

INTERNATIONAL CO-OPERATIVE ALLIANCE.

REPORT OF PROCEEDINGS

at the

MEETING OF THE EXECUTIVE COMMITTEE

held at

S T R A S B O U R G.

on the

2nd AND 3rd FEBRUARY, 1932.

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INTERNATIONAL CO-OPERATIVE ALLIANCE.

MEETING of the EXECUTIVE held at STRASBOURG
on the 2nd and 3rd FEBRUARY, 1932.

PRESENT: Väinö Tanner, President, Sir Thomas Allen and E.Poisson, Vice-Presidents, Mrs.E.Freundlich, Sir Robert Stewart, R.A.Palmer, V.Klepzig, V.Serwy, E.Lustig, A.Johansson, and H.J.May, General Secretary.

ABSENT: I.A.Zelensky, from whom an excuse was received.

REPORT OF PROCEEDINGS.

THE PRESIDENT (Translated): welcomed all the members to Strasbourg and formally declared the meeting open.

THE GENERAL SECRETARY: The only absent member to-day is Mr.Zelensky from Russia. I am informed by telegram that he will not be able to be present and that no substitute has been appointed.

ITEM 1. MINUTES.

THE PRESIDENT (Translated): We have now to approve the Minutes of the last meeting held at Paris from the 27th to 29th September, 1931.

The Minutes were confirmed without discussion.

ITEM 2. REPORT OF THE GENERAL SECRETARY.

THE PRESIDENT (Translated): In the first section of this Report the General Secretary makes a proposal with regard to the next meeting of the Executive.

THE GENERAL SECRETARY: I think it will be better to deal with this question at the end of our business, where it appears as the last item on the Agenda.

Agreed.

Section 2. Membership.

THE GENERAL SECRETARY reported -

In this connection I have to report that the Madras Union has formally withdrawn from membership on account of the increased subscription from £5 to £10 per annum, which results from the amendment of the Rule adopted at Vienna Congress placing all Regional Unions on the £10 basis of subscription.

The following have also ceased to be members through failure to pay any subscription - Central Cooperative "Moncenkop", Mongolia; Society "Egtessad", Persia; National Federation, Portugal. The Sociedad Cooperativa de Obreros, Mexico, also automatically ceases its membership not having paid any subscription since its first in 1928.

The case of the Canadian Wheat Pools should also be noted. The Central Selling Agency at Winnipeg, which is the member of the Alliance, for all practical purposes dissolved, and the Provincial Pools are marketing their wheat independently under a special scheme for liquidating surplus stocks and dealing with the crisis. The leaders anticipate a resumption of their co-operative activities at a later date, but at the best no subscription can be expected for a year or two.

May I take it that the Executive will desire the question of the membership of the Pools to remain in abeyance for the present year and the position shall be reviewed a year hence?

This section of the Report was noted without discussion, and the proposal re the membership of the Canadian Wheat Pools was endorsed.

Section 3. The Financial Position.

THE GENERAL SECRETARY: I only mention this matter in my Report because of the special circumstances, but I would point out that there is another item on the Agenda for Finance and perhaps it would be best to consider the whole question at that stage.

THE PRESIDENT (Translated): The General Secretary wishes that we should deal with this question under Item 3 of the Agenda.

Agreed.

Section 4. Economic Research.

In this section THE GENERAL SECRETARY summarised the work which had been accomplished and that was in hand by the Research Department of the Alliance, and concluded as follows:-

"The vital question which I press upon the consideration of the Executive is the practical use which is to be made of these reports. I would point out that at present no great interest is manifested in these documents outside a very limited circle of leading co-operative administrators and students. Like the Statistics which we have published - the demand for the documents at the very modest price of publication does not pay for the printing, to say nothing of the cost of collection and preparation. Considerable interest is, however, manifested by students, organisations and journals who demand gratis copies.

This is not the final concern, however; if we could secure a living interest in the work and an effort to put it into practical use on the part of every national representative in the Alliance itself then some real advantage would be secured."

MR.LUSTIG (Translated): I propose that the research which is being made concerning State and Municipal Trading should be made accessible to the public, that is to say, that every National Organisation should be at liberty to publish the material.

MR.JOHANSSON (Translated): I support the proposal of Mr.Lustig, but I think it would be better to deal with this question under Item 8 of the Agenda concerning Economic Research.

Agreed.

Section 5. Egg Conference at Brussels.

THE GENERAL SECRETARY: reported the steps which had been taken to secure the representation of the Alliance at the Conference convened at Brussels at the beginning of December by the International Institute of Agriculture at Rome, to establish a Convention for the Marking of Eggs. As the question of the Co-operative Marketing of Eggs was under consideration by the Joint Committee of Consumers' and Agricultural Representatives at Geneva it was deemed desirable that the Alliance should have first-hand information of the Conference. On receipt of an invitation to appoint an observer Mr.Victor Serwy was asked to accept the task, which he did willingly and, in due course, presented a full report on the proceedings. A summary of this report was submitted for the information of the Executive and the General Secretary stated that the full text would be sent to the Joint Committee.

The report was noted, and the Executive expressed their thanks to Mr.Serwy for his attendance and also for the interesting report which he had presented.

Section 6. Economic Consultative Committee.

It was noted without discussion that for reasons of economy the projected meeting of the Economic Consultative Committee had not been held in the autumn of 1931, and that no date had yet been considered for the next meeting.

THE GENERAL SECRETARY further reported -

"The Executive will remember that at Paris Mrs.Freundlich wished to have the endorsement of the Alliance for a Memorandum which she had prepared for the Economic Consultative Committee on "The Rationalisation Trade". The document had already been sent to that Committee and the Executive decided to approve generally of its principles, but to take no responsibility for its submission to the League of Nations. It was, therefore, with some surprise that I found, when attending the meeting of our Joint Committee of Agricultural and Consumers' representatives at Geneva November, that this Memorandum had been passed on to M. Albert Thomas for inclusion in the Agenda of that Committee. To this course I objected and I now ask the confirmation of the Executive to my action for the following reasons:-

- I. The Memorandum was prepared for a League of Nations Committee as reply to a decision of that Committee taken nearly three years ago, and was a personal contribution for which the Alliance accepted no responsibility. It should, therefore, not be competent for a representative of the Alliance to transfer it to another Committee constituted by the Alliance for a different purpose.
- II. The subject of the Memorandum is not one of the tasks of the Joint Committee of Agricultural and Consumers' representatives, which is constituted for a specific purpose.
- III. If the Executive should deem it desirable to transform the Joint Committee into a Committee of reference for co-operative questions in general, then I suggest that it is desirable that any statement of the case of the Alliance on such an important subject should be previously discussed, and agreed to, by the Executive if possible, but at least by the I.C.A. Section of the Joint Committee."

The report was noted and the action of the General Secretary confirmed.

Section 7. Ukrainian Societies in Poland.

THE GENERAL SECRETARY reported -

"The Executive will remember that its decision at Paris was that no further action should be taken in this matter pending further development.

In the middle of November I received a further letter from the Revisionsverband, Lemberg, asking the Alliance to support the representations which the Union were making to the Polish State Authorities as the result of (1) the compulsory closing of 30 Ukrainian Co-operative Societies either without reason given or on sanitary grounds, private trading businesses having been opened on the closed co-operative premises; (2) the arrest and ill-treatment of co-operative officials.

On receipt of this appeal I wrote to the Polish Union at Warsaw asking them to give me their views on the situation as revealed in the complaint from Lemberg.

Mr. Rapacki replied that he was not able in a short time to investigate the matters complained of, but admitted that they might be true under the present régime. He further expressed the opinion that "all legal measures should be taken by Ukrainian Co-operators, which are at their disposal, before any action by the I.C.A. is undertaken". He did not think it advisable that the Alliance should intervene with the League of Nations as they (the Polish Union) were of opinion that "in some cases the undoubted illegal action or even violence of the present régime are misused by the Ukrainian politicians against the Polish nation on the international ground."

I have, therefore, left the matter over for the consideration of the Executive."

THE GENERAL SECRETARY: Since I wrote this paragraph concerning the Ukrainian question I have received a further letter from Poland. In any case, I would ask the Executive to say again whether the matter should be left where it is. It is not helpful to pass a paragraph like this in silence, because I want to assure you that this is a matter of acute feeling both for and against the action of the Alliance in Poland. The

Ukrainian Organisations appeal to us to support their claim for justice and consideration either at the hands of the Polish authorities or by the League of Nations. On the other hand, Mr. Rapacki takes very much of a nationalist attitude in this matter and writes with some acerbity concerning the possibility of the Alliance intervening in this delicate situation, but the Executive have never shrunk from delicate situations to do what is possible and necessary to support the Co-operative Organisations in the country concerned. And I ask the Executive to give some consideration and an intimation of their views as to what action I should take to support the Ukrainian Co-operators in this difficult position. I am not suggesting for a moment that the whole of the right of the situation is on either one side or the other. I very much doubt whether it is, but at least we should, I think, take some stand of protest against the wanton destruction of co-operative property, damage to persons, and other injuries which the Ukrainian Co-operators have suffered.

Some of the principal organs of the world Press take this matter very strongly against the Polish authorities, and there does seem reason to believe that the Ukrainian Co-operators in this matter are denied common justice. The mandate which is exercised by the Polish authorities is exercised very arbitrarily, if not tyrannously. Of course, the only portion of the case with which we are concerned affects the Co-operative Organisations which have suffered no little damage. The case of the Ukrainians is that since their last complaint co-operative stores have been closed on the grounds of the sanitary conditions, but have been shortly afterwards opened as private trading stores, the Co-operative Societies having been suppressed while new private business undertakings are being carried on on the same premises without any change in the sanitary conditions. A number of shops have been suppressed in this way and, as you have already had reported to you, persons and property have been damaged and, in some cases, destroyed.

I understand that the matter is still in the hands of the Special Committee of the League of Nations, but the practical question is whether we should let the matter alone in the hands of that Committee to take its course - I was going to say its normal course, but it seems abnormal seeing it has been in this position for the last twelve months or whether, on the other hand, we should make representations to any Government authorities, or the League of Nations itself, in support of the co-operative case.

MR. POISSON (Translated): The question certainly is a very delicate one at the present stage. Mr. May says the Executive have never abstained from intervening when it thought it necessary to do so in favour of Co-operative Organisations who were the victims of tyranny at the hands of any Government or State. That may be true in principle, but not in every case. I would recall the case of the Bulgarian Organisation on whose behalf we intervened, but in that case we came to the conclusion that the Organisation had not only dealt with co-operative problems but also with political affairs and had, therefore, brought upon themselves the action of the Government.

THE GENERAL SECRETARY: But we did intervene, all the same, very strong

MR. POISSON (Continued): Therefore, I think we should be very prudent whenever there is any protestation that we merely base ourselves upon the information supplied by those who make the protest. But perhaps there are some wrongs in this case which we do not know of and, therefore, it is extremely difficult to undertake any action without having enquired into the situation. We know that the Ukrainian Organisations in Eastern Galicia are very nationalist and, therefore, we should view their case with a certain amount of suspicion. On the other hand, Mr. Rapacki dissociates himself from the present régime in Poland and, therefore, it might be best to content ourselves with an intervention to the Polish Government and to abstain from any action with the League of Nations, as it might be regarded as a medium for accusing us of using our action for political aims and we might thereby create difficulties for ourselves with the Polish Government and for the Polish Organisations. So far as the League of Nations is concerned, we might simply ask how the matter stands

MRS. FREUNDLICH (Translated): I am of opinion that the situation is a very difficult one and if we once started to interfere with the difficult and intricate question of minorities in South Eastern and Central Europe we should get into the same difficulty as the Minority Committee of the League of Nations. We have already started to interfere with the situation of the Ukrainian Co-operative Organisations in Eastern Galicia, and I would recall that Mr. May had a conversation with Mr. Henderson, the Chairman of the Sub-Committee of the League of Nations and enquired what the situation was. It has been proposed this morning that an intervention should be made with the Polish Government, but that seems to me entirely superfluous. It would lead nowhere, because the complaint would be addressed to the authority responsible. That would not ameliorate the situation and would not lead to any success. We know quite well what the situation would be. The Polish Government would say that the Ukrainian Organisations had lodged a complaint to the I.C.A. and that by so doing they had acted against the interests of the State and, therefore, they would be punishable. Therefore, I think that our action should be limited to a formal enquiry to the League of Nations in order to know how the situation stands at present. But to interfere with the question of a minority does not appear to me to be a happy suggestion. Such questions are difficult and intricate and we cannot work out a programme with regard to them. Besides, to be able to know what the situation exactly is we should have to send a Committee of enquiry to Galicia to find out what the circumstances are. As to my mind, the minority questions are of a political character, it is better to remain faithful to the principles of our Alliance and to abstain from interfering in political matters. If we did interfere in this case I fear that we might, later on, have a complaint from the Croatian minority in Yugo-Slavia, and others. In Austria we understand the situation quite well because we are neighbours of those regions. Therefore, I think the Alliance should only make a formal enquiry of the League of Nations.

MR. LUSTIG (Translated): In my opinion the Alliance is obliged to intervene whenever any Government interferes with the liberty of any Co-operative Organisation which is a member of the Alliance, and whenever the property of Co-operative Organisations is in any way damaged or destroyed. We can, of course, enquire about the reasons why such oppressive action has been taken by the Polish Government against Ukrainian Organisations. They w

probably say that this action has been taken for political reasons because the Ukrainian Organisations have not been content with dealing only with co-operative matters. But as the Ukrainian Organisations are members of the Alliance, and as we know that their liberty has been interfered with and their property destroyed, we ought to try to get information about the matter and to do something, but if we get a declaration from the Polish Government that their action has been made necessary because the Ukrainian Organisations made bad use of their liberty and used their Organisations for political purposes, then the weapons would be taken out of our hands. I must, therefore, support the proposal of Mrs. Freundlich that an intervention should be made by us with the League of Nations.

MRS. FREUNDLICH (Translated): I only said that we should enquire from the League of Nations and not make an intervention.

MR. LUSTIG (Continued): Therefore, I complete the proposal of Mrs. Freundlich that we should not only enquire from the League of Nations but should support the complaint of the Ukrainian Organisations before the League. If the League of Nations replies that the action of the Polish Government has been taken on account of the political activities of the Ukrainian Organisations then we cannot do anything further.

THE GENERAL SECRETARY: To bring the matter to a close, I would like to propose, or suggest, two things. (1) What has been proposed by Mrs. Freundlich that we should ask the authorities at Geneva, not Mr. Henderson because he is no longer in power

MRS. FREUNDLICH (Translated): But I think he is still Chairman of the Minority Sub-Committee.

THE GENERAL SECRETARY (Continued): I think this question is now out of the hands of that Sub-Committee and in the hands of the Council. To continue, my first suggestion is that an enquiry be made to the appropriate authority at Geneva. (2) That we should formally ask the Polish Union to take whatever steps are possible with the Polish Government. I think it will be much better for us to go that way than for the Alliance to appeal direct to the Polish Government. The Polish Government would probably only say what the Polish Foreign Minister already said to me in Warsaw, a describe our intervention as foreign interference. If we could formally and officially ask the Polish Union to take some steps to secure the rights of the Ukrainian Co-operators as Co-operators I think perhaps that would be the best means of approaching the question.

THE PRESIDENT (Translated): I think we can close the discussion.

Agreed.

THE PRESIDENT (Translated): Different propositions have been made, two of which have been supported. First, we have the proposal of the General Secretary, who has put two suggestions before us. First, that we should enquire of the appropriate authority of the League of Nations in order to ascertain the present position and, second, that we should address ourselves to the Polish Co-operative Union at Warsaw and ask them to undertake action in favour of the Ukrainian Co-operators in order to protect them in future.

SIR THOMAS ALLEN: I would like to vote for the first proposal but not for the second.

THE PRESIDENT (Translated): Then we will take the two proposals separately. The first is to address an enquiry to the League of Nations for information.

Agreed unanimously.

THE PRESIDENT (Continued): The second is to ask the Polish Union at Wars to take steps on behalf of the Ukrainian Co-operators.

Adopted by 7 votes FOR to 1 AGAINST.

Section 8. Rochdale Principles Enquiry.

Section 9. Other Matters.

THE PRESIDENT (Translated): These two sections of the Report are merely for information and can be noted without discussion.

THE PRESIDENT (Continued): Do you approve the Report of the General Secretary as a whole?

The Report was approved unanimously.

ITEM 5. FINANCE.

THE GENERAL SECRETARY: I submit that the financial position of the Alliance demands the careful consideration of the Executive. The Budget statement for 1932 has just been handed to you. It was only possible to make this statement on Thursday last and, so far as the actual Receipts are concerned, only half an hour before I left London. That is to say, if you will look on page 2 of my Memorandum, in the left hand column at the end of the statement of Receipts and Expenditure for last year, you will see that the balance of Expenditure over Receipts was £2,793. If you will also look down you will see there is given a sum of £2,945 as Outstanding Subscriptions for 1931, and included in that is a sum of £2,575 for the U.S.S.R. Perhaps it may be necessary during our discussion to consider the Soviet subscription, particularly with regard to the future by itself. But it is obvious that had all the subscriptions been paid last year we should have had a balance on the right side. As it is during the past six months I have been obliged to withdraw from our reserves £2,000 to meet current expenditure, that is to say, up to the 31st December. But in order to appreciate that position completely the Executive should keep in mind that the Balance Sheet deals with the actual Receipts and Expenditure for the year and the Reserve Fund, which is in the Co-operative Permanent Building Society, has been left out of account in this first statement, except that as a matter of fact we have withdrawn from it to pay our way. The statement before you, therefore, is of the actual Income and Expenditure for the year.

