working class to inflict injury on itself?

For co-operative employees the solution of differences is to be found elsewhere than in recourse to strikes.

Secondly, the same observations apply in the case of general strikes. Moreover, the Trade Unionist and Socialist leaders have always drawn a clear distinction between strikes directed against the general economy of society and other strikes. In Belgium, during the many general strikes of a political nature which took place between 1890 and 1912, the Co-operative Societies never ceased work. They considered that the workers could not abstain from supplying their stores, enterprises and factories when they were conducting the fight against the economic or political enemy.

Again in Switzerland, a working men's Congress held at Basle in 1913 declared clearly that the co-operative branches of service must not be interrupted at the time of a general strike.

More must not be exacted from a Co-operative Society, which represents the general interest, than is demanded of the private employer. The latter can close the doors of his factory because no one can compel him to work at a loss, but a Co-operative Society closed means the loss of supplies to the working class and injury to its own possessions.

In the case of a partial or general strike in the trade represented by the Trade Unionists concerned, the Trade Union workers belonging to a co-operative enterprise ought not to take part. Co-operative enterprises ought to remain outside these conflicts, if only to support the efforts of the proletariat in their struggle.

Thirdly, a policy of conciliation and peace towards Trade Unionism is incumbent on the Co-operative Movement. Such must also be the policy of the Trade Unionist organisation. An agreement on these lines is necessary in order to avoid conflicts.

In place of the strongest dictating his wishes it is desirable to substitute the régime of agreement, freely discussed and accepted. It is by the substitution of collective agreements for individual agreements that we shall arrive at the establishment of cordiality and loyalty in our relations.

Co-operative Societies must therefore effect collective agreements for their staff with the professional Trade Unions to which they belong. These collective labour contracts will contain a full statement of the measures and guarantees, which will assure to each of the contracting parties the maximum of material and moral conditions possible in a capitalistic order, it being provided, however, that the Trade Unions do not demand specially of the boards of management of Co-operative Societies superior and exceptional conditions of labour which would place the societies in an inferior position from the point of view of the fight against capitalism.

In cases of conflict the first measure to be adopted is the immediate conferring of the board of administration of the Co-operative Society and the committee of the professional Trade Union, with a view to arriving at an adjustment of differences, and in case of being unable to come to an understanding to recognise for the contracting Trade Union the right of appeal to the Co-operative Societies in order to ascertain the causes.

In conformity with Trade Unionist practice, it is desirable for the Co-operative Societies to treat directly with the Trade Unionist organisations in all questions relating to the general conditions of the employment of their staff. The associations formed by the co-operative employees have their justification, provided they confine themselves to the recreation, physical instruction and education of their members, but they could not be approved as professional organisations if they introduced into the Co-operative

organisation a narrow corporate spirit and desire to dominate the collectivity.

Co-operative Societies in the choice of their staff will give preference to Trade Union workers, because they recognise that well-conducted Trade Unionist organisation is a guarantee of discipline and efficiency.

Such are the main lines of guidance for the conduct of Co-operative Societies towards Trade Unionist workers and Trade Union organisations.

The organisation of consumers has developed considerably in the world, and that of producers has been in like proportion. Both have the same aim in view: the improvement of the material position of the workers. The means adopted are different without, however, the one excluding the other. Is it not, therefore, natural that the two organisations should meet on the ground of realisations to be achieved in the economic sphere?

What! we exclaim. For years past they have met in Denmark, Germany, Switzerland, England, France and elsewhere. There is not a British or German co-operative congress at which the national Trade Unionist organisation is not represented. In Great Britain it frequently happens that in the matter of opportune questions the two organisations act locally or nationally, either with a view to obtaining from Parliament certain reforms, or to unite in a common protest when the general interest is compromised.

In 1912 our venerable President, Sir William Maxwell, raised the question of a friendly understanding between the two movements, when he proposed to his comrades of Great Britain a closer union between co-operators and progressive social organisations.

In 1920, in France, joint action was agreed upon between the National Federation of Co-operative Societies and the General Confederation of Labour within the Economic Council of Labour. In Italy negotiations are taking place between the League of Co-operative Societies, the Confederation of Labour, the Federation of Co-operative Productive Societies, the Federation of Co-operative Agricultural Societies, and the Mutualist Federation. In Belgium the entire fight against the high cost of living has been conducted by the three national groups, the Co-operative, Political, and Trade Unionist, which all united in a joint protest.

It is necessary that the two movements approach each other still more and interpenetrate with a view to adjusting anything excessive in their tendencies, and also to arriving at a realisation of their ideal which is common to both: the disappearance of capitalism, and the establishment of an economic order in which profit, unearned incomes, dividends and interest will be entirely

eliminated. Co-operation and Trade Unionism cannot dissociate themselves from the pressing problems of the hour, such as the fight against the high cost of living, the economic crisis, the reappearance of Protection, the reconstruction of the war devastated areas, the establishment of world peace, the pursuit of an economic policy.

For this reason it is desirable not only that the national organisations should meet on national ground, but also that the international organisations should, in certain instances, act jointly. We, therefore, propose the following resolution:—

“ The Congress of the International Co-operative Alliance held at Basle declares that there is no better means for improving the economic conditions of the people and no surer guarantee for world peace than the grouping of all consumers in Co-operative Societies.

“ It authorises the Central Committee :

“ 1. To address themselves as early as possible to the populations, pointing out the necessity that they should group themselves in Co-operative Societies to oppose capitalism, and for the defence of their rights as consumers.

“ 2. To invite each national union to issue a manifesto to the workers in their respective countries, urging them to pledge themselves to strengthen the existing co-operative organisations, and where such do not exist to take steps for their establishment.

