

INTERNATIONAL CO-OPERATIVE ALLIANCE.

REPORT OF THE PROCEEDINGS

at the

MEETING OF THE EXECUTIVE COMMITTEE

held at

B R U S S E L S

on the

8th AND 9th APRIL, 1933.

I N D E X
to the
REPORT OF PROCEEDINGS.

	<u>Page.</u>
ITEM 1. MINUTES	1
DEATH OF PROFESSOR HANNES GEBHARD	1
ITEM 2. ATTENDANCE AT MEETINGS	2
ITEM 3. REPORT OF THE GENERAL SECRETARY -	
a. Postponement of the Congress	3
b. "International Co-operation", Vol.III.	9
c. Statistics for 1931	10
d. Joint Agricultural and Consumers' Committee, Geneva	10
e. U.S.S.R. Attacks on the I.C.A.	11
f. U.S.S.R. Subscriptions	16, 18
g. Zveza Gospodarskih Zadrug, Ljubljani, and the Central Federation of Yugoslavia	16
h. The Film Catalogue	17
j. Broadcasting Co-operation	18
ITEM 4. FINANCE -	
a. Balance Sheet and Auditor's Report for 1932	18
b. Financial Statement to date for 1933	18
c. Consideration of Special Measures to Balance the Budget for 1933	18
ITEM 5. PROPOSED NEW SCALES OF SUBSCRIPTIONS	18
ITEM 6. "REVIEW OF INTERNATIONAL CO-OPERATION" -	
a. Receipts and Expenses for 1932	24
ITEM 10. ECONOMIC RESEARCH	27
ITEM 11. ENQUIRY INTO THE COSTS OF RETAIL TRADING IN CO-OPERATIVE GROCERY SHOPS	27
A SPECIAL INTERNATIONAL CONFERENCE	32
ITEM 7. SHOULD THE I.C.A. ISSUE IMMEDIATELY A MANIFESTO ON THE CRISIS?	32, 41
Recommendations of the Sub-Committee	32, 36

ITEM 8.	INTERNATIONAL CO-OPERATIVE SCHOOL AND PRESS CONFERENCE	38
ITEM 9.	NEXT MEETING OF THE CENTRAL COMMITTEE	39
ITEM 12.	COUPON TRADING	39
ITEM 13.	NIGHT WORK IN BAKERIES	39
ITEM 14.	MEETINGS OF AUXILIARY COMMITTEES AT BRUSSELS	40
	LETTERS FROM MR.KLEPZIG AND THE GERMAN ORGANISATIONS ..	43
ITEM 15.	OTHER COMPETENT BUSINESS -	
	a. Application for Regular Financial Support from the Alliance to the International Co-operative Women's Guild	46
	b. Resolution of the International C.W.S. re Compensation Sales	48
	c. Invitations to Congresses	49
	CO-OPERATORS' DAY	51
ITEM 16.	DATE AND PLACE OF NEXT MEETING	51

INTERNATIONAL CO-OPERATIVE ALLIANCE.

MEETING of the EXECUTIVE held at
LA PREVOYANCE SOCIALE, BRUSSELS, on the
8th and 9th APRIL, 1933.

PRESENT: Väinö Tanner, President, Sir Thomas Allen and E.Poisson, Vice-Presidents, R.A.Palmer, Sir Robert Stewart, V.Serwy, E.Lustig, Mrs.E.Freundlich, A.Johansson, E.Variash (in place of I.A.Zelensky), and H.J.May, General Secretary.

ABSENT: V.Klepzig, from whom an explanation was received.

REPORT OF PROCEEDINGS.

ITEM 1. MINUTES.

THE PRESIDENT (Translated): We have first the Minutes of the Special Meeting of the Executive held at Barcelona on the 12th and 13th February.

The Minutes were confirmed without discussion.

DEATH OF PROFESSOR HANNES GEBHARD.

THE GENERAL SECRETARY: The announcement that I have to make is in connection with the death of Professor Hannes Gebhard who, as you all know, has passed away since our last meeting. I received the news by telegram from our President, and immediately arranged for Mr.Tanner to represent the Alliance at the funeral and to place a floral tribute upon the grave, and afterwards to record in our "Review" some brief account of the work and life of Professor Hannes Gebhard. So far as I am personally concerned I have not had very much contact with Professor Gebhard, but from almost the earliest records of the I.C.A. his name has been associated with the work of the Alliance and he has, from time to time, for the Congresses of the Alliance, contributed not merely news but broad objective views and scientific examination of co-operative problems not only as they affected his own country, but also as they affected the Co-operative Movement at large. His great gifts and abilities, that were so often and continuously employed in the work of education and dissemination of knowledge on the broadest possible basis, were largely devoted to the work of Co-operation.

in his own and other countries. And there is no doubt that he has been the inspirer and father of the Co-operative Movement in Finland, and that his death at this particular hour is a particularly heavy loss to the Co-operative Movement in Finland, as well as for International Co-operation. If, so far as we are concerned, he worked behind the scenes and did not enter actively into our assemblies, his influence and power were undoubtedly there, continuously helping and inspiring from his own corner of Europe the Movement which we all love, and exercising influence which was felt throughout the world. We cannot do more to-day than record our great sense of the loss which the Movement has sustained, and our sympathy with his family, and particularly with his fellow Co-operators in his own country.

ITEM 2. ATTENDANCE AT MEETINGS.

THE GENERAL SECRETARY reported - "This question is placed upon the Agenda at the request of l'Office Coopératif Belge, who deplore the fact that the Executive was unable to deal with the whole of the Agenda at Barcelona on account of the absence of so many members. They desire to submit the view that it is the duty of the members of the I.C.A. Executive to assist regularly at its meetings, unless they are prevented from so doing by illness. The letter emphasizes that this attitude is inspired solely by a desire for "sustained, co-ordinated and rapid work" on the part of the I.C.A."

MRS.FREUNDLICH (Translated): I think it is impossible, in the present circumstances, for the Executive to pronounce any blame against those members who did not attend the Barcelona meeting. For some of the members such a long journey is impossible. In Austria we are allowed only 200 Schillings, and with such a small sum it is not possible to go such a long way. When we discussed the question at Geneva I mentioned this fact, but the Executive did not take it into consideration, but I think in the future, if the Executive want to have meetings fully attended they must take these facts into consideration. At a later stage I shall point out that it is absolutely undesirable for us to go to Cologne for the next meeting of the Central Committee.

MR.LUSTIG (Translated): As I am also one of those blamed by Mr.Serwy I want to submit to the Executive an explanation for my absence from Barcelona. On account of the financial difficulties it is not possible for us to attend meetings which necessitate long journeys. I am President of the Czech C.W.S. as well as of the Co-operative Union and, in addition, I have official functions on Government Commissions and, at the time of the Barcelona meeting, it was impossible for me to leave my country. Those are the conditions which I want to give to the Executive and they are also my excuse for my absence.

MR.SERWY (Translated): If the General Secretary would read the whole of my letter he would see that there is no blame in it, but merely an expression of regret that when we went to Barcelona the results of that meeting were absolutely nil, and that is a fact which must be avoided in the future. Of course all of us are very busy and preoccupied at present, but that is not a sufficient reason for having meetings so badly

attended as that of Barcelona, and I hope it will not happen again. I think if some members feel it is impossible for them to attend the meeting they might let the General Secretary know in good time, and he could then either call off the meeting or consider another place for it. At any rate, I hope we shall take steps for the future so that such an occurrence will not happen again.

MR. PALMER: I only wish to say that I think it would be unfair to allow Mr. Serwy to stand alone in regard to this matter. I think he is only voicing the feelings of all who attended the meeting at Barcelona, and it would not be right for the other members of the Executive to think that Mr. Serwy held a view different from the other members who were present at Barcelona. We all felt the same as Mr. Serwy about it. We went there at no little trouble and expense for a meeting which was entirely abortive and the consequence is that we have had to come to Brussels now. Not that I object in the least, but it is at a particularly inconvenient time for myself, and we have been put to expense which would not have been necessary if we had been aware of the possible absentees from Barcelona and been enabled to re-arrange the meeting. I do not raise the matter in a spirit of complaint, but if the matter having been raised this morning will result in our realising that a little thought on our part will avoid unnecessary expense and trouble to the Executive, it will be appreciated in the future. Personally, I appreciate the action of Mr. Serwy in giving us this opportunity of expressing our feelings upon this matter.

THE PRESIDENT (Translated): Having heard these declarations I think we can note this letter and proceed with our agenda.

Agreed.

ITEM 3. REPORT OF THE GENERAL SECRETARY.

THE PRESIDENT (Translated): We will go through this Report point by point.

a. Postponement of the Congress.

THE GENERAL SECRETARY: Just at the moment of my departure from London for this meeting I received the following letter from the F.N.C.C., Paris, signed by Mr. Maurice Camin, in which he says "The Central Council of the F.N.C.C., at its meeting on Sunday last, voted the following Resolution

'The Central Council of the F.N.C.C. decides to protest to the International Co-operative Alliance against the decision of the Executive Committee to adjourn the International Co-operative Congress of London. It finds that no serious reason has been given for this step and that in the present economic circumstances and the state of the world crisis the Congress ought to be maintained

MRS. FREUNDLICH (Translated): I am very surprised that the F.N.C.C. has not understood the reason which obliged us to adjourn the next Congress. It would have been impossible to organise such a Congress in view of the international situation. Nobody knows what will happen by August. We may have still greater difficulties than at present, we may have war.

Perhaps in some countries people do not realise the catastrophic state of the greater part of Europe. If not, then I do not understand the protest of the F.N.C.C. If the Congress had been held in London this year the greater part of Europe would not have been able to send delegates.

MR.LUSTIG (Translated): Everybody, in my opinion, has the right to protest, but if one does protest one should at least indicate in it the reason for the protest. The French protest, however, does not seem to contain any good reason. If I am speaking upon this question it is because the motion to adjourn the Congress originated in my country. Mr.Dietl made this proposal and it was adopted by the German Economic Union. In turn, they asked us our opinion and, after careful examination we decided that it would be better to adjourn the Congress. It is the custom for the leaders of the National Co-operative Organisations to be sent as delegates to our Congresses, but in the present circumstances it would have been very difficult for us to send away our leaders of the Co-operative Movement. Such a difficulty may not exist in the countries which are near to England. In Belgium, Holland, France and other neighbouring countries of England there are not such national difficulties but for our country it would have been absolutely impossible to send delegates. The only explanation I can find to the French protest is that in France people do not realise the real state of half of Central Europe. The decision to adjourn the Congress was taken with 42 votes against 18, and if one deducted from those who voted in favour of the Congress the votes of the Russian representatives, who have a special interest for holding the Congress, you would see that the majority in favour of adjournment was a very considerable one.

MR.VARIASH (Translated): Mrs.Freundlich has justified the adjournment of the Congress by saying that owing to the economic difficulties and the danger of war it would be impossible to hold it, but I have the opposite opinion and I want to support strongly the protest of the F.N.C.C. I think that the Congress ought to be held in August. Of course we are living in extraordinary circumstances. There is a Fascist danger all over Europe, there is a danger of war, but just because of those things I think that such a great Organisation as ours, which includes 70 million people, cannot be silent and take no action in face of such great events. Therefore, I think the Congress should have been held.

MR.POISSON (Translated): I do not approve the views of Mrs.Freundlich and Mr.Lustig. In France we fully understand the difficulties of the world, but we think that the greater the difficulties the greater is the necessity for an international meeting. At present we are seeing the failure of great movements of emancipation in the world, and international organisations are remaining passive. The German Central Union is threatened, and in such circumstances I think the I.C.A. should not remain passive. The Executive has taken a decision and we cannot go back upon it, but we want to express our protest because in such difficult times the I.C.A. does not see fit to arrange an international meeting where these difficulties could be considered.

THE GENERAL SECRETARY: Yesterday Sir Thomas Allen challenged our friend Poisson. I do not want to do that, but I want just honestly to appeal to him. He will forgive me if I say that no possible good purpose can be served by this protest just as it stands. It is not true to say that the Executive decided to adjourn the Congress. The Central Committee decided to adjourn the Congress, and the Executive only registered that decision because, according to the Rules, it could be done in no other way. I am entirely in agreement with Poisson and those who think with him, that in these difficult times - far more now than when we met at Barcelona - an international meeting, an international expression, announcement, declaration, call it what you will, of solidarity, of tolerance, of courage and determination to win through, is absolutely necessary. My appeal to Mr. Poisson is not to let this remain as a dead piece of paper, as merely a protest against an action of which he necessarily took part, even though it was a negative, but to give effect, give real effect to this protest by assisting to organise that international meeting. I do not want to waste time this morning. In Great Britain we have been faced with a smaller crisis and the difficulties of the attacks of our opponents upon not merely the finances and taxation of our Societies, but on the very basis of mutuality which is the foundation of our Movement. From my point of view that was the only thing that mattered and still matters, but from any point of view it was a serious matter for the Movement and, without waiting for the Annual Congress, without prejudicing the Annual Congress, a Special Congress has been held in London this week for that specific purpose. It promises to be effective, more effective than any international meeting we are likely to have can hope to be. Why cannot we now - and this Executive has power - do in principle what the British Union has done on its own behalf? It need not prejudice one way or the other the regular Congress of the Alliance, which is now postponed until August, 1934. All the preliminary arrangements for the Congress this year are being held as they existed up to the meeting at Barcelona. They have not been dissolved, not even the Organising Committee for the Congress, and they will all go on, so far as the will of the British Co-operative Union is concerned, next year. But why cannot you have a special international meeting? At Barcelona my opinion was asked, and it was my duty to give my advice to the Executive according to the situation. When I gave my opinion in favour of dispensing with the Congress for this year in circumstances which then seemed sufficient, and which I suggest are still sufficient, I did so with the strong and definite observation that if the Congress were postponed without any other action being taken by this Executive and the Central Committee it would be a disaster to the Alliance, and I have not swerved from that opinion. But events of the last few weeks, since Barcelona, have increased that necessity, they have made it more imperative than ever. And I suggest now, while we have it on the programme for this year that the Central Committee should be organised with a special agenda, you can hasten that meeting. You need not wait until the autumn - you can call it a Special Congress and have double the representation on the Central Committee. I am still of opinion that a Congress in London with an ordinary agenda before it spreading itself over all the activities of the Alliance, and one-sided as it would have been in representation, is not the most efficient means of making our voice heard at present. You

can have a Special Congress with a reduced representation on the basis, for example, of double the representation on the Central Committee. You can hold it in Basle or Prague, and seeing that the motion for the adjournment of the Congress came from Prague I am convinced that Mr. Lustig and Mr. Dietl would at once willingly accept the responsibility of organizing such a meeting. Let us have that meeting. Not with the Central Committee Report, not with the details of our work, but to deal with the special matters which affect us - the world economic situation, solidarity and support for one another, unity for the Alliance and a programme of our contribution to the World Economic Conference. Why cannot that be done? But for God's sake let us do something, let us take some action that will lift the Alliance out of the slough into which it is falling with the pressure of the crisis, and make ourselves vocal and united for the ideal for which we stand, and in order that we may give support to one another, irrespective of opinions or creeds, and keep the Flag flying that has flown so long and so successfully. God forbid that our unity, which was maintained throughout the world war, should be disseminated and dissipated in the world crisis, but now when we have difficulties in front of us, not merely the financial difficulties - we can reserve that because we have some rich uncles and can manage to tap them for the time being - but this moral force of the Movement needs expression. Let us give it and not merely rest in passing futile protests which, however sincere, remain without effect and are insufficient unless you follow them with real definite action and give yourselves to work your way out of the difficulties into which we are fallen.