The largest item of deficit up to the 31st December was the absence of the Soviet subscription for 1931. At the Executive meeting in Paris, after a long discussion and many interviews with the Russian friends, they agreed to accept my proposal of a sum of £2,750 as their annual subscription for the years 1931, 1932 and 1933, a sum, in fact, much below the amount which was due to be paid as their collective subscription according to their own figures. It was further agreed that, in common with other Organisations whose subscriptions were then in arrears, they should be asked to pay their subscription for last year at the Gold Standard or, in the actual terms of the resolution, at the rate of exchange in January, 1931, when the subscriptions were actually due. Up to the end of November I was unable to secure the fulfilment at all of the promise which Mr. Variash made to the Executive to pay the subscription. At the end of November, however, they sent a cheque for £1,000, instead of £3,480 which had been mentioned in the Executive at Paris. I continued to press for the payment of the balance of the subscription and, as I have indicated just now, nothing further was received until Thursday last week, when I received a telegram from Moscow saying that the London Centrosoyus had been instructed to pay the balance. Without going into too much detail I will conclude by saying that Mr. Ginsburg informed me that he was instructed to pay the sum of £1,750, that is the bare sum agreed to by the Executive and no additional amount due to the Gold Standard. That sum I received on Saturday last, and it has put us in credit again for the time being and will keep us going until other subscriptions for 1932 come in, but only then with the aid of the £2,000 withdrawn from the Reserve Fund. In addition to that you will see there are other outstanding subscriptions, some of which are very doubtful quantities. The Hungarian subscription, for example. We may get some information about this from Mr. de Balogh when he comes tomorrow, but at present nearly £200 is due from Hungary for last year. We shall lose over £100 from the Co-operative Wheat Pools, because the Organisation which is affiliated to the Alliance has now, for our practical purposes, ceased to exist, and you have adopted in my Report a suggestion that they should remain in membership for the time being and that the position be reviewed next year. There are other subscriptions outstanding which, it seems to me, it will be difficult to be assured of during the present year.

That, in general outline, is the financial position with which we are faced to-day. For your information also in this connection, and so that you may examine the whole field, I have had prepared a statement, which will be given to you directly, showing the subscriptions received from the different countries from 1928 until 1931, with what is estimated to be received from them for the current year, and with another column showing where the outstanding subscriptions now stand. I want to say frankly, in my opinion there is not much hope of obtaining any more money from Russia in respect of 1931 and that, sooner or later, we shall have to abandon that £730. You may decide to wipe it off to-day or leave it until a later date, but it does seem necessary, while I am on the question of Russia, that we should obtain as early as possible from the Soviet Organisations some clear intimation of their intention with regard to the present year. In view of all these things, and what you see on the Expenditure side of our considerably increased expenditure for the actual work of the Alliance, it is necessary that we should observe the strictest possible

economy with our funds during the current year in order not to draw too much upon the remaining Reserve Fund, which stands at £4,252, and that we shall conserve every pound that we can during this year, especially in view of the extra expenditure which will fall upon us in connection with the Congress of 1933. One economy which I would propose is the suspension for the current year of the printing of the Statistics for 1930. We shall deal with Statistics later under another item but, as a matter of expenditure, I may point out that to suspend the printing until next year will effect a saving of at least £200, and probably £250. Then we have contemplated, and in principle the Executive have agreed to a missionary programme which would take £500 from our Reserve Fund. That, I suggest must, under the circumstances, remain in abeyance. Incidentally, in the connection there was included a visit to the World Grain Conference at Regina this year, which would have absorbed at least one-third of that sum, but that expense will not now be incurred because the Grain Conference has been adjourned until 1933. Then I suggest that the Press School, which we held at Hamburg with some success last year, might easily be adjourned until next year. There is also a small matter connected with the Education Conference which might also be considered as a small means of economy. For the rest, in the Budget before you I have been over the accounts very carefully for several years past and, incidentally, I may point out that 1929 was a normal year corresponding with what we might expect for this year, except in extra expense already incurred for rent and staff in our economic research department, which is now in really good working order and, in my opinion, one of the most valuable pieces of work we have in hand and not lightly to be abandoned or reduced. There is very little other direction in which I can suggest any economy. The statement on the Expenditure side for the current year represents I think a minimum. It is possible, however, that we may augment by some means some of the present items on the Income side, the sale of publications, for example. This has been put at a very low figure and the "Review" at a normal figure. Advertisements also at a normal figure. Both those items I think, with some effort, might be increased. For the rest, the statement must stand as representing what I think the prospects for the present year are, and I would like the Executive to help me with any considerations that are possible in connection with our financial situation.

I think I have put the matter quite briefly, and on broad lines as fairly as I can, before you. I will distribute these other statements so that you may see what the subscriptions are. While we have, as I have said in one part of my Report, the difficulty that many of the Organisations instead of paying their subscriptions in January do not pay until December, I am glad to be able to say that some Organisations have already discharged their full responsibility for the current year. That is a real help to us and, in the present situation, it is necessary that the Organisations should pay as early as possible in order that we may not live too much from hand to mouth. That I think covers the matter for the moment. If there are any other points which I have omitted, or on which I can give information, I am sure the Executive will mention them.

MRS. FREUNDLICH (Translated): I would remind you of the fact that the arrears of subscriptions are, to a large extent, due to the regulations which have been made in some countries, especially in Central and South Eastern Europe, concerning the export of money. The situation is such in Austria at present that when we ask the National Bank of Austria to give us £2,000 for payments abroad the National Bank gives us only a quarter

the sum for which we ask. Also you must remember that it is extremely difficult to make any provision concerning the rate of exchange because there is no real rate of exchange at present but only an artificial one determined by the currency policy of the National Banks, and nobody knows what will be the rate when that currency policy comes to an end. Therefore, we must reckon to have outstanding subscriptions. With regard to Hungary, I do not think we can expect any Hungarian subscriptions to come in, because the Hungarian State itself has declared a moratorium for its own debts and, therefore, it will not allow any Organisations to send money out of the country. At present in Austria there is an institution of goods clearing and through it the Government endeavours to obtain such trading relations that payments are made in goods. Persons going out of Austria obtain 200 Schillings, or its equivalent in foreign currency. That is all we have at present. Also you must remember that in a number of countries there is an economic crisis and an unemployment crisis and, as a result, the turnover of the Co-operative Organisations is smaller. But apart from all other difficulties, the income of the Co-operative Organisations has also fallen and, therefore, it is more difficult for them to pay their subscriptions to the Alliance. Apart from what some countries, like Hungary, still owe to the Alliance I do not think that all the subscriptions for the current year will be paid. With regard to Russia, I have the impression that the situation has quite changed. At first Russia needed the Alliance in order to establish trading relations with other countries, but now the Organisations of Russian Co-operation do not need us any more because the doors have been opened to Russia and her trade has developed. Therefore, while formerly we were the only channel through which international trade could be organised, at present Russia is overrun with orders, and everybody is willing to have a Russian Ambassador who acts as a trade agent. Russia is now the only country which gives large orders abroad. As Russia does not need us any more for trading purposes its representatives do not come to our meetings and, sooner or later, we shall have to reckon with the stoppage of its subscription. In view of this situation we must do as other Organisations have to do. That is, we must reduce our expenses. It may be rather difficult to do so and rather hard that we should reduce our staff and our activities because we cannot make both ends meet. That is why the General Secretary is quite right in saying that every pound should be considered. At any rate, in Austria if we ask the National Bank for £1 to pay our subscription they would say, here is £20. That is all they would give us. Perhaps a month later we could get another £20

Here a question was put to Mrs. Freundlich - Why, in order to get £100, they could not ask for £500 from the National Bank.

MRS. FREUNDLICH (Continued): When we ask for money we have to show the Bank a statement of the sum which is owed. To come here I had to show the National Bank the official invitation convening me to this meeting before I could obtain any money. Therefore, if we owe £2,000 for any purpose we can only get £500 and must continue to owe the remaining £1,500. The situation is still more difficult in other countries and, therefore, cannot be sure of our subscriptions coming in. Therefore, perhaps Mr. M. was even a bit optimistic in his statement because with regard to outstanding and the present year's subscriptions I think the difficulties may be even greater than he has anticipated.

MR.SERWY (Translated): I think the view of the financial situation as given by Mr.May is rather optimistic, and also the figures he has communicated us. I see, for instance, that he reckons upon an increase in receipts, but if we examine the Budgets of public bodies we see that they expect a reduction. Therefore, we ought also to reckon on such a decrease. I do not doubt that Mr.May has very carefully collected these figures on the basis of the subscriptions due, but he must realise that the difficulties are such that in spite of the Rules the amounts will not be paid. For instance, with regard to Hungary, its subscription has merely a theoretic value and the amount will not come in.

THE GENERAL SECRETARY: Hungary is not taken into account in the Budget for 1932.

MR.SERWY (Continued): Seeing that we are not sure of our receipts we must be very careful that our expenditure shall correspond to the income that we receive. For instance, I see that in the Budget for 1932 Mr.May considers that the subscriptions will amount to £7,726, but perhaps that is too high a figure. There is one very important point that we must consider, and that is the possible disappearance of any subscription from Russia. I fear that Russia will, sooner or later, leave the Alliance and we must, therefore, establish our Budget on such a basis that we shall be able to live without the Russian subscription. We must not let our expenses depend upon its subscription, which is very unsafe.

MR.POISSON (Translated): I do not think it serves much purpose to deal with the past and, therefore, my remarks will apply to the future and to the Budget for 1932. I see that in the Budget there is a deficit of £595 of Expenditure over Income. I wonder whether that is a minimum? According to the indications given by Mr.May, we see that with regard to two items — Executive and Central Committee Meetings — £300; Congresses and Visits — £200 — Mr.May indicates that these sums represent payments abroad, and that they will suffer an increase of 30%. We have, therefore, to add 30% of that £500, approximately £150, to the deficit, which brings the deficit to £750 instead of £600. Therefore, we must be prepared for other items of our expenditure to go up and perhaps we should reckon the deficit as being not merely £600, but more like £1,500. With regard to the observations made by Mr.Serwy, who said that Mr.May was too optimistic in considering that our income would be considerably better in 1932 than in 1931, I think that the income for 1931, which is given as £6,000 in the Financial Statement, must be corrected by the addition of the £1,750 paid by the U.S.S.R. last week. This would bring our income for 1931 to £7,700, which is less than the Secretary anticipates for 1932. But there is one point which is doubtful, and that is whether those subscriptions which stand well on paper will actually come in. We know there are difficulties, but those difficulties may only be temporary difficulties, because though it may not be possible for the National Organisations to transfer their subscriptions to London, yet in their books the subscriptions will go to the account of the Alliance and, when the time comes that payments can be made, the sums can be transferred to the Alliance. But, for the moment, there will be difficulties to face. 1932 will undoubtedly be a year of crisis, but this need not discourage us too much because better times will come. One point that troubles me particularly

is the subscription of the U.S.S.R. I do not think we need be as pessimistic as Mrs. Freundlich and Mr. Serwy, who think that we must be prepared for Russia to leave the Alliance. That they will not do, because their present plan will need much European capital and they will also need goods from abroad, such as raw materials, etc. But, personally I think a decrease will take place in Russia and that they will not continue to pay the present sums. I think Mr. May did very well not to give them a receipt for the whole of the balance due, but to consider the payment they have made merely as on account. That was a wise method, but in consideration of the doubtful character of the Russian subscription in the future, and of other items which I have already mentioned, I think it would be well if Mr. May seriously considered a deficit of £1,500 for the current year. But even though we face such a deficit we can meet the situation with our reserves, and we can say that the time will come when we shall have again a regular income which will correspond to what is due under the Rules. Seeing that, out of the total expenditure of £9,000, £7,000 represents administrative charges, and that the expenses in a country like England are very high, one might consider (I do not propose that we should do so to-day) whether it would not be cheaper for the Alliance to live in some continental country instead of in London. Also I propose, in order to improve our financial position, that we should consider amending our Rules, and particularly whether subscriptions should not be based on turnover instead of membership. At present nearly everybody gives us wrong figures of membership in order to save the situation, and we know quite well that that is so. Therefore, we should have a much surer basis for subscriptions if they were based on turnover. Another point appears to me very important. I suggest that subscriptions be paid in £ Sterling at the Gold value, while expenses to a large extent are met in £s at the present rate. As this would mean a difference of about 30% we might reckon that in reality there would be no deficit and that that advance of 30% on the subscriptions budgeted for would cover the deficit even if we take it at £1,500. At any rate, it was decided for 1931 that arrears of subscriptions should be paid at the Gold Standard and, therefore, I formally propose that we should consider the same basis for 1932. In this way we shall improve our income. To sum up -

- (1) I propose that we should face a deficit of £1,500 for the current year
- (2) That we should decide that subscriptions for 1932 be paid at the Gold rate;
- (3) that we should consider the possibility of changing the centre of the I.C.A. and of establishing it in some continental country where the expenses would be lower than they are in London.

MR. KLEPZIG (Translated): Our financial situation, unfortunately, is not at present on a good basis. In saying this I do not want to make a reproach, but merely a statement which refers to the actual situation, which I consider is unfortunate. Is it possible to place our financial situation on a more sound basis, because so far we have been doing too much living from hand to mouth, and have had to draw from our reserves instead of increasing them. Therefore, I agree with those other speakers who said that it was necessary to decrease certain items of expenditure. If we are to maintain the I.C.A. and its life it is necessary that we should do away with the deficit, and as we hear that many of the subscriptions are paid at a late date we must see that that does not happen. Therefore, I think we ought to enforce the same policy towards our contributing Organisations as we do to our ordinary debtors, and that is

that they should pay interest on delayed payments. Therefore, I make the proposal that if a subscription is paid at a late date interest at the usual scale should be charged.

MRS.FREUNDLICH asked whether this proposal would apply to countries who cannot pay on account of Government regulations.

MR.KLEPZIG (Continued): Whenever that is the case some proof must be sent to the Alliance, but I am not of the opinion that that situation prevails in Germany and Austria. I further suggest that every quarter accounts should be sent to the affiliated Organisations stating what their commitments are, and asking that payments on account should be made or interest will be charged. These fines could be a little less for the past year, but if they are not paid in time then additional interest should be charged. I think the Executive could take that measure because it has not only the right to look after the finances, but also has the duty to put the financial position of the Alliance upon a sound basis. With regard to the economies proposed by Mr.May, I agree with them, but wonder whether we could not examine other items with a view to larger economies.

MR.PALMER: I must say that I find the atmosphere in this discussion a very depressing one, and can only say that in my opinion the Pioneers of Rochdale will be turning over in their graves, and to think that we, the representatives of a huge world movement, are to-day considering a step backwards in international development which is only costing £7,000 a year does not, to my mind, do justice to us as representatives of this Alliance. The past has gone and, therefore, we may forget it, except so far as it provides any guidance for our future action. There are difficulties, very great difficulties, and to some extent they may cause us to be despondent, but there were still greater difficulties facing this Alliance in 1914, and if we had taken the point of view mentioned this morning I am sure the Alliance would not have come through that war with the credit that it did. We are not faced to-day with the same difficulties as then but our forces and prospects are greater than then and, therefore, we have reason to be thankful. We have to realise that the Co-operative Movement has only made progress in the past because it has always kept faith in the ideals of Co-operation, and has kept on steadily making progress towards its ideal and has done that in spite of any difficulties. I quite agree that the financial situation is not satisfactory, and we must face it. To my mind it is particularly unsound because we are too dependent upon one great member, namely, Russia. We must make ourselves independent of the Russian subscription before we can be on a sound basis and continue our development. We have two positions to face, the immediate and the future. The immediate position has been met by the suggestions of Mr.May. He has put before us certain suggestions for economies which will save sums in 1932. One of those economies I rather regret, and that is the one for the abolition of the Press Conference. I have the greatest faith in the value of the Co-operative Press for the development of the International Co-operative Movement, and I would almost like to suggest, so that the Press Conference should be held, that it should be held in London which might not lay too heavy an expense upon the Alliance. We are going

to effect economies to meet the balance required for the current year by drawing upon reserves. I admit that is not satisfactory to have to draw upon reserves, but it will enable us to meet the immediate position. No as to the future. Obviously our reserves cannot last for ever. It has been suggested that that means we must cut our coat according to our cloth that we must cut down our staff and some of our activities. It seems to me that the main development of our organisation recently has been in the sphere of economic research, and I do want to suggest that now, more than ever, it is necessary to develop that research because there is so little understanding of economics generally that it is necessary to develop it more and to broadcast the information we have upon the subject, so that it will enable us to meet future situations better. I want to suggest, then, two ways to meet the situation. The Co-operative Movement has never deliberately cut down its activities, and once we do that I think we are on a retrograde step. I hope I shall never be a party to such a decision. I realise, of course, that we have two years to go before a definite step can be taken to increase our income by an amendment to the Rules, but I think that the fact that we have some reserves will enable us to carry on for those two years before it will be possible for an amendment to the Rules to increase the subscriptions from the National Organisations. I want to suggest that we should instruct the General Secretary to submit at the next meeting proposals for consideration, with a view to bringing them to the next Congress, for increasing subscriptions of the I.C.A. That is necessary, I think, as we must continue to develop our work. I hold, and I think we all agree, that no Movement can stand still. It must either go forward or backward, and if we are not prepared to go forward, then we shall go backward. But apart from the fact that additional subscriptions would be required to meet the deficit for the future, and that additional income is necessary in regard to the Russian situation, while I do hope that Russia will never leave the Alliance, one must face the fact that we are too dependent upon Russia, and it is in the interests of the Alliance that its subscriptions should place it in such a position that it can continue to live whether Russia is a member or not. Increases will also be required to give us a reserve for the next two years and, therefore, my second suggestion is that we should instruct the General Secretary to submit proposals for the consideration of the next Congress that would give us the necessarily increased income to meet the expenditure of the Alliance in future years. There is one other point I would like to mention. Mr. Poisson said that everybody gives wrong figures upon which their subscriptions are based. I do not know whether he made that statement seriously, but I hope he did not. But if that is fact, then we should take some steps by checking the records of National Organisations to see that the figures on which their subscriptions are based correspond to the figures which are given to their own Congresses and National Governments, if such returns are made in other countries.