“ Addressing itself more particularly to Trade Unionist workers and to Trade Unions, Congress considers that they have to regard Co-operative Societies as being of an anti-capitalistic character, and to fight in favour of the community, either as consumers or as producers.

“ Congress proclaims that Co-operation is essentially a doctrine of peace, and that it seeks by means of goodwill the establishment of sustained and friendly relations, and by agreements, collective contracts, conciliation, and arbitration the foundation of an equitable order as between distribution and production. It declares that Co-operative Societies as organs of social transformation endeavour to grant their employees the best possible conditions of labour, and that they accept collective labour contracts, although warning Trade Unions against the danger of demanding from them exaggerated conditions, the granting of which would lessen their power to effect improvement and economic transformation, and thus be to the advantage of capitalist industry.”

DISCUSSION ON THE PAPER.

Mr. VICTOR SERWY (Belgium): The problem of the relations between Co-operative Societies and Trade Unions cannot arouse the interest of the Congress to the same extent as the question of peace and war which we have just been discussing. Nevertheless, the question of the relations between Co-operative Societies and Trade Unions is serious and important, especially for Co-operation.

The problem is two-sided. It not only touches upon the relations between consumers and producers, but between the co-operative organisations and the Trade Unions. When Co-operation says to the consumer that he ought not only to consider the questions of prices, dividends, and material advantages, but also the conditions under which goods are produced, it equally has the right to turn to the Trade Unions and say to Trade Unionists that they must not merely be contented with increased wages and reduction of the hours of labour, but must at the same time confide their needs, as consumers, to Co-operation.

It is from the platform of this International Congress that we ask all the workers who have recognised the necessity of Trade Union organisation to do their full duty and become members of co-operative societies.

We say, therefore, Trade Unionists, yes, but Co-operators also! In consequence of this, we ask that the Congress will charge the Central Committee of the Alliance to enter into relations with the international and national Trade Unionist organisations, through the intermediary of the national co-operative organisations, so that the Trade Unions will request their members to do their duty towards Co-operation. That is one aspect of the problem which confronts us.

There is, however, another question which concerns us more particularly, viz., that of the relations between Trade Union organisations and co-operative organisations. In our report we have not treated all the other questions related with this one, such as profit-sharing, immunity from taxation, representation of the employees on the committees of co-operative societies. What we ought to-day to discuss in particular is the question of the attitude of the organisations towards each other, for we know that during recent times, in view of the growth of the Co-operative Movement and the great development of the Trade Union Movement, conflicts have occurred threatening up to a certain point the existence of co-operative societies. It is, therefore, necessary for us to consider this very important question, since it concerns the life of our co-operative organisations.

The Co-operative Movement has not only to defend itself against capitalism—which at present attacks it by means of joint stock

companies with multiple branches, trusts, cartels, boycotts, and by fiscal laws which strike at co-operative societies—but also against certain exaggerations of the Trade Union organisations. We consider this Congress ought to proclaim that if relations are established between Trade Unions and Co-operative Societies, there is and can be but one method, i.e., recourse not to strikes in the co-operative organisations, but to conciliation, conferences, collective contracts, and fraternal discussion, with a view to the solution of conflicts.

I am glad to be able to greet to-day the representative of an International Trade Unionist organisation, and consider that his presence here is the best guarantee of the fraternal relations which ought to exist in future between the Co-operative and Trade Unionist organisations, both in the international, national, and local spheres.

In view of these considerations, I recommend the adoption of the resolution appended to my report.

Professor TOTOMIANZ (Russia): You are probably aware that in Germany and Italy the workers' Trade Unions have begun to do trading. They purchase goods wholesale and then distribute them through the medium of the offices of the workers' Trade Unions. Such trading is abnormal and ought to cease, while, on the other hand, co-operative trade should be supported.

There is another point. The majority of Trade Union workers do not entrust their savings to co-operative societies. They should therefore be invited to place them with the consumers' societies. I should also like to see generalised the participation of the workers, especially co-operative workers, in the profits. The most important point, however, is that trading carried on by the workers' Trade Unions should cease. In Italy especially complaints are made about this, owing to the competition against co-operative societies.

Mr. W. P. WATKINS (England): In the world of Co-operation and Trade Unionism we have had movements of thought that have left matters of importance for us to consider. There is the syndicalist theory, for example; there is that idea which is commonly called Trade Unionism; then there is Guild Socialism. There have also been changes in the Co-operative Movement since the time of Robert Owen and the Christian Socialists. The conditions under which the co-operative employee works resolve themselves into two problems. The first is the remuneration of the employee; and here we have to decide whether the individual wage contract is to persist in co-operative circles or to be replaced by a collective payment to the employees for undertaking the work. The second problem is that of discipline. How far are co-operative employees to discipline themselves in conducting their work?

Mr. LORENZ (Germany): The fact that the paper contains little that is new does not detract from its value. What is important is that we should take a definite attitude in regard to this important question of the relations between Co-operators and Trade Unionists. In my opinion the resolution of Mr. Serwy contains all that is necessary. For we Germans, all that it demands has been realised 15 years ago. The relations between the Central Union of German Distributive Societies and the German Trade Union Federation have for the last 15 years been of the best. We and the Trade Unions have a Joint Wages Board, of which at present I am chairman. All disputes which arise are settled by this Board, or, rather, I should say used to be settled, for during recent times conditions have changed, not through any fault of the Trade Unions, but through that of the workers employed by the co-operative societies. Unfortunately the co-operative employees now make much greater demands than the Trade Unionists. We must naturally endeavour to oppose this, otherwise we shall be unable to compete with private enterprise.

We now have in Germany Joint Wages Boards of Trade Unions and Co-operators as well as district tariffs.