MR. LUSTIG (Translated): If we were really agreed about the postponement of the Congress it was because the Reports and Agenda of our Congress have no bearing upon the present crisis and the problems arising from it, but I completely share the view of the General Secretary and welcome the proposition which he has just made. In view of the present economic difficulties, and especially in view of the universal attack of the middle classes against the Co-operative Movement, it is necessary that a special meeting should be held to study the new problems with which the Co-operative Movement is faced. And I very willingly accept the suggestion to have this World Conference in Prague. I think that our friends in Czechoslovakia will be very glad to do what is necessary for such a meeting. Prague is centrally situated, in a democratic State and its republican constitution still preserves the freedom of speech and opinion in our country. Therefore, I heartily welcome the initiative of the General Secretary and express my full sympathy with it.

MR. POISSON (Translated): I am very glad that the F.N.C.C. did send this protest, because the usefulness of it is proved by the splendid and legitimate indignation expressed by Mr. May, and the practical suggestion which he has made arising from it. I fully support the idea of a Conference with limited representation. I also agree with the proposal to have it in Prague and I have no objection against the Agenda outlined by the General Secretary. I think there would be two main questions to consider - 1. The solidarity and unity within the I.C.A. 2. The economic crisis and the co-operative point of view about the problems of the World Economic Conference. It has been suggested that this limited Conference

should be constituted by doubling the representation on the Central Committee. I think it would be perhaps better if we take as the basis of representation the usual number of delegates to Congress and took one-tenth or one-fifth of them. This would give a chance to Organisations not represented on the Central Committee to be represented in this Special Conference, and I think it would be a good deal more in conformity with our international rules.

THE GENERAL SECRETARY: I would only interpose now to save time and point out that all the countries are represented in the Central Committee.

MRS.FREUNDLICH (Translated): I am also in favour of organising a Special Congress, and I think the best method of representation would be to double the representation on the Central Committee. Every country is represented on the Central Committee and representation is proportional to the force of the Co-operative Movement in the various countries. Also we should avoid having too great delegations because many countries could not afford to send a large delegation at this time. But the principal question to be decided is whether all the countries would be able to attend such a Special Conference. For example, would Germany be able to attend? If such a great and important Co-operative Movement was not represented then, of course, the practical value of the Resolutions would be much reduced. It would be necessary to go very cautiously in preparing the Agenda and Reports because many of the problems of the economic crisis are related to politics, and it will be necessary to carefully outline the programme in order to safeguard the political neutrality of the Alliance. In my opinion the Agenda should include only one question - "International Co-operation in the World Crisis". Under the heading all the problems suggested by Mr. May could be dealt with. International solidarity would find expression in the Resolutions which will be adopted by this Special Congress, and we cannot think of putting into the Resolutions the practical means which we propose in order to realise this international solidarity because by doing so we would give weapons to our enemies and enable them to prevent us from using those means. Therefore, I think that in the drafting of the Reports and Resolutions great prudence will be necessary.

MR.JOHANSSON (Translated): Is such a Special Congress provided for in our Rules, and have we the right to call such a Congress?

MR.LUSTIG (Translated): Is the world crisis mentioned in our Rules!?

THE GENERAL SECRETARY: I scarcely think that my friend Mr. Johansson asked his question seriously. He knows as well as I do that specifically there is no provision in the statutes for a Special Conference, but there is provision for the responsible authorities of the Alliance to take all measures necessary to support the Movements that are affiliated to it, to preserve its own life. No question of statute, in my opinion, can stand in the way of emergency matters, but if Mr. Johansson is troubled seriously about our authority I would remind him, as I have reminded other members on other occasions, that the Central Committee recently - twelve months ago - gave the Executive full authority to take all measures necessary to meet emergencies and to preserve the best interests of the Alliance.

MR.VARIASH (Translated): The Soviet Co-operative Organisations are in favour of a limited Conference in order to express the unity and solidarity of the International Co-operative Movement. They are also in favour of taking an attitude towards the World Economic Conference. But they wish to see on the Agenda of the Conference the participation of the Co-operative Movement in the fight against war. The danger of war is more acute now than ever. Since thirty years the I.C.A. has delayed dealing with this problem and it would be absolutely unjustified if at this time it did not consider it. Mrs.Freundlich has made an observation which, in my opinion, is unjustified. She thinks that the expression of solidarity would be illegal.

MRS.FREUNDLICH (Translated): I said no such thing.

MR.LUSTIG (Translated): Mr.Variash has not understood Mrs.Freundlich correctly.

MR.VARIASH (Continued): With regard to representation at the Special Conference, I think that the scheme indicated by Mr.Poisson is to be preferred. Our Congress usually comprises about 500 votes, so that if we took one-tenth it would give us 50 delegates, while doubling the Central Committee, which has 65 members, we should have a Special Conference with 130 delegates, which would be too large. Therefore, I favour the proposal of Mr.Poisson.

THE PRESIDENT (Translated): We are now discussing a matter which is not on the Agenda but which is being improvised. I suggest, therefore, that we appoint a Sub-Committee to consider this problem more closely which could meet this evening. This Sub-Committee would have to examine the organisation of such a Conference, the place and date, the Agenda and other necessary measures for its organisation: also the basis of representation at the Conference. I, therefore, move the appointment of such a Sub-Committee.

MR.PALMER: I support the proposal.

THE PRESIDENT (Translated): Do you agree to my proposal, which is supported by Mr.Palmer?

Agreed unanimously.

THE PRESIDENT (Continued): It is now necessary to appoint the Sub-Committee, and I suggest the General Secretary, Sir Thomas Allen, Mr.Poisson, Mr.Lustig and the President.

SIR THOMAS ALLEN: I would like to ask that Mr.Palmer may replace me. I am not too well and could not sit again this evening.

THE PRESIDENT (Translated): Sir Thomas Allen asks to be replaced by Mr.Palmer. Will you, therefore, appoint the Sub-Committee as suggested

Agreed unanimously.

THE GENERAL SECRETARY: I suggest that the Sub-Committee meet in my room at the Grand Hotel at 7.0 o'clock this evening.

THE PRESIDENT (Translated): We now come to the next question in the Report of the General Secretary.

b. "International Co-operation", Vol.III.

THE GENERAL SECRETARY reported - "The two previous volumes of this publication have each covered a period of three years between the Congresses. Steps had been taken to obtain the necessary reports from the National Organisations on their activities from 1930-1932. It had been intended that the volume should appear with the Congress papers, and I suggest that it would be an advantage that it should be published this year in spite of the fact that the Congress is adjourned. The volumes would then be kept uniform as to the periods they cover; the expense of publication would be better spread over; and publication this year would be helpful to our publicity in the absence of the Congress."

THE PRESIDENT (Translated): I am not in accord with Mr. May that it would be useful to have this publication this year. I think that such a publication should be furnished for the Congress and, therefore, I would rather have it stand over until next year.

THE GENERAL SECRETARY: I think I have stated in my memorandum why I suggest that this publication should appear this year. First, in order that these volumes should be kept regular in their appearance; second, because it would distribute the work a little and we would not have so much to do in the Congress year; third, because I think that it would also distribute the expense. Moreover, this publication is never discussed in the Congress, although it is true that it has some advantage in being kept even with the Congress. I have no objection to the proposal of the President, and if the Executive think it is more convenient to have it in connection with the Congress I bow willingly to their decision. I have only stated the reasons why I think it would be useful to keep it uniform.

MRS. FREUNDLICH (Translated): I support the proposal of the President.

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

MR. PALMER: I would like to know the method of distribution of this volume to which we are referring. My impression is that it is usually sent to the delegates with the other documents for the Congress. If that is so, how can we distribute the volume if we adopt the proposal of the General Secretary to issue it this year?

THE GENERAL SECRETARY: Two volumes of "International Co-operation" have so far been issued. The first was at Stockholm and, responding to the generosity of our Swedish friends, we gave one copy to each delegate, but it was a very costly piece of generosity and we could not afford to repeat it at Vienna on the occasion of the second volume, which was larger and more costly. On that occasion one copy was given to each National Organisation affiliated and they were invited to purchase others. That means would not be interfered with in the absence of the Congress.

MR. PALMER: In that case it seems to me that the proposal of the General Secretary has the advantage in that we shall have comparative volumes if we issue the third volume this year. If we were to go from three to four years and perhaps next time from four to two years, it seems to me that some of the advantage of the volume would be dissipated.

THE PRESIDENT (Translated): There are two proposals before us, my proposal to adjourn publication, and the proposal of the General Secretary to publish this year. I will put my proposal to the vote first.

VOTE on the proposal to adjourn publication - FOR 4. AGAINST 5.

THE PRESIDENT (Translated): The proposal of the General Secretary is, therefore, adopted and the publication will be made this year.

MRS. FREUNDLICH (Translated): I suggest that we should first have an enquiry made as to the possibility of selling this publication, because it is possible that owing to the financial difficulties of various Organisations we shall not be able to sell enough copies to meet the costs of printing. At such a time we cannot afford to publish a book which will not be saleable.

THE PRESIDENT (Translated): I think this view can be left to the consideration of the Secretariat before deciding to print the volume.

Agreed.

c. Statistics for 1931.

THE GENERAL SECRETARY reported - "It has been previously reported to the Executive, and approved, that the Statistics of the Affiliated Societies, 1930-1931, should not be printed in a separate volume this year. Summaries have, therefore, been printed in the "Review" for March and April. Meanwhile, the figures for 1932 are being collected with a view to a separate volume, covering three years, for the Congress in 1934."

Noted without discussion.

d. Joint Agricultural and Consumers' Committee, Geneva.

THE GENERAL SECRETARY reported - "A meeting of this Committee was held at Geneva on 7th February previous to the meeting of the Executive at Barcelona. The representatives of the I.C.A. present were - Messrs. E. Poisson, V. Klepzig, E. Lustig, Mrs. E. Freundlich, Miss Polley and H. J. May. Mr. H. B. But (Director, I.L.O.) presided at the opening of the meeting but, being called away for important affairs of the Bureau, his place was taken by the Vice President of the Alliance and of the Joint Committee, Mr. E. Poisson.

The Agenda included further reports concerning the existing Joint Relations between Agricultural and Consumers' Organisations, together with plans for extending their operations and creating similar bodies in countries where they do not at present exist. The promotion of specific cases was left to the Secretaries of the constituent Organisations to pursue.

The Committee decided to undertake forthwith an enquiry into the part played by Producers' and Consumers' Co-operative Organisations in the Marketing of Butter.

The Egg Marketing Enquiry was brought to a conclusion of its preliminary stage. Certain conclusions, together with an historical note, were agreed upon and have now been circulated to all the national members.

The pending retirement from the I.L.O. of Dr.G.Fauquet was the subject of warm tributes of appreciation from Messrs. Jules Gautier, E.Poisson and H.J.May on behalf of the Committee and its constituent Organisations."

Noted without discussion.

e. U.S.S.R. Attacks on the I.C.A.

THE GENERAL SECRETARY reported - "The Executive at Barcelona in February instructed me to call the attention of "Centrosoyus" to the absence of any reply to the protest of the Central Committee at Geneva in October last year against the unjustifiable attacks upon the Alliance and its members which had appeared in their official journal, and the fact that the journal in question was no longer sent to the Alliance. Those instructions were carried out, but no reply to the protest of the Central Committee has been received."

THE PRESIDENT (Translated): Does anybody wish to speak on this question? - Then we will note this para.

THE GENERAL SECRETARY: Is it to be believed - I mean, is it to be endured by this Executive that in face of that report no explanation should be offered by the representative of the Organisation present? Do you wish to pass that paragraph without any observation and let your activity be treated with contumely and contempt? I only ask the question. The action that has been taken has been taken upon your decision. You have here the report that your protests, your representations, have been treated with contempt, and you have that rubbed in this morning by the representative sitting dumb when this para is placed before you. I ask you again, do you intend to endure that and allow it to pass in this way?

MR.VARIASH (Translated): The decision taken at Geneva has been forwarded to us and we have acknowledged its receipt. I do not wish to examine the case itself, which was submitted in this letter, because I think that such a study would lead to division within our ranks. At the present time, when the Co-operative Movement is threatened by Fascism all over Europe, it would be very unwise to provoke division within our ranks, and I am sorry to say that Mr.May is at present instigating such division. In doing so he renders a very bad service to the Alliance. If the Soviet Co-operatives were excluded it would mean the ruin of the I.C.A. and a weakening of the Co-operative Movement at large. It would cause great irritation amongst the workers who are now endeavouring to secure a united front. We are now facing the imminent retreat of the German Co-operative Movement, and also probably of the Polish Movement. Is it really a time to be busy with causing divisions within our own ranks? I have looked over the issues of the newspaper "Snabjenie, Kooperazia, Torgovlia" during the past five or six months, but in all of those numbers I saw only two articles dealing with the Co-operative Movement abroad.

MR.LUSTIG (Translated): You cannot have read it very accurately, because during that time there have been several articles dealing with the Czech Co-operative Movement.

MR.VARIASH (Continued): In any case, that newspaper is not controlled by "Centrosoyus". It is a newspaper which belongs to a consortium controlled by the Trade Unions and Commissariat. If we talk about attacks upon the I.C.A. I might quote a speech made by Mr.May to a Co-operative School and reported in a paper called "The Kentish Independent". In this lecture Mr.May said that the Soviet delegation had hysterically claimed a 50 per cent reduction of its subscription, that at present it did not pay anything to the Alliance and will probably not pay anything in the future. I do not think it is the task of the General Secretary, who is responsible for the unity of this Organisation, to say such things and make these attacks upon an affiliated member. We can talk about our subscription when the question is being discussed on the Agenda, but I can now say that "Centrosoyus" will keep its promise. "Centrosoyus" has paid even its Czarist debts, and it is the only Russian Organisation which did not repudiate its Czarist debts. You can, therefore, be quite confident that "Centrosoyus" will keep its promise to the I.C.A.