THE GENERAL SECRETARY: May I say at once that I think Mr. Poisson is under a misunderstanding.

MR. PALMER (Continued): With regard to Mr. Klepzig's proposal that interest should be charged upon outstanding subscriptions, I am afraid that I cannot see my way to agree with him. I think we must frankly face the position by deciding that we must effect economies in the coming two years but for the future that we must take such steps as will give us the income necessary to carry on the work of the Alliance, and develop it.

CLOSE OF FIRST SESSION.

SECOND SESSION.

ITEM 3. FINANCE. (Continued)

THE PRESIDENT (Translated): We will now continue our discussion on the financial situation.

MR. JOHANSSON (Translated): Several of us here are representatives of countries that have had to abandon the Gold Standard. Why have we done so? Simply because we are not financially strong enough to uphold the Gold Standard. We are in a position where economy becomes necessary, and it appears to me that if economy is a general necessity then it is particularly so for Co-operators. It is very easy to say in these circumstances let all subscriptions be made in gold, but the carrying out of that is very difficult. I would say at once that I accept it so far as the Swedish Movement is concerned, because I think that after all the difference between our subscription in depreciated currency and in gold is not very great, but I would not propose it because I doubt whether economically it is right. On the contrary, I think it is wrong in principle. We should not in our Co-operative Movement increase the overhead charges with which we burden our members. With regard to expenditure I think it is quite possible that we could reduce this in certain respects. We could easily decide that the Executive should only meet twice a year. With regard to International Conferences, it is quite possible that they should pay their own costs, for example, the Press Conference, could it not be suggested that those journals concerned should themselves bear the cost of the delegates and the general cost of organising the Conference? On the other hand, we could perhaps also endeavour to increase some of our receipts. Although we are not, of course, wanted to act here as businessmen but as members of an economic organisation, we should not lose sight of the business side. Could not our "Review" get advertisements from large firms, like Ford Motor Cars? Could we not have such advertisements in our "Review" for which a charge could be made? Mr. Palmer said he was so anxious to have the Press Conference that he even considered the possibility of drawing from the Reserve Fund to cover the expenses of the Conference. I think that would be a mistake, but rather I suggest that all the journals concerned should pay their share of the expenses of the Press Conference. I think the Rochdale Pioneers, who were not men of very fanciful dispositions, would side with me in the request for saving. We cannot do as we read in the papers that America has done and have a procession to show that the crisis is ~~not~~ improving and soon all will be well. I think we might improve our resources by making some publications. For example, I was in favour of publishing our material on the question of Margarine, but our English friends were against it. There are other recent reports also that we could publish and so make a little profit. We cannot expect Providence to interfere and improve the situation. We must consider realities and, therefore, we should not request our members to pay their subscriptions in gold. It was also proposed that we should console ourselves with the fact that we have some reserves from which we can draw. But do not forget that Mr. May has no pension provided for him. I know he is still a young man, but the time will come when he will expect the Alliance to do something for him. There are also other employees who should be provided for from reserves. In view of the general situation we have no panacea, no ready-made remedy to suggest, but there is one general recommendation I would make, and that is - economise.

SIR THOMAS ALLEN: Mr. Johansson has just urged that we should come to the reality of things as it pertains to our Budget, and he concluded by making one general recommendation, that is that we should economise. The point before us, as I understand it, is this. Is there any unwise expenditure in the estimates for the present year as submitted to us, and is there anything in these estimates that ought properly to be reduced, because that is the simple proposition before us, as I understand it. In other words, and to put it in the phrase used by Mr. Palmer, what is Mr. May to be really charged with? Is he simply to note that the possibilities are that the Budget deficit will be not £595 but rather £1,500, and simply to recognise that fact, or is he expected to reduce, having that fact in mind, the expenditure provided for in the proposed estimates to balance the income. In order to get our mind clear it would be well to look at this estimate for a moment. What does it reveal? The Budget expenditure is estimated at £9,726. I have examined those figures and I find that the cost for salaries and essential services in connection with the offices, rent, a place for our people to sit down in, charges for cleaning it and heating it, etc., amount to £7,596, leaving a balance of a little over £2,000 outside, which is really covered by an income of £1,395. So the problem before us is this - are we going to exercise economy by cutting down our essential services in relation to our staff? That is really the point, as I see it, and I would at once and with all my force say that that would not be economy at all. Economy, as I understand it, is the art of wise expenditure, and we have now established ourselves with a staff engaged for work which is essential and which is worthy of the cost. I would emphasise that point with regard to the staff because it gives me an opportunity of bringing in here a point made by Mr. Johansson, and that is that our staff in London is unique in this position, as far as the British Co-operative Movement is concerned, that no provision has yet been made for them, apart from any provision made by them individually out of their earnings, with regard to pensions in their old age, a provision which is made both by the Scottish C.W.S., the English C.W.S., the Co-operative Union, and by many retail Societies in Great Britain. That is a matter which has been neglected by the Alliance. Therefore, the only curtailment as far as I can see is to curtail the staff, and I would rather spend our last penny of reserves and face our constituents with an adverse balance than I would see a Reserve Fund built up by the fact that our staff had been curtailed at present. Then it was suggested that we might cheapen the cost by transferring the offices of the Alliance to some other country where, I presume, the living would be cheaper and thus exercise economy in that way. But the only transfer that would be tolerated in that particular way would be a transfer to Russia, which nobody would contemplate as being desirable, because on the principle that he who pays the money should call the tune, a demand would be made in that particular. Nobody can argue that because the offices have been in Great Britain that Great Britain, as a national, has taken any advantage from that point of view. Now with regard to Russia herself. My own view is this, that if in time she does default, as she might do, there will be no question of default this side of the International Congress in 1933 because, if I understand the psychology of the Russian mind, they will desire to have a very prominent place in the International Congress in Great Britain, and if in time she does default, if she ever should, I do not think that we should be at all prejudiced in this particular direction because an appeal by the I.C.A. for funds because of a default Russia would have such an effect upon the Russian mind that I do not think she would dare to contemplate such a situation. And after all, what

International Organisation in all the world is getting its services as cheaply as this International Alliance of ours. Look at the figures with regard to our position. We talk of poverty, but on the face of it the whole thing is ridiculous. Here is a Movement which to-day is pleading poverty, which declares itself, in its documents, to possess a capital of £152,000,000, with £56,000,000 reserves, and an annual turnover of £1,358,000,000. If the Alliance only had a single pound for every £200,000 of trade to-day, or even one penny for every 50 members organised in the Co-operative Movement, that is all we are asking for an all the funds we want at present. What we are really considering to-day is how we can step backwards rather than forward. My suggestion is, and I would like to make it in the form of a resolution, that we accept these estimates as presented by Mr. May and await the results. My view is that say what you like about the Gold Standard, we are going to see strange things with regard to the monetary situation of the world before that money is spent.

SIR ROBERT STEWART: The discussion this morning was for economy, and it was very well discussed on the statements made by our worthy Secretary that this problem should be discussed because he is himself very anxious to prove that there is a deficit and that he had to draw from reserves. Therefore, he stated that he was prepared to face certain economies which he thought could be effected without affecting the usefulness of our work. Now, Mr. May is in a better position than most of us to know the true state of affairs, because he is the principal string, and he is a little disturbed about the financial position of the Alliance. I am inclined to take Mr. May's statement, with due respect to Sir Thomas Allen who, I think, is full of optimism when he tells us to spend all as there is no fear that the money will come in. He does not hesitate from drawing from reserves but I think for all who know anything about the handling of business that that is the very last thing. Mr. May has said he is prepared to effect some economies. I think we should take that for granted. He also says that he is anxious to strengthen the financial position of the Alliance, and I quite approve of the idea, but I would like Mr. May to give us a statement as to what would be the saving before we do anything in the way of the speeches. I think if he did that and submitted a statement for the next meeting we should be in a better position than we are this morning, because he has only stated offhand what could be dropped off. There may be differences of opinion and there may be other suggestions to be considered. We have also to consider the financial position of those associated with us in this Alliance. Mrs. Freundlich this morning pointed out some of the difficulties in Austria with regard to the amount of money which they can get from the National Bank. It is certainly a very opportune time to discuss that important matter. Mr. Palmer stated that he thought there should be proposals for the Exhibition to be held in London. I think that is a wise suggestion, because by that time we shall be in a position to say whether it is wise to increase subscriptions or not. For the Congress to be held in England the Societies will not respond on the same rate if they are called upon for extra subscriptions.

SIR THOMAS ALLEN: They will not be called upon for extra subscriptions.

SIR ROBERT STEWART (Continued): But I look at it this way, that they will be asked to pay for the Exhibition. There is no need for alarm, but let us do what we can to enlarge the financial position. We cannot approve of all the suggestions made here. For instance, Mr. Klepzig suggested that interest should be charged on delayed subscriptions. Mr. May knows the difficulties he has with Organisations from time to time, therefore, the proper way is to tell all Societies that they will be struck off unless they pay. Therefore, I could approve of what has been said with this exception, but something ought to be done in the way that Mr. Palmer has stated, namely, to have some suggestions for the Congress with regard to increased subscriptions. I would also suggest that Mr. May might prepare a statement for the next meeting showing us where economy could be made, and it would then be for the Executive to adopt his suggestions or otherwise.

THE GENERAL SECRETARY: I am not at all dismayed by the devious course which the discussion has taken this morning. Right at the beginning I would like to say to my friend Sir Robert Stewart that I have not really been actuated by fear in preparing these statements for you, but have rather acted with the desire to face the facts and take the commonsense course of meeting the difficulties. Personally, I have no fear about the result. I believe we can win through, and I believe that if we can all be of one mind in maintaining the income and activities of the Alliance we can not only win through, but augment our work and also our resources. Sir Robert Stewart asked me to state, or rather suggested that I should be asked to state at the next meeting some further economy. I hope he will not press that.

SIR ROBERT STEWART: Excuse me, I did not suggest that but rather the amount of saving involved.

THE GENERAL SECRETARY (Continued): But I want to say first that what I have suggested represents the maximum economy that can be effected under the present circumstances, unless you visualise, as I hope you never will, either the reduction of our activities or our staff. If you urge me to suggest further economies I have only one, and that is that you begin with the General Secretary and deal with him as some people have been doing with their Prime Ministers, and take a percentage off his salary. That is the only proposal I can recommend or support. With regard to one or two other points that have been made, I am sure Mr. Poisson will excuse me if I do try to remove the impression that may have been made by his observation about members of the Alliance giving wrong figures for the purpose of calculating their subscriptions. I speak for 99 per cent of the members when I say that I think they pay their subscriptions properly and provide in their payments for the increase of membership which takes place from year to year, and quite methodically. I have no sort of complaint to bring against 99 out of the 100 members of the Alliance in that respect. The hundredth one we will leave apart. Then, with regard to the suggestion that the Gold Standard should be applied to subscriptions. I think it would be a mistake to adopt this now simply on the ground of the general economic conditions, but may I say that the discussion has not revealed this morning that any member of the Executive has read the statement which I published in the January "Review". I know

Mr. Serwy has because he controls the French translation, and possibly Mr. Klepzig for the same reason, but nobody has revealed this morning one particular point in that statement which I emphasized. In your Rules you have Clause IV of Article 16, which deals with the rate of subscriptions, and that Clause reads - "The standard of all subscriptions shall be the £ sterling, but while the present depreciation in the currency of various countries continues payment may be made by those countries at such proportion of the standard rate as the Executive may determine, but not less than three-quarters". Now, by that Rule in aid of those countries that were in difficulties owing to their currencies, the Alliance for years sacrificed many hundreds of pounds of subscriptions voluntarily and in my statement on "The Gold Standard and the I.C.A." in the January "Review" I made the suggestion, which I repeat now for what it is worth, that wherever it is possible in those countries (I suggest it for all the countries, but I think it may be said to be a reasonable suggestion for those which for years enjoyed the benefit of that Rule) that we should now appeal to them, when we are short of our income, to do a little more voluntarily, not to impose it by a resolution of the Executive. I think there is a real opportunity for doing that now, and I believe that the response would be helpful and satisfactory. Last year, in spite of all the difficulties, we collected by an appeal for voluntary contributions nearly £2,000 on behalf of the sufferers from the "St. Philibert" disaster. The money came in quite easily, readily and spontaneously, and nobody complained of poverty in making that little sacrifice. Why should we not ask the Organisations now, in a condition of crisis, to make some extra contribution to the Alliance? I have put it first on the ground of that Rule concerning depreciated currencies, but I put it still further upon the point partly covered by Sir Thomas Allen, and that is the very small contribution which the total subscription of the Alliance amounts to compared with the profits of the great Movement we represent. I know quite a number of local retail Societies who spend three times and four times more money on merely technical and educational work than the total income of the Alliance for our world programme. Our activities are compared sometimes with other institutions that get their tens and hundreds of pounds of income for every unit of ours. So far from being pessimistic I feel that in spite of all the difficulties of the time, if we make a proper appeal to our members we shall be able to get through this year and succeeding years without reducing or restricting our personnel or activities. There are a number of small economies that can be defined by the Budget, but you may rely upon it that if you accept the statement I have put before you to-day I will do my utmost to secure that the year shall not end with a balance upon the wrong side. I suggest the practical thing at the moment, if you are prepared to accept the Budget presented and my statement of the case, is that we should send out a statement to every member of the Alliance briefly and broadly outlining the situation and appealing for two things, first, for the prompt payment of this year's subscription and, secondly, that those who are in the position to do so should augment their contributions. I think we have only to state our need to them to find a loyal response wherever the economic resources exist. Do not forget that the Co-operative Movement in every country and, therefore, the Co-operative Movement in all countries, has succeeded most and secured its best results in times of difficulty and in stress. I believe that we are quite capable of saving our souls and our bodies on the basis that has been laid down here this afternoon and with the simple aids at our disposal.

MR.LUSTIG (Translated): I support the proposal of Mr.Klepzig that the General Secretary shall send out every three months a statement of the liabilities of the Organisations and request their payment.

THE PRESIDENT (Translated): I support the proposal of the General Secretary.

MR.JOHANSSON (Translated): I also support the proposal of the General Secretary.

MR.SERWY (Translated): I support the proposal of Mr.Poisson that subscriptions shall be paid in gold, which would be a means of becoming independent of the Russian subscription.

THE PRESIDENT (Translated): Can we close the discussion?

Agreed.

THE PRESIDENT (Translated): Quite a series of propositions have been made in the course of the discussion. I think the best course would be for me to read them all out and if there are any which have not been supported it will give an opportunity to anybody who wishes to support them.

Agreed.

THE PRESIDENT (Continued): The propositions that have been made are as follows:-

(1) Mr.Poisson proposed that contributions should be paid in gold. This is supported by Mr.Serwy.

THE GENERAL SECRETARY: On a point of order, I only wish to say that if the Executive are disposed to accept this proposition I will willingly withdraw my own.

THE PRESIDENT (Continued): (2) Mr.Poisson further proposed that subscriptions should in future be paid on the basis of turnover. This proposal has not been supported.

MR.POISSON (Translated): I withdraw that proposal as it is really a suggestion for the future. The same applies to the third proposal which I made that the seat of the Alliance should be transferred to some other country.

THE PRESIDENT (Continued): (3) Mr.Klepzig proposed that the General Secretary should send every three months an account to all Organisations whose subscriptions are not paid and should include thereon interest for the overdue amount.

MR.KLEPZIG (Translated): This proposal should really be put in two parts. First, that if no payment is made within the first three months of the year the General Secretary should send a letter stating the amount and asking for payment within three months. Second, that if the money is not paid within those three months then interest should be charged.

THE PRESIDENT (Continued): The proposal of Mr.Klepzig is supported by Mr.Lustig.

(4) Mr.Palmer proposed that the General Secretary should examine in what way it would be possible to increase the resources of the Alliance. This proposal has not been supported. Does anybody wish to second it?

SIR ROBERT STEWART: I support it.

THE PRESIDENT (Continued): Sir Robert Stewart has already made the proposal that the General Secretary should be asked to prepare a general statement of economies for submission to the Executive at the next meeting. Can we take these two proposals as one?

SIR ROBERT STEWART and MR.PALMER: Yes.

THE PRESIDENT (Continued): (5) Mr.Johansson proposed that the Executive should in future have only two meetings a year. Does anybody support this proposal?

MR.LUSTIG (Translated): I support it with a slight modification, that is that two ordinary meetings be held, but that whenever necessity arises an extraordinary meeting shall be convened.

MR.JOHANSSON (Translated): I accept the amendment.

THE PRESIDENT (Continued): (6) Sir Thomas Allen has proposed that we accept the Budget submitted by the General Secretary.

(7) The General Secretary has proposed that an appeal be sent to all the affiliated Organisations asking them in the first place to pay their subscriptions promptly and further, that those who are in a position to do so should pay an increased subscription. I have supported this.

We will now vote upon the various proposals -

(1) Proposal of Mr.Poisson that subscriptions should be paid in gold.

Vote: FOR 4, AGAINST 5. Rejected.

(2) Proposal of Mr.Klepzig that accounts re outstanding subscriptions be sent out every three months.

Vote: FOR 4, AGAINST 5. Rejected.

(3) Proposal of Sir Robert Stewart and Mr.Palmer that the General Secretary shall consider in what way the income of the Alliance can be increased.

Adopted unanimously.

(4) Proposal of Mr. Johansson and Mr. Lustig that only two ordinary meetings of the Executive be held each year, but that extraordinary meetings be convened should the necessity arise.

Vote: FOR 5, AGAINST 4. Carried.

(5) Proposal of the General Secretary that all the Organisations be asked to pay their subscriptions promptly and where the resources permit to send an augmented subscription.

THE PRESIDENT (Translated): Shall we divide this into two parts?

SIR THOMAS ALLEN: I think the proposal of Sir Robert Stewart covers this idea.

