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The Congress of the International Co-operative Alliance

by

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THE Congress of the International Co-operative Alliance which was held at Basle on 22 and 26 August had been awaited with impatience by the co-operative world. It was the first time the triennial meetings of the International Co-operative Alliance had been resumed since they were interrupted by the war. At this congress co-operators of the Allied countries were to come face to face with those of the defeated States — those of Czarist Russia with those of the Moscow Centrosoyus and those of Austria-Hungary with those of the Succession States which had arisen out of the break up of the Dual Monarchy.

ORGANISATION OF THE CONGRESS

Twenty-eight countries belong to the Co-operative Alliance. They are generally represented by their chief national federations and in some cases, e.g. Great Britain, by local societies. These twenty-eight members include all the European countries except Portugal, three on the American continents (Argentina, Canada, and the United States), and two in Asia Minor (Armenia and Georgia). Japan, India, and Australia have not yet joined the Alliance, although the co-operative movement has already achieved considerable proportions in those countries. Too much importance should not, however, be attached to the enormous membership — 40,000 societies and 24,000,000 co-operators (nearly 100,000,000 if the members' families are included) — which this organisation possesses in theory. In practice 99 per cent. of the members of the societies which

adhere to the Alliance are unaware of its very existence. Its financial resources are extremely small in proportion to its membership. It has a revenue of less than £2,000, and there is a considerable deficit for the past year. Of the twenty-eight countries which belong to the Alliance, twenty-two were represented at the above congress by four hundred delegates. The only countries not represented were Spain, Roumania, Serbia, Lithuania, Armenia, and Canada; Japan was represented unofficially by two of its delegates to the Assembly of the League of Nations. Great Britain alone provided more than one quarter of the members of the congress and probably had more than half the votes, as each of its delegates represented eight or ten societies. It thus had a majority of votes on all the resolutions. The Germans came next with 60 delegates, and then the Swiss with 44, the French with 40, the Czecho-Slovaks with 36, the Dutch with 21, and the Italians with 13. The number of delegates sent by the other countries was much smaller.

The large number of British delegates was not only due to the very considerable number of British societies which adhere to the Alliance, but also to the fact that Great Britain and Holland were almost the only countries whose currency was nearly on a par with the Swiss franc. The cost of sending delegates from the countries of eastern Europe was enormous. The considerable number of Czecho-Slovak delegates is explained by the fact that they were offered special facilities. From this point of view Basle was not the most suitable place for the meeting, but it had been chosen before the war and it was considered undesirable to change it.

The members of the congress included prominent personalities such as Mr. Renner, ex-Chancellor of Austria and chairman of the Austrian delegation which signed the Treaty of St. Germain; Mr. Anseele, Belgian Minister and manager of the Vooruit of Ghent, who had been a member of most of the previous congresses and whose reappearance was warmly welcomed by all co-operators; Mr. Albert Thomas, Director of the International Labour Office; deputies of the French, Finnish, and German parliaments respectively, and several well-known professors. Mr. Schulthess, the President of the Swiss Confederation, was present at one of the meetings, at which he made a speech, and also took the chair at the dinner given to the members.

Although in principle the International Co-operative Alliance includes all forms of co-operation, producers' and credit societies as well as consumers' societies, only the latter were, to the best of my belief, actually represented. All the others abstained from sending delegates. This was perhaps the first time that the consumers' societies only had been represented at the congress. This state of affairs was not altogether displeasing to the members, who wish not only that consumers' co-operation should obtain supremacy,

but that it should gradually absorb all other forms of production. For my part, I consider that this imperialism is dangerous. In order to realise the co-operative republic, consumers' co-operation cannot do without the assistance of producers' co-operation, not only in agriculture but also in industry, at any rate in the form of labour co-operatives. It is probable that the agricultural co-operatives will set up a separate international co-operative alliance. This would perhaps be the best means of arriving at unity, by an agreement between the two alliances. This is an aim which has often been attempted, but never yet successfully reached.

One rival co-operative alliance has already been set up, that of the Catholic co-operative societies. It is distinguished from the International Co-operative Alliance, affiliation to which it has, however, somewhat strangely, demanded, not by its economic, but by its religious, character. It is not at present of great size, but it would not be surprising if it were to increase. Up to the present that section of Catholic opinion which favours increased social organisation has interested itself only in the trade unions. It is now beginning to turn its attention towards the co-operatives. As the Catholic Church has always had a marked instinct for knowing which way the wind is blowing, we can but be flattered by this expression of a new-born sympathy.

In spite of its importance the congress received scarcely any notice in the French press. Even the *Temps*, which has such a high and deserved reputation for its information on foreign affairs, made a pretence of ignoring it. This silence is itself significant and worth remembering. It proves the usual indifference, even the usual suppressed hostility, which the Liberal press has always shown towards the co-operative movement; and, in addition, in this particular case, a wish to throw a decent veil over the scandalous action of a congress which fraternised with Germans and Bolsheviks.