Professor Totomianz has pointed out that the German Trade Unions have undertaken trading. Unfortunately that is so, and their trading is of such a character that any deficit is covered by the finances of the State. The position of the co-operative societies, however, is very different, and their losses are not met in this way. Naturally we prefer that the Trade Unions should leave trading to the co-operative societies. He has also mentioned participation of the workers in the profits. In Germany this matter is not discussed either by the Trade Unions or Co-operative organisations.

In regard to our relations with the Trade Unions, you are probably aware that we, conjointly with the Trade Unions, have established a Trade Unionist Co-operative Insurance Company ("Volkspfürsorge"), a powerful organisation that is being zealously developed by both sides. That is one of the many ways in which we can work together with the Trade Unions in the national sphere. I am very glad that Comrade Serwy has given the Congress the opportunity of discussing the relations between Trade Unions and Co-operative Societies, and I support the adoption of his resolutions.

Baron VON HERMAN-REUTTI (Germany): Let me second what has been said by my friend Mr. Lorenz with regard to the resolution of Mr. Serwy, which I consider very important. I think, however, it would be well to add a few observations defining more clearly the relations between Trade Unions and Co-operative Societies. We must differentiate between the general relations of the two organisations and the relations between the individual

co-operative societies and the Trade Union employees engaged in these individual consumers' societies. In the attitude towards the consumers' societies of the workers organised in Trade Unions I notice frequently the lack of recognition of the great significance of co-operative societies in the emancipation of the proletariat and humanity as a whole.

The Trade Union Movement is, so to speak, the elder brother, but it often happens that he finds it difficult to realise that the younger brother has been gradually growing up and is called upon to realise, by far better methods than the old ones, the aims which the elder brother had in view. The Co-operative Movement must continue to hammer this argument into the heads of the Trade Unionists. By so doing improvements will take place in the relations between the Trade Unions and Co-operative Societies.

Mr. SERWY (Belgium): My French friends have asked me to introduce an amendment to the text of the resolution, the last lines of which contain the words "exaggerated conditions." I agree to the proposed deletion of the word "exaggerated." In the present circumstances it is necessary to treat the problem, which has been for the first time presented to an International Co-operative Congress, in its essential aspects. What we want to show to-day is that in conflicts and difficulties the Co-operative Societies and Trade Unions ought to employ methods of fraternity, conciliation, and arbitration. It has been said that there is nothing new in the resolution, but we did not wish to introduce anything new. What is contained in the resolution has been practised for years by our German friends, as well as by those in Great Britain, Switzerland, and Denmark. What, however, is new is that when Sidney Webb wrote his book the Co-operative Movement was still in its infancy, and at that time it was merely a question of theory. To-day it is necessary to put this theory into practice. The Co-operative Movement has grown tremendously, and has entered the field of industry on a large scale, having consequently to face the difficulties which arise between employers and employees. To-day, therefore, a question which seemed old to us appears in quite a different light in view of the importance which the Co-operative Movement has acquired, and this fact claims the attention of the entire International Co-operative Movement. It is in this sense that we have presented our resolution, which constitutes, so to say, part of the international co-operative charter, pointing out that in case of conflicts and strikes, which during recent years have even taken place in co-operative organisations, whereas formerly they were unknown, International Co-operation ought to reply to the Trade Unionists: strikes and conflicts must be avoided and a solution of difficulties sought in conciliation, arbitration and collective contracts.

The resolution, as amended by the deletion of the word "exaggerated," was put to the vote and adopted.

The League of Nations.

The PRESIDENT: We now come to the resolutions submitted by the Central Committee. The resolution on the League of Nations will be proposed by Dr. Suter.

Dr. A. SUTER (Switzerland): In moving the resolution on the League of Nations, I should like to draw your attention to a resolution adopted by the British Co-operative Congress in May, 1920, which reads as follows :—

" This Congress views with grave concern the delay of the Allied Governments in bringing the League of Nations into effective operation. It recalls the declaration of the British Government that the supreme object of the entrance of this country into the war was the establishment of public right in Europe, and subsequently its equally emphatic adherence to the view that the only effective means of maintaining peace and the self-determination of the people would be through an alliance of every country of goodwill in a league which, nearly a year ago, was made a principal part of the Treaty of Peace.

" It further notes with supreme regret the continuance of a state of war and even sanguinary conflicts in many parts of Europe, which serve as an excuse for the continuation of the Supreme Council of the Governments constituted to prosecute war.

" Believing that the only hope of peace and the reconstruction of civilisation lies in an active alliance between the free peoples of the world, it calls upon the British Government to urge, with its Allies, the immediate establishment of the League of Nations and the handing over to it of the duties and responsibilities extended to it by the Treaty of Peace."

The interest taken by British Co-operators in the League of Nations—the most important group comprised in the Alliance—no doubt led the Central Committee of the I.C.A. to decide to submit to the International Congress a resolution on the League of Nations, and they have requested a Swiss Co-operator to move it. Perhaps that was a friendly act of politeness towards the country in which the Congress is being held. Perhaps there was also another reason which prompted them to ask a Swiss to present it, Switzerland being the only country in which a referendum was taken on the question of adherence to the League of Nations. Out of a total of 700,000 votes there was a majority of 90,000 in favour of membership of the League. Previous to

the vote being taken, the League of Nations Covenant and the constitution of the League were discussed at meetings not only of political associations but in large popular gatherings and even in the most remote villages. If in all countries prior to their entry into the League full discussions had taken place, maybe the constitution of the League of Nations would have been such as to have rendered unnecessary the criticisms which to-day are justified. It is often said, and not without reason, that the League of Nations in its present form is a League of Statesmen and Diplomats who avoid discussion in the open.

Nevertheless, the reason for the establishment of the League of Nations was the need for a real instrument of peace. The League of Nations is now in being, its seat has been determined and the first General Assembly held.