MRS. FREUNDLICH (Translated): No, I think that only refers to proposals for the next Congress. Mr. Palmer merely asked that the General Secretary should prepare recommendations for the next Congress, while the appeal suggested by the General Secretary is for the present year.

THE PRESIDENT (Continued): We will vote upon the proposal of the General Secretary as it stands.

Vote: FOR 7, AGAINST None. Carried.

THE PRESIDENT (Continued): Do you also accept the draft Budget?

Accepted unanimously.

ITEM 4. UNIE CESKOSLOVENSKYCH DRUZSTEV, PRAGUE.

In the Memorandum on the Agenda, under this item, THE GENERAL SECRETARY reported the convening of a Conference at Prague on the 13th December last, in accordance with the decision of the Executive at its last meeting, to consider the application of the Unie Ceskoslovenskych druzstev for admission to the I.C.A. A résumé of the proceedings was given, and in summing up the discussion the General Secretary concluded as follows:-

"I expressed the view that, having regard to all the circumstances, seemed to me that the prospects of an agreement after the admission would be very small and, therefore, in the interests of peace and unity, not only in the Alliance but in the National Movement itself, I was of opinion that the agreement should be arrived at before the Unie was admitted to the I.C.A. I expressed regret at the failure of the negotiations and promised to submit a report to the Executive at its next meeting, when a definite decision would be taken."

MR. LUSTIG (Translated): I am in complete accord with the report in the Memorandum.

THE PRESIDENT (Translated): Then I think we can note the Secretary's report.

THE GENERAL SECRETARY: I am sorry, but I must ask you to give a little more time to this item. You will see that at the end of my report I said "I expressed regret at the failure of the negotiations and promised to submit a report to the Executive at its next meeting, when the definite decision would be taken." I would like to have a formal decision of the Executive that they accept this report and, therefore, the action which I took, so that it may be conveyed to the Union that the Executive does endorse the position that the present differences must be adjusted locally before their application can be entertained. We have to discharge their application for membership which has been presented to us.

THE PRESIDENT (Translated): I took it for granted that the Executive would approve the action taken by the General Secretary, and further approve that the decision remain in abeyance until the local differences had been adjusted.

MR. LUSTIG (Translated): In my opinion the application for admission is not in abeyance, but is finally eliminated according to the statement made by Mr. Nowak, which appears in this report.

THE GENERAL SECRETARY: I am quite willing to leave it there with the acceptance of the report if that is the wish of the Executive. I only wish to have your formal decision.

Agreed that the report be accepted and the action of the General Secretary approved.

ITEM 5. "REVIEW OF INTERNATIONAL CO-OPERATION".

THE GENERAL SECRETARY: I do not think that this statement concerning the "Review" needs any explanation from me because it speaks for itself. It is fairly normal and leaves us in the position of trying to produce an equilibrium between the expenditure and income of the journal. Last evening a Sub-Committee meeting was held here when several points in connection with the "Review" and publications generally were considered, and I would like now to report to the Executive the general recommendations which were agreed to, at least in principle, by the Sub-Committee. The "Review" account is before you. You will remember that at the last meeting I proposed to prepare for the spring, or early summer, this year a Quarterly Scientific Review. It was agreed last evening that the expenses for such a publication could not now be contemplated and that the idea though not abandoned should be suspended. On the other hand, there is the necessity to find some outlet for the publication of certain matters of research and for enlarging the sphere of our publications within the limits of our means. So far as our Budget is concerned it is quite obvious that there is no margin left to play with or to work upon but on the other hand, as Sir Thomas Allen said this morning, wise expenditure is sometimes the road to truest economy, and the Sub-Committee have approved in principle that our monthly "Review" should be enlarged by eight pages, with two objects - (1) to provide more space for the publication of some of these economic reports which we are preparing and to enable their publication generally, and, in passing, I would say that inasmuch as we are preparing those reports in the three languages it is only the bare cost of printing and paper which would be additional. No all of these eight pages need be used in this way, but with one of them

might endeavour to increase our income from the five-line advertisements. The four pages of the cover do not at present provide sufficient space for all the Organisations, but we are prevented from seeking new income in this respect by the lack of space. I think if we could add eight more pages to the "Review" we could do these two things, that is, that we could publish in the most economical way some of these economic reports and, at the same time, increase our income a little from five-line advertisements.

MR. JOHANSSON (Translated): I think we should endeavour to obtain advertisements from some of the large firms, for example, in England, from motor car manufacturers who would like to sell motor cars to the C.W.S., and in France, from the Citroën and other national firms.

SIR THOMAS ALLEN: The best method of approach would be for each National Union to supply Mr. May with the names of those firms which should be approached for advertisements.

MR. LUSTIG (Translated): The proposal to seek advertisements from private capitalist enterprises is something we ought to accept with great caution because it might be interpreted against us that we support capitalist enterprises. But something we might well accept would be advertisements from publishers, particularly publishers of scientific works which are of interest for everybody, and if we applied to the proper firms they would probably see that it is in their own interest to bring their publication to the knowledge of the co-operative public. I would like to put a question to Mr. May with regard to the "Review" accounts. In the Financial Statement for 1931 we see the two following items under Receipts — "Review" - Subscriptions and Sales, £314; "Review" - Advertisements, £2. I have made an addition of the items which correspond to these in the statement presented to us under item 5, but I have not succeeded in coming to the same figure. I, therefore, wonder whether the deficit is really greater than it appears. At any rate, I would be grateful to the General Secretary if he would give some explanation of the discrepancy between these figures.

MRS. FREUNDLICH (Translated): The Austrian Union is against the publication of any advertisements from private capitalist firms in its co-operative journals and, therefore, I cannot accept the proposal made by Mr. Johansson.

SIR THOMAS ALLEN: Why not say that we could accept advertisements of goods co-operatively produced?

THE GENERAL SECRETARY: In answer to Mr. Lustig. It is not possible to reconcile exactly these figures as between the two accounts. In the Financial Statement in the Memorandum, under item 3, "Review" - Subscriptions and Sales, represents the amount of money we received during 1931 in respect of those items, and there is not necessarily a corresponding item to balance it in the "Review" statement. On the other side, in the Expenditure, you will find "Review" - English edition, £386. 14. 6. That is actual expenditure, money paid out in respect of that edition during 1931, but the Deficits on the French and German editions which follow are deficits for 1930 which do not come in until after the end of the year and, therefore, can only be included in this "Review" statement. When you go

over the statement under item 5, which we are dealing with, these figures represent the actual amount received in respect of 1931 from the French and German Unions. So that the amounts in the Financial Statement, that is to say, the figures on the right-hand side, are for 1930 and on this "Review" statement the figures on the left-hand side show the deficits for 1931. That necessarily happens. This is a statement of the financial position for 1931, so far as the payments are concerned and, like the Balance Sheet, must deal with money which was handled during that year. The £314 represents money received during 1931 for that year and partly for 1932. It would have been better if the Financial Statement, under item 3, had been shown as falling into statements of "Income" and "Expenditure" and the statement on the "Review" as "Receipts" and "Payments".

MR.LUSTIG (Translated): I wish to thank the General Secretary for the explanation he has just given, but I would, however, suggest that the item of £299. 19. 6. which we have under item 3 as "Income from Advertisements" should somehow re-appear under item 5, so that we may be able to judge to what extent the English, French and German editions are able to face the expenditure. At present we have no way of finding that out.

THE GENERAL SECRETARY: This point about bringing into credit in the "Review" statement the five-line advertisements has been raised before. The answer is to be found partly on page 2 of the Financial Statement, where we show a total cost for publications of £4,500. That £299 from Advertisements is put to the credit of that Publications Account, but if you leave that larger amount out and take the "Review", the result is, in practice, the same, because under item 5 on page 6 you have the receipts and payments in respect of the English Edition at the top and all the sums brought into account there are simply the moneys received on the one hand from subscriptions and sales, and on the other the printing and production cost. Not a penny piece is shown for all the administrative and editorial work which is done in the office, which is several times the amount of that £299. Since we have had those Advertisements it has been recognised that the income from them should not be taken into account in this "Review" Account. It is a matter for careful reduction and analysis to find out what part of the charges for the office in London goes to publications, but that is shown in the £4,500 on page of the Financial Statement.

MR.LUSTIG (Translated): My only object in raising this question was a desire to have the totality of the Receipts and Expenditure connected with the "Review" on one sheet so that we shall be able to see clearly what is the surplus or deficit on the "Review".

THE GENERAL SECRETARY: I appreciate Mr.Lustig's point, but if I respect his wishes and complete the statement, then it must also contain a large amount of expenditure on the other side, which is not now specially dissected in the Balance Sheet. As a matter of fact I have a statement here which does so dissect it, but for 1930. This statement was necessitated by the demands of the Income Tax authorities in London who having seen our Balance Sheet, thought, like Mr.Lustig, that we had made a profit on the "Review" and, therefore, demanded a larger amount of taxation from us. I disputed the claim by correspondence for six or eight months, and eventually the only way in which I was able to satisfy

the authorities was by asking our auditor to come and certify a statement which he obtained by analysis of the accounts, of what was the complete picture of our income and expenditure in respect of publications, and the statement for the year 1930, which we sent to satisfy the Income Tax authorities, showed a loss on the year's working for publications of £2,181. Since then we have much augmented our expenses and also our publications, and by consequence the total of that amount. The division which is made in the Financial Statement here for 1931 (you will see it marked "General" and "Publications") has been made strictly in accordance with the method laid down by the auditor in this certified statement of publications, and in that the receipts for advertisements are taken into account.

MR. JOHANSSON (Translated): I do not understand the fear manifested with regard to capitalist advertisements that might appear in the International "Review". After all, we cannot do without capitalist production in some respects, for example, as regards motor cars, calculating machines, typewriters, cash registers, etc. Therefore, why should one not accept advertisements from them when we have their goods? To take into account the observations made I will modify my proposal and suggest that we should accept advertisements from publishers dealing in scientific works.

THE PRESIDENT (Translated): There are two different proposals, that of the General Secretary who brings to your knowledge the recommendation of the Sub-Committee, which consists of increasing the "Review" by eight pages monthly, these pages to be used for the publication of scientific reports. Also there is the proposal of Mr. Johansson, supported by two speakers, re the publication of advertisements re scientific publications and books, and co-operatively produced goods. Do you approve the proposal of the General Secretary and of the Sub-Committee?

Approved unanimously.

THE PRESIDENT (Continued): Do you approve also the proposals of Mr. Johansson and Sir Thomas Allen re advertisements?

MR. LUSTIG (Translated): I would like to modify this in the sense that the advertisements should be controlled by the different Co-operative Productive Organisations.

MR. PALMER: Before this is put to the vote I would like to know what is meant by it. Has an advertisement received by Mr. May to appear in all three editions, or in one edition only? It seems to put Mr. May in the position that he must communicate with every National Organisation before he can accept any advertisements.

MR. LUSTIG (Translated): Suppose that from Czecho-Slovakia Mr. May obtains an advertisement from an Organisation which claims to be a Co-operative Productive Organisation but is not really so. It would be well, as a measure of safety, that Mr. May should consult the Czech Organisations in order to find out whether the Organisation is what it claims to be.

THE PRESIDENT (Translated): This is really a question of practical application which we need not further discuss. It is understood, I think, that the "Review" may publish advertisements that concern scientific books and other publications, and also advertisements of goods co-operatively produced. Do you agree?

Agreed unanimously.

THE PRESIDENT (Translated): We have some other recommendations coming from the Sub-Committee which the General Secretary will explain.

News Services - Subscription.

THE GENERAL SECRETARY: As the Executive know, we are issuing now three News Services - Co-operative, Economic, and Digest of the Press. These are becoming increasingly in demand from persons outside the Movement as well as inside the membership of the Alliance. With regard to extra copies when these are asked for by members of the Alliance in addition to the one copy sent to each of them gratuitously, I have recently made a charge of 10/- per annum for the three Services, and in a number of cases I have received quite readily that sum. The Sub-Committee agreed to recommend that that should have the approval of the Executive as the price for the time being for the supply of these three News Services to other than members of the Alliance, and to members of the Alliance after the first copy.

MR.SERWY (Translated): I approve the recommendation of the Sub-Committee but I would like to amend it by going farther. I wonder whether 10/- could not be paid for all copies including the first copy received by the members of the Alliance. It is a very small additional expense to those concerned, but to a certain extent it would improve the financial situation of the Alliance.

MR.POISSON (Translated): I am sorry not to be able to support the proposal of Mr.Serwy. If we continue to pursue such a policy of economy we shall finally not do anything at all. After all, the Organizations affiliated to the Alliance pay their subscriptions and they want to have something in return. These News Services are something which is very welcome and much appreciated, and the Organizations feel that they are getting something for their money. But if we follow the policy of Mr.Serwy we might say that the best way would be to suppress the Alliance altogether and then we should not have any expenses at all.

MR.KLEPZIG (Translated): As I do not want to suppress the Alliance I suggest that we shall not follow the policy of Mr.Serwy.

MR.POISSON (Translated): But you have already decided to have only two meetings a year.

THE PRESIDENT (Translated): The proposal of Mr.Serwy has not been supported and will not be put to the vote. Do you approve the proposal of the Sub-Committee?

Approved.

Distribution of Past Congress Reports and "Reviews".

THE GENERAL SECRETARY: The next thing is a matter which does not involve much expense. I reported to the Sub-Committee last night that the stock of past issues of the "Review" and Congress Reports is steadily increasing and, inasmuch as they are all in three languages they become a threefold stock and really an expense to the Alliance for rent. I, therefore, proposed that within a limit, which may perhaps be left to my discretion these past Reports should be distributed gratis to Libraries and Institutions where they are likely to be used. The Sub-Committee agreed with that proposal on the understanding that the National Organisations in each country shall be supplied with a list of what we are able to distribute and they, in their turn, shall give me the names of the Institutions to whom they should be sent or, alternatively, that they shall say how many copies they can suitably dispose of and the distribution be left to them. For that purpose I would like to add a limit which I did not mention last evening, and that is that the Congress Reports should be previous to Stockholm and the "Reviews" previous to 1930. I do not think we should give away any later than those because the last two years of the "Review" are still saleable copies. And then other reports which we may have will be distributed as we find opportunity. I should add that it is all the recommendation of the Sub-Committee that the National Organisations accepting this distribution will pay the carriage in both cases, that is to say, from the Alliance to themselves and from themselves to the Organisations receiving the publications.

THE PRESIDENT (Translated): Do you approve this recommendation.

Approved unanimously.

MR. LUSTIG (Translated): I suppose this will be brought officially to the notice of the National Organisations?

THE GENERAL SECRETARY: Yes, I said so.

Co-operators' Day.

THE GENERAL SECRETARY: With regard to Co-operators' Day the Sub-Committee agreed to recommend to the Executive that we should discontinue the issue of a Manifesto as such for Co-operators' Day. Further, that a letter be sent out very shortly to all the Organisations affiliated to the Alliance calling their attention to the date and to the necessity of preparing literature and organising the celebration generally. Further, that one month before the date we should issue from the Alliance a special edition of the Co-operative News Service which would contain a statement on the work of the Alliance, not in the nature of a Manifesto but rather of readable reports on the International Co-operative Movement.

THE PRESIDENT (Translated): Do you agree to this proposal.

Agreed.

for the "Review" and to give the main figures in two or three issues. But the detailed Statistics will be kept until the end of the present year and will be printed with those now being collected in the same way as a year ago. That will save on the printing about £250.

MRS.FREUNDLICH (Translated): It would be interesting to know whether the figures are given in gold £s or depreciated £s.

THE GENERAL SECRETARY: Is it not sufficient that they are the figures for 1930? They are, in fact, calculated on the mean rate for that year and, therefore, on gold.

THE PRESIDENT (Translated): It is not necessary to put this to the vote because the question has already been decided under another item.

CLOSE OF SECOND SESSION.

THIRD SESSION.

ITEM 7. INTERNATIONAL DISARMAMENT CONFERENCE, GENEVA.

THE GENERAL SECRETARY reported -

"As indicated on the agenda, the British Union has written requesting that an opportunity should be given at Strasbourg for the question of Disarmament to be discussed, with a view to finding some means of giving expression to the co-operative view in support of Disarmament at the Geneva Conference.

L'Office Coopératif Belge has also written in a similar strain requesting that the following motion be placed upon the agenda for the Executive meeting:-

"That all the National Unions be requested to consider whether it is not desirable for each of them to make representations in favour of Disarmament to the International Conference at Geneva."

THE PRESIDENT (Translated): I shall be glad if the members will not make this question the subject of a very long discussion as it has already been before us.

MRS.FREUNDLICH (Translated): I would like to inform the Executive of the measures taken by the International Co-operative Women's Guild with regard to the Disarmament Conference. That Organisation has for many months been preparing for the International Disarmament Conference, and in the autumn of last year an International Committee was organised representing 40 to 50 million organised women. We have obtained certain concessions. Our representatives will be able to take part in the meetings of the Committees, and a special place will be reserved for us.

the plenary meetings. We are further authorised to enter into negotiations with National Organisations whenever there may be a danger that the Conference will arrive at an important point. Miss Enfield has already left London and has gone to Geneva for six months, so that we shall be informed of everything that is happening. I myself, as far as possible will also be at Geneva during the Conference. A sum of £50 has been put at our disposal for this purpose by Miss Llewellyn Davies and it is, of course, understood that the normal resources of the Guild are not going to be used for paying the expenses of our stay at Geneva. Other Organisations are making contributions to meet that cost. As members of the Consultative Economic Committee Mr. Tanner, Mr. May and I will also be able to take part in the plenary meetings of the Conference. With regard to the action of the I.C.A., it is difficult to enter into any details at present. We can send the letter, the draft of which is before us, but if we really want to exist in the International Disarmament Conference and want to make the will of organised Co-operators felt at Geneva, then a stronger action must be taken. We must establish contact with the President of the Conference and decide our attitude towards the problems which will arise. We must organise a programme of action and manifest our will for Peace. Such a programme, however, needs much preparation and it cannot be done in twenty-four hours. Some action is particularly important because there are many other of the organised interests which will make themselves felt at the Conference, economic and financial. I think to-day we should decide whether we are going to make our influence felt by concerted action, or merely going to content ourselves by sending a letter.