The resumption of relations with the Germans presented no difficulties. It had already taken place in the preparatory meetings of the Central Committee of the Alliance at the Hague and Copenhagen. The Belgian delegates had raised some protests; they wished the Germans to make express admission of responsibility for the war, and particularly for the violation of Belgian territory—a request which was refused. The refusal was not made in very cordial terms, but the matter was not urgently pressed, and at the suggestion of the French delegates was considered closed; nor did the question come up again at Basle.

The question of the Russian delegates, on the other hand, gave rise to long and somewhat heated discussions. The question at issue was not that of adherence or non-adherence to Bolshevism and the Moscow International. At the very most there could not have been more than half a dozen Bolshevik

ists among the four hundred members of the Basle Congress. The question was a different one and presented considerable difficulties.

The Russian co-operatives had been represented on the Central Committee of the Alliance since the last congress at Glasgow in 1913 by two delegates, Mr. Totomiantz and Mr. Selheim. Their mandate had, however, obviously expired, as it had not been renewed for eight years, and had, moreover, been definitely disavowed by the new co-operative organisation known as the Moscow Centrosoyus. This organisation appointed new delegates to replace them, and the question was whether these new delegates were to be accepted.

The Executive Committee of the Alliance, consisting entirely of British representatives and meeting at London, had already replied in the affirmative. This decision had, however, given rise to strong protests not only from former Russian co-operators, most of whom were refugees in London, but also from French co-operators. The latter, and in particular Mr. Poisson, at the meeting of the Central Committee at Basle immediately before the congress, asked that the decision of the Executive Committee be reversed and that the congress postpone the admission of the new delegates until further information had been received. As the Germans fully supported the view of the French—an agreement of opinion which came as a happy surprise to the members of the congress on the eve of its opening—the motion for postponement was adopted by a large majority; the British Committee was defeated.

The Committee did not, however, accept defeat. On the next day it referred the matter, through the General Secretary, Mr. May, to the Central Committee of the congress, and on this occasion, in spite of the protests of the French delegates, Mr. Poisson and Mr. Albert Thomas, who were supported by the Germans, the admission of the new Russian delegates was voted by a large majority (733 votes to 474).

This vote implies no sort of adherence to Bolshevism. Any such inference would be absurd, in view of the fact that probably not one of the hundred British delegates who constituted almost the entire majority was in sympathy with Bolshevism. Nevertheless, they considered that it would be a mistake to follow the example of the governments who for three years had been hesitating to resume political and economic relations with Russia, to the great injury of its innocent population and of the whole of Europe; that it was not known whether the Moscow co-operators had become Bolsheviks, and that, even if they had, it was not necessary to make them write out their opinions before admitting them; and lastly that, in view of the important work done by Russian co-operative societies during the war and the Revolution, they should be restored as soon as possible to that position in the Alliance to which they are entitled. These are excellent

reasons, and I for my part fully accept them. It must not, however, be thought that there were no solid reasons behind the opposition of the French and the Germans. These did not ask that the new delegates should be excluded, but only that their admission should be postponed until they could claim it in person and justify their fitness to represent Russian co-operation. It must not be forgotten that the Russian delegates were not present at the congress, with the exception of one woman delegate who came from London and had not been in Russia for three years; consequently, her authority to represent Russian co-operation did not appear to be incontestable. The absence of the Russian delegates was not their own fault, as they had unfortunately been unable to obtain passports. Had they been present, the French, German, and Belgian delegates would have asked them the following question: Do you represent real co-operative societies, i.e. autonomous societies which conform to the Rochdale principles and the statutes of the Alliance, or do you represent political organisations, i.e. food supply institutions set up and controlled by the Soviets? This would have been a fair question; but the Russian delegates might have found it embarrassing.

We will, nevertheless, assume that the Russian co-operatives, although they have been completely nationalised, have recovered sufficient independence since the issue of Lenin's Decree last month, and we will consider the incident closed. Our only regret is at parting from our two Russian colleagues, in particular from Professor Totomiantz, our relations with them having been so friendly for many years. We hope, however, that the Moscow Centrosoyuz will one day send him again as a delegate. Meanwhile, he does not altogether lose touch with the International Co-operative Alliance, as the Central Committee has appointed him an honorary member.

CO-OPERATION AND THE TRADE UNIONS

The part played by France in the congress was a considerable one. It was, indeed, beyond what her place in the international co-operative movement entitled her to. Two of the five reports on the agenda were made by French delegates and these two were the most important—one on international commercial policy by Mr. Albert Thomas, and the other on the part played by co-operation in the effort to prevent wars, by the present writer.

The other three reports were those on the revision of the statutes of the Alliance by Mr. Goedhart, the Dutch delegate, on the institution of an international wholesale store by Mr. Kaufmann, the German delegate, and on the relations between co-operation and trade unionism by Mr. Serwy, the Belgian delegate. None of these three reports gave rise to any discussion.