The following is the text of the resolution which I have the pleasure to present:—

“The delegates of co-operative societies of all countries assembled in the International Congress at Basle, greet with the greatest hope the idea of the League of Nations, as an essay in universal organisation of the people for the establishment of peace and the protection of the common interests of humanity. The Congress recommends to the Co-operators of all countries to bring pressure to bear upon their respective Governments in order to obtain a more democratic constitution of the present League of Nations, with a view to making thereof a real Society of Peoples.

“The Congress proclaims the necessity of a rapid development of the Co-operative Movement throughout the world, in order to suppress the economic rivalries among nations, and to create therewith, through the fraternal collaboration of men in the economic field, the necessary complement of the political organisation of peace among men which is the task of the League of Nations.”

As you will observe, the resolution consists of three parts, and I would like to make a few observations thereon. The International Co-operative Movement is older than the League of Nations, and is an earlier realisation of the same idea. If the League of Nations had a constitution as democratic as that of our International Co-operative Alliance there would then be no further use for secret diplomacy, and wars could be prevented. It is never the people that want war, but endeavours in this direction always proceed from Governments. It is to the lasting credit of President Wilson that he succeeded in obtaining the signatures of 40 States in favour of the League of Nations. Since then the number of States adhering to the League has increased

to 48. Our one regret in this respect is that his own country, the United States of America, does not belong to the League.

It is said that the League of Nations cannot altogether prevent war. Unfortunately, that is true, but everyone will admit that the constitution of the League renders much more difficult the outbreak of war. As there is no greater evil than war, and as future wars would be even more terrible than the last, we can welcome the League of Nations as an instrument of peace. We only hope that it will develop on such democratic lines as to become an instrument for mitigating the evil effects of war from which we still suffer.

What else, then, could be recommended as an instrument of peace in place of the League of Nations? Can we rely on the Christian religion to abolish war? The Gospel which was preached to us nearly 2,000 years ago is one of the greatest treasures of mankind, yet it has not prevented war. Can the Co-operative Movement prevent war? Unfortunately, it was unable to do so in the case of the last war, and is still too weak to prevent war. Could a general social revolution serve as a means to prevent war? The experiences of Russia are not encouraging in this respect, and militarism has merely changed its name: the experiences of Georgia are proof of this.

Up to the present all these various means have proved futile. We must place our trust in the League of Nations and in the International Court of Arbitration which it has set up, whose existence is assured by the adhesion of 25 nations, of which six or seven recognise its obligatory jurisdiction.

Since the establishment of the League of Nations it has created a number of important organisations, amongst them being its Secretariat, the International Labour Bureau, Finance, Economic and Transit Committees, the Committee for the Control of the Opium Traffic, etc.

The second part of the resolution recommends all Co-operators to bring pressure to bear on their respective Governments in order to obtain a more democratic organisation of the League of Nations. Co-operators with a democratic education are distressed to see an institution such as the League of Nations, which is called upon to exercise considerable influence on the destiny of the world, controlled exclusively by high functionaries, former Ministers or diplomats, appointed by the Governments of their countries. There is nothing to prevent the different countries from taking the necessary steps with a view to their representatives in the League of Nations being appointed either by Parliament or by a general vote of the people. That is a question to be decided by the members of the League of Nations themselves and for which the League cannot become responsible.

Another criticism is that the decisions, both of the General Assembly and of the Council, must be taken unanimously. As democrats, we naturally wish that the unanimity at present required be replaced by a majority of two-thirds, or three-fourths at most.

The third part of the resolution calls for no comment. We are all convinced of the importance of Co-operation, and the proceedings of our Congress have shown the necessity for its development in order to assure social peace as well as peace between the nations. It is important that all Co-operators should carry away with them the ardent conviction of the necessity of Co-operation and of the League of Nations for the well-being of the world, and that they endeavour to convince others of this necessity. If justice is to prevail in the world it is necessary that each individual should endeavour to be just in his personal dealings.

The PRESIDENT: It is now 12 o'clock. I appeal to those who have still to speak to be as brief as possible.

Professor Dr. STAUDINGER (Germany): In speaking on the resolution in the name of my fellow countrymen, I do not wish to say anything against the spirit in which it is conceived. On the contrary, we are in agreement with it, and wish that the desires expressed in the second paragraph may be realised to the general well-being of mankind. Unfortunately, however, a technical error has occurred in the drafting of the resolution, and Dr. Suter appears also to have overlooked it in his report. The resolution is so worded that it is impossible for some of the delegates to accept it in its present form, since Germany and Austria are not members of the League of Nations. The Co-operators of "all countries" are asked to bring pressure to bear upon their respective Governments in order to obtain a more democratic constitution of the League of Nations. It would be quite useless for Germany and Austria to act in this direction. For this reason I would suggest a slight amendment of the text, viz.: "The Congress recommends to the Co-operators of all those countries which are represented in the League of Nations to bring pressure to bear upon their respective Governments." If you will agree to this slight amendment, we can then vote wholeheartedly for the resolution.

The PRESIDENT: Dr. Suter agrees to the amendment suggested by Professor Dr. Staudinger.

As amended, the resolution was put to the vote and carried.

The International Labour Bureau.

The PRESIDENT: Mr. Hayward, Great Britain, will move the resolution relating to the International Labour Bureau.