THE GENERAL SECRETARY: May I, on a point of order, just submit that the only question before us for the moment is the one on the agenda, and also the draft which I have submitted. I have some other information to give to the Executive after those two matters have been discussed - some communications and correspondence with the League of Nations.

MR. PALMER: It will not be necessary for me to say much on this question. There was no notice on the Preliminary Agenda that this action would be taken by Mr. May and it was for that reason that I forwarded a request in the name of the British Union that we should have an opportunity here to discuss our attitude towards the Disarmament Conference. I have had an opportunity while Mrs. Freundlich was speaking to read Mr. May's letter, which seems to meet my point. I, therefore, formally move that this communication be sent to the League of Nations with the approval of the Executive.

MR. SERWY (Translated): I am very glad that this question is on our agenda to-day because it is very necessary that we should do something. At Paris there was not complete agreement and the action taken there gave rise to some discontentment amongst the Co-operators whom we represent. There are 60 million of them and they are mostly working people, and they could not understand why we did not decide upon some concerted action with regard to the Disarmament Conference. I am, of course, desirous of respecting the Paris decision, but it must be understood that the question of Disarmament is very much bound up with our own future. It is a question of living, or not living. We must see that not only is some

action taken from the head office of the Alliance but in our own country we must see that the question is taken up and we must endeavour to exercise our influence upon Geneva. As a first step I agree that the letter drafted by the General Secretary be sent to Geneva.

MR. POISSON (Translated): I am sorry that Mr. Klepzig is not here at present because it would be well that we should come to an understanding in this matter upon a very broad international basis. At Paris we were able to pass a resolution that was promoted by the desire of the French Co-operators to act in complete agreement with the German Co-operators. I think that any resolution that we might take which is not adopted unanimously would be of no value. For myself, I shall not give consent to any proposition which is not unanimously accepted. In spite of that I am, of course, desirous that the terms of the resolution at Paris should be respected. I have read the letter of Mr. May and find there is nothing contradictory in that, therefore I can accept it. Then there is a proposal from Mr. Serwy, with which I am not in agreement. Mr. Serwy wants the National Organisations also to intervene. I am not hostile to that proposal but I think it is dangerous because the attitude of the different National Organisations will vary and, therefore, a discord will rather come to light if the National Organisations act separately. I am in favour of one concerted action by the I.C.A. With regard to fixing our attitude towards the different methods of Disarmament that might be proposed at Geneva, I think it is very dangerous to attempt such a thing. The attitude of the different National Organisations would be different towards Disarmament and the methods of Disarmament, which are admittedly political measures and as, according to our Rules, we must not touch politics I think we should not do anything in that sense, but should only express our general desire for Peace and Disarmament and not enter into any methods.

MRS. FREUNDLICH (Translated): The International Chamber of Commerce is going to be represented at Geneva during the whole period of the Conference and it will make its influence felt as it is a strong organisation.

MR. SERWY (Translated): I think Mr. Poisson rather exaggerates the danger of action by the different National Organisations, because it is no use deciding here that we should not act separately because our action might be different. We cannot prevent Soviet Russia from acting, or the British Co-operators from intervening if they think fit. Neither can you prevent the Belgian Co-operators from doing the same. Therefore, you will certainly have an action on the part of the different National Organisations. Therefore, as you will have action from some of them you might as well have action from all. I think it is this dispersed action which is dangerous, but if action is taken by all and everybody tries to exercise an influence upon the Conference in the sense of Disarmament and Peace that will create a great effect. Mr. Poisson further said that the problem of Disarmament has political aspects. The questions of Disarmament and Peace, in my opinion, are not questions of politics, but economic questions. Armaments lead to imposing burdens upon the working classes. Therefore, we should all of us try to exercise some influence for making it felt that we, the representatives of the working classes, desire that

Disarmament shall be realised. Recently I had an opportunity of being received by the King of the Belgians on this question, and he said that the nations themselves should make their influence felt at Geneva. I think this is a good piece of advice for us. I fully approve that the letter drafted by the General Secretary should be forwarded with the endorsement of the Executive.

SIR THOMAS ALLEN: I think we shall achieve our goal if we proceed by stages rather than by a general discussion. Can I therefore suggest, Mr. President, that you now put the question as to whether this letter, drafted by the General Secretary, may or may not be sent to Geneva? It simply recites what we have already done, quotes the resolutions already passed, and tells the Conference where we stand up to the present. If we do not wish to proceed further we shall know that in the course of the discussion. Therefore, I formally move that the question be now put in respect of this document.

THE PRESIDENT (Translated): I think we can now put this to the vote. There are two proposals before the meeting. The first is to examine and approve the letter of the General Secretary and decide whether this shall be sent to Geneva. I think this proposal has been supported by all the speakers. Further, there is a proposal from Mr. Serwy, who suggests that the National Organisations should be asked to undertake action in favour of Disarmament.

Vote on the draft letter - Approved unanimously.

THE PRESIDENT (Continued): Now with regard to the proposal of Mr. Serwy who wishes that the National Organisations should also be asked to take action in favour of Disarmament. There is some opposition to this proposal.

MR. SERWY (Translated): My proposition has not quite that interpretation. I merely suggested that the National Organisations should be consulted as to the action which they might take.

THE GENERAL SECRETARY: May I make another suggestion? You have now adopted this draft letter to be forwarded to the League of Nations. Would you also instruct me to send copies to every National Organisation with an intimation that it has been sent and ask them if they can see their way to support it through their national representatives at Geneva leaving the responsibility to them.

MR. SERWY (Translated): I withdraw my proposal in favour of Mr. May's which goes further.

MR. POISSON (Translated): I prefer this proposal to that of Mr. Serwy because it does not present the dangers which Mr. Serwy's proposal presents. According to the proposal of Mr. May the National Organisations could undertake an action, but on the basis of this letter, while according to Mr. Serwy's such a common basis was not given, and that was the danger.

THE PRESIDENT (Translated): It appears that you are ready to accept the new proposal of the General Secretary.

Accepted unanimously.

THE GENERAL SECRETARY: The next point concerns the action to be taken, if any, on the matter of the representation of the Alliance at Geneva during the Disarmament Conference. Now, as in this other matter of the letter, I have felt that this Executive and the Alliance generally would expect that we should not stand outside of the representation at Geneva at the moment when, as has already been pointed out, the International Chamber of Commerce, and other International Organisations which represent individual profit-making institutions and capitalist concerns, are there in their force and strength. Therefore, in order to be prepared for an decision that you might wish to take to-day, I wrote some time ago to the Secretary of the Disarmament Section of the League of Nations asking that some facilities should be given to the I.C.A. for representation, that is to say, for a place, not for an effective delegation but for opportunity to be present and to receive the documents, etc., in the same way that similar provisions have been made for other International Organisations of the world. I received a completely courteous reply to my request and in due course, this letter which I will read:-

LEAGUE OF NATIONS.

GENEVA.

January 21st, 1932.

Dear Sir,

In further answer to your letter of December 17th, addressed to Mr. Friis, I am enclosing a note describing the arrangements which the Information Section has made for the accommodation of the official representatives of international organisations at the Disarmament Conference.

I should be glad to have a list of any accredited representatives of the International Co-operative Alliance, other than yourself, who will be entitled to use its official card.

Yours faithfully,

(Signed) M.A.CRAIG McGEACHY.

I did not understand until Mrs.Freundlich spoke what "other than yourself" meant, but apparently there is some arrangement, of which I have only heard this morning, that the members of the Economic Conference should take part in the Disarmament Conference.

MRS.FREUNDLICH (Translated): Yes, they are invited to take part as guests.

THE GENERAL SECRETARY (Continued): As guests, but not effective members of the Conference. Now the statement is here, and apparently in the Bâtiment Electoral a place is reserved for the representative of the I.C. I took the responsibility of replying to that letter immediately and gave the names of the President and two Vice-Presidents, with the addition of Dr.Bernhard Jaeggi. I will tell you why I ventured to add Dr.Jaeggi's name. Naturally, being right on the spot, it would be easy for him to look in at Geneva and, as we were sitting here at the time of the opening of the Conference, I thought it would be better, if possible, to have the Alliance represented at the opening session. I wrote to him to that effect, but I received a reply from him here in which he expressed the greatest regret that he was unable to go to the opening session. At all events, those are the names sent as the representatives of the Alliance: the President, the two Vice-Presidents and Dr.Jaeggi. That is the action I have taken already, but it is open to you to appoint anybody else to do if you wish, but chiefly to say whether you expect me, as Secretary, to attend any of the meetings, or in what way steps should be taken to secure that the Alliance some time during the early part of the proceedings is officially represented in the observers' gallery at Geneva. Perhaps while I am speaking, I may conclude by saying that it seems to me an entirely impracticable thing that I, or any representative of the Alliance Executive, could make a prolonged stay at Geneva. That is not possible but if you will indicate generally what you wish should be done, and on what lines, I will do my best to carry it out.

THE PRESIDENT (Translated): I propose that we approve the action of the General Secretary and that we should ask him whenever there is any important decision to be taken that he should go to Geneva.

SIR THOMAS ALLEN: You have anticipated what I proposed to submit, Mr.Chairman. I think we are obligated to our Secretary for so far anticipating what I would regard to be the desires of this Executive in the action he has taken. I think we should charge him with the obligation of being present as often as possible, and on all occasions when he is unable to do so and thinks it desirable that someone should be present that it should be competent upon him to call upon any other of the persons whose names he has submitted to substitute him. I am sure, for all of that under these circumstances we could give a week or a fortnight, or more if it were going to serve a useful purpose.

MRS.FREUNDLICH (Translated): I would like to recall that Miss Enfield will be at Geneva the whole of the time, and I am sure that she would be very ready, as she will always be informed of what is happening, to let the Secretary know whenever any very important decision is coming up so that he may be informed of the time when it will be desirable for him to be at Geneva.

THE PRESIDENT (Translated): Do you accept the proposal of the President?

Accepted unanimously.

History of the I.C.A.

THE GENERAL SECRETARY: The next is rather a novel proposal. The Sub-Committee recommend that the General Secretary should endeavour to prepare if possible in time for the Congress of next year, a history of the Alliance and its activities since 1910. That date is chosen because for the first years of the Alliance there exists a fairly objective account of its growth from its beginning until that date and, therefore, the Sub-Committee agreed to recommend that that work should be carried on up to as near as possible the time for publication for the Congress next year.

THE PRESIDENT (Translated): Do you agree?

Agreed.

ITEM 6. STATISTICS.

THE GENERAL SECRETARY reported -

"The Statistics for 1930 of the affiliated National Organisations have been prepared for publication in the usual way, at least so far as the responses of the National Organisations to our questionnaire have permitted the work to be completed.

It is greatly to be regretted that repeated applications, and even direct appeals, to some of the members of the Alliance fail to induce them to send us any reply whatever to our request for statistics. It does seem that some special action might be taken to draw the attention of the Organisations not only to the necessity of providing the Alliance with essential information but also to their obligation under the rules to do so. Needless to say, the value of our statistics is much diminished by their incompleteness.

The point, however, to which I wish specially to draw the attention of the Executive is that up to the present I have withheld these figures from publication in view of the present economic position and the cost of printing in our usual form. The last issue, which included the figures for 1928 and 1929, cost £411 for printing alone, and I have suspended the work with regard to the statistics under discussion until we are assured of our income for the current year."

THE PRESIDENT (Translated): On this question we have also a recommendation from the Sub-Committee.

THE GENERAL SECRETARY: First of all, it is not necessary that I should multiply words on this point because it has already been partly covered by my proposed economies this morning, and that is really now the recommendation of the Sub-Committee, and comes in the last paragraph of this item in the Memorandum where it is recommended, and in fact agreed by your acceptance of my Budget statement this morning, that the printing of these Statistics for last year be suspended. On the other hand, I would point to those who are not members of the Sub-Committee that I have distributed to you summaries of the different sections of the Statistics, and what I propose to do is to have those summaries written up in the form of articles

ITEM 8. ECONOMIC RESEARCH.

- a. State Trading and Collective Marketing. Second Report.
Part II. Foodstuffs and Raw Materials.
- b. Organisation of Retail Trade - Plan of Enquiry.

MRS.FREUNDLICH (Translated): I suggest that we should take sections (a) and (b) separately.

Agreed.

MR.POISSON (Translated): On the whole I find that the research work undertaken by the Alliance is excellent and the reports that have been put at our disposal are full of information, but I have some observation to present on the present study. In my opinion such a study should be as objective and scientific as possible. That has not been fully observed here because the research ends with "Conclusions". These Conclusions, however, express the personal opinion of the author, and I do not think it is for the author of a research to make the conclusions. The conclusions should express the views of the I.C.A. and it must, therefore, be left to the Executive or the Central Committee, or even the Congress itself, to fix the conclusions that we wish to express upon scientific research. The first time the research ended with "Recommendations", but this time it ends with "Conclusions", which is worse. That practice should be avoided. At any rate, if the conclusions at present appended to this report had to be approved together with the report I should have to express my dissatisfaction, because I would come to quite different conclusions from those appended to the study.

MRS.FREUNDLICH (Translated): I was not present when the first report was discussed with regard to the Societies which are organised as intermediaries between the municipality of Vienna and the Co-operative Organisations, but the indications contained in that paper are insufficient. I could not support the conclusion that such Societies have not proved useful. On the contrary, we have found them useful both for business purposes and from the moral point of view. Therefore, the paper should be completed. With regard to State Trading, the German National Economy interprets the word differently from us. They think State Trading is State Monopoly. There are also other interpretations where there is a sort of mixed organisation, and in certain cases we should speak of an influence or control upon the State. But the word which is at present becoming familiar in Austria as a slogan for organised economic work is "Planwirtschaft", which means systematic or organised economy. We must try to avoid contradiction. If we examine the political programme of the British Co-operative Movement we see that they depend upon the influence or activity of the State. They prefer a whole programme for the agricultural productivity of the country, and want commercial organisations to be created. We cannot, in view of the fact that our British friends consider State influence desirable, say definitely that we consider the influence of the State is bad. We must see that when we formulate any opinion upon matters of principle we do not come into conflict with ourselves or with important members of the Alliance. That is a word of warning that I want to give.

THE GENERAL SECRETARY: I quite appreciate the criticisms of Mr. Poisson and Mrs. Freundlich concerning the conclusions, but I will try to explain what I thought would have been self-evident. This is a 14 page report, 13 pages of which are an objective statement of the results of the research. I thought it would be useful to add these conclusions in order to sum up the results of the report from some angle. It is impossible that I should be able to judge what would be the view of the Executive. There are a dozen angles from which they could be summed up, but I have summed them up from one angle as a basis for discussion. If you cannot discuss them to-day, and I do not suggest that you can, the suggestions, or conclusions, are quite separable from the text of the report, and if you will approve the report itself so that we can issue it to the Organisations for information and even for publication, then the other part can stand over for discussion at a future date. The essential thing is that when we get a piece of work completed like this, that part which deals with an investigation should be put at the disposal of the members of the Alliance.

MRS. FREUNDLICH (Translated): Can you not call it by another term than State Trading?

THE GENERAL SECRETARY (Continued): Yes, and I am sorry that I have not had the time to go through all these editions. I manage the English and French texts, but as you know my facilities with German are not very great. I was aware, however, of the term "Planwirtschaft" because it has been brought to my notice from several quarters, and particularly by Mr. Dietl at the School at Basle last year. So even if I had attempted to go over the German I would have discovered that error, but due notice shall be taken of it. All I ask is that you will approve of the work done, release these 13 pages, and leave the Conclusions to be dealt with at another time. In any case, they are mere suggestions following upon the lines of the argument.

MRS. FREUNDLICH (Translated): I am sorry to intervene again. I did use the word "Planwirtschaft", but by that we understand organised economy as we consider it in our Co-operative Organisations. That is to say, a democratic organisation of economic life controlled by its members. But what we are considering here is something different. We are considering the organisation of capitalist enterprise, and which I think we would term State Capitalism. There are different notions which have in no country been defined as in German Economy, and I attach a great deal of importance to the term.

THE GENERAL SECRETARY: There is no such thing as State Capitalism in English.

MRS. FREUNDLICH (Translated): But in German you must translate it as State Capitalism.

MR. POISSON (Translated): Another term which would be better in French is "économie dirigée" or "économie organisée". We need not put into opposition Co-operative and State Trading. I support the proposal of Mr. May that we should approve the first 13 pages and let the Conclusions stand over for consideration at a future meeting.

THE GENERAL SECRETARY: If we had not an economic crisis I would propose that Mrs.Freundlich and Mr.Poisson should immediately be added to the staff of the Alliance for correction purposes!

THE PRESIDENT (Translated): Can we close the discussion?

Agreed.

THE PRESIDENT (Continued): It is proposed that we should approve the 13 pages of the report that is before us, and that they be placed at the disposal of the National Organisations for information and publication, but that the Conclusions be considered at a later date.

MR.POISSON (Translated): There is no question of approving the first 13 pages. We should simply take note of them because this is a scientific study which does not lay down policy.

THE PRESIDENT (Translated): Will you then note the first 13 pages and approve their publication?

Agreed unanimously.

(b) Organisation of Retail Trade - Plan of Enquiry.

THE GENERAL SECRETARY: This is simply a rather full plan of enquiry which we have commenced and on which I should like to have the approval of the Executive.