MR.LUSTIG (Translated): It is to be regretted that Mr.Variash did not speak spontaneously upon this matter but had to be provoked by the General Secretary to give an explanation. But the explanation he has given is entirely unsatisfactory. The problem is much deeper than appears from the reply of Mr.Variash. The question is the general attitude of the Third International towards the Co-operative Movement in Europe. The Communists think it is their duty to attack the Co-operative Organisations and their leaders. In our country we have had to deal with these attacks for years. We have now, during ten years, had to fight against the supporters of the Third International, and things have gone so far that this year we were compelled to exclude them from the Co-operative Union and the C.W.S. We always noticed that the attacks were being led according to the instructions given from Moscow which were coming to our country via Berlin, and the aim of these attacks was to destroy our Co-operative Organisations. In view of these facts it is ridiculous for Mr.Variash to say that we want to destroy the I.C.A. It is his friends who are trying to destroy the Alliance. He said it would be ruin to exclude the Russians, whilst the German and Polish Co-operatives were on the brink of leaving us, but I do not think it is the presence of Mr.Variash in the Alliance which would keep the German and Polish Movements within the ranks of the Alliance. Therefore, his remarks on this question are quite without purpose. The journal which has been mentioned by Mr.Variash is the official organ of the Russian Government and especially of the organisations for distribution in Russia. Mr.Variash yesterday proudly claimed to be a representative of the Russian régime, but to-day he is repudiating the newspaper of that régime. Either the Russians must bow to the decision of the majority or they must go their own way.

THE GENERAL SECRETARY: I do not wish to take up the time of the Executive with a long statement, but I would like to draw their attention to the fact that though, as Mr.Lustig says, I have provoked Variash to get on his feet and say something, he has, as usual, skilfully avoided the matter at issue and left it just where it was before he spoke. What he has said, in the main, does not matter - what matters he has not said. Mr.Variash sa

that if the Soviet Organisations go out of the Alliance it will be the ruin of the Alliance. I am not going to suggest that "Centrosoyus" will be ruined, but I am going to suggest that if "Centrosoyus" goes out of the Alliance it will receive more damage than the Alliance will by losing it, and I am quite confident that the majority of the members of the Alliance, not only those in this room but outside, share my view. With regard to the journal "Supply, Co-operation and Trade", that journal was sent to the Alliance for a time by "Centrosoyus".

MR.VARIASH (Translated): Because you asked for it.

THE GENERAL SECRETARY (Continued): There is no end to these excuses which you can put up. The Rules of the Alliance say that it is one of the obligations of its members to supply their publications to the Alliance. Now, we have no room in the modest offices of the Alliance in London for storing all the publications of the Co-operative Movement in Russia, and we have never had one regularly as published in fulfilment of the Rule. And when I appealed again and again to "Centrosoyus" at Moscow to send us one of their official journals that is the one they sent. I do not know which is their official journal, and I did not know which one to ask for, but that is the one they sent. And what is most striking about it all is this it was in Geneva in October that the Central Committee, after some of the members had asked for a report, adopted it as their protest and instructed me to write to "Centrosoyus" accordingly. It was immediately after that meeting the sending of this particular journal was stopped. You may say it was a coincidence, but it was one of a hundred which all have the same tendency and show that when we do happen to get on the track of the truth some means is invented to put us off. I could write a book about this sort of thing until Doomsday. My colleagues here get tired of these things and let them go, but I have to follow them all up. So much in general. Mr.Variash said that Fascism is against us in Europe to-day and no-body will deny it. Then he talked about a united front with "Centrosoyus" while his Organisation is trying to cut the ground from under our feet. No-one would be more satisfied than I if we could work loyally and with understanding with the Co-operators of Russia and the Soviet Organisations but we cannot. We have never had an opportunity. It may be, I do not know, that we are in danger between the upper and nether millstone, but from my point of view the unity of Co-operation is greater to-day than Bolshevism of the Right and the Left. Now about my observations at a School. Let me tell you the facts. First of all, I stand by all that said, and Mr.Variash has only recited about one-twentieth of what is reported. I want the Executive to know the facts. First of all, that Week-End School took place in my own Society, in my own town, amongst my own people, and in our own co-operative building. My Society is a member of the Alliance and I am entitled to speak freely to it. I was not there as the General Secretary of the Alliance, but perhaps it was because I am Secretary of the Alliance that I was asked, but I am one of themselves. My lectures occupied 2½ hours, they dealt with the work of the Alliance and with the possibility of International Co-operation to assist in the solution of world economic problems. That statement which Mr.Variash has quoted you did not take place in my lectures. It is our custom in England to have questions after such lectures. I am not responsible for the report

in the newspaper, and I did not know the reporter was there, but I accept full responsibility for everything in it. When the questions came somebody asked me about Russia. My first reply did not satisfy some of the students and one of them challenged me to justify it, and in the course of my statements I made the one which Mr. Variash has quoted, and a dozen others. Mr. Variash has talked about a united front. Let him, if he is going to reply again, tell us what "Centrosoyus" has done to contribute under the Rules to our work. Even the ordinary statistical information about their Societies cannot be obtained. We have the documents returned again and again from Russia with no information. We get no help, no understanding, no attempt to give us the ordinary information that the most paltry Society can send by return of post. We appeal and appeal, again and again, but we get no help at all from Russia. I do not want to pursue the matter further, but to conclude as I began by pointing out that the charges made in the report to the Central Committee at Geneva, and extracted from the official journal, as supplied by "Centrosoyus", remain unanswered and the journal has been withdrawn from the Alliance.

MR. VARIASH (Translated): I want first to say a word about courage. Most of you know that I have been in gaol for several years, and I stuck to my principles, therefore nobody needs to remark about my lack of courage, and if I chose to let Mr. May speak first it was not a question of courage. I want to say a few things about the remarks of Mr. Lustig. I deny that any instruction has been sent from Moscow to attack the Co-operative Organisations in the various countries, and I ask Mr. Lustig to show me one paper where there is written evidence of the instructions having been sent.

MR. LUSTIG (Translated): If you will come to Prague I will show you heaps

MR. VARIASH (Translated): When I was in Prague you did not show them to me

MR. LUSTIG (Translated): You never asked, but if you had I would have gladly shown them to you.

MR. VARIASH (Continued): It is absolutely childish to pretend that the propaganda which is being made against the Co-operative Organisations in the various countries could be directed from Moscow. As to the Russian journal "Snabjenie, Kooperazia, Torgovlia", as I mentioned, that journal belongs to a series of Organisations not only Co-operative but General Workers', and to newspaper men who are outside our Organisation and not employed by "Centrosoyus". I would like to tell you that this newspaper is criticising "Centrosoyus" much more violently than it has ever criticised the I.C.A. We have never refused to send our own publications to the Alliance, and I think Mr. May has regularly received for ten years the Bulletin of "Centrosoyus". If the newspaper "Snabjenie, Kooperazia, Torgovlia" has been stopped and is no longer sent to the Alliance it is not due to our own action but is the result of a general decision which applies to all International Organisations. The copies are sent abroad by a State Monopoly, and it has been decided that from now only newspaper will be sent in future against payment. We have tried to have the newspapers sent to the Alliance, but have not been able to secure this. Mr. May thinks that there will be more harm devolved upon "Centrosoyus" than upon the I.C.A. if the Russians are excluded. Personally, I think that both parties will be hurt, but that Fascism would be strengthened.

THE GENERAL SECRETARY: This point I would like to clear up at once. I have never said anything concerning the exclusion of "Centrosoyus" from the Alliance, never - that is to say, their official exclusion.

MR. VARIASH produced a letter which Mr. May did not accept.

THE GENERAL SECRETARY (Continued): I repeat, I have never spoken of the exclusion of "Centrosoyus", neither at Geneva nor here, nor anywhere else. I have only spoken of the Soviet Organisations "going out of the Alliance"

MR. VARIASH (Continued): Mr. May has also complained about the fact that we do not send him statistics, but I myself have often signed letters including many statistics, but what we cannot accept is the tone in which Mr. May very often writes to us. For example, there was some correspondence some little time ago about an advertisement which had not been paid for, and when I took steps to obtain the payment I obtained a promise from the Organisation that the advertisement would be paid for, but when I showed Mr. May's letter to the official in charge of the matter he said that if they write to us in such a tone then we will not pay for the advertisement. I would like to assure Mr. May that menaces do not have any effect upon us. As to assimilation between Bolshevism of the Left and Right made by Mr. May I must register my protest. No comparison can be made. Bolshevism has developed Co-operation, while Fascism has destroyed it. That is all I want to say, and I hope the Executive will now stop this controversy.

THE PRESIDENT (Translated): Before closing the meeting I want to correct two questions cited by Mr. Variash. Mr. Variash has accused Mr. May of writing impolite letters. I have asked for proof of this and Mr. Variash has produced a number of letters. I wish to say that the tone of the General Secretary is absolutely polite in all these letters and corresponds to the business language used in English business relations. As to the protest made against Mr. May that he wants "Centrosoyus" to be excluded, I do not think there is any proof for it. In the document from which Mr. Variash quoted, the intention of the Alliance to exclude "Centrosoyus" is not mentioned but this document refers to the intention of "Centrosoyus" to discontinue its membership with the Alliance. Therefore, I think it is my duty as President to correct these two statements of Mr. Variash.

SIR ROBERT STEWART: What is the position now?

THE PRESIDENT (Continued): We are coming to an end. I think we can now close the discussion.

Agreed.

THE PRESIDENT (Continued): No proposition has been made in the discussion therefore we can just have the discussion recorded in the Minutes and go on to the next business.

CLOSE OF THE FIRST SESSION.

SECOND SESSION.

ITEM 3. REPORT OF THE GENERAL SECRETARY. (Continued)

f. U.S.S.R. Subscriptions.

THE PRESIDENT (Translated): I suggest that we discuss the question of the Russian subscription together with other financial matters.

Agreed.

g. Zveza Gospodarskih Zadrug, Ljubljani, and the Central Federation of Yugoslavia.

THE GENERAL SECRETARY reported - "The relations of these Organisations to each other and to the I.C.A. were considered by the Executive at Barcelona on two points:-

1. The desire of the former to be excused its arrears of subscription for 1931, 1932 and 1933, which the Executive refused to concede.
2. The enquiry of the latter as to whether the former, which is one of their affiliated members, had paid its subscriptions recently, also the suggestion that they (the Central Federation) were entitled to be the sole representatives of Yugoslavian Co-operation in the Alliance.

Since the last meeting the matter has been so far adjusted in correspondence that the Zveza Gospodarskih has withdrawn from membership of the Alliance, and I am now dealing with the Central Federation on the matter of the arrears of subscription which they appear willing to adjust.

A personal visit to Yugoslavia has been pending since 1930 for a favourable opportunity. I propose to make the visit, if possible, this year in conjunction with some of the Congresses of the smaller States in Eastern Europe."

MRS.FREUNDLICH (Translated): I think the Yugoslav Organisations are real in a disastrous financial position and if they do not pay their subscriptions it is because it is absolutely impossible. Therefore, I think it will be unwise to exclude them immediately because they are in arrears of subscriptions, and that more lenient steps should be taken.

THE GENERAL SECRETARY: I would not have spoken on this question, but the observations of Mrs.Freundlich give a wrong impression of what is intended by this paragraph. There is no proposal to exclude anybody. This Organisation, Zveza Gospodarskih Zadrug, has been in arrears as you see for more than two years. The Central Federation of Yugoslavia wrote to me recently asking what was the position with regard to this Organisation at Ljubljani in the matter of its subscription. The Federation took the attitude that it was a humiliation for their country that anybody connected with them should be in arrears of subscription to the Alliance. They simply asked for information. The second point they raised was whether this Organisation at Ljubljani should be permitted to remain a member of the Alliance

independently of the Central Federation seeing that the latter represents the whole of the Co-operative Movement of Yugoslavia, including that Organisation. Those are two clear points. At Barcelona I was instructed by the Executive to ascertain the position, that is to say, the question of Zveza Gospodarskih Zadrug, and also to endeavour to arrange the matters between the two Organisations. That I have done with the result that Zveza Gospodarskih Zadrug has voluntarily withdrawn from the Alliance in deference to the wishes of its Central Federation. No pressure has been placed upon it to withdraw. Simply the facts have been stated and the Central Federation of Belgrade has sent a copy of its letter to the Alliance to its affiliated Union, Zveza Gospodarskih Zadrug. They have agreed, therefore, that their representation in the future should rest with the Central Federation, and the only question that remains to be regulated is the arrears of subscription of Zveza Gospodarskih Zadrug. We may, or we may not obtain them. They have promised that in due time they will pay, and I think with that promise we may be content, because they are now included in the Central Federation and will, therefore, form part of the collective subscription which has been fully paid to the present date. The only question that remains is rather a question of psychology, that is to say, the relation between these Unions and the Alliance and I, therefore, propose to make an overdue visit there in order to obtain personal contact with the representatives of both Organisations, and to smooth over any irritation that may exist upon the part of the smaller Union concerning the negotiations which have taken place and to establish, I hope, unity between them and the Alliance. That is the only purpose we have in view. Dr. Suter, who was present at Barcelona as the substitute of Mrs. Freundlich urged the necessity of not taking any oppressive or drastic action in this case because of other difficulties than co-operative ones that exist between them, and it is those difficulties and any small misunderstandings which I seek to remove. When that is done then all is clear. Officially and technically all is clear at present, save the arrangements concerning the arrears of subscription.

THE PRESIDENT (Translated): After hearing the statement of the General Secretary I think we can note this paragraph and proceed.

Agreed.

h. The Film Catalogue.

THE GENERAL SECRETARY reported - "The Film Catalogue, which was first published in 1930, has now been revised and the collation of the amended particulars is practically completed. The list now includes the films of 30 Organisations in 20 countries, giving particulars of 195 films. Of this number 95 were included in the old list and 100 are new additions. Thirty films were struck out of the old list, having become obsolete. There are now 17 sound films, 4 in Great Britain and 13 in Switzerland. The Co-operative Productive Federation of Great Britain is having a film prepared to propagate the ideals of Co-operative Production."

Noted without discussion.

j. Broadcasting Co-operation.

THE GENERAL SECRETARY reported - "We have recently made an enquiry of the National Organisations concerning the use of the Radio for co-operative propaganda - its existence; periodicity; conditions as to length, censorship, etc., and the ownership of the system.

The results are quite interesting and show that in 20 countries where Radio distribution of news is in operation the Co-operative Movement has some opportunities of its use in 18, the exceptions being Great Britain and Hungary. The 21st country to reply is Palestine, where no facilities exist.

It is worthy of consideration whether steps cannot be taken to extend and increase the use of this method of propaganda."

Noted without discussion.

ITEM 4. FINANCE.

- a. Balance Sheet and Auditor's Report for 1932.
- b. Financial Statement to date for 1933.
- c. Consideration of Special Measures to Balance the Budget for 1933.