Mr. F. HAYWARD (Great Britain): In view of the unanimity with which you have received the resolution moved by Dr. Suter, and in response to the President's request, I will be very brief. I want it to be understood that the resolution now proposed must not be taken simply as a pious resolution, but one that is to be effectively dealt with by the various countries:—

“That in view of the fact that the present constitution of the International Labour Conferences, and that of the governing body of the International Labour Bureau, includes two Government delegates from each nation, and one delegate representing employers and one delegate representing workers, and, therefore, that the interests of organised consumers are not directly represented at the discussions concerning international Labour problems,

“And, further, that the development of consumers' co-operative societies affects most closely consumers with small incomes and, in particular, the working classes whose purchasing power they organise and increase, and that such societies are employers of staffs which are constantly increasing as they develop their productive enterprises, and, consequently, that consumers' co-operative societies occupy a unique position in regard to Labour problems and the organisation of production, which is neither that of private employers nor that of workers organised in trades, and that, being free from the private prejudices of a particular group or category, they are eminently qualified to serve the general interests of consumers to the satisfaction of which all factors in production should contribute.

“This International Co-operative Congress approves of the steps already taken, both by the authorities of the Alliance and by the national co-operative organisations, to secure for consumers' co-operative societies the representation in the International Labour Organisation which is due to them by reason of their special characteristics. It further urges upon the co-operative organisations of all countries the necessity of continuing their efforts until the right of organised co-operative consumers to direct representation at International Labour Conferences and on the governing body of the International Labour Bureau has been secured.”

We have approved of the formation of the League of Nations. As part of the machinery of the League of Nations there has been set up an International Labour Bureau. It is based upon the words of the Peace Treaty that universal peace can be established only if it is based upon social justice. In the Peace Treaty it is also declared that there are conditions of labour prevailing that involve injustice and hardship to a large number of the people of the world, and that owing to the prevalent unrest the peace

and harmony of the world are in peril. Recognising all this, the International Labour Bureau has been charged with the duty of inquiring into the existing conditions, of constituting conditions and submitting proposals that shall have for their object the establishing of such a minimum standard of comfort as will secure the physical, moral, and intellectual well-being of those engaged in our industries. This International Organisation is composed of two representatives of each Government, one representative of the employers, and one representative of the employees in each country. Our idea is that, as a representative consumers' movement, we should request the Governments to appoint one representative from the consumers' societies also. Whether we talk about employers or employed, about Governments or nations, the greatest interest is that of the consumers, because the interest of the consumers is the interest of the whole community. In protecting the interests of the consumers we are looking after that larger field which embraces humanity as a whole. We ask that pressure should be brought to bear upon the Governments connected with the League of Nations, so that co-operative consumers may be represented upon the governing body of the International Labour Bureau. In some cases this may not be practicable, but in the event of our not being able to get that we should be able to provide one of the technical advisers. We look upon this as something that we have the right to demand from our Governments; and we should give them no rest till justice has been secured. If you have read the portion of the report dealing with this subject and have grasped what has been done in our respective countries, you will do all possible to secure the achievement of our object. I have, therefore, very great pleasure, on behalf of the Executive, in proposing the resolution.

The resolution was agreed to without further discussion.

The Russian and Georgian Famine Appeal.

The PRESIDENT: I will now ask Mr. Kaufmann to move a resolution on the famine in Russia and Georgia.

Mr. H. KAUFMANN (Germany): You will all have been greatly moved by the tremendous misfortune which has befallen Russia. It is unnecessary to portray to you the sufferings of the people, for I know they have your deepest sympathy. Various resolutions have been submitted in this connection.

What applies to Russia applies also to Georgia.

The Congress Committee has considered all the resolutions and welded them into one, which we ask you to adopt. The text of the resolution is as follows:—

“ The Tenth International Co-operative Congress at Basle, deeply moved by the calamity in Russia which threatens

35,000,000 of its population with famine and death, tenders to the Russia nation, and particularly to the Russian Co-operators, its cordial sympathy.

“ The Congress hopes that all Central Organisations attached to the I.C.A. will lend their best possible aid to the general work of relief already commenced to relieve the sufferings of starving Russia, and makes an appeal to co-operative solidarity for that purpose.

“ In view of the extension of the famine to Georgia, whose population, 70 per cent. of whom are Co-operators, is suffering seriously in no less a degree, the Congress desires that Georgia shall have its fair share in any funds collected for the relief of famine through this appeal.

“ The Central Organisations of all countries which have not yet taken action are requested to immediately take the necessary measures.”

The PRESIDENT: I suggest that three minutes be allotted to Dr. Polovtsev to speak on the resolution, as time is so short, and that afterwards the discussion be closed, since the text of the resolution is very clear and everyone will doubtless approve of it.

Dr. V. N. POLOVTSEV (Russia): In Russia ten provinces are suffering from famine due to the unprecedented drought which is only to be compared with the famine of 1873. In the Volga districts from 20,000,000 to 30,000,000 are in danger of dying from hunger. The Government has taken immediate steps to help the suffering people, and has in particular appealed to the Russian Co-operators asking them to devote their full attention to the famine-stricken districts. The Board of Directors of “ Centrosoyus ” at Moscow immediately set to work with all the energy at their disposal, and also appealed to Co-operators throughout Russia to reserve goods for the starving people. Our Congress considered it necessary to also appeal to other countries to lend their aid in combating the famine.

I will read a telegram giving Comrade Khinchuk’s message, which has been published in the “ International Co-operative Bulletin ”:—

“ ‘ Centrosoyus ’ urges the Co-operators of the world to organise quick relief to Russian consumers in the famine provinces. Considering the extent of the Volga calamity, the efforts of ‘ Centrosoyus ’ to relieve the famine are inadequate in view of the magnitude of the calamity. Fraternal Co-operators throughout the world are therefore confidently invited to render assistance, not for charitable reasons alone, but for the success of the Co-operative Movement. Assistance by International Co-operators will ensure success

to new economic policy based on commodity exchange, placing at the disposal of Europe Russia's vast natural resources.