The question of the institution of an international wholesale store was not considered sufficiently advanced for solution. The proposal was, however, favourably received and committed for further study. The same applies to the question of the creation of an international co-operative bank proposed by Mr. Gaston Lévy. As to relations between the co-operatives and the trade unions, the essential passages of the resolution adopted were these:—

Addressing itself more particularly to trade unionist workers and to trade unions, the congress considers that they have to regard co-operative societies as being of an anti-capitalistic character, and to fight in favour of the community, either as consumers or as producers.

Congress proclaims that co-operation is essentially a doctrine of peace, and that it seeks by means of good will the establishment of sustained and friendly relations, and by agreements, collective contracts, conciliation and arbitration the foundation of an equitable order as between distribution and production. It declares that co-operative societies as organs of social transformation endeavour to grant their employees the best possible conditions of labour, and that they accept collective labour contracts, although warning trade unions against the danger of demanding from them conditions, the granting of which would lessen their power to effect improvement and economic transformation, and thus be to the advantage of capitalist industry.

CO-OPERATION AND INTERNATIONAL TRADE

The two French reports, on the other hand, gave rise to considerable discussion. Their conclusions were finally adopted unanimously, but not before they had been amended in some important respects.

In his report on international commercial policy Mr. Albert Thomas naturally took his stand on the resolutions adopted by the Co-operative Conference held in Paris last year, and reiterated the conclusions then reached. The attitude adopted by that conference was that, although protectionism must be opposed as being an undoubted cause of high prices, affording an opportunity for the speculations of profiteers and trusts, and, above all, as a constant source of friction and hostility between nations, the co-operative movement should, nevertheless, not accept without reservation the programme of complete free trade which bears the famous name of the Manchester Doctrine. Free trade as conceived by the Manchester trader was nothing else than free competition transferred from the national to the international market. It was another form of the struggle for profit with reduction of prices as its weapon, which was certainly better than the raising of prices. It was, in fact, a kind of imperialism, since its object was nothing less than the capture of foreign markets, and in many parts of the world it had had considerable success without impeding national economic development. Striking examples are to be found in Portugal and India. Although the Dominions, having more enterprise, had succeeded in developing national industries, they had only been able to do

so by raising barriers of protection against the conquering free trade of the mother country.

The commercial policy of co-operators should, therefore, be to establish the same solidarity between nations as the co-operative association establishes between individuals, so that each nation may make the best use of the natural resources of its soil and population both for its own well-being and for that of all nations. As a practical means of carrying out this policy Mr. Albert Thomas suggested :

“ Investigation of the best means of abolishing or limiting the abuses of speculation by putting the exchange of goods on a stable basis, so as to give no opportunity for profit-making by middlemen.

Establishment of an effective control of international monopolies and trusts, without at the same time frustrating the attempts of the great international financial and industrial combinations to improve technical organisation.

Assurance to each nation of fair treatment in the distribution of raw materials and foodstuffs, and the creation for this purpose of an international office of statistics of prices and supplies.

Establishment of direct international relations between organised consumers and agricultural producers in different countries.”

Mr. Albert Thomas warned co-operators against the danger recently pointed out by the present writer involved in the policy of trying to obtain control of the land and of agricultural production. In spite of certain successful experiments carried out by the British wholesale co-operatives, this ambition must be regarded as unrealisable, or, at any rate, as extremely premature.

Mr. Albert Thomas stated in his report that he was convinced that co-operators in all countries would accept his conclusions. It may well be, however, that such will not be the case. At the Paris Conference similar propositions aroused surprise, if not protest, on the part of the British and American co-operators, who found them quite disconcerting. The reason for this is that congresses are not academies; the members have little taste for fine shades of meaning and do not always grasp distinctions; their tendency is generally towards simplification. Long training has accustomed co-operators to regard protection and free trade as standing opposed to one another like good and evil, and they are puzzled when a third system is proposed to them. It is useless to point out that the humble Rochdale pioneers were totally different from the great Manchester traders. The former wished to abolish profit, but this was certainly not the aim of the latter. The members of the congress were, however, not convinced and would no doubt have replied that, at any rate, both aimed at low prices,

and that this was the only result with which they themselves were concerned; all else was mere economic metaphysics. Professor Hall, economic adviser to the British Co-operative Union, however, regarded the question from a loftier standpoint. "What free trade means to us", he said, "is not freedom of international competition, but freedom of action for co-operation throughout the world."

Similar considerations lead these members to refuse to concede anything on the question of customs duties. In vain to remind them that in the present critical state of all European countries there was not the slightest hope that customs duties would be abolished, and that all that could be reasonably asked was that these duties should be fixed on fiscal, and not on protectionist, grounds. Although this distinction is a commonplace of economic science, they regarded it as