THE PRESIDENT (Translated): I propose that we now discuss Items 4, 5 and also the question of the Russian subscription.

Agreed.

ITEM 5. PROPOSED NEW SCALES OF SUBSCRIPTIONS.

ITEM 3. REPORT OF THE GENERAL SECRETARY.

- e. U.S.S.R. Subscriptions.

MR. VARIASH (Translated): I wish to speak on this question and I will not wait until I have been asked. So you see I have courage! You know in Russia there is a very strict regulation of the export of currency, but in February I received permission to send £1,000 to the I.C.A., and in a letter which I wrote on the 13th February to Mr. May I said expressly that it was in respect of the partial payment of our subscription for 1932. After several weeks I was approached by the Russian authorities who asked me why I was insisting upon paying the balance seeing that the I.C.A. had refused the £1,000 which I had already sent. It seems that there had been a misunderstanding because the Bank transferred that £1,000 to the I.C.A. as being the subscription due for the year 1932, while in the correspondence it was clearly stated that it was only a partial payment for 1932. We still are absolutely willing to pay the rest of the 1932 subscription, and I think we shall soon be in a position to transfer the remaining £1,750 which are due for last year. But for 1933 we have already asked for a reduction of the sum to £1,000 because we think that in the period of crisis in which we are living it is impossible to pay the full amount. We have no foreign currency at our disposal, and with a general turnover of 40 million dollars our exports only amount to £2,000, which does not pay for the expenses.

Therefore, I think it will be necessary for the I.C.A. to cut down its Budget and grant the Organisations reductions in subscription. Mr. May wrote to us that payment was a simple matter, and that we had only to ask the London Bank to pay the money, but it is not so simple because the London Bank cannot pay out one Kopek without permission of the Russian Government. Therefore, I insist upon the reduction of our subscription for 1933 to £1,000, but we will pay the full amount for 1932.

THE GENERAL SECRETARY: The letter which Mr. Variash has quoted, in which he stated that the £1,000 was in partial payment of the Soviet subscription for 1932, was received in London on the 20th February, several days - a week in fact - after our meeting at Barcelona. It is necessary to bear that fact in mind. At the meeting at Barcelona the Executive had before them only the promise of "Centrosoyus" to pay its subscription eventually, that is to say, a number of letters had been received always promising to pay but nothing having been received. The cheque for £1,000 was received from the Moscow Narodny Bank on the 15th February, between the Barcelona meeting and my arrival in London. When the proposal of "Centrosoyus" was before the Executive at Barcelona there was no reference to the subscription for 1932. I hope I have made that point clear. The proofs are here. Now Mr. Variash and those members of the Executive who were not present at Barcelona may like to know that the Executive absolutely refused to consider the proposal of "Centrosoyus" that the total subscription for the whole of the Soviet Organisations should be reduced to £1,000 for 1933. I would add to that that the sum which they had agreed to pay for 1932 and 1933 was £2,750, or about 50 per cent of what they were liable to pay according to the Rules. That goes to justify other statements which have been in question this morning. When, therefore, the Executive having decided that they would not consider the proposal to reduce the Soviet subscription to £1,000, I returned to London and found that cheque for £1,000 - without explanation when I first received it because it was accompanied by a printed form from the Moscow Narodny Bank without explanation, which is all quite usual - I replied that this sum did not correspond to anything that was due to the Alliance, and in view of the decision of the Executive, I will not say I was afraid because I think I have nearly as much courage as Mr. Variash, but I suspected, I say frankly that I suspected, that this was an attempt to fix their subscription at £1,000 for 1932. Mr. Variash's letter came five days later, but I had already written in a letter to the Moscow Narodny Bank that I would hold the cheque at their disposal pending an explanation and a clearing up of the situation. Five days later Mr. Variash's letter came. I decided to still hold the cheque and I acknowledged Mr. Variash's letter in one dated 22nd February. That letter remained without further reference until the 4th April, the day before I left London - last Tuesday - and then a letter was sent, not through the post but by a messenger, from the Moscow Narodny Bank saying that the payment of £1,000 was on behalf of "Centrosoyus" and "We are now informed that this amount represents only a payment on account of the 1932 subscription of 'Centrosoyus' and is not intended to be in full settlement of that payment." Immediately on receiving that letter, to be exact - within half an hour, I sent the cheque for £1,000 to the Bank, and I have

received here in Brussels an acknowledgment that it has been honoured by the Bank and placed to the account of the Alliance. So much for the fact. Now with regard to the statement that it is an easy matter for "Centrosoyus" to pay its subscription if it wishes to pay. That statement was based upon two facts, one of which Mr. Variash has cited, namely, that "Centrosoyus" having in London a branch

MR. VARIASH (Translated) That is not a branch.

THE GENERAL SECRETARY (Continued): If "Centrosoyus" (England) is not a branch of "Centrosoyus" then I do not understand business matters. At any rate, the Director of that Organisation is here in Brussels as the representative of "Centrosoyus". In view of that position there were easy means of paying the subscription if "Centrosoyus" wished and, further, there is in London also the Moscow Narodny Bank. Mr. Variash has said in his letter that Russia was like other countries, unable to export currency without the permission of the State. I advised the Executive at Barcelona and I think the Executive agreed, that that was a thesis which could not be maintained. Mr. Variash, in this Executive on previous occasions, has said quite definitely that there was no question of difficulties or differences between the Co-operative Organisations in Russia and the State. He has said "Co-operation in Russia is the State". What could be more clear than that, that there was no such restriction upon the export of currency by "Centrosoyus" as Mr. Variash pretends in his letter? It was on those grounds that the Executive at Barcelona refused to accept that excuse as being merely an excuse and not a reason for the non-payment of the subscription. Now I come to the proposition that the subscription of "Centrosoyus" should be reduced to £1,000 this year, and the extraordinary suggestion of Mr. Variash, who this morning has been pleading for a united front against the forces of Fascism, that the Alliance should reduce its activities and make economies. That in itself is an extraordinary proposition but what is the domestic situation? Simply this, that all those Organisations whom Mr. Variash pities so much because of the restrictions and difficulties brought about by the economic crisis, the spread of nationalism and other forces in Europe, are actually increasing their subscriptions to the Alliance in order to maintain that united front amongst Co-operative Organisations which Mr. Variash so much desires. I do not think I need say more. That is the situation which presented itself to the Executive at Barcelona and, I suggest, presents itself to-day.

THE PRESIDENT (Translated): I think that the question of the Soviet subscription is now clear, but there remains the big problem of new contributions for all countries.

MR. LUSTIG (Translated): It is hard to understand when we see the astronomical figures of the Russian Co-operative Organisations that they are unable to pay £2,750 of subscription to the Alliance, whilst we witness that the Co-operative Organisations in capitalist countries, with much smaller turnover, are able to meet their obligations towards the Alliance. If the Russian Organisations were doing the same as the Co-operative Organisations in Austria and Hungary, where the subscriptions are credited to the Alliance in National Banks, then we would not have so much objection, but

they do not even do that. There are countries which do not allow cash payments for subscription, and I suggest that the English and Scottish Wholesale Societies might make purchases in those countries and then pay the amounts due to the Alliance. In this way the outstanding subscriptions might be settled. There are also other countries where sales abroad may be made with two years credit. That would also be a means of paying subscriptions to the Alliance. But if our Russian friends want us to take more energetic action then they must give us the financial means for such action. In Czechoslovakia we are willing to consider an increase of subscription to the Alliance, and we are in favour of the basis of 3/- per £1,000 of turnover. For the present year Czechoslovakia has already paid upon the Gold Standard, and I think Russia should do the same.

MRS.FREUNDLICH (Translated): I do not want to speak about the Russian subscription, but to say a few words about the general problem of finance. It has been moved that the new scales of subscription should be based upon turnover, but turnover is falling because of the fall in prices and if the basis were adopted it might happen that some countries would pay less under the new scale than they do at present. Therefore, I think it better to stick to the old scale. As regards purchases in payment of subscription, you know that in Austria we have credited the Alliance, not in a Bank but with the Austrian C.W.S., with the amount of our subscription and other payments due. We have not yet received permission to open an account in the name of the Alliance in an Austrian Bank, but we hope to do so soon. Mr.May recently pointed out that the Austrian Bank was allowed to export £10 in payment of an advertisement in the "Review" and he wondered why the same thing could not be done with regard to our subscription. The position is that we can now and again get permission to send £10, but not £100. Therefore I think ways and means should be found to realise that credit which we have granted to the I.C.A. with the Austrian C.W.S. I think there are goods in Austria which might be purchased by England and which would help to pay the subscription to the Alliance. If this credit is not used and keeps just growing it will not profit the Alliance. Of course the Alliance will get interest upon the amount, but it will not help it in its work.

MR.VARIASH (Translated): Mr.May has spoken of the relations which exist between the Russian Government and "Centrosoyus", but that does not mean that "Centrosoyus" can dispose of the financial resources of the Government. We are collaborators, but we are not able to make payments outside of the scope of our financial means, and our financial resources are limited by our limited exports. It has been said that our turnover is large, but national turnover inside of a country and foreign payments are two things which have nothing in common and are quite different. I cannot support the motion made to settle subscriptions by means of compensation sales because I do not think this system would work in Russia. Mr.May spoke of the need for a united front and rejected our motion to pay only £1,000 for the next years. But I do not think a united front is a matter of a number of pounds, but rather a matter of the spirit in which we act. I think we should look over our budget and curtail superfluous expenses and that we would then be able to balance our budget. Mr.May has also spoken of the "Centrosoyus" (England) Limited being a branch of "Centrosoyus" and thinks because we have that branch that we can pay whatever we wish, but if we were to pay without having the money then this English Co-operative Society would fall into the hands of English criminal law. There is no money

because ours is an export business and not an import business. Mr. May also said that the sending of the cheque for £1,000 was a trick in order to make him accept that as our full payment for 1932.

THE GENERAL SECRETARY: No, I did not say that. What I said was that I was afraid it might be a trick, not that it was.

MR. VARIASH (Continued): I object to such an assumption. It is not by making such assumptions that a fraternal spirit can be fostered. We do not want to play any trick, but were sending in advance a partial payment of £1,000 because we had been authorised by the Government to export that amount and we could not send more. Therefore, I insist upon the proposal which I made to accept for the year 1933 the payment of £1,000 as the Soviet subscription. If the Executive does not agree we shall have to bring the matter before the Central Committee.

MR. POISSON (Translated): I am opposed to any special treatment for Russia. The F.N.C.C. are quite willing to pay their subscription, and in Gold, but they will do so only if other countries do the same, including Great Britain and Russia. There is no reason why the big countries, like Russia, should have a reduction in their contribution while others are asked to pay more. There are several proposals with which we have to deal. Mr. May proposes first that subscriptions shall be paid on the Gold Basis, and I fully agree with him. Second, he proposes an appeal for voluntary increases of subscription. I am rather doubtful about the result, but I have no objection to it being tried. Thirdly, with regard to arrears, I agree also that we should not give them up and that we should take a decision only after countries are eventually excluded. As to the scheme of basing contributions upon turnover, I think it would be very dangerous to change any system of payment during a period of crisis. It is always safer to stick to old systems than to have a new one, the result of which will be uncertain. Therefore, I support the view of Mrs. Freundlich that a change in the basis of subscription is not desirable at the present time. Even if we have power to do so we are not obliged to use that power. As to the reduction of expenses, Mr. May made some proposals at Barcelona. He even went so far as to offer himself as victim, but I must say we are not willing to have him reduce his salary. No International Organisation worthy of its name would accept such a proposal. Let us, therefore, accept reductions which he has proposed in general expenditure, but Mr. May should maintain his own salary.

MR. JOHANSSON (Translated): In Sweden we are quite willing to pay a higher subscription if it is agreed that everybody will do the same, and we would be willing to pay on the Gold Basis and, in addition, a 25 per cent increase.

THE PRESIDENT (Translated): We will now close the discussion and come to decisions. As regards the Russian subscription, we have been told that for 1932 it will be paid in full. I think we can, therefore, regard that question as settled.

Agreed.

THE PRESIDENT (Continued): Mr.Variash moves that for 1933 the Soviet subscription should be only £1,000. In the first place this proposal has not been supported and, secondly, it was decided by the Executive at Barcelona to reject it. Therefore it cannot be put to the vote.

We will now take Item 4a. The Balance Sheet and Auditor's Report for 1932. I suppose you will submit this to the Congress.

Agreed.

THE PRESIDENT (Continued): The next point is the Financial Statement for 1933 which I suggest should be noted.

Agreed.

THE PRESIDENT (Continued): The next point is Consideration of Special Measures to Balance the Budget for 1933. On this question the General Secretary makes three proposals - 1. That subscriptions be paid on the Gold Basis, except in cases where it can be shown that such a basis of payment would be inequitable or excessive in relation to the general body of the membership. Do you all agree to this proposal?

MR.VARIASH (Translated): I am against.

THE PRESIDENT (Continued): Mr.Variash declares himself against this, but I think all the other members will be in favour.

Agreed.

THE PRESIDENT (Continued): Under 2. it is proposed to make an appeal for voluntary increases of subscription. Do you agree to this?

Agreed.

THE PRESIDENT (Continued): Then we have the proposal of Mr.Johansson for an increase of 25 per cent, but this has not been supported. I think, however, that we can accept it as a recommendation to the Organisations.

MR.LUSTIG (Translated): I would prefer not to ask for voluntary contributions but for a compulsory increase of subscription of 25 per cent.

SIR ROBERT STEWART: So far as Scotland is concerned the matter was discussed at our Board Meeting, and while we have every desire to promote the wellbeing of the Alliance we think that to make any increase in subscriptions now would be inopportune. Therefore, I am here to-day to vote against any increase in the present rate. We do not approve of subscriptions being based upon turnover, which would mean over £100 increase to the S.C.W.S. If it were based upon 3/- per £1,000 of turnover it would mean £242. 3. 5 instead of £100, which we pay at present. What we are very desirous of knowing is whether nothing else can be done as regards economies. Mr.May is in a position to consider the position and does not now think he can approve his former ideas, but that the only way to maintain the activities

of the Alliance is by increased subscriptions. The Scottish Board is not desirous to decrease the activities of the Alliance but thinks the present time is not opportune to increase subscriptions. They suggest that Mr. May should see if he cannot cut down expenditure without cutting down salaries and without destroying the efficiency of the whole organisation. Therefore, I support no increase of subscriptions.

THE PRESIDENT (Translated): I suppose that you are all in agreement that an appeal should be made for voluntary increases in subscriptions.

Agreed.

THE PRESIDENT (Continued): I think, further, that there will be no objection to the General Secretary mentioning in his appeal that an increase of 25 per cent was suggested, as that will be an indication for those who are willing to grant increases.

Agreed.