Economic ruin, complicated by crop failure, can be remedied only by international co-operative credit on a basis of reciprocity. The new economic policy, based principally on Co-operation, fully guarantees favourable results in the near future for all co-operative assistance rendered now by international Co-operators. The eyes of the Russian peasant consumers are turned to Europe. Famine-stricken, they look westward for the help of fraternal Co-operators, and these hopes will certainly not be disappointed, for Co-operators will decidedly take the lead in all foreign benevolent aid granted to famine-stricken Volga.—KHINCHUK, President, 'Centrosoyus.' "

You will see that Comrade Khinchuk addresses himself to Co-operators throughout the world, not only for help to be rendered in a spirit of brotherly love, but also to assure the success of the Co-operative Movement.

Russia will shortly inaugurate a new commercial policy, a policy based on the exchange of goods. Thus the immense resources of Russia will be placed at the disposal of the world. The Russian peasant turns his gaze hopefully to his co-operative brothers in Western Europe. Let us hope that he will not be disappointed. Dr. Kundig, in his address of welcome, has said that Co-operators are friends. This friendship must be manifested in mutual aid, which is the surest foundation for world peace.

The resolution was adopted unanimously.

Political Persecution in Hungary.

The following resolution of protest, standing in the names of the Italian, Czecho-Slovakian, and Austrian delegates, was submitted by Mr. Pittoni (Italy):—

"The co-operative delegates of all countries at present assembled in Basle protest strongly against the violation of the rights and interests of the co-operative societies and other organisations protecting the interests of the working classes generally, and express their astonishment and indignation at the way in which the present Hungarian Government has interfered with the liberties of the co-operative societies by permitting and encouraging members' meetings to be influenced by violence, suspending their freely elected committees, nominating Government officials to the boards of management to control the societies, threatening to take serious coercive measures against the societies and to dismiss part of their staff, and to replace them by other employees

more acceptable to the present Government, intimidating the societies to such an extent that they do not dare to exercise their rights as members and to appoint delegates to the International Co-operative Congress, and by interfering through military and police forces with the private rights and liberties assured by the common laws of Hungary and every other civilised country.

“ This Congress is strongly convinced that Co-operation must be free, that it should not be violated by any coercive measures of Governments, whether such are applied by radical or reactionary authorities, or in the name of the revolution or reaction. The Congress expects, therefore, that in future the liberties of the economic associations and also their exclusive responsibility before the ordinary civil courts will be re-established and respected.”

Mr. PITTONI, supporting the resolution, said: I wish to explain to you measures which the Hungarian Government are taking to impede the liberty of Hungarian Co-operators, under the pretext of fighting against Communism. Our resolution is a protest against the attitude adopted by the Hungarian Government in endeavouring to suppress all the workers' movements, whether political, Trade Unionist, or Co-operative. The measures of the Government affected particularly the General Consumers' Society of Budapest, which was the only society that, according to its rules, conformed to the principles laid down by the International Co-operative Alliance. This society was founded twenty years ago, now has a membership of 156,000, and a turnover in 1920 of 428 million crowns. Even under the Government of Tisza members of the committee of that society sat on the Supreme Council for the feeding of the people, and under the Communist régime one of the members of the committee of the society, although not himself a Communist, was appointed commissary for the feeding of the people. These men were now in prison or exile. It was true that the Government had recently allowed the election of delegates to take place, but as out of 300 delegates only 13 were approved of by the Government, a meeting of the general assembly was rendered impossible and the Government took all possible steps to persecute the members. The officials of the society were suspended, and the administration placed in the hands of four Government officials with a wholesale trader as adviser. This society, which was founded by workers and progressive members of the middle class, has developed into a pronounced workers' association, and this reason is sufficient for the Government to oppose it.

I, therefore, ask the Congress to adopt our resolution unanimously. We ask that the liberty of co-operative associations be maintained, and that neither revolutionaries nor counter revolutionaries should interfere with that liberty.

Dr. BERNAT (Hungary): I would like to dwell briefly on certain points of the resolution which emanates from Dr. Renner. Yesterday in conversation he agreed to a modification to the effect that the resolution should apply only to the General Consumers' Society, Budapest. I do not, therefore, consider that conclusions regarding the general policy of a Government can be drawn from one single case.

In making my observations I will therefore confine myself to the General Consumers' Society. As Mr. Pittoni has already remarked, this society enjoyed certain privileges under various Governments. When the revolution broke out various members of the board of directors of the society became members of the Government, and the society was naturally favoured. Then the Bolshevist Government came into power and four or five members of the board of directors of the society became people's commissaries. After the fall of the Bolshevist Government they fled, and most of them are still abroad. Consequently only two or three members of the board of directors remain. It has been, therefore, impossible to convene the general meeting in the regular way. The co-operative law contains no provisions for such exceptional cases as that of the General Consumers' Society. Further, how is it possible for the members of the board of directors who have fled to sign the balance sheet of the society? (Cries of: "How can they remain at home when they are threatened with hanging?")

Our Congress must observe the strictest neutrality in political and religious matters. As far as politics are concerned, I have certainly gone no farther than the previous speaker. The Hungarian Government considered it its duty to adopt exceptional measures. Moreover, there were irregularities in the elections, so that the Government was unable to recognise them. You will see that the whole matter involves political considerations with which we are not concerned. Is our Congress in a position to adopt a certain attitude towards a policy with whose motives it is unacquainted? In agreement with my colleagues, I have drafted another resolution which I would ask you to substitute for that presented by Mr. Pittoni. The text reads as follows:—

"That in view of the fact that the matter of the General Co-operative Society in Budapest is strongly interwoven with political considerations, and, further, that the whole situation there is not at all clear, this Congress does not think it advisable to enter into the merits of the resolution, nor to accept it. In order to preserve the neutrality so strongly expressed in Article 7 of the Rules of the Alliance concerning questions of politics and religion, the Congress asks the Central Committee to give the matter careful consideration."