MRS.FREUNDLICH (Translated): The proposal which is now before us is very similar to the one made in my Memorandum, but I suggested that the enquiry should be carried out by the League of Nations. This proposal of mine was promoted by the following considerations. For years I have been dealing with that problem and I came to the conclusion that no Co-operative Organisation was in a position to obtain information about the organisation of retail trade because no private trading houses were willing to give us information on their affairs. The Economic Section of the League of Nations is the body which undoubtedly could undertake such an enquiry, and that Section was of opinion that if they did undertake it the cost would be from 30 to 40,000 francs. Therefore, I do not think that any National Organisation could undertake such an enquiry. An enquiry made in Germany on the subject cost several million Reichsmarks and, therefore, I think such a task goes far beyond the means of the Alliance from the material, the economic and the financial points of view. I would also like to say that the English Labour Party have endeavoured to secure the creation of Councils for dealing with enquiries of this kind and we should also take that into consideration. I would also draw attention to the fact that the League of Nations has undertaken an enquiry into the protection of women and that shows how much better the League is able to undertake such enquiries. At any rate, if the I.C.A. should decide that such an enquiry is to be made I must declare that, so far as Austria is concerned, we are not in a position to help because nobody would give us the information we require concerning private trade.

THE GENERAL SECRETARY: May I ask Mrs.Freundlich to explain what she means by the Councils which the Labour Party endeavoured to create?

MRS.FREUNDLICH (Translated): I have spoken about the Council for enquiring into prices.

THE GENERAL SECRETARY: I think you mean Consumers' Councils.

MRS.FREUNDLICH (Translated): Yes, that is right.

MR.JOHANSSON (Translated): I am a member of the Swedish Chamber of Commerce and also a member of a Committee which is dealing with Retail Trade. We can learn much from the International Chamber of Commerce and that is why I think such collaboration is useful. I would also mention that I am a founder of the International Institute of Investigation at Stockholm, which is mentioned in this Memorandum, and if I receive any material that may be useful I shall be glad to communicate it to the Alliance and also to help in any other way that is possible.

MR.POISSON (Translated): In my opinion there is no incompatibility between an investigation undertaken by the I.C.A. concerning the conditions of Retail Trade etc., and an enquiry on a larger basis undertaken by the League of Nations. The League of Nations might certainly be approached, but does Mrs.Freundlich mean that we are not to deal with the question ourselves?

MRS.FREUNDLICH (Translated): No.

MR.POISSON (Continued): Our enquiry would consider some special aspects of the question. With regard to the Plan before us, the first three pages are good, but with regard to the "Conclusions" I should have very great hesitation in accepting them. I have already expressed my surprise at the "Conclusions" on the previous report, but these are still less desirable. They are very weak, vague and undetermined. One has endeavoured to draw conclusions from material which is very insufficient. We might continue to collect information, but we should not form any conclusions.

THE GENERAL SECRETARY: I am very sorry that we keep stumbling over words. It is, perhaps, regrettable that the words have not been better chosen, but in presenting this to you I said at the beginning that it is merely a plan of enquiry to be undertaken. There are, therefore, no conclusions at all before you, and it is a pity that the word "Conclusions" has been used. They are a summary of the indications that may be drawn from the very brief summary of material which is at our disposal. There is no question of any conclusions, nor approving anything in this matter. It is merely the beginning of an enquiry, and I think Mr.Poisson will appreciate that it is possible to make a mistake in using a particular word but it is hardly possible to mistake this memorandum for a considered report, or a piece of research. That is to come, and this is only a general plan.

THE PRESIDENT (Translated): Will you decide that this enquiry be continued?

Agreed.

ITEM 9. THE INTERNATIONAL CONGRESS IN 1933.

THE PRESIDENT (Translated): There is only one point to be decided on this item and that concerns the International Exhibition. It is proposed to abandon the idea of an International Exhibition and to organise a National Exhibition.

THE GENERAL SECRETARY: This has not to be decided by the Executive because it has already been decided by the Reception Committee. This Executive has no control over that question which is in the hands of the National Committee, and they have decided, for the reasons stated, that it is not desirable to continue with the organisation of an International Exhibition.

THE PRESIDENT (Translated): Then we can note this decision.

Noted.

ITEM 10. PROPOSED AUXILIARY COMMITTEE FOR THE PROMOTION OF CO-OPERATIVE PRODUCTION.

In accordance with the decision of the Executive at the last meeting the General Secretary prepared a Draft Constitution for this proposed Committee, the text of which had been circulated to the Executive.

MR. LUSTIG (Translated): There seems to be some confusion in the terms used. We see in the heading "Co-operative Production" but further on we speak of "Co-operative Productive Societies". Those are not the same things because we can have co-operative production carried on by Co-operative Wholesale Societies, and that is not the same as the production of Productive Societies. Also in Article V we read "The meetings of the Committee shall be convened, as a rule, at the same time and place as the meetings of the Executive of the I.C.A." It is not necessary, I think, to have such frequent meetings of this Committee. It would be sufficient if it were convened at the same time as the meetings of the Central Committee. Further, I do not think it is necessary to have special contributions and a separate Secretariat, because we must avoid putting new burdens upon the National Organisations. I, therefore, propose to change Article V by substituting "Central Committee" for "Executive" and to drop Article IX, which reads "The Committee may establish a budget for its work, based upon the voluntary subscriptions of the Organisations constituting the Committee".

MR. SERWY (Translated): In my opinion Article I is not well drafted. We see there that only Co-operative Productive Societies already affiliated to the Alliance will be eligible for membership of this Committee. But that would mean that Co-operative Wholesale Societies, which also have productive establishments, would be excluded. Personally, I think it would be very good that Wholesale Societies should also be members, because it is an application of the co-operative principle, and a desire to organise economics that they produce for existing needs. Therefore, it is well that Co-operative Wholesale Societies should take production into their own hands. The Co-operative Productive Societies find their customers wherever they can, and they produce for anybody. Therefore, in the interests of well organised production it is desirable that Co-operative

Wholesale Societies should take production into their own hands, that is why I think this Article should be changed. We might also have competition arising between Co-operative Productive Societies and Wholesale Societies. The Productive Societies might throw on the market things already being produced by Wholesale Societies. Therefore, to do away with this danger we should also have co-operative production, as organised by Co-operative Wholesale Societies, represented in this new Committee.

MR. POISSON (Translated): It would be dangerous to accept the proposal of Mr. Serwy because it would fundamentally change the idea of this proposed Committee, which would then be a Committee of Co-operative Production. That is not what we want. We want a Committee of Co-operative Productive Societies. If we also have the Co-operative Wholesale Societies in this new Committee we should have endless discussions on the advantages and disadvantages of those two forms of organisation. There are a number of Co-operative Productive Societies and it is well that they should be grouped and that questions of legislation, etc., affecting them should be discussed. Therefore, I think that this proposed organisation would be very useful, but if we have the Co-operative Wholesale Societies also represented we shall have a conflict between the two. I would not like to decide in favour of one or the other. Besides, production by Co-operative Wholesale Societies is much more organised than that of the Productive Societies. Mr. Lustig has proposed that Article V should be changed and that, instead of saying that the meetings of the new Committee shall be convened at the same time and place as the meetings of the Executive, we should say "Central Committee". I propose that we should simply say "at the same time and place as the meetings of the Alliance" without Executive or Central Committee. With regard to Article IX, Mr. Lustig proposes that this should be suppressed, but I think that is going too far. We might simply say "The Committee may establish a budget, etc.," but to exclude the possibility of having contributions altogether would be going too far.

THE GENERAL SECRETARY: And would be imposing a charge upon the Alliance.

MR. LUSTIG (Translated): I am opposed to the idea of Mr. Serwy because I think that we should distinguish between the production undertaken by Co-operative Wholesale Societies and that undertaken by Co-operative Productive Societies. The production of Co-operative Wholesale Societies is in direct contact with the Organisations of Consumers, while the Co-operative Productive Societies work for private customers. In Czechoslovakia there is a law referring particularly to those Co-operative Productive Societies which sell goods to non-members. I should like to modify my proposals regarding Articles V and IX of the Draft Constitution in the sense of the amendments made by Mr. Poisson.

THE GENERAL SECRETARY: There are three points which have been raised. Mr. Lustig raised first the title. That merely belongs to this paragraph of the Memorandum and not to the scheme. The scheme begins only with the second paragraph in the Memorandum. Therefore, there is no conflict in that. With regard to Article V, I think we can readily accept the deletion of "the Executive" and leave it to read as follows:- "The meetings of the Committee shall be convened, as a rule, at the same time and place as the meetings of the I.C.A." With regard to the amendment

proposed to Article IX, I would only remark that it says in the text that "The Committee may establish a budget for its work" not "shall establish a budget". If, however, you think it necessary to put in the words "if necessary" there is no objection but I have already pointed out that as it is it relieves the Alliance of all charges for doing any work that the Committee may want to do, and if they want to do a particular work they will find the money for it. I think we can accept those small amendments and I would like to say that I think it will give great satisfaction to those Societies to have this opportunity for using the Alliance. On the other hand, I do not think you have the slightest cause to fear any ill effects from the work.

SIR THOMAS ALLEN: All I want to say is that I shall be expected, when this question comes to the meeting of the Central Committee and these recommendations are put forward, to oppose them on behalf of the Co-operative Wholesale Society. I do not want my silence now to be taken as consent to the recommendations proposed here.

THE PRESIDENT (Translated): Can we continue if one large country opposes

THE GENERAL SECRETARY: That one important country is divided itself. It is only one Organisation for which Sir Thomas Allen speaks at the moment and not the whole country.

SIR THOMAS ALLEN: I only gave notice now because I do not want my position to be misunderstood at a later date, because when the minutes of the decisions of to-day are released and become the knowledge of my Committee I shall be asked why I did not oppose the establishment of this particular Committee. Therefore, I want it to be made known emphatically now that when the appropriate time comes I must take up that attitude.

MR. POISSON (Translated): Although it is well to take into account the opinions that might exist in any country, and especially if that is a great country, I do not think in an International Organisation we should attach too much importance to the opposition of any one country. Besides, we should be glad to hear that even that important country is divided and we can hope that the majority in Great Britain will be in favour of the idea.

THE PRESIDENT (Translated): We will now come to the different propositions. Mr. Serwy has proposed with regard to Article I that not only Co-operative Productive Societies but also Co-operative Wholesale Societies should be eligible for membership of this Committee. That proposal has not been supported. With regard to Article V, it has been proposed to delete the words "of the Executive" so that it would merely read "the meetings of the I.C.A." Do you all accept this amendment?

Accepted.

THE PRESIDENT (Continued): With regard to Article IX, it is proposed by several speakers to insert the words "if necessary". Do you agree?

Agreed unanimously.

CLOSE OF THIRD SESSION.

FOURTH SESSION.

ITEM 11. COLLABORATION OF THE CO-OPERATIVE MOVEMENT IN THE RE-ORGANISATION OF THE ECONOMIC LIFE OF EUROPE.

THE PRESIDENT (Translated): We now come to Item 11, which question was referred to us by the Central Committee at Paris owing to the absence of Mr. de Balogh. Mr. de Balogh is here to-day and we have his proposal before us in writing. I will call upon him to support the motion.

MR. DE BALOGH (Translated): I first want to thank the Executive for giving me an opportunity not only of presenting my motion but of speaking in favour of it. The original reason why I thought I should present this motion lies in the decision of the Joint Meeting of the Executives of the I.C.A. and I.C.W.S., held at Brussels in April last, when it was decided that -

"From the point of view of the European consumer, it cannot be considered advisable to support the demands of the European agrarian states, firstly, to become insulated from the world wide forces and, secondly, to be guaranteed, on their traditional, intensive, anarchic methods with their relatively high costs per unit, against extensive farming by modern methods of production and lower costs per unit in the overseas countries."

Now, this resolution is based upon a wrong conception of the real situation and the facts. One must not think that the crisis in the agricultural States is merely based upon traditional and intensive methods of production and relatively high costs, as stated in this resolution. I do not wish to speak upon the totality of the reasons that might bring about the present crisis. I would only like to point to two of them. One, that Europe is being more and more split up into different economic units, instead of forming one unit, one economic system, and these units endeavor to isolate themselves from economic relations with other units. This finds its greatest impetus in granulation in trade, and that brings about really a kind of trade which is similar to barter. The second cause of the general industrial and economic crisis is that production is becoming too much mechanised and, consequently, this being applied to overseas agricultural production there has been too great a production, and this has had such a disastrous effect upon prices of agricultural products that in all European countries where agricultural production is not protected by tariff barriers the prices no longer pay for the work undertaken by the peasant population. As a result, the peasant population becomes impoverished, and its purchasing power is reduced. That brings about the crisis. If we consider the policy of payments of agricultural countries we shall see that what they have to pay in interest on mortgages and debts, and in purchases of raw materials, at present necessitates the sale of three times as much products as were necessary to effect the same payments three years ago. This means terrible burdens for the agricultural population. It means also that the agricultural population is no longer able to consume; an unemployment crisis arises and, therefore, we see the

the agricultural problems cannot be isolated by themselves, but must be considered with the general crisis. Therefore, the Brussels resolution is really wrong. What shall we do? We must see that we overcome these difficulties and we might do so, for instance, by establishing preferential tariffs in European agricultural countries. These preferential tariffs would not mean that the consumers' needs would be affected, but that the States in question would have a reduction in tariff income. But as this reduction would be compensated by preferential tariffs in reality the economic situation would be improved rather than otherwise. If we do not succeed in re-organising the economic life of our own countries there is a great danger that a continuation of the present unsatisfactory conditions will bring about a lowering of civilisation. We must, therefore, endeavour to establish anew the purchasing power of the agricultural countries, and establish a reasonable division of labour amongst European States. The practical way is that the European countries should endeavour to facilitate such a collaboration which might be done either a system of preferential tariffs, or by a consortium, or by a customs union, such as has been greatly encouraged in Austria, France, etc. On the basis of this movement we should see that we re-organise agriculture in Europe by lending capital at low interest to the agricultural countries and by strengthening the consuming power of those countries. There is one question which might still be considered and that is whether such a re-organisation of Europe would be turned against America. But I would remind you of an observation recently made by Senator Borah, who said that Europe must first endeavour herself to put her own affairs into order before she can expect any sympathy from America. Therefore, it is clear that America herself is concerned in getting the European economy again on a proper basis, because a poor Europe is not able to consume the surplus of American production. It must also be considered, with regard to America, that the European demand for agricultural products cannot be met by European production, therefore, there is still a large place open for the importation of products from overseas. I, therefore, present my motion as follows:-

"In view of the fact that - as events in the past few months have emphasized anew - the critical position of the industrial States of Europe and the steadily increasing amount of unemployment have been brought about chiefly by the destruction of the purchasing power of the consumer in general, and especially the agricultural population of Europe, the Executive of the I.C.A. considers it of utmost importance that the Co-operative Movement should collaborate in the re-organisation of the economic life of Europe by systematic centralisation of all co-operative forces, so that the productions of the agricultural countries of Europe may be better utilized and the transformation of agricultural production facilitated.

It decides, therefore, that a Committee - which might consist of the Executives of the I.C.A. and the I.C.W.S. - and perhaps with the collaboration of other experts from among the representatives of European agricultural countries, shall be entrusted with the task of preparing detailed proposals on practical measures, by which the re-organisation of the economic life of Europe could be furthered by co-operative means."

MR. LUSTIG (Translated): We, the representatives of Central Europe, are particularly concerned in this question because we have to bear the burden of all the economic difficulties of the present system. Many of the points raised by Mr. de Balogh are points of principle, and we should see that we deal with them on the basis of principle. First, Mr. de Balogh mentioned preferential tariffs. They may appear to be good for agricultural countries of Central and South-Eastern Europe, but generally speaking, and from the consumers' point of view, such a policy must appear unacceptable, because as long as we have tariffs based upon the present system of establishing customs duties, either laid down in commercial treaties or laid down in a more autonomous way by the decision of Parliaments, we know where we stand, but whenever we have a system of preferential tariffs they are initiated from Government to Government without any form of Parliamentary resolution, and all the negotiations are kept secret. Therefore, we must fight against that kind of secret Treaty. I think a system of preferential tariffs would open the door to all kinds of conflict, under which the consumer would suffer and under which those countries would suffer which are concerned in facilitating international trading relations. I think, therefore, we should reject such a system. I would also like to point out that the consumer is sometimes very much burdened by the system of preferential tariffs. For example, in Czecho-Slovakia in order that we shall be able to export sugar the home consumer must pay more for the sugar, thus providing a surplus to be used in the form of a subsidy for exported sugar. The same thing applies to oil products, we pay more for them in Czecho-Slovakia than is paid abroad. The same also applies to iron, steel, and cement, so that ultimately the burden of the preferential tariffs is laid upon the consumer. Therefore, I say that such systems do not benefit the consumer, but only the capitalist ~~and capitalist~~ manufacturer concerned in the export of the goods. Further, I would say that our organization is probably too weak to really raise the whole problem. We should accept the teaching of the League of Nations, as we know that the League of Nations has decided that the system of preferential tariffs should be abandoned. There is no advantage to be expected from such a system from the point of view of the interests of the general consumer. Moreover, we cannot place ourselves upon the narrow standpoint of European agriculture, but must also consider that there is a world crisis in agriculture and that it is not merely the European producer who suffers. The Egyptian cotton grower, the American sugar planter, and the Brazilian coffee grower, all suffer from the fall in prices in agricultural products. We must, therefore, be very careful not to give any encouragement to the establishment of customs duties, preferential or otherwise. We should rather be in favour of the free exchange of goods. We should not give America the bad example of putting up tariff barriers, because we want to export our goods and if there is any obstacle to the export of goods we may suffer from it. Therefore, I think the old principles of the I.C.A. are the best ones. We should follow our old programme and not allow ourselves to be led astray by any consideration of economic nationalism, and countries concerned in having easy relations for the exchange of goods between each other must see that they avoid everything which hampers the free exchange of goods. I think the best method of relieving things would be to break down customs barriers rather than to establish preferential tariffs. At any rate, let us do away with secrecy, or any such treaties as those recommended in the form of preferential tariff treaties.

MR.DE BALOGH (Translated): These preferential tariff treaties need not be secret, they can be open.

MR.LUSTIG (Continued): They may be open in theory, but in reality they are not. In Czecho-Slovakia we find it difficult to know what the Government is doing as regards preferential tariff treaties. They do not pass through Parliament and it is difficult to get any information about them.

MR.POISSON (Translated): The problem that Mr.de Balogh has raised has different aspects. First, there is the general economic problem, and it is hardly possible for us to pass a resolution thereon. The second aspect is, what can we do from the co-operative point of view in favour of the European agricultural crisis. With regard to the general crisis I think the Executive has neither the time nor the means of dealing with such a problem. With regard to the question as to whether the European system of economy or the world system is preferable, I do not think we can deal with this. Neither do I think that the solution can be found by customs tariffs. With regard to the system of preferential tariffs which is so dear to Mr.de Balogh, we know on the other side that that is really a fight against other countries, and it would, therefore, be an element of disturbance. I think the best solution is to endeavour always to realise an organisation of world markets, and if we consider an organisation of European States working with each other it should be on such a basis as we have in America, that is to say, by agreement or consent. With regard to the organisation of world markets, shall we leave the Governments and States to do this as they think fit, or should we play a part in it? I think it well to leave it to the States and Governments. To sum up, I think in the proposal of Mr.de Balogh we can distinguish three different ideas - (1) the suggestion that the problem of European economics should be studied. We have a scientific department in the Alliance, and we can look to that department for documentation. They should tell us where we are and should give us general information with regard to preferential tariffs and quota systems. (2) Then we could ask the I.C.W.S. to give us an opinion as to the possible working of preferential tariffs. (3) There is at present a Joint Committee in which the consumers and producers are both represented, and it would be well if that Committee could study the problem from the European and the world standpoints. I think that though Mr.de Balogh might not be satisfied with such a solution it may be well that such an interesting problem should be further studied and I, therefore, propose that it should be done in the ways I have mentioned, namely, through the economic department of the Secretariat, the I.C.W.S., and the Joint Committee at Geneva.

MR.PALMER: I support the proposal of Mr.Poisson.

MR.DE BALOGH (Translated): I would first like to reply to Mr.Lustig. You will remember that I referred at the beginning of my speech to the resolution of the Joint Executives at Brussels, and I particularly referred to the attitude of those Committees towards the problem of preferential tariffs. Now, if you consider that this question is limited to Europe, I understand that you do not wish to waste time over it. Bu

the problem is not limited to Europe. It is a world question and worth of consideration. With regard to preferential tariffs, Mr. Lustig thinks such a system is essentially a secret one, but it is not always so. It may be so in Czecho-Slovakia where the agrarian party is strong and the Government does not dare to come forward publicly and tell Parliament what is being done, but I have not the impression that that was the way in which we should proceed, but rather that preferential tariffs should be established with the consent of all, including America. The problem that must be solved is that the standard of living of the agricultural population of Europe must be raised. If that is done there will be a material effect produced in industrial countries because they would be able to sell their industrial products more easily to the agricultural countries. Mr. Lustig has the opinion that under a system of preferential tariffs the consumer pays the cost. I quite understand that this is the case in Czecho-Slovakia, and I also agree that such a system is a wrong one, but I had not that kind of system in mind. It is a private system and is done without the control of the State. I had in mind the system by which the State would declare in favour of certain countries part of its revenue derived from customs tariffs, and would obtain consideration for the export of goods to those countries. Mr. Lustig also spoke of the crisis being a universal one. I know that the cotton growers and the coffee growers also have their difficulties, but why are they in difficulties? Perhaps because the purchasing power of Europe is so low that their goods cannot find a market here. On the contrary, I think that trading relations would be improved, and I said at the beginning that I considered preferential tariffs were a system which would make for reduction of customs duties, and that later on customs duties would become smaller and smaller, and finally be abolished. I referred also to the fact that the splitting up of Europe into a number of economic units is not good. Therefore, I am not in favour of establishing permanent customs barriers. I think, on the contrary, they should disappear between European countries and then we should have an united Europe which would be a much better and happier place. But the first problem is that the standard of living of the European agricultural population should be raised, and in this way we would also eliminate some of the social dangers which we have to fight at present. I would like now to refer to the observations of Mr. Poisson. If the great consumers' organisation which we represent did interfere and stood up for the problems in Geneva and other places it would be effective but at any rate I think it would be well that the Co-operative Organisations of the Western Industrial States should establish a system of collaboration and exchange of goods with the Eastern Agricultural States because it is in the interests of the consumers that production, including agricultural production, should be organised in order that the needs of agriculture should be met. I have nothing against the proposal that the problem should be further studied, or the proposal that the Joint Committee should deal with it, but I would like to insist upon one point, and that is that it is an urgent matter. I made my first proposal in July last year. Since then the situation has become worse, and if we keep adjourning the question instead of dealing with it on its merits while conditions move more quickly than our deliberations, we shall find ourselves in greater difficulties. I would suggest that if the Joint Committee do deal with the problem that they should have a meeting at Budapest in order to see, on the spot, what the situation is. That would greatly facilitate their decision.

THE GENERAL SECRETARY: I would only like to reply to one observation of Mr.de Balogh's with regard to referring the problem to these Committees. It is not a question of not wanting to waste our time by referring it to those Committees. We have seven members, that is one half of the membership of the Joint Committee, and I think the proposition will receive proper and serious consideration by that Committee, and even more prolonged than the Agenda of the Executive usually permits to give to a single question. From that point of view, therefore, I think that it will receive full consideration. I am entirely in agreement with the view that the criticisms of Mr.de Balogh concerning preferential tariffs should be sent to the I.C.W.S., to whose resolution he has referred, in order that they may see another angle of the question and reconsider their point of view. I think those are both practical means of dealing with the question, and we could hardly do better if we were to discuss it at greater length here.

THE PRESIDENT (Translated): With regard to the proposal of Mr.de Balogh that the Joint Committee should meet at Budapest, it is not for us to take such a decision as it is Mr.Albert Thomas, the President, who decides where the Committee meets, and generally it is at Geneva.

MRS.FREUNDLICH (Translated): The Committee decided when it was constituted that it would always meet at Geneva.

THE PRESIDENT (Continued): All that we can do is to communicate to Mr.Albert Thomas the desire expressed by Mr.de Balogh that the Committee should meet at Budapest.

MR.DE BALOGH (Translated): I wish to thank the Executive for the interest they have taken in this proposal. I accept the motion of Mr.Poisson that the matter be referred to the Joint Committee. With regard to holding a meeting at Budapest, I would suggest that the Executive should not merely communicate to Mr.Albert Thomas my desire to have the meeting there but that this desire should also be supported by the Executive, if that is possible. It would be well that the Committee should meet in Budapest, in an agricultural country, and I am sure that if the proposal to call a meeting in Budapest could be morally supported by the Executive it would have a good chance of being accepted by Mr.Albert Thomas.

MR.POISSON (Translated): I am ready to accept the proposal of Mr.de Balogh that a meeting of the Joint Committee be held at Budapest, but I would remind him that there are two sections to the Committee and that we are only one. The most important thing is that the agricultural section should be well represented, and for them Geneva is a very convenient centre.

MR.DE BALOGH (Translated): But surroundings of an agricultural country would be favourable to the problem.

MR.POISSON (Continued): Right ideas do not need any special atmosphere.

THE PRESIDENT (Translated): The proposal of Mr. Poisson is in three parts. He suggests (1) that the Research Department of our Secretariat should deal with this question; (2) that the I.C.W.S. should study it, and (3) that the Joint Committee should also study it. These proposals have been supported by various speakers, and I understand that you are generally in agreement.

Agreed unanimously.

THE PRESIDENT (Continued): Mr. de Balogh has further expressed a desire that a meeting of the Joint Committee should be held at Budapest. I propose to communicate this desire to Mr. Albert Thomas and ask that, if possible, it should be taken into account as it is the desire of the Executive that it should be arranged if possible. Do you agree?

Agreed unanimously.

ITEM 12. JOINT COMMITTEE OF CONSUMERS' AND AGRICULTURAL REPRESENTATIVES

MRS. FREUNDLICH (Translated): I would like to refer to the last paragraph of the report of the Secretary on this question in which he says - "Altogether, this meeting may be said to be the most practically useful yet held, but it seems absolutely necessary to avoid dissipation of its energies upon other than the specific tasks of the Committee, which indeed are large enough and of such urgency as to employ all the available energies of the members." Now we have just decided to refer to that Joint Committee something which does not properly fall into the immediate task of the Committee, and I am wondering whether I should not suggest that the agenda of the Joint Committee should be fixed at a meeting of our delegates.

THE GENERAL SECRETARY: I was under the impression that this motion of Mr. de Balogh's dealt with the problem of agricultural production and agricultural marketing which involves Agricultural Co-operative Organisations and, in the final analysis, their relations with consumers, and viewing it from that point of view I thought this question we have just dealt with was properly within the limits of the special work for which the Joint Committee was appointed.

MRS. FREUNDLICH (Translated): But also we must deal with preferential tariff systems.

THE GENERAL SECRETARY: I can only repeat that the basic question presented to-day in the two memoranda of Mr. de Balogh, and also in Mr. de Balogh's statement, is a question of joint marketing of agricultural produce, and if that is not the main question referred to that Joint Committee then I do not understand the position. May I add that I am quite agreed that any question of preferential tariffs is not a question for that Joint Committee, but the question of joint marketing surely is a question for it to deal with.

MRS.FREUNDLICH (Translated): Even though we do not specifically refer the question of preferential tariffs to the Joint Committee that Committee in dealing with the question of agricultural produce and the organisation of marketing cannot avoid the question of preferential tariffs. Therefore, the question will automatically be included. The second proposal I make is that whenever the Joint Committee meet in Geneva our representatives should meet previously and fix their attitude towards the matters included in the agenda.

THE GENERAL SECRETARY: That we have done previously.

MRS.FREUNDLICH (Translated): No we have not.

THE GENERAL SECRETARY: I beg your pardon Mrs.Freundlich, we did not meet on the last occasion because only three members were present, but for the previous meeting we had a meeting at the Hotel Russie the night before, when we met to discuss the programme and the whole of the matters before we went to the Joint Committee. I am quite willing that that should be done every time, because I think it is an advantage.

THE PRESIDENT (Translated): Will you note the report on Item 12.

Noted.

ITEM 13. NIGHT WORK IN BAKERIES.

MR.POISSON (Translated): With regard to night work in bakeries, I draw attention to the fact that in France the law has stopped night work in Co-operative Bakeries, while private bakers continue to work at night and, therefore, the Co-operative Bakeries are considerably handicapped. The Convention in question, which is a draft Convention of the I.L.O., has not been ratified in France, and within another two years that Convention will be dead because it has not received a sufficient number of ratifications to date. This makes the question one of legislative method which handicaps the development of Co-operative Bakeries. On the other hand, the Trade Union of Food and Drink Workers recently met at Brussels and decided to resist the fall of the Convention. I wonder whether Co-operative Bakeries in other countries are not in the same predicament as in France, and whether the Executive should not undertake to call a Conference of all the National Organisations who might be the victims of such laws. I do not want to say anything in advance as to the attitude to be taken by the Conference, but I think it would be well to consider the convening of such a Conference and that the Executive should take the matter in hand.

MR.PALMER: I am rather sorry that Mr.Poisson did not give us a little more information as to his reasons for desiring a Conference on this subject. We must have more information before we can agree to call a Conference. I am also rather intrigued to know what sort of a law it is that has caused Co-operative Bakeries to stop night work but does not apply to other bakeries. I cannot imagine a law of that sort being

passed in our country, and I would like Mr. Poisson to say further what has happened in France. On the general subject, we have been concerned with it in Great Britain as the result of the Convention, and we have enquired of our Societies and find that there were considerable practical difficulties in giving up night working entirely, especially in large Societies with up-to-date machines and large delivery arrangements nevertheless, the opinion of the Movement generally is that if a law were passed for the abolition of night work, or laying down a minimum of twelve hours before which baked bread could not be delivered, the Co-operative Societies of Great Britain would gladly fall in. We find that the majority of our people in principle are in favour of the abolition of night work and, therefore, before I could agree to any suggestion of a Conference I would want to know from Mr. Poisson something of his reasons why a Conference should be called.

MR. SERWY (Translated): The Belgian Co-operators are also much concerned in this question, and it is very important for them because the Co-operative Bakeries represent one-tenth of the Belgian production. For the last ten years we have been concerned with this question, and in centres where we have large bakeries their position is threatened and we can only exist by breaking the law and paying fines. Otherwise we could not compete with private bakers who do night work. According to us everybody is master in his own house, and the law cannot forbid an individual baker from working in the night and, therefore, it is the small bakers who are much encouraged by the law and they have very considerably developed during recent years. Our workers in bakeries understand the position and if they were not represented through the Trade Unions at the meeting at Brussels it was because we, the Belgian Co-operators, sought for their support and we called them in order that they should defend our interest against private bakers. The big bakers would have to shut up if night work only applied to the small bakers. We have obtained that it will be considered that by successive shifts night work will be possible, and we have asked that it should be allowed by law that the preparatory work should be started at 2.0 a.m. That would be done by 4.0 a.m. and baking proper could commence at 4.0 a.m. There are a number of other countries concerned in this question and I think it would be useful, under the circumstances, that Co-operators should meet to discuss the question. Besides, in Argentina, Germany, Switzerland and Russia night work is allowed.

MR. POISSON (Translated): I would like to say one word in explanation. First, I proposed that the Conference should be a purely Co-operative Conference and should not include representatives of the Trade Unions. Second, the reply to Mr. Palmer with regard to our situation is very simple. It is only paid workers who are forbidden by law to work in bakeries at night, but the master baker himself may work as much as he likes. That is why the small baker has such an advantage over the Co-operative Bakeries because it is inconceivable that Co-operative Bakeries should be worked by their patrons. The private bakeries, where the master owner is the essential worker, constitute nine-tenths of the total bakeries of the country.

THE GENERAL SECRETARY: Does that mean nine-tenths of the number of bakeries or nine-tenths of the total production?

MR. POISSON (Translated): Nine-tenths of the number of establishments and seven-tenths of the production are in the hands of master bakers.

MR. KLEPZIG (Translated): Germany has for the last fourteen years had prohibition of night work in bakeries. That law was observed and, in principle, applied by large bakeries and by Co-operative Bakeries, but small bakeries constantly break the law and every year a few thousand are fined, but they continue to do night work all the same. The Co-operative Bakeries cannot break the law as it would be contrary to their principles, and if they did commit such a breach of the law they would be immediately exploited by their economic and political enemies. Under these circumstances the Co-operative Bakeries in Germany are very much concerned for a non-continuance of the Convention. It is true that one legislator endeavoured to improve our position by allowing work to start at 5.0 a.m. instead of 6.0 a.m., but that does not mean much, as to maintain our bakeries they have to work in three shifts. The Agricultural Organisations are siding with us in this desire to do away with the prohibition of night work, but the Trade Unions were against it and they were supported by the two extreme left parties. We would, therefore, be very glad if some action were taken against the Geneva Convention. I do not think, however, that a Conference would be a good means of obtaining that end. It might probably be a large meeting and would lead to very little results. Would it not be better that we should undertake an enquiry in the interests of the countries who speak in favour of the abolition of the prohibition of night work, and that we should ask the General Secretary to prepare a questionnaire and send it out and collect material on which to prepare a request which should be sent to the proper authority.

MRS. FREUNDLICH (Translated): At the time when the International Convention was drafted in Geneva a memorandum was presented on the co-operative case. Mr. Kaufmann was present as an expert in co-operative baking, but it was impossible to break the resistance of the Trade Union Organisations. It does not appear to me that it would be disloyal to ourselves to negotiate with the Trade Unions. Whether such negotiation should be made through the intermediary of the I.L.O. or whether it should be through other Trade Unions I do not know. In some States it would be necessary to alter the law, and that seems impossible because one has not only to meet the resistance of the Trade Unions but also the resistance of the small master bakers, because it is in their interest that the law should be maintained. The Convention has only been ratified by a few States, and one should at first say that the Convention is undesirable. I do not know how it can be done, whether through the instrumentality of the I.L.O. or of the International Federation of Trade Unions. If one tries to do it through the I.L.O. the governing body would have to decide whether the question could be included in the agenda of the General Labour Conference, but the governing body is composed of one-third representatives of Governments, one-third representatives of workers, and one-third representatives of employers. Every time when the workers have a great influence the Government representatives are obliged to fight on the side of the workers. It seems, therefore, extremely questionable whether it would be possible to have any success with such an attempt to change the Convention.

MR.KLEPZIG (Translated): Even if it does appear questionable it might be worth while trying.

MRS.FREUNDLICH (Translated): I am extremely doubtful as to the possibility of success.

SIR ROBERT STEWART: I have listened to the various speakers giving their opinions on this question of night work in bakeries. In Scotland we have had it for a considerable time, and much agitation was carried on. The Co-operative Societies were handicapped because large private bakers had facilities for getting their bread out early. There is a taste for new bread early in the morning, and the big private bakers were able to put it out at 8 o'clock. The Co-operative Societies were a little later and, therefore, they had to adapt themselves to the situation. There were several meetings with leaders of Trade Unions and an agreement was arrived at regarding working in shifts, which got over the difficulty of having the whole staff working during the night. There have been many disputes regarding a sort of preferential trading, and the private traders have insisted upon Co-operative Societies observing certain rules. The Co-operators resisted this very much, and the result was that in one large Society in the West of Scotland we had the place without bread for two days, and the shop closed down. This finally brought the Trade Unions to their senses. Mr.Palmer suggested, and I think very rightly, that we should know, before embarking upon what was suggested by Mr. Poisson, something from other countries regarding their interest in this connection, and I think the best way for that has been suggested by Mr.Klepzig, that a questionnaire should be sent out by the Secretary. As far as Scotland is concerned, Mr.May would have no difficulty in getting information as to the systems which operate. We have talked of a Conference, but we must know what the Conference will be about first. Mr.Poisson has said it should work for the abolition of night work, but first we must have information from the various countries and then we can decide whether it is necessary to have a large representative Trade Union meeting of all those affected by the abolition of night work. Therefore, I support the idea of the questionnaire being sent out to get all the information possible. From what I have heard here there is much the same system in the various countries as in our own country. In Glasgow there is one of the largest bakeries in the country, probably in the continent, that is the United Co-operative Baking Society, which plays a very important part and everyone of its workers is supposed to be a Trade Unionist. Therefore, the Trade Unions had to modify their demand for the purpose of meeting the claims of the Co-operative Movement. We ought to know the position, not only in our own country but in every country associated with the Alliance, and Mr.May could possibly manage to get that information. Then we could decide what would be the best step to take in this very important question.

MR.LUSTIG (Translated): It appears from what we have heard in the discussion that the conditions in every country seem to be more or less the same. The Co-operative Bakeries and the large private bakeries suffer from the prohibition of night work, but the small bakers persist upon the maintenance of the Convention because it does not apply to them. They can break the law. But I think the I.C.A. should feel itself

called upon and even obliged to take some steps in the interests of the International Co-operative Movement, and that it should endeavour to apply to the I.L.O. to see that the co-operative interests are protected. I think the first step should be that a questionnaire be prepared by the General Secretary and sent to the Organisations, and in this way we should obtain full information. I think the whole problem lends itself to a solution on an administrative basis, and as the General Secretary can take action I do not think a Conference would be necessary, unless we find that there is such a difference of opinion that it is necessary to have a Conference to clear up points of difference.

MR.SERWY (Translated): I accept the proposal made for the issue of a questionnaire and that further information should be collected, but the important thing is that this should lead to some action. I do not know what sort of action should be taken, whether with the Trade Unions or by application to the I.L.O. I think if we collect information from the various National Organisations and put that question to them we shall find that most of them have endeavoured already to approach the Trade Unions, but that their approaches have been fruitless. I think that in order to know what is the proper way to proceed that question should be included in the questionnaire, and we should endeavour to be decided upon the methods to be followed. I do not think the proper methods can be found otherwise than by an expression of opinion by all the countries concerned. Therefore, it might be well after the information has been collected to have a Conference.

MRS.FREUNDLICH (Translated): I think it would be desirable that the draft questionnaire should first be sent to the members of the Executive so that we may judge whether it is necessary to add additional questions, or give a more precise wording.

MR.POISSON (Translated): If I proposed a Conference it was as a means of action, as the important thing is that we should do something. We can defer until a later date the question of calling a Conference, and for the present what we should do is to send out a questionnaire which will enquire particularly into the conditions of work prevailing in bakeries, the provision of legislation, and the working of the Convention. I think the proposal of Mrs.Freundlich is good that the draft questionnaire should first be sent to the members of the Executive, but it should be done quickly and should not come up in the form of a questionnaire at the next meeting of the Executive.

THE PRESIDENT (Translated): The discussion is now closed. The majority of the members of the Executive are of opinion that something must be done and for the moment it is considered that a questionnaire should be sent out. The opinion prevails that we should later decide, on the basis of the information collected by means of the questionnaire, whether and what steps should be taken. Do you all agree to this?

Agreed unanimously.

ITEM 14. INTERNATIONAL CONFERENCES AND MEETINGS IN 1932.

THE GENERAL SECRETARY submitted the following draft programme of International Conferences and Meetings to be convened by the Alliance during the current year:-

Meeting of the Executive I.C.A.	28th and 29th June, Prague
Meetings of the Central Committee, Executive, and Auxiliary Committees of the I.C.A.	October or November.
International Co-operative School	2nd to 16th July, Prague.
International Co-operative Day	Saturday, 2nd July.

MRS.FREUNDLICH (Translated): It was decided yesterday to hold only two meetings of the Executive a year. I propose that one shall be in the spring and the other in the autumn. Therefore, we should not have another meeting of the Executive before the Central Committee meeting in November, and should suppress the proposed meeting at Prague in June.

MR.LUSTIG (Translated): I agree to that proposal.

MR.POISSON (Translated): If Mr.Lustig is in accord with the proposal of Mrs.Freundlich that the meeting in Prague shall not be held, then it is rather difficult to express any different opinion. I would, however, like to remind you that we decided yesterday that two meetings of the Executive be held, in principle, but that additional meetings be convened if necessary. I would also remind you of the provision in the Rules which says that the Executive should meet every three months, and I think the Rules are more to be observed than the attitude of the Executive itself. I would like to maintain the meeting of the Executive in June at Prague because I think our Co-operative Movement can only further its life if it acts. We have not acted enough, and it is not by making little economies, by saving little ends of candles, that we shall develop our life. We see that the meetings of the Executive cost £200 out of the £9,000 of expenditure provided in our Budget, so that it looks like demagogic proposal to say we shall only hold one Executive meeting. I want to observe the decision we have taken, but I do not think that decision would be upset. Besides, the meeting of the Executive at the same time as that of the Central Committee is only a preparatory meeting and is of little practical effect, and if we suppress the meeting of the Executive at Prague we come really to having only one meeting during the whole year.

MR.LUSTIG (Translated): I am very sorry to find that there is a misunderstanding, and particularly I would not like the proposal which Mrs. Freundlich made with my consent to be interpreted as a suggestion that the Czech Co-operators would not be glad to receive the Executive in Prague in June. On the contrary, I have explained to Mr.May some time ago how much we should like the Executive to come to Prague in June in order to be present at the inauguration of our new margarine factory, which is a non-trust factory built by the Czech Co-operators. But I really wanted to

put myself into harmony with the decision taken yesterday, and that is why I came to an understanding with Mrs.Freundlich. Further, I thought that as the Co-operative School will take place in Prague and the General Secretary would be present at the opening of the School he might also be present at the opening of the factory, so that I was practically assured of his attendance. With regard to Mr.Poisson's suggestion, he certainly makes a mistake in suggesting that there is anything in the nature of a demagogic intention. Let me say to Mr.Poisson that it has happened to him as it sometimes happens to others that after councillors come from a meeting they are wiser than when they went. It seems, therefore, that Mr.Poisson is wiser now than yesterday, because otherwise he would not have voted for two meetings only of the Executive. The Rules say that the Executive should meet every three months, therefore, if Mr.Poisson had reminded us yesterday of that provision in the Rules we might not have taken that decision, which at present seems to be an obstacle. Under the circumstances, however, I want to again cordially repeat my invitation for the Executive to come to Prague in June, when I hope that all the members will be present.

THE GENERAL SECRETARY: I would only say on the point of the Rules that Mr.Poisson is not on very strong ground, because we have repeatedly, and almost regularly, ignored the Rules in this matter. So that the only thing that hampers us at present is the resolution of yesterday, and as you have on other occasions found ingenious inventions for overcoming difficult situations I suggest that you might interpret the decision of yesterday as meaning two ordinary meetings of the Executive a year apart from that held on the occasion of the Central Committee meeting.

MRS.FREUNDLICH (Translated): But the Rule says four times a year.

THE GENERAL SECRETARY: The Rule says every three months.

MR.DE BALOGH (Translated): I would make a proposal and that is that the Central Committee should meet this year at Budapest, either in August or the beginning of September. The only difficulty in the way is that I cannot guarantee at this moment that visas would be granted to the Russian delegates, but I will make enquiries and probably in two weeks I would be able to tell Mr.May the position exactly. If they did get visas they would probably be placed under special supervision whilst they were in Hungary.

MR.SERWY (Translated): One has spoken of wisdom, but if we consider the wise course before us now we should decide that at such a difficult time as the present we should meet more often. We must also remember that the Congress must be organised and if we only meet in October with the Central Committee we should have too much to do in the short time available for the Executive. Therefore, if you do not want to go to Czechoslovakia in June I propose that you meet in Brussels.

MR.PALMER: I only want to say that it seems to me a very unwise thing to depart from the Rules because immediately we get into considerable difficulties. It appears to me that the fact that we have departed from the Rules in the past is responsible for this further departure, which may be a basis for further changes in the future, and which may result eventually in the abolishing of the Executive and of the control being placed in the

hands of the Central Committee. That seems to be a reasonable step to contemplate if we are only to meet once a year apart from the meeting of the Central Committee. From the point of view of economy I do not see there is much in the position. Mr. Poisson says that a sum of £200 is involved in the meetings of the Executive, but even if we abolished the Executive altogether we should not save much. I think we should consider this from the point of view as to whether we are meeting necessarily or unnecessarily. If in the past meetings have not been held unnecessarily then it seems to me there was no basis for the resolution of yesterday. If it has been the practice to meet when there was no business then I can see the reasonableness of yesterday's resolution. That is all I want to say except this, that I do think if we are going to stick to the resolution of yesterday it may very well happen that our two meetings a year may not coincide with the meetings of the auxiliary bodies and, to my mind, it is good to keep in touch with those bodies. With regard to the proposal for the meeting at Prague, I leave it entirely in the hands of the members of the Executive. If it is necessary it should be held, but if it is not necessary it should not be held.

SIR ROBERT STEWART: The decision of yesterday may have been a mistake but it is there, and yet that does not prevent us from having a meeting at Prague because it was left open to call a meeting between times. Therefore, as far as I can see there is no opposition to the Prague meeting. Now some members may have voted yesterday on the understanding that they were doing the right thing, but, according to the Rules, evidently we did not do the right thing. Therefore, I think it would have been better had this been explained yesterday. I would like a ruling from the Chairman on this matter. The decision, to my mind, was that there should be two meetings of the Executive a year, but that if the Executive thought it necessary to have a meeting between times then they have power to do so. Therefore, Prague comes in and I do not see any objection to it.

THE PRESIDENT (Translated): I understand the position in the same way. We decided to have only two meetings of the Executive a year, unless we decided to have more. Therefore, we are quite free to change that decision now.

MRS. FREUNDLICH (Translated): It is very strange that within twenty-four hours we should be of such a different mind with regard to the number of meetings of the Executive. With regard to the country where we are to meet, if Mr. de Balogh is not in a position to give an assurance that the Russians would be granted visas we should not consider the possibility of meeting in Budapest. It is in our interests that the Russians should be present, and nobody would want to go to a country where they could not come.

MR. DE BALOGH (Translated): I excuse myself for having had to draw attention to this little difficulty with regard to the Russian visas, but you will understand that Hungary is in a very special position. They have had experiences of Communism, and if anybody like Variash were to come he would abuse the situation in order to re-establish their own relations.

THE GENERAL SECRETARY: Mr. Variash would most certainly be included in the delegation.

MR.DE BALOGH (Translated): As soon as we can know the names of the Russian delegates who would have the intention to come we can decide whether the Government will grant visas or not. At any rate, this invitation is given most cordially and we shall be very glad indeed to have a meeting of the Alliance in Budapest.

THE PRESIDENT (Translated): The discussion is closed. Mrs.Freundlich has proposed that we should not have a meeting at Prague in June, but everybody else seems to be of a different mind. Therefore, I will put to the vote whether we shall go to Prague in June.

Agreed that the meeting be held at Prague in June.

THE PRESIDENT (Translated): The other meetings will be arranged according to the programme which the General Secretary submitted.

MRS.FREUNDLICH (Translated): I do not object to the dates of any of these meetings, but I have only two wishes to express. First, I would remind you that at two of the International Co-operative Schools women have been asked to lecture. At the Hague I myself was asked, and at Basle Miss Enfield was asked. It is the desire of the International Women's Guild that always in future women should be asked to give lectures at the International Schools. My second point is a question that comes from students, that in the subjects to be dealt with the practical work within co-operative stores should be included. For example, the way of keeping accounts, salesmanship, internal organisation etc. In a great many cases junior managers are sent to the Schools and they would like to have information on general administration. I hope that this will be taken into account.

MR.PALMER: I hope that the proposals of Mrs.Freundlich will not be taken too seriously by the Executive or Mr.May. I think it very undesirable indeed that the Secretary should get it into his mind that he is compelled to bring in any particular lecturer who represents the Women's Guild, or any other particular body. I think he should have the fullest liberty to choose those he thinks are best able to deal with the subjects. In our educational work we have had suggestions that representatives of women's and other particular organisations in our own country should be brought in, but we have always definitely refused to take anything into consideration so far as the lecturers are concerned other than their qualifications for the particular job. So far as Mrs.Freundlich's second proposal is concerned, I would like to say that I think it undesirable that the methods or practices, for example, of accountancy and salesmanship should be dealt with at the International Co-operative Schools. I think they are the job of the separate National Unions to conduct for their own countries, and I can quite see how foggy the students might become after attending classes in their own countries and learning one method and then coming to the International School and learning other methods. It would not be desirable at all. I am very sorry to dispute both of the suggestions but I think it desirable to do

THE PRESIDENT (Continued): To continue with the programme, I suggest that as far as the meeting of the Central Committee is concerned the exact date and place shall be fixed at Prague and by then we shall have full information from Mr. de Balogh with regard to visas for Hungary. Will you, therefore, accept the programme as submitted?

The Programme was accepted.

THE PRESIDENT (Translated): As regards the proposals of Mrs. Freundlich it is not necessary to put them to the vote, but they will be included in the Minutes.

THE GENERAL SECRETARY: Not in the Minutes but in the shorthand Report.

ITEM 15. OTHER COMPETENT BUSINESS.

(a) "St. Philibert" Relief Fund.

Under this item the Executive had before them a detailed list of all the contributions which had been received by the Alliance in response to its appeal on behalf of the "St. Philibert" disaster, together with particulars of other contributions sent direct to Paris.

MR. POISSON (Translated): I would like again to express our very cordial thanks for the Relief Fund opened by the Alliance in this respect. These contributions have been used in the most efficient way. A weekly journal has been published and a cinema opened, which has been attended by 1,500 persons, where before we have not had more than 200. Since July the Society has increased its turnover by 50% and will be able this year to balance its accounts. I would add that I have been appointed administrator of the Society and I supervise the spending of the money.

Noted without discussion.

(b) World Grain Conference, Regina.

THE GENERAL SECRETARY: I forgot to include this question in my written report and only desire formally to report it now that it may be recorded on the Minutes, that the decision of the last meeting of the Executive at Paris is discharged by the fact that the Conference is adjourned until 1933 when, owing to our own Congress, it will not be possible for us to participate.

Noted without discussion.

(c) Meetings of the Auxiliary Committees.

THE GENERAL SECRETARY: I have to report correspondence with Mr. Lancaster and Mr. Levy concerning the meetings of their respective Committees, the I.C.W.S. and the Banking Committee, at Strasbourg. The Provisional Programme was sent to them providing for their meetings as usual, but

subsequently they each, for reasons stated, chiefly, so far as the I.C.W. is concerned, the economic conditions, decided to postpone their meeting. Mr. Lévy thought it not desirable, owing to similar difficulties, to hold a meeting of the Banking Committee, and both have been postponed. With regard to the I.C.W.S., Mr. Lancaster has subsequently written to me suggesting that if they decide to hold a Conference of Dried Fruit Buyers April would be a suitable date for the meeting. I have only received that letter in Strasbourg and have been unable to inform Mr. Lancaster that it would be quite impracticable, under any aspects of the position, to call the Executive together again at so early a date.

Noted.

(d) The Rochdale Principles Committee.

THE GENERAL SECRETARY: My last point concerns the Committee on the Rochdale Principles. You will remember that Mr. Cleuet, on behalf of the F.N.C.C., was the proposer of the resolution in Vienna which decided this enquiry. Mr. Cleuet has manifested a very considerable interest in the enquiry and now I suggest that he should be added to the Special Committee.

Agreed.

SIR ROBERT STEWART: Regarding that statement about the I.C.W.S. having a meeting in April, Mr. Lancaster wrote to me and said he had had a request from some friends on the continent that there was no need to have a meeting now. He was asked to postpone that meeting by some of them and asked my opinion, and I said that so far as the evidence that comes from friends on the continent was concerned it seemed quite advisable. But I would like to point out that if any arrangements are made with regard to Dried Fruit Buyers, August would be too late for such a meeting and it is rather late to interfere with a meeting in April, because so far as I am concerned that was a matter for the experts and the Executive of the I.C.W.S. Certainly the I.C.A. came in to a previous meeting, but I thought it was really the business of the I.C.W.S. to decide when to meet. Mr. Lancaster indicated that it was very essential to have the meeting at that date, which will enable us to send our buyers to Greece and to Spain. We had previously a meeting on Margarine at Liège which was apart from the meetings of the I.C.A. Therefore, why should we not have another meeting in April without the Alliance meeting also.

THE GENERAL SECRETARY: That is for your Committee to decide, we have nothing to do with the arrangements.

SIR ROBERT STEWART: But I thought you said the meeting was impossible.

THE GENERAL SECRETARY: No, I only said it was impossible to call a meeting of the Executive in April.

SIR ROBERT STEWART: I am sorry then, I misunderstood you.

MRS.FREUNDLICH (Translated): I would like to ask whether we cannot decide that in future the documents should be sent out earlier.

THE GENERAL SECRETARY: The answer is in the negative. It is not practicable for the members of the Executive to have all the documents a week before at their addresses, which means they must be completed at least a fortnight before in order to get to the other countries. I do my best to let you have the documents early as far as they are ready, and I send them out at least as soon as they can be completed. I can, of course, and would continue to do so, but may I suggest that the solution is very simple that the members of the Executive who leave home a week or more before the meeting of the Executive might arrange that their papers should be sent after them. I think that is more practicable than asking me to finish the documents a fortnight before the meeting. Many of the things here have only been prepared within that time.

ITEM 16. NEXT MEETING.

THE PRESIDENT (Translated): We have already decided that our next meeting shall be held at Prague on the 28th and 29th June.

CLOSE OF THE MEETING.