THE PRESIDENT (Continued): We now come to the third suggestion of the General Secretary to refuse requests for the remission of arrears of subscriptions. I think you will all agree to this.

Agreed.

MRS. FREUNDLICH (Translated): I would like to ask how many Organisations have so far asked for the remission of arrears.

THE GENERAL SECRETARY: At present only two and both of them small, but what I am asking is that the principle shall be applied generally. It has been already applied to one in Latvia and to one in Yugo-Slavia, but those arrears we shall probably get.

THE PRESIDENT (Translated): The remaining question of finance is the proposed new scales of subscriptions. On this there are no definite propositions, and in view of the Special Conference this year the General Secretary is in accord that this question shall be adjourned. Are you all in agreement?

Agreed.

ITEM 6. "REVIEW OF INTERNATIONAL CO-OPERATION".

a. Receipts and Expenses for 1932.

MR. JOHANSSON (Translated): I want to move that the price of the subscription of the English Edition be increased by 2/6d, the German Edition by 80 Pfennigs, and the French by 10 Francs, and in that way the Budget would be balanced. Further, I am prepared to offer an advertisement of our Cas Registers, for which I am prepared to pay a sum proportionate to the amount of sales realised by the advertisement.

MR. POISSON (Translated): I am afraid that if we raise the price of the subscription for the "Review" we would lose a number of subscribers and have a greater deficit.

THE GENERAL SECRETARY: I would like to go as far as I can to accept Mr. Johansson's proposal about the Cash Registers. I think we could agree to give him one page for an advertisement, if the Executive agrees in principle. We could give him one page at the maximum charge of £100 per annum plus commission on sales.

MR. SERWY (Translated): I do not know what can be done with regard to the deficits on the English and German editions. The English deficit is four times greater than the French deficit. The German is three times as great. Therefore, the remedy does not seem to be an increase in price but in distribution. The French Federation are making a big effort to increase the circulation of the French edition and hope to have a circulation of 1,000 copies. If they achieve that the deficit will be covered and there would even be a profit.

MRS. FREUNDLICH (Translated): I think the deficit on the German edition is mainly due to the high cost of printing. There is a very simple means of overcoming this, and that is to have the printing done in Austria instead of in Germany. In Germany the rate of wages for printers is much higher than in Austria, and this simple transfer of the work would probably balance the budget. At any rate it appears impossible to raise the price in order to meet the deficit.

MR. PALMER: The differences are all in the cost of printing.

MR. LUSTIG (Translated): I am afraid that to increase the price of the "Review" would reduce the number of subscribers, especially in Czechoslovakia where the number of copies is not very big but where the people could not afford more. The price of the German edition is three and a half times higher than the price of the French edition, while the circulation is only two and a half times as great. Therefore, it seems that the cost of printing the German edition is exaggerated. There is another question. The freedom of the press is now curtailed in Germany and it might be advisable to have the printing of the German edition done in another country. On the other hand, it might happen that the German Government will forbid the distribution of this journal if it were printed abroad. All these circumstances would have to be examined seriously before a decision could be reached with regard to the printing of the German edition.

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

Agreed.

THE PRESIDENT (Continued): Mr. Johansson has proposed to increase the price of the subscription to the "Review", but this has not been supported. On the other hand, it has been opposed and, therefore, it falls.

THE PRESIDENT (Continued): That ends the discussion on the "Review".
The next item - 7. Should the I.C.A. Issue immediately a Manifesto on the Crisis? - is likely to receive a long debate and, therefore, I move that we now adjourn.

MR.LUSTIG (Translated): I suggest that this question be considered by the Sub-Committee this evening.

MR.POISSON (Translated): I support that proposal.

THE GENERAL SECRETARY: As a matter of fact it is already on the draft agenda for the Sub-Committee this evening.

THE PRESIDENT (Translated): Do you all agree with Mr.Lustig's proposal, which is supported by Mr.Poisson, that the question of issuing a Manifesto be referred to the Sub-Committee?

Agreed.

CLOSE OF THE SECOND SESSION.

THIRD SESSION.

THE PRESIDENT (Translated): As Mr. Serwy cannot be present for a little while we will adjourn the discussion on the Manifesto and take Items 10 and 11.

ITEM 10. ECONOMIC RESEARCH.

THE GENERAL SECRETARY reported - "The Executive will doubtless remember that at the Special Meeting on Economic Research at Geneva in October last the two following questions were agreed upon, at my suggestion, as the subjects for our immediate economic research:-

- i. International Comparison of Costs in Retail Trading on the Basis of Existing Available Material.
- ii. Private Distributive Monopolies.

A preliminary study has since been made into the first of these problems, the results of which are submitted in a separate document.

In order that we may continue and complete our research it is necessary that the Executive should indicate whether the work is being carried out upon lines acceptable to them and, if not, indicate their wishes in the matter."

ITEM 11. ENQUIRY INTO THE COSTS OF RETAIL TRADING IN CO-OPERATIVE GROCER SHOPS.

THE GENERAL SECRETARY reported - "Since the meeting at Barcelona, when I reported that the replies received to this questionnaire were too few to form the basis of a report, other replies have come to hand and a survey of all the information received to date is presented in a separate document."

MRS. FREUNDLICH (Translated): There are two different problems before us Costs in Private Trade and Costs in Co-operative Trade. With regard to Private Trade a lot of data is available, and the only thing we can do is to collate it, while for Co-operative Trade original research is necessary and would be very valuable. In Austria we have not been able to do this research because all our energies have been devoted to the fight that is being made to get Co-operative Societies placed under the régime of Private Trade, but we intend to do this work and hope that it will be successful.

MR. JOHANSSON (Translated): I support the opinion of Mrs. Freundlich and think we should not devote much attention to the study of Costs in Private Trade, because the question is already being studied, for example, by the International Chamber of Commerce. This book which I have is devoted to only one of the aspects of this problem and is being issued by the International Chamber of Commerce. Now if such an important piece of work is being done with regard to Private Trade by other institutions, then there

is no need for us to do the same work, but we should confine ourselves to research into Co-operative Trade, and I would recall that I have already suggested that such an investigation should be made jointly by the I.C.A. and the I.C.W.S. Research should be organised in the various countries and it should be effected in such a way that in each country the same points would be studied so that we could arrive at some precise conclusion for the whole Co-operative Movement when the research should be finished. Therefore, in my opinion, Mr. May could save a lot of money if he did not devote too much attention to Costs in Private Trade, which question is being dealt with by others.

THE GENERAL SECRETARY: I am very anxious that any work of a research character that we undertake should be so arranged as to give satisfaction to the members of the Executive and to the larger constituency which we represent, but when we come, meeting after meeting, and discuss these questions over again and do not adhere for six minutes to a decision on work which will take us twelve months, then it is just a little difficult. If you will look at Item 11 on the Agenda, that is an enquiry into the Costs of Retail Trade in Co-operative Grocery Shops. Now, all I want is to get to know some settled decision as to what you do want us to do and not to have it upset or disputed at every meeting while we are trying to do the work. What I mean is this, when we first of all proposed an enquiry into the Costs of Retail Trade everybody said it was too big for us to undertake for an original research, and too costly. No-one said it was no good. Now we are told it is no good and that it is not worth wasting time for. At the next meeting, or discussion, it was decided that while we could not afford the time or money to make an original research into the Costs in Retail Trade it would be useful to make a report or a condensed summary of the existing material such as this which Mr. Johansson has just handed in, and from sources which he himself promises together with documents which exist in large numbers in London, Berlin, and other places. And this report that I have put before you this morning is a preliminary survey on those lines of existing material. Now, for twelve months I have been trying to get at what you want and we keep on trying, and each time it is wrong. We proposed to go into the Costs of Retail Trading in Co-operative Shops, and that was brought down to a Questionnaire which Mr. Johansson helped us to formulate. With what result? We have had only one reply so far that has any relation to the Questionnaire, and that is from the German Union at Hamburg, from Mr. Klepzig. We are still wanting to go on with that if we can get the information, but in the present state of our finance it is not possible to send somebody across Europe to collect the information on the spot, and if the affiliated members will not send the material in reply to our Questionnaire then it is extremely difficult. Now I think I have put the matter fairly clearly. If you do not want us to do anything with this Retail Trade then we can drop it and do something else, but if you want us to deal with Co-operative Trade then help us by replying to the Questionnaire sent to you, but do not give us one instruction at one meeting and immediately I bring you a report say it is no good. We do not make any progress like that, and that has really been the position about this report. I only want to do something which will give satisfaction, but we do not want to keep beating

the air and spending time and energy, and then have the stuff thrown into the waste paper basket. Really, that Questionnaire on Costs in Co-operative Grocery Shops seems to be doomed from the beginning, and I repeat that only one intelligent reply has been received which has any relation to the Questionnaire and that is the reply from Hamburg. There are two reports before you this morning, one deals with Private Trade and one with Co-operative Trade. The research that you are dealing with under Item 1 is not costing much money for the simple fact that, as stated in the paragraph in my Memorandum, it is based upon existing and available material with such additions as we are able to collect without additional cost from time to time.

MR. JOHANSSON (Translated): I do not criticise the work that has been done. On the contrary, I am quite satisfied with the report which we have received, but my opinion is that now that this report has been written it is useless to go on studying this same problem. We could perhaps take the study up again when the complete investigation of the International Chamber of Commerce is issued. As to the Questionnaire on Co-operative Trade, Mr. May has said that it is not being replied to, but if this is so I do not suggest that a member of the staff should be sent across Europe to collect the information. It might be possible to write to the various Organisations which have not replied to the Questionnaire and urge them to do so. I do not remember having received such a letter from Mr. May, otherwise a reply would have been given.

MR. LUSTIG (Translated): I do not quite understand the report on "International Comparison of Costs in Retail Distribution in Co-operative Grocery Shops". I have tried to take the cost margin as indicated on page 2 and have added the cost margin to the various items for 1914 and 1931, but I arrive at different figures from those given in the report. The report indicates for 1914, 7.11 whereas I arrive at 8.15. For 1931 the report gives 13.04, but my figure is 17.89. The same thing happened when I calculated the cost margin in Germany and Finland for 1924 and 1931. I find for Germany 12.16 instead of 10.98 for 1924, and 17.81 instead of 13.04 for 1931. Similarly for Finland I find 15.05 for 1924 instead of 9.42, and 20.07 instead of 12.86 for 1931. I do not know how these differences arise. It may be due to a different basis of calculation, but I would like some information about it. Further, it would be very interesting if the various Organisations in the different countries would collect the data prepared by private trade, and if then a complete summary of this information were made by the Secretariat we would have a general and useful survey of the Costs of Retail Distribution in Private Trade and Co-operative Trade. Of course, I do not think the information about Private Trade would be quite correct and we cannot rely upon it because many of the small retail businesses have no real bookkeeping, whereas in Co-operative Societies we have proper accountancy which gives us guarantee of exactness of figures, which is not the case with the small retail shop.

SIR THOMAS ALLEN: In my view to spend time on the study of an enquiry into Costs of Retail Distribution in Co-operative Societies and also Cost in Private Enterprises would be practically a waste of time, and would serve no utilitarian purpose. If I understand the question right, we want to ascertain the costs of private enterprise that, as far as practicable, we may learn some lesson therefrom to put our own co-operative house in order if there are any defects in our present system. Mr. May :

quite right that he did submit a proposal to us some time ago, and pointed out that he was prepared to make this enquiry within a limited sphere if the funds of the Alliance permitted. We felt that our financial circumstances were in such a position that we could not pursue that enquiry. I want this enquiry pursued, and it does seem to me perhaps for the moment that the only method is for us to avail ourselves of such documentary evidence as may be forthcoming, that from the outside we may investigate and make comparisons. The only useful purpose of this enquiry to my mind is that we should direct our own Co-operative Societies that they map out their house in order as far as practicable and reduce their costs of distribution. It may be remembered that any comparison that may be made between individual private enterprises and ourselves has to bring certain facts into consideration. For example, in Great Britain there can be no comparison of the rate of wages paid in Co-operative Societies and considerable private enterprises. I know of cases where we have an established Co-operative Society paying quite properly Trade Union rates of wages which are much higher than what is paid in the same district in private concerns. I know also in the outside firms that they get apprentices for three years, and after that they dismiss them and have no further use for them. They may, perhaps, keep one or two experienced persons, whereas in Co-operative Societies once you are in its employment you are there for life. Then again, with regard to multiple shops, I think there is a lesson for us. In the case of multiple shops, they are conducted from one centre with only one purchasing agency; goods are distributed all over the country from one centre, and costs are kept down in that way. I think it is from that point of view that we want to study the outside as well as the inside and get to know on what grounds the investigated outside firms are able to keep their costs down lower than Co-operative Societies. And what I would suggest is that while at present we cannot afford to make this investigation from within the I.C.A. as well as outside, that Mr. May should pursue the study with the help of the information available from within the Movement, and should avail himself of any documents in regard to private trade that may be available, and therefrom draw an analysis or comparison to show where we are defective and what methods there are in private trade which could be adopted by the Co-operative Movement in order to reduce costs.

MR. JOHANSSON (Translated): In my remarks on this question I did not intend any attack upon Mr. May or his staff, but simply wished to suggest that we should not be too impartial and call a mere collection of existing data a scientific work, but that we should devote the best of our consideration to research into co-operative conditions.

THE GENERAL SECRETARY: I only want to reply to Mr. Lustig, and if we were playing cricket I should say that Mr. Lustig had bowled me out! Mr. Lustig has put his finger upon some errors which are obvious, but which I cannot explain here at the moment in the absence of the original document. Obviously those additions are wrong, and I am very surprised and sorry that the errors have crept in. I did not set out that part of the document, those tables, I have prepared the statement of the case but left the tabulating of the figures from the questionnaire to one of the members of the staff who, unfortunately, has let me down. I did not dream of adding the figures up myself to see that they tallied. That is all I can say.

The only thing I can do is to apologise for the error and immediately I get back to London I will go into the matter and either send you the correct figures or a correct explanation of them as they stand.

THE PRESIDENT (Translated): The discussion is now closed. In the discussion some of the members have expressed the opinion that the enquiry into Private Trade was sufficient and that it should not be continued, but no formal motion has been made upon this. On the other hand, Sir Thomas Allen has moved that the investigation be continued in both fields in order to provide the possibility of comparisons. Can I interpret the discussion by the motion of Sir Thomas Allen?

MR. JOHANSSON (Translated): The enquiry into Private Trade should not be continued separately, but in conjunction with the enquiry into Co-operative Trade.

MRS. FREUNDLICH (Translated): The investigation into Private Trade should only be undertaken when we have the investigation into Co-operative Trade so that the primary object of this investigation should be the co-operative investigation and the other should only be made for the purpose of comparison when the first is completed.