Mr. E. LUSTIG (Czecho-Slovakia): Dr. Bernat made a mistake in saying that the resolution was Dr. Renner's; on the contrary, it was presented in the name of the Italian, Czecho-Slovak and Austrian delegations. The whole matter is not so simple as Dr. Bernat would have the Congress believe. We therefore recommend the rejection of his motion, which is one of procrastination. The matter before us is important and concerns a consumers' society with a membership of half-a-million. It is the only workmen's co-operative organisation in Hungary, and ought to have the protection of our Congress.

The society has been deprived of its legal rights and even of members of its board of directors. According to the rules of the I.C.A., it is the duty of the Alliance to protect its affiliated societies. The former board of directors of the Consumers' Society at Budapest has published an accurate statement of what has actually occurred, and copies are at the disposal of those wishing to be precisely informed. Dr. Bernat referred to the religious and political neutrality of the I.C.A., but in Budapest it is no longer a question of neutral and non-political organisation for the organisation of "Awakening Hungary," an institution similar to that of the Fascists, has concluded an alliance with the "Hangya"—an alliance of a pronounced political organisation with a co-operative society. On March 28th of the current year, it was stated in the official journal of the "Hangya" that that organisation had formed an alliance with the "Möve," and it was hoped that the two organisations would thus be in a position to achieve their great economic and national aims. Their aim is the overthrow of the workers' consumers' societies in Hungary.

I therefore ask the delegates to adopt the resolution of the Italian, Austrian, and Czech delegations. It is true that in a preliminary discussion we agreed to confine the resolution to the case of the Budapest Consumers' Society. There are not many workers' consumers' societies in Hungary, because the sphere of activity of the Budapest Society extends throughout the country; in fact, it may be said to be the only large society of its kind. For this reason the acts of violence of the Government can only be directed against this society. However, the society has a membership of half-a-million, whom the Government wish to deprive of their rights.

The PRESIDENT: The Congress Committee has asked me to suggest that the matter be referred to the Central Committee. There is no unanimity as to facts, one assertion being contradicted by another. It is suggested that the Central Committee shall acquaint itself with the facts and then draw up the necessary resolution.

Dr. RENNER (Austria): I consider such procedure quite impossible. It is the duty of the I.C.A. to protect its members. If

we are to wait until the next Congress, three years must elapse, but the life of this society may come to an end in three weeks, unless we intervene immediately. The society has been deprived of its autonomy by the Hungarian Government. Dr. Bernat has admitted that political considerations have inspired the action of the Government. The General Co-operative Society gave its help to the Governments of Tisza and Karolyi and supplied the people of Budapest with food. It is, therefore, inconceivable that the Congress of the I.C.A. should forsake one of its members.

On being put to the vote, the resolution of the Italian, Czech, and Austrian delegations was carried amid a demonstration of applause.

Polish Persecution in the Ukraine.

Mr. STEPANKOWSKI (Ukraine): I have to protest against the oppression of the Ukrainian societies in Eastern Galicia. It seems to be the endeavour of the Polish Government to persecute the co-operative societies in the Ukraine. The Polish military have pillaged the goods and brought destruction in 40 different co-operative organisations whose names have been given to the Central Committee. The establishments at Lemburg, Kolomea, and Przemysl suffered particularly from pillage by the Polish troops. At Stryj one of the most esteemed Co-operators, Ostag Nyanowski, was arrested, for no reason, and then shot, while in other towns a number of Co-operators were arrested.

On June 1st, 1920, the Polish Government published a decree to the effect that all deposits in the savings banks placed there in Austrian crowns must be converted into Polish marks, the rate of exchange being fixed at 100 crown for 70 Polish marks. Thus the Ukrainian population suffered an approximate loss of two billion Austrian crowns.

Recently the entire Co-operative Movement in the Ukraine became subjected to the Polish Ministry of Finance in Warsaw, which means a further and considerable hindrance to the development of our movement.

I therefore submit the following resolution:—

“ The Tenth International Co-operative Congress at Basle learns with great concern that the Polish military forces in temporary occupation of Eastern (Ukrainian) Galicia persecute the Ukrainian co-operative societies of that country.

“ The Congress protests against the conduct of the Polish military, and hopes that the persecution will cease and that a free scope will be afforded to the Ukraine-Galician co-operative societies for their normal development.”

The resolution was adopted unanimously.

" Fascist " Outrages in Italy.

The following protest, signed by Messrs. Goedhart, Hall, Totomianz, Poisson, Gide, Staudinger, Victor Serwy, and Sir T. W. Allen, was submitted to the Congress by Dr. Suter:—

" That this International Co-operative Congress, having learned of the acts of brutality, of violence, and of devastation done in Italy by the hordes of people paid by the capitalists, with the complicity of the police, against the co-operative institutions and their employees, who have been killed, wounded, and chased from their offices, protests against these barbarous and criminal manifestations, and expresses the hope that the indignation of honest people may procure peace for the Italian Co-operative Movement."

This protest was adopted unanimously by the Congress.

Votes of Thanks.

Sir THOMAS W. ALLEN (Great Britain): I am asked to submit votes of thanks to the President of the Congress, to the writers of papers, to the Swiss Federal Authorities, to the President of the Swiss Co-operative Union, to the staff, and to the Press for their services. The President has presided at the Congress with a grace, charm, and efficiency that not only satisfied our minds but won our hearts. We can never dissociate a movement from the personality of those who compose it, and we are proud to honour our President for the benignity he brings to our great cause.

In the writers of the papers we were most fortunate. We shall help them best by working out their ideas, and by giving them a place in the minds of the Co-operators of the different countries in the work we have to do.