SIR THOMAS ALLEN: How are you going to get a comparison unless you have a report? My purpose will not be served by an investigation into Costs in Co-operative Societies unless it is for some specific purpose. To ascertain the costs in Retail Societies for the sake of ascertaining them gives us information but leads us nowhere. What we want to know is, how are we fulfilling our function in the economic world of service in comparison with other Organisations? We want to draw conclusions and make recommendations, and unless we do that we simply waste time and the Co-operative Societies having obtained that research it leads us nowhere unless we have comparisons from outside to show where they are stronger or we are weaker, and to enable us to put our house in order accordingly. That is the whole purpose so far as I see it.

MRS. FREUNDLICH (Translated): We have first to ascertain whether an investigation within the Co-operative Movement can be made and, therefore I suggest that we first make this investigation in Co-operative Retail Societies, and when we are sure that we can get some results in the co-operative sphere then we can proceed with an investigation into Private Trading.

THE PRESIDENT (Translated): We seem all to be in agreement, but it is only a question of phrasing. We all agree that both investigations must be continued and that the investigation into Private Trade should serve only for the purpose of drawing comparisons with the results of the co-operative investigation. Do you all agree with my interpretation?

Agreed.

THE PRESIDENT (Translated): We will now deal with the question of -

A SPECIAL INTERNATIONAL CONFERENCE.

which was considered by the Sub-Committee last night and, together with that question, we will deal with -

ITEM 7. SHOULD THE I.C.A. ISSUE IMMEDIATELY A MANIFESTO ON THE CRISIS?

THE GENERAL SECRETARY: The Sub-Committee met last night and considered carefully the arrangements necessary for the organisation of a Special Conference, decided upon yesterday by the Executive, with the result that they now make the following recommendations. I need not amplify them for the moment, but will simply place them before you.

Date and Place. That the Conference (and will you particularly note that the Sub-Committee recommend that it should not be called a Congress but a Special Conference of the I.C.A.) be held at Prague on the 21st and 22nd August, approximately the same date as had been arranged for the Congress in London, to be preceded by a meeting of the Executive on the 20th August.

The next point was -

Constitution of the Conference. The Sub-Committee recommend that it be constituted on the basis and conducted under the rules that apply to the Central Committee, particularly Rule 25 and Standing Order 1 (Rule 25 is one which deals with the constitution and conditions of the Central Committee, and Standing Order 13 with the method of voting) and that for this Special Conference the representation be double the normal membership of the Central Committee.

Agenda. The Sub-Committee recommend that this being a Special Conference no other matters shall be brought upon the Agenda than those for which the Conference is convened and set out in the notice thereof.

The next point was -

Subjects for Discussion. The Sub-Committee recommend that there be two subjects, and two subjects only - (a) Report on the actual situation of the Movement in the various countries (and that is to say, with particular reference to their difficulties in the crisis and from other causes) together with proposals for promoting the solidarity of International Co-operation. The Sub-Committee recommend that that Report be prepared by the General Secretary. (b) Report on the World Crisis with Recommendations (that is, Co-operative Recommendations) to the World Economic Conference. The Sub-Committee propose that Mr. Poisson should prepare that Report.

With regard to -

A Manifesto. The Sub-Committee took into consideration the suggestion of Mr. Serwy, who unfortunately was unable to be present, that a Manifesto should be issued, and they recommend that a Manifesto be issued after the Conference embodying the results of the deliberations.

at Prague. It was suggested, in passing, that the issue of this notice with all these particulars would itself be in the nature of a mild Manifesto to all members of the Alliance when it is issued next week.

The final point of recommendation is that -

In conjunction with the Special Conference at Prague, and immediately after it, there should be organised a Conference of the International Co-operative Press.

MR.VARIASH (Translated): I have sent in, in writing, a Draft Manifesto, or Draft Resolution, on Item 7 dealing with the defence of the Co-operative Movement against its destruction which is aimed at by Fascism. I wish this Resolution to be discussed here and now, and voted upon. With regard to the Special Conference, I would like that each delegation should have its full voting power even if the number of delegates do not equal the number of votes, as is the case in the Congress, for example, if Russia be entitled to ten delegates and can only afford to send one, that that one delegate should have ten votes.

THE PRESIDENT (Translated): That point is provided for in the Rules and, therefore, does not need to be discussed.

MR.VARIASH (Continued): I also move that to the subjects for discussion at the Conference should be added - The Fight Against the Danger of War.

MR.SERWY (Translated): I have read the Manifesto presented by Mr.Variash and there are some things which seem very good in it, but in the conclusion at which he arrives there are things which I could not support. But this Manifesto has quite a general character and I think it would be the best thing to refer it to the Conference which will necessarily have to issue a document of this character. But in my proposal I was speaking of a Manifesto quite different. We know that a number of difficulties are being made for the Co-operative Movement in France and Belgium, Great Britain and Switzerland, Austria, Czechoslovakia and other countries. Everywhere there are attacks upon the Co-operative Movement which seem to originate from the international organisation of middle classes, and what I want is a Manifesto dealing with these special problems. In London the British Co-operators have demonstrated against the attacks upon them, but all these attacks are based on questions purely co-operative. Therefore I would like an appeal to be issued to the consumers to defend their Organisations. Our Swedish friends and other northern friends often complain that we give too much time to matters not purely co-operative, but these are problems strictly of a co-operative nature and we should deal with them. The attacks seem to be initiated by the International Chamber of Commerce, and by the business men all over the world, and are aimed not at big departmental stores or chain stores but merely at the Co-operative Movement. If we now decide that those problems will be discussed at the Special Conference in August then we have still to wait four months until the I.C.A. takes an attitude upon this problem. If you read the Co-operative Press you will always find that there is some dissatisfaction about the Alliance because it does not raise its voice

enough, because it is not heard, and because it does not appeal to the working classes and consumers. The Manifesto which Mr. Variash has suggested is of a general character, but the one I am thinking of is of a purely co-operative character. You know the situation in all countries. The budgets are not balanced and the State is looking for financial means and want, for example, to impose Income Tax upon the dividends, which is negation of one of the Principles of Co-operation. Those are some of the difficulties of which I am thinking when I ask that a Manifesto be issued immediately.

MRS. FREUNDLICH (Translated): I am very astonished that such a late date has been chosen for the Special Conference. I thought we would meet at the end of May or the beginning of June. Now what shall we be able to do in August? It may be that in August there will be less to do because some countries may already have withdrawn from the Alliance. I wish to support strongly the point of view of Mr. Serwy that a general Manifesto of the kind submitted by Mr. Variash should be issued by the Special Conference, but that without waiting for that Conference we should act immediately on the problems which confront the Co-operative Movement. We all know that the Fascist Movement is a revolution of the middle class against the increasing power of the working classes, and the middle class are everywhere anti-co-operative in spirit. We can deal with these attacks upon the Co-operative Movement without mentioning the word Fascism because these attacks are based upon economic policy. The International Co-operative Women's Guild has already drafted a Manifesto, and I think that we should do the same and that our Manifesto should not deal with politics but with these purely co-operative problems. I would add that if at this difficult period I have come to Brussels to attend this meeting it was because I thought that something of that kind would be done and I, therefore, considered it necessary that all the countries should be represented for that purpose. Therefore, I support most fully the proposal of Mr. Serwy that we should do something to-day. I was astonished when I saw that we propose to make recommendations to the World Economic Conference in August, whilst the newspapers announce that the Conference will meet in June. It may be, therefore, that our meeting will take place after the Conference is ended or whilst it is sitting. Perhaps there have been difficulties because of National Congresses in the various countries, but I think that this difficulty is not so great because, after all, the Special Conference would be attended only by a few delegates from each country and the fact that a National Congress would be held at the same time would not be an obstacle for the meeting of the Special Conference at an early date. I must say, therefore, that I am very disappointed that this Conference is fixed so late.

THE GENERAL SECRETARY: I only wish to put two or three facts to make the position clear about the date. There were three reasons why the Sub-Committee decided to recommend so late a date as August. First, that from now until 30th June all the way is sown with fixtures for National Congresses which cannot be altered. Second, the Sub-Committee thought it would be necessary for the Executive to meet and approve the contents and recommendations of the two Reports, and for that purpose they propose

(and this I omitted when I was speaking before) a meeting of the Executive at Paris on the 10th and 11th July. Third, that although the World Conference is announced in the Press for the 1st June those on the inside of the negotiations are of opinion that it will not commence at the earliest before September.

MR. VARIASH (Translated): I support the motion of Mrs. Freundlich to have the Conference at the beginning of June because I do not think there is any reason to convene now a Conference for August. If, on account of the various National Congresses which Mr. May has mentioned, it should be impossible to meet at the beginning of June then I move that the Conference should be at the 30th June or beginning of July. Mr. May said that the Executive would have to meet before the Conference to approve the reports, but why is it necessary that the Conference should meet one month after the meeting of the Executive. I do not see any reason for that arrangement. As to the third reason indicated by Mr. May with regard to the meeting of the World Economic Conference, I really do not see what connection there is between a demonstration of co-operative solidarity and the World Economic Conference. Mr. Serwy has said that we should deal with purely co-operative problems and with the present difficulties of the Co-operative Movements. He wants a purely economic Manifesto, but I would point out that our enemies do not work with purely economic weapons but they use other weapons. In Germany and Poland it is not by purely economic but by political methods that the Co-operative Organisations are being attacked. Therefore, if we confine our Manifesto purely on economic matters we shall not succeed. I fully support the motion of Mr. Serwy for the immediate issue of a Manifesto.

SIR THOMAS ALLEN: I am going to move now at this juncture that we accept the recommendations for a Special Conference with regard to the Constitution of the Conference, the Agenda, Subjects for Discussion, and the Press Conference, and that in respect of the Manifesto we ask our General Secretary to issue a Manifesto forthwith to the affiliated Organisations drawing attention to the new attacks that are being made in almost every country on our co-operative enterprises, the necessity for watchfulness, and indicating in that Manifesto that we are calling a Conference to consider the question of ways and means. That will not preclude the issue of a further Manifesto at the end of the Special Conference. With regard to the date and place, I suggest both with Mr. Variash and Mrs. Freundlich that we do want to anticipate the World Economic Conference with our Conference. I am not one of those who want to criticize after something has been done. I would rather we should show ourselves constructive before anything is done. Therefore, in that connection I suggest that our General Secretary should endeavour to ascertain when the World Conference is going to be held and arrange that we shall have our Conference at the earliest possible date before the World Economic Conference meets. I would leave to Mr. May the questions both of time and place when he has so ascertained the date of the Conference, and if he thought, following that, we would clash in some way with any other National Congress that will be held I see no reason why at the end of one of these National Congresses we could not follow almost immediately even at the same place, with our International Conference. We must find ways and means, in spite of National Congresses, of getting this thing through before the World Economic Conference opens. Therefore, I support the recommendations with regard to Constitution of the Conference, Agenda Subjects for Discussion, and the Press Conference, with the modification I have suggested with regard to the Manifesto and the Date and Place of the Conference.

THE PRESIDENT (Translated): The discussion is now closed, and I propose to vote upon the recommendations of the Sub-Committee point by point, and then upon the amendments.

1. Date and Place of the Special Conference.

THE PRESIDENT (Continued): The Sub-Committee propose the 21st and 22nd August at Prague. Mrs. Freundlich and Mr. Variash have proposed May or June, and Sir Thomas Allen has proposed that the General Secretary be empowered to ascertain the date of the World Economic Conference and to arrange our Special Conference at the earliest possible date before the World Conference meets.

SIR ROBERT STEWART: I support the motion of Sir Thomas Allen.

THE PRESIDENT (Translated): I will put to the vote the proposal of Sir Thomas Allen.

VOTE on the proposal - FOR 5: AGAINST None.

THE PRESIDENT (Continued): The motion is adopted by five votes against none, which means that the General Secretary is empowered to decide the date and place of the Special Conference.

2. Constitution of the Conference.

The recommendation of the Sub-Committee was adopted.

3. Agenda.

The recommendation of the Sub-Committee was adopted.

4. Subjects for Discussion.

THE PRESIDENT (Translated): We have the recommendation of the Sub-Committee for two questions, and Mr. Variash has proposed a third, namely "The Co-operative Movement and the Danger of War". The motion of Mr. Variash has not been seconded and, therefore, cannot be voted upon. Will you adopt the two questions recommended by the Sub-Committee?

The recommendation of the Sub-Committee was adopted.

5. Manifesto.

THE PRESIDENT (Translated): On this point we have the proposals of Mr. Serwy, Mr. Variash, Mrs. Freundlich and Sir Thomas Allen that a Manifesto be issued immediately. As to the way in which this is to be drafted, we can settle that later.

SIR ROBERT STEWART: Will the various National Organisations have an opportunity of seeing the Manifesto before it is issued, or is it to be left with the Secretary and Mr. Serwy?

THE PRESIDENT (Translated): We shall try to have the text before the Executive to-day.

MR. SERWY (Translated): I think we can present it this afternoon.

THE PRESIDENT (Translated): I think you are all agreed that we shall issue a Manifesto immediately and that we shall have the text before us this afternoon.

Agreed unanimously, with the exception of Mr. Johansson.

THE PRESIDENT (Continued): Do you also agree that the Special Conference shall issue another Manifesto?

Agreed unanimously.

6. Press Conference.

The recommendation of the Sub-Committee was adopted.

THE GENERAL SECRETARY: There is one question I would like to ask. You have decided to leave the date and place of the Special Conference to me the date to be decided in relation to the National Congresses and the World Economic Conference. That I quite understand, but with regard to the place, I would like to ask whether there is any objection to our adhering to Prague, because I think Prague has considerable advantage of situation for some of the countries which find it most difficult to undertake long journeys.

SIR THOMAS ALLEN: We do not preclude Prague.

THE GENERAL SECRETARY: Then why can we not decide upon Prague?

MR. SERWY (Translated): I think it better to accept the suggestion of Sir Thomas Allen, that the place should be decided in regard to the date of a National Congress and that the Conference should follow a National Congress. If the National Congress at Prague is in June, then we could have the Special Conference immediately following that Congress.

THE GENERAL SECRETARY: I think we are really getting into a little difficulty. I do not wish to put any hindrance in the way of having the Conference as early as possible. If you are going to attach it to a National Congress suppose I come to the conclusion, quite objectively, that the most suitable place is in Finland where there is a Congress on the 12th June. Would you be prepared to go to Finland? Therefore, I suggest that it is not a question of distance but acceptability for all the members of the Alliance. Suppose, to take the next Congress, I say it is suitable for one at the end of June that will be held in Norway? I think you will see, therefore, that without me making excuses later it is not practicable to attach the Special Conference to a National Congress. The other point is, how shall these reports and recommendations be approved if the Conference is to be held in June? Will you have another meeting of the Executive in May? I want you to settle that point as well. I raise no objections, but it means that Mr. Poisson and myself must have our reports ready in a few weeks. I only want to know whether you want another meeting of the Executive in a few weeks to approve the reports and recommendations and, if not, how are they to be approved?

THE PRESIDENT (Translated): We have empowered the Secretary to convene the Conference at the most opportune time because we were uncertain about the date of the World Economic Conference. Therefore, as the Sub-Committee thought that the World Economic Conference would only meet in September there is no objection against the proposal of the Sub-Committee and the General Secretary can arrange the Conference at that time. But if the World Economic Conference should meet earlier then the Secretary must find some other arrangement. If this Conference is to be a success it must be well prepared, and Mr. Poisson has indicated that he could not prepare his report earlier than the end of June or the beginning of July. That is also a question which should be considered. Do you agree with my interpretation of the decision which has been taken?

SIR ROBERT STEWART: Then that brings us back to the position taken up by the Sub-Committee.

THE PRESIDENT (Translated): Yes, unless the World Economic Conference is convened at an earlier date.

THE GENERAL SECRETARY: I have still one other point. Is it understood that if it is necessary to hold the Conference earlier, if I come to that conclusion following the enquiries that I will make, do you also agree that the Executive be held at an equally earlier date to approve the reports?

THE PRESIDENT (Translated): Do you all agree to interpret the decision as I did?

Agreed.

THE PRESIDENT (Continued): Further, do you want the Executive to meet before the Conference to approve the reports and recommendations?

Agreed.

THE PRESIDENT (Continued): Will you also agree to the Sub-Committee to draft the Manifesto consisting of Mr. Serwy and the General Secretary.

Agreed.

ITEM 8. INTERNATIONAL CO-OPERATIVE SCHOOL AND PRESS CONFERENCE.

THE GENERAL SECRETARY reported - "In accordance with the decision of the Executive at Barcelona, I have addressed a letter to all the members of the Alliance asking for their opinion upon the holding of an International Co-operative School and Press Conference this year, and also to what extent they would support them if convened.

Up to the time of writing the majority of replies favour the adjournment till next year of both the School and the Press Conference, but as the replies are still being received I will report verbally upon them at Brussels."

THE GENERAL SECRETARY: I think it will be clear from my Memorandum that it is not practicable to organise an International Co-operative School this year with any chance of success as regard the representation of the students in view of all the difficulties of travel and economic difficulties. I suggest, therefore, that the School, according to the replies received, be not held this year. The Press Conference you have agreed to and that disposes of that point.

THE PRESIDENT (Translated): Do you all agree with the proposal of the General Secretary?

Agreed.

ITEM 9. NEXT MEETING OF THE CENTRAL COMMITTEE.

THE GENERAL SECRETARY: In view of the arrangements that have been made for the Special Conference I suggest that this point falls so far as the programme and date are concerned, and that the Special Conference will take its place, but that at a later meeting of the Executive, perhaps the one in connection with the Special Conference, we can decide when the Central Committee shall be convened with regard to the next Congress.

THE PRESIDENT (Translated): Do you agree with the proposal of the General Secretary?

Agreed.

ITEM 12. COUPON TRADING.

THE GENERAL SECRETARY: This question has already been adjourned from two previous meetings, but I am afraid that at this hour and in the absence of several members it is not practicable to have a useful discussion. The reports are in the hands of the Executive, and I suggest as a means of not neglecting this matter that the Executive might be requested to send in their written observations to me on the report prepared and on the subject in general, and that I should then prepare a memorandum upon them for a later meeting of the Executive.

THE PRESIDENT (Translated): Will you adopt the suggestion of Mr. May?

Adopted unanimously.

ITEM 13. NIGHT WORK IN BAKERIES.

THE GENERAL SECRETARY: I make the same suggestion with regard to Item 13 as Item 12.

THE PRESIDENT (Translated): Will you adopt the same suggestion for this question?

Adopted.

ITEM 14. MEETINGS OF AUXILIARY COMMITTEES AT BRUSSELS.

THE GENERAL SECRETARY: This question is only on the Agenda for information, but I would add one point and that is that at the next meeting of the Executive, or on the occasion of the Special Conference, these Auxiliary Committees should be invited to meet. I would like the view of the Executive upon that suggestion.

MRS. FREUNDLICH (Translated): I think at present it is very difficult for the experts to leave their own countries because of the great economic difficulties and, therefore, it is uncertain whether the Auxiliary Committees will be able to meet at any time. For example, if the Banking Committee were convened it is absolutely impossible that the Director of the Austrian Bank would be able to leave Vienna for twenty-four hours because of the absolute financial instability. Therefore, it is not certain that such auxiliary meetings can be successfully convened.

THE GENERAL SECRETARY: The question is not for us to decide whether the shall meet, but for the Committees themselves to decide. I only ask whether you would invite them, in order to keep the work going, to meet at the next meeting or in connection with the Special Conference. But having mentioned the matter you may safely leave it to me to communicate with the Secretaries.

THE PRESIDENT (Translated): We can leave this matter to the General Secretary to take a decision in conjunction with the Secretaries of the Auxiliary Committees.

Agreed.

THE PRESIDENT (Continued): We will now adjourn and meet again at 3.0 o'clock when we hope to have the text of the Manifesto which the General Secretary and Mr. Serwy will draft.

CLOSE OF THE THIRD SESSION.

FOURTH SESSION.

THE DRAFT MANIFESTO.

THE PRESIDENT (Translated): I will ask Mr. May to read the draft that Mr. Serwy and he have achieved since we adjourned.

THE GENERAL SECRETARY: This is the text which Mr. Serwy has achieved in my presence:-

"TO THE CONSUMERS OF THE WORLD!"

An economic organisation, arising out of the efforts and sacrifices of millions of workers, is to-day the object of the unjustifiable attacks of private trade.

That economic organisation is the Consumers' Co-operative Movement. Ever since its origin, and at all times, Co-operation has endeavoured to defend the interests of the community. Always without distinction of political opinions or religious creed, it has placed the interests of the mass above the interests of the individual.

Co-operation has maintained itself and made progress in spite of the war and the crisis, and thanks to the equity of its principles and the rationalisation of its methods.

Its development is intimately allied to the restoration of the economic life; to the maintenance of peace and the advancement of civilisation.

Its social utility and its success seem to have incited certain sections of the population, guided solely by envy and selfish interest to make Co-operation the object of their attacks and to appeal to public authorities to impose upon it exceptional and unique taxation in order to paralyse its normal activities. In every country we observe with satisfaction that our National Unions have undertaken the task of energetically defending their great heritage of the Equitable Pioneers of Rochdale and millions of consumers of the past.

In the presence of these repeated and continuous attacks; faced with the unjust and biased accusations of private trade in every country, the International Co-operative Alliance joins with all the Co-operative Organisations of the world which at present defend their rights and their liberty of action, and appeals to all consumers to maintain and strengthen their Co-operative Societies, created for the satisfaction of their needs in the interests of the collectivity.

Co-operators! your great institutions - the work of your hands, the result of your sacrifices in the common cause - are menaced!

The new economic basis of civilisation, which your great principle of mutuality represents, is at stake.

Co-operators, defend your achievements and your rights in your own interest; that of your families and of humanity, that the Co-operative Movement may emerge from the present difficulties greater and more powerful than ever.

Co-operators of the World Unite! "

MR. LUSTIG (Translated): I have read the Draft Manifesto and desire to move two small amendments. One, in the first paragraph I would like to have the word "workers" replaced by "consumers". Secondly, in the fifth paragraph I would like to change the last sentence to read "to impose upon it exceptional and unique taxation and hostile legislation"

MR. VARIASH (Translated): The draft which I presented this morning has been criticised because it was not concrete enough and did not include any concrete proposals, but I must say in the text of Mr. May I do not find any practical proposals. The facts which are mentioned are quite correct but there are no conclusions. Therefore, I want to move the following final paragraphs for the Manifesto in order to complete it:-

1. Mobilisation of the members on the broadest basis for the struggle to abolish customs, quotas and taxes.
2. Struggle against rising prices and for a lowering of prices; the sale of home productions on the inland market at export prices.
3. Active furtherance of the struggle of the peasants against their expropriation and pauperisation. Support for the furtherance of cheap seeds, feeding-stuffs and manures.
4. Decisive opposition to new taxes on Co-operative Societies.
5. Support for the unemployed for increased relief.
6. Mobilisation of members for participation in the fight against Imperialist wars, the attacks in China and in support of the U.S.S.R.

MR. JOHANSSON (Translated): I move that we unanimously adopt this Resolution of Mr. Variash and immediately send it to Moscow, because it applies only to Russian conditions. We have no regulations of the foreign exchanges and most of the points which Mr. Variash mentions apply best to Russian conditions.

SIR THOMAS ALLEN: I think Mr. Johansson is right and that we should say to our Russian friends with regard to this proposal "Physician, heal thyself first, and then come and talk to the world afterwards!" But it is not what I intended to say. I do not like the opening phrase of the Manifesto of the Secretary and Mr. Serwy - "Consumers of the World". I had hoped we were going to address a Manifesto specifically to our own nationals on the menace with which they are now faced, and I rather think we may weaken our position if we generalise rather than particularise. Further, I would like the phrase concerning private trade to be extended to indicate that this private trade is organised in its municipal and national associations through the Chambers of Trade and Chambers of Commerce, so as to indicate that we have the organised opposition of private trade, and what we want is organised organizations of Co-operative Trade. I would like an explanation of what the drafter of the Resolution means when he speaks of "rationalisation of its methods". The phrase is rather difficult for us to understand, and I am sure it will probably be even more difficult for the general co-operative consumer to know really what it means. My other point is that a reference is made to certain sections of the people. When we talk of the people as Co-operators we think of the people as such. That is rather vague and I would like it strengthened to say what sections of the people we mean are opposed to maintaining the principles of our co-operative method.

THE GENERAL SECRETARY: What would you like, Sir Thomas, instead of certain sections of the people?

MR. SERWY (Translated): It means the middle classes.

THE GENERAL SECRETARY: Yes, the organisations of traders.

SIR ROBERT STEWART: I have not much to find fault with in the opening of the Manifesto, which is addressed "To the Consumers of the World" because all said and done, we are a Consumers' Movement. Therefore, I do not quarrel with that point, but there is another thing which I would like to raise. Private trade is quoted in two places We have to meet many of our customers who go to private traders who are opposed to our co-operative principles, and I think that in one place in the text we might use the word "opponents" instead of "private trade".

MR. SERWY (Translated): I do not think there should be any objection to the word "consumers" in the heading of our Manifesto because, after all, we do not appeal only to our members but to all consumers whose interest we defend even if they are not members of the Co-operative Movement. As to the criticism against "a section of the people", I want to express what in French we call "class moyenne" but I do not know whether there is a corresponding expression in English which has the same meaning. Therefore, I used a more vague formula, but if the British representatives will accept the phrase "middle classes" then I would accept such a change. As regards the criticism of the phrase "rationalisation of methods", I always thought the co-operative method was very rational and different from the methods of private trade. We are excluding the middleman, we are trying to reduce profits, and those are rational methods and that is what I mean by this phrase.

SIR THOMAS ALLEN: But it has not the same significance in English.

MRS. FREUNDLICH (Translated): I think the phrase "middle class" is wrong. In Germany the middle classes include not only private traders but also public officials and, therefore, the words "private traders" should be used instead of "middle classes".

THE PRESIDENT (Translated): The discussion is now closed. We have first the amendment moved by Mr. Variash. This was supported by Mr. Johansson, but with a reservation and I cannot accept such support! Therefore, I think the amendment falls. There are two other amendments to which we shall pass later. As regards amendments of the text, I think it is difficult to decide them now and I suggest that we charge the General Secretary with the final drafting of the text in the light of what has been said. Do you all agree?

Agreed.

LETTERS FROM MR. KLEPZIG AND THE GERMAN ORGANISATIONS.

THE GENERAL SECRETARY: I was about to call attention to this letter from our colleague Mr. Klepzig in connection with the last discussion, but it has been better to conclude that discussion first seeing that this is merely a communication for your information. Mr. Klepzig has written

to me more than one letter explaining the difficulties of his attendance at this meeting on account of the very heavy work which is placed upon the German Central Union and Wholesale Society at the present time in safeguarding the interests of their Societies and watching over them from day to day, as well as dealing with matters arising from the economic crisis. But I ought to give you some idea of what he has stated in these letters as to the general position. Mr. Klepzig does not make any mention of the present political régime in his letters, but simply contents himself with the position of the Co-operative Movement, except in one case in which he says:-

"Exaggerations about conditions in Germany are bound to have a detrimental effect on German economy and also the German Consumers' Co-operative Movement. For this reason I asked you most urgently in the interests of the German Consumers' Movement to proceed against all false reports and exaggerations."

A proposal had been made by a branch of the English Co-operative Women's Guild to organise a protest against the alleged destruction of the Consumers' Societies in Germany. Mr. Klepzig has said that this might be well meant but it was undoubtedly based upon a misjudgment of the political and economic conditions in Germany. He refers in his letter to a recent visit of Mr. Ohde of Stockholm to Hamburg to ascertain for himself the position. Mr. Ohde told Mr. Klepzig that a Swedish newspaper had actually written that there was no longer any Consumers' Movement in Germany. It was, therefore, necessary to demonstrate the falsity of the suggested destruction of the Movement to Mr. Ohde. Mr. Klepzig then comes again to the proposal of the English Women's Guild and says that it

"must not under any circumstances be agreed to by the Executive as it would surely be to the detriment of the German Consumers' Movement. Action by the Executive of the I.C.A. without my knowledge, and without myself being in a position to express my wishes, would have to be considered by myself and my friends as an unfriendly act, which might very easily prejudice the relations between the I.C.A. and the German Central Union. Since you know conditions in Germany from your frequent visits, and know in addition that my statements have always corresponded with facts, I feel sure that you will use your great influence to assure a completely neutral attitude on the part of the Executive of the I.C.A. towards the present position in Germany."

Mr. Klepzig concludes:-

"My colleagues and myself are well. We are only concerned about those Societies which have such a hard struggle against economic difficulties, and we are doing all in our power to save their existence. Whether we will succeed in all cases time alone will prove. All efforts of the German Central Union and C.W.S. are animated by the desire to help the great German Consumers' Movement over the present economic difficulties without too great a loss. I thank you sincerely for your friendly attitude. Please accept for yourself and the members of the Executive the best greetings of my Hamburg friends and myself."

I think in justice to Mr. Klepzig and in the interests of the German Consumers' Movement affiliated to this Alliance, and some others not affiliated, that it is necessary that I should bring those words of his, and those wishes of the Union and Wholesale Society, to his colleagues, and I shall certainly convey at his request to the English Co-operative Women's Guild the desire that no formal statement, still less an organisational campaign, against the alleged destruction of the Societies in Germany should be made. Also, for your information only, I would mention three other communications of an entirely different sort. One from the Reichsverband of Cologne, the Roman Catholic Organisation of Consumers that used to be affiliated to the Alliance, and is presided over by Peter Schlack, assisted by Mr. Schloesser. There is also one from the Raiffeisen Union at Berlin, and a third from the German Co-operative Union at Berlin. The sense of them is the same and, therefore, perhaps if I read one it will give you a sufficient idea of the others. The contents of these letters is a protest against false reports on conditions in Germany and the persecution of the Jews, and each of them is, in fact, a manifesto in support of the present régime in Germany. In that respect they are entirely different from the communication of the Hamburg Union which observes a strict neutrality, which it says is necessary in the interests of all its affiliated Societies. This letter received from the Union at Berlin says

"In conjunction with the Government of the Reich we consider it our duty to protest vigorously against the false reports which have been spread in foreign countries in connection with the change of Government. These reports referred chiefly to cruelties, which it is alleged were committed against the Jews. Contrary to these reports we are able to state that the assumption of power by the National Parties in Germany has been accomplished with exemplary discipline and calm. We condemn with abhorrence such mendacious news which resemble those that were spread abroad against the German army at the beginning of the war.

In view of the good relations which have existed hitherto between our two Organisations, we appeal to you to support us in our efforts to refute with utmost vigour all such false reports wherever they may circulate. With the great mass of our fellow-citizens, especially the working and industrial middle-classes, we are deeply convinced that the present Government of the Reich is laying the foundations for political consolidation, which is in itself an essential condition for the economic recovery of the German people."

Having brought these communications to your notice for your information let me just finish by repeating that these Organisations, all of which are outside the Alliance, are engaged in defending the Government of the Reich, but that the Union of Mr. Klepzig, our own Union and Wholesale Society, are simply engaged in defending themselves as far as they can and the economic interests of their affiliated Societies.

MR. LUSTIG (Translated): I think the attitude of the German Co-operative Union is absolutely similar to that of the Italian League in 1923. At that time also our Italian friends told us not to interfere with them because it might do more harm than good. All the same, their Organisations were destroyed by the Government. Of course Mr. Klepzig tells us that the wish of his Organisation is that we should not interfere, and

since it is the official expression of the desire of the German Organisations we have no right to act against it. But, all the same, we have read the journal of the Hamburg Union, the "Rundschau", and we know that what Mr. Klepzig says does not correspond to the facts because the German co-operative journal itself has said that a series of attacks have been made upon stores, offices, shops, etc., of the Co-operative Organisations. We must also remember that there is a censorship of the press in Germany and, therefore, that all reports in the newspapers have to be written with extreme prudence. We know, however, that these facts, which are told in the journal of the Central Union, are correct and, therefore, we cannot admit that the letter of Mr. Klepzig corresponds to the facts. We in Czechoslovakia know that across the frontier, in several cases, the Co-operative Societies have been ransacked in German villages and small towns, and especially several branch stores of the Vorwärts Society of Dresden have been so treated. Therefore, we can repudiate the statement of Mr. Klepzig as being untrue. My opinion is that we are going to lose the membership of the German Organisations. Other members may be of a different opinion, but I have no illusion upon this matter but think very soon the German Co-operative Organisations will have to change their orientation and will be lost for our Cause.

THE PRESIDENT (Translated): We can only take note of the communications which have been submitted to us, but no decisions can be taken upon them.

ITEM 15. OTHER COMPETENT BUSINESS.

THE PRESIDENT (Translated): We now come to Other Competent Business, the first item of which is a letter from the International Co-operative Women's Guild.

a. Application for Regular Financial Support from the Alliance to the International Co-operative Women's Guild.

THE GENERAL SECRETARY reported - "This application, which is contained in a somewhat lengthy memorandum, has been received since the Agenda was issued. At the request of the Guild I am having the memorandum translated and duplicated for the information of the Executive, and a copy will be included with the documents.

It will be seen that this demand on the part of the I.C.W.G. is, in fact, that the Alliance, in addition to the moral support and the not inconsiderable financial and material aid which it has rendered in the past in a variety of ways, should accept permanent responsibility for the support of the Guild in both these respects. It raises the whole question of the constitution, policy and methods of the Guild, and its status and control as an integral part of the organised Co-operative Movement."

MRS. FREUNDLICH (Translated): When I first raised this question before the Executive I was told that I should have sent in a written application so that it might be put on the Agenda, and I did that. I know that the Central Committee is the only competent authority to make a grant to the Guild, but the Executive have first to consider the application and recommend the Central Committee. I do not want to discuss the matter itself. All we have to say on that question is stated in the memorandum which I have sent in, and which is now before the Executive.

MR. JOHANSSON (Translated): I move the grant of £100 when we have received the back arrears from Russia. When we receive that money we can be generous and give £100 to the Women's Guild.

MR. VARIASH (Translated): I support the motion of Mrs. Freundlich without any reservation. I think the International Women's Guild is entitled to receive £100 from the Alliance, but the question of the Russian subscription is a question which will be settled in due course.

SIR THOMAS ALLEN: Are we going to vote for and against this motion?

THE PRESIDENT (Translated): Yes.

SIR THOMAS ALLEN: Then I would like to say that I do not think the time is opportune. We appreciate the work of the International Women's Guild and we like to see it go forward in every way, both nationally and internationally, but I cannot see that we should be in any way justified at present, in view of the talk we have had concerning our financial position and of the fact that we are eating into our accumulated funds, in making a grant to the Women's Guild. The situation is precarious from the financial point of view, and I think the least we can do without prejudice to the activities of the Guild is to say that this matter must stand adjourned until we are in a better financial position.

MRS. FREUNDLICH (Translated): I want to thank Sir Thomas Allen for his expression of sympathy, but if the situation of the Alliance is bad that of the International Women's Guild is also bad, and that is why we have made an application for financial aid.

THE PRESIDENT (Translated): This Executive is not competent to make a subsidy to the Women's Guild. The Executive can only recommend to the Central Committee to make such a grant, when it will provide for it in the budget.

THE GENERAL SECRETARY: It does seem to me to be an extraordinary situation that you should spend a very long time in considering the financial position of the Alliance, which is difficult for reasons that are not only on account of the absence of the Russian subscription but on account of the inability, especially and above all, of the country that Mrs. Freundlich represents, to liquidate at all its obligations to the Alliance, and that Mrs. Freundlich, amongst others, should urge that we should reduce the work of the Alliance and reduce the staff, probably send somebody to joint the unemployed, and then that it should appear that to some extent at least this is to be set off by a grant to another Organisation for which we have no responsibility and which, as members have pointed out on previous occasions, sometimes acts in a direction contrary to the policy of the Alliance. That last point is perhaps not in question. I have in the past been the means of helping very actively, and in ways which are not reflected in the balance sheet, the work of the International Women's Guild. When I proposed a grant of £100 to the Guild some member of the Executive thought I had more courage than wisdom. It is not from any want of will that I say anything against this application to-day but, as Sir Thomas Allen has pointed out, we have nearly exhausted our deposit

saved for other purposes and we have got to work carefully to get through the present year and until the Organisations are in a position to pay. And should we contemplate placing somebody from the staff of the Alliance in the ranks of the unemployed in order to provide this £100 for the Women's Guild? I do not think so. I think the appropriate decision is the one proposed by Sir Thomas Allen, that the matter should be adjourned until our funds are in a better position to meet this application, but in any case without full discussion, and in a fuller meeting of the Executive than this, it ought not to be understood that the Alliance accepts as a permanent obligation the duty of paying something of its very meagre fund to the International Women's Guild.

MR. JOHANSSON (Translated): My motion has not been supported up to now and, therefore, I want to support the motion of Sir Thomas Allen. If I have to go before my Executive in Stockholm and ask for an increased contribution to the Alliance, I cannot very well here grant £100 to the Women's Guild. I am not in a position to make that grant because if the Executive would even recommend it I am sure the Central Committee would not confirm it.

THE PRESIDENT (Translated): The discussion is closed. Mr. Johansson has withdrawn his proposition. Mr. Variash has proposed that we should grant £100 to the Women's Guild, but that proposal is not supported. Sir Thomas Allen, supported by Mr. Johansson, has proposed the adjournment of the matter until our funds are in a better position. Will you agree with the motion of Sir Thomas Allen?

VOTE: For 5: Against None.

THE PRESIDENT (Continued): The motion is carried by five votes to none.

MRS. FREUNDLICH (Translated): What will happen to the memorandum of the Women's Guild? It is adjourned, but will it come back upon the Agenda and, if so, how? Shall we apply again to the Executive in order that it may be brought on the Agenda, or will it automatically be put on the Agenda in due course? Since there will not be another meeting before the meeting of the Central Committee it seems that for 1933 nothing can be done.

MR. LUSTIG (Translated): Mrs. Freundlich is herself a member of the Executive and as soon as the financial situation is better she can see to it that the question is placed upon the Agenda. That is how I have understood the decision, and what I think Sir Thomas Allen meant.

b. Resolution of the International C.W.S. re Compensation Sales.

THE GENERAL SECRETARY: The next matter is the Resolution of the I.C.W.S. re Compensation Sales, which has already been adjourned from a previous meeting. This Resolution was adopted at Geneva last year, when it was referred to the Executive by the Central Committee to take action if they thought fit. I do not know whether the Executive will agree with me, but I would suggest that with the passing of time this Resolution has ceased to be effective, and that no useful action can be taken upon it.

MR. LUSTIG (Translated): I am of the same opinion that this Resolution has no practical interest.

SIR ROBERT STEWART: I think the best course is to withdraw this Resolution. Mr. May has stated the conditions of the world at present, and I think that it is too late to deal with this in any practical way. Therefore, as Chairman of the I.C.W.S., I have pleasure in withdrawing the Resolution.

THE PRESIDENT (Translated): The motion is withdrawn. We have, therefore, no action to take.

c. Invitations to Congresses.

THE GENERAL SECRETARY: We have received three invitations to Congresses two of them co-operative, and one non-co-operative. The first is the British Congress at Whitsuntide, and it is a sort of Standing Order that I should attend that Congress. I would like especially to do so this year, not only on account of the financial position and the adjournment of the Congress but to answer any criticisms that may be made. In every sense that seems necessary, but I would like the Executive, unless anyone has any other proposition to make, to agree that Sir Thomas Allen should be appointed as one of the members of the Alliance delegation at the British Congress.

SIR THOMAS ALLEN: I would like to amend that proposal so that I shall only attend in the event of Mr. May being unable to be present.

Agreed.

THE GENERAL SECRETARY (Continued): The next is the French Congress at Biarritz on the 24th May. I do not know if any member of the Executive will be able to attend.

MR. LUSTIG (Translated): I move that Mr. Serwy represent the Alliance.

MR. SERWY (Translated): I will try to go if the Executive so decide.

Agreed.

THE GENERAL SECRETARY: The third is a novel invitation for us. The International Chamber of Commerce will hold its Congress at Vienna from the 29th May to the 3rd June, and they send a fraternal invitation (I think that is the proper word) for the Alliance to be represented. It might be well to appoint somebody near or at Vienna to go.

SIR ROBERT STEWART: I suggest that Mrs. Freundlich should go.

MRS. FREUNDLICH (Translated): Legally the Austrian Co-operative Organizations are now members of the Chamber of Commerce, so that anyhow I shall represent the Austrian Co-operative Movement at its Congress.

MR. JOHANSSON (Translated): I move that Mr. May should go to represent the Alliance. There is a lot of interesting material to be got there and it will be worth while that Mr. May should go.

MR.VARIASH (Translated): I do not think the Alliance should be represented seeing that these people are working against us.

MR.JOHANSSON (Translated): I deny that the International Chamber of Commerce has ever acted against us.

MRS.FREUNDLICH (Translated): But the National Chambers of Commerce are the centre of all the attacks against the Co-operative Movement.

SIR ROBERT STEWART: I have no objection to Mr.May going to represent the Alliance, but I thought in the interests of economy that Mrs.Freundlich being at hand if there were any expenses they would be very little. It is a long journey from London to Vienna and in the present state of our finances I do think we should be very careful, but if it is thought advisable that the General Secretary should go I would not stand in the way.

THE PRESIDENT (Translated): Then I think we can appoint both Mr.May and Mrs.Freundlich as our delegates, Mr.May being specially asked to convey our fraternal greetings to the Congress. Do you all agree?

Agreed.

MRS.FREUNDLICH (Translated): The Austrian Congress will take place on the 23rd, 24th and 25th June and the Alliance will receive an invitation very soon.

THE PRESIDENT (Translated): If any more invitations are received the General Secretary will deal with them and arrange, if possible, for the representation of the Alliance.

THE GENERAL SECRETARY: I take it that if I find it necessary, according to previous instructions, to convene our own Conference on an earlier date I shall be excused from going to Vienna.

SIR THOMAS ALLEN: I hope that this the first gesture made to us by the International Chamber of Commerce will not be passed over. If we desire to avoid attacks upon our Movement the best thing is to be present at the Congress. I do think this gesture having been made we should go. I think Mrs.Freundlich would fill the bill in one particular, but that we should make an impression through our Secretariat on this occasion, which will do us a world of good.

MR.JOHANSSON (Translated): Mr.Hedberg will be going to Vienna at that time also, and if you want to appoint him as a delegate from the Alliance we will be paying his expenses so that it would not be any charge to the Alliance.

THE PRESIDENT (Translated): Will you all agree that Mr.May will go if possible, and that Mrs.Freundlich and Mr.Hedberg be joined to the I.C.A. delegation?

Agreed.

CO-OPERATORS' DAY.

THE GENERAL SECRETARY: There is just one more question and that is concerning Co-operators' Day. I would like to know what is the view of the Executive concerning the publications for Co-operators' Day this year, whether they have any special wishes, or whether we should follow the same course as last year and send out a sort of Special News Service.

THE PRESIDENT (Translated): What do you propose, Mr. May?

THE GENERAL SECRETARY: I propose that we follow the procedure of last year, which was quite good.

THE PRESIDENT (Translated): Then I think we can all agree with the proposal of Mr. May.

Agreed unanimously.

ITEM 16. DATE AND PLACE OF NEXT MEETING.

THE GENERAL SECRETARY: With regard to the next meeting, I have already pointed out that a part of the plan prepared by the Sub-Committee last evening included a meeting of the Executive at Paris on the 10th and 11th July. If the arrangements for the Special Conference are maintained for the 21st and 22nd August then the next meeting will be at Paris in July, but if on making the enquiries which you have instructed me to make I take a decision to advance the date of the Conference, then those dates fixed for the Executive in July will have to be altered to suit the arrangement for our own Conference. Of that I can only give you the earliest possible intimation as soon as it is finally settled what shall be the date of our Special Conference.

THE PRESIDENT (Translated): Do you agree with the suggestion of the General Secretary?

Agreed.

CLOSE OF THE MEETING.