We shall all agree that there was a moment of inspiration when the President of the Swiss Confederation addressed the Congress. All Governments to-day are more or less impressed with the utility of the co-operative idea as an economic and moral factor in the national life; and we have a profound belief that the Governments would best serve their people by giving an ever-widening place to the principles of Co-operation.

With regard to the Swiss Co-operative Union, no thanks can be adequate for the services they have rendered in making our stay in Basle agreeable. They have done all possible to make our visit a very happy one. They have set an example which will be very difficult for countries receiving the International Congress to follow in future.

With respect to the Press, I am sure they have done their work in an efficient manner. We are indebted to the representatives

of the Press for the propagation of our ideas. We can only speak locally—the Press speaks to the world. To all those I have mentioned, our best thanks are due.

The following resolutions were accordingly put to the vote and carried:—

1. “ That this Congress tenders its heartiest thanks to its President, Mr. G. J. D. C. Goedhart, for his excellent conduct of the proceedings of the Congress, and its high appreciation of his unfailing tact and courtesy in dealing with all the problems that have arisen.

“ This Congress also offers its warmest thanks to Mr. G. J. D. C. Goedhart, Prof. Charles Gide, Messrs. Albert Thomas, Anders Oerne, Heinrich Kaufmann, and Victor Serwy for their able and interesting papers on the subjects entrusted to them, and to Dr. A. Suter and Mr. F. Hayward for the manner in which they have submitted the special resolutions to the Congress.”

2. “ This Congress expresses its great appreciation of the honour extended to the Congress and Co-operation by the presence of the President of the Swiss Confederation and that of the Swiss Federal authorities at Basle.

“ Their evident sympathy with, and interest in, the Co-operative Movement has been an inspiration to Co-operators from all countries.

“ Especially, they desire to record their thanks for the eloquent address of Dr. E. Schulthess, the President of the Confederation.”

3. “ The delegates to the Tenth Congress of the International Co-operative Alliance assembled at Basle desire to place on record their warmest and most sincere appreciation of the truly co-operative spirit in which they have been received by the Swiss Co-operative Union, for the generous hospitality which has been offered to them throughout the Congress, and for the magnificent organisation which, under the inspiration of Mr. B. Jaeggi, have combined to make the Basle Congress an ineffaceable landmark in the progress of international Co-operation.”

4. “ This Congress offers its hearty thanks to the staff of the Swiss Union for their enthusiastic and untiring efforts in carrying out the arrangements of the Congress in the various bureaux and at the railway, etc.; also to the Press for their careful and extended reports of the Congress; and, finally, to all those whose work has contributed to its success.”

Date and Place of the Next Congress.

The PRESIDENT: We have now to fix the date and place of the next Congress, and we suggest that the matter be left to the Central Committee. As conditions will be unsettled for some time to come we consider it desirable that the decision should be left to the Central Committee instead of the Congress.

Mr. ANSEELE (Belgium): I ask you not to accept the proposal of the Central Committee, but to adopt the double proposal of the Belgian Section, viz., that the next International Congress be held at Ghent, and that the Congress grant its patronage to the International Co-operative Exhibition to be organised at Ghent in 1924. Allow me to explain briefly the reasons in favour of the two propositions.

Belgium and Denmark are the only two countries in which a Congress of the I.C.A. has not yet been organised, and we consider that Belgium deserves equally with other countries to have that honour. Further, the Belgian Co-operative Movement has since its inception been in accord with the Trade Unionist Movement, and also accepted the political programme. The three methods of action of the proletariat were admitted almost simultaneously; when we see that it is only a few years ago since the unification of these three methods of combat was accepted by the International Co-operative Congress, it may be said that the Belgian Co-operative Movement was the cradle of the present modern Co-operative Movement, and that owing to this superb initiative it merits the confidence of the Congress and the acceptance of the Belgian proposition. The Belgian Co-operative Movement has done still more. Forty or fifty years ago at the inception of the Co-operative Movement the workers' movement was far from sympathetic towards it. The Trade Unionists, the members of the International and others were far from sympathetic, and if hostility was not open it at least assumed the form of pity for Co-operation. In spite of this feeling of antipathy the Belgian Co-operative Movement has accomplished the admirable work of conciliation between the Socialist Movement and the Co-operative Movement. It is in honour of this conciliation that we ask you not to accept the proposal of the Central Committee, but to decide now that the next Congress shall be held at Ghent.

The PRESIDENT: I have to propose that this matter be left to the Central Committee to decide where the next Congress shall be and when. Circumstances alter every day, and it seems to us to be wiser that the Committee should decide. Half the delegates have gone. I ask you to give the Central Committee your confidence in this. I note what Mr. Anseele has said, and we shall give full consideration to all the points. I do not say the Congress will not be held in Ghent in 1924, but it might

be necessary to hold it before then. It would be inopportune to take a vote when it might be impossible to carry out the decision. I assure you that everything will be taken into consideration.

The proposal of the President was assented to.

Closing Words.

Mr. JAEGGI (Switzerland): We have come to the end of our Congress, and at this memorable moment allow me to express my thanks to the delegates from the various countries for having come to Switzerland.

The Organising Committee has done its best to prepare adequately for the Congress, and its task has been greatly facilitated by the help of Mr. Goedhart and the General Secretary, Mr. May. I am glad that delegates from so many countries have been able to meet together again after the long interruption of the war, and have learned to appreciate one another. This is full of promise for the future.

The resolutions which you have adopted will help you to realise the aims which the Alliance has in view.

The PRESIDENT: Our work has come to an end. We have been able to discuss important questions notwithstanding difficulties of language, and I hope the decisions we have come to will be in the interests of the movement. I thank you for the vote of thanks you have given to me, and if my conduct of the proceedings has not been perfect, you will not forget that I have been compelled to speak to you in languages that are not my own.

The Congress closed at 2-30 p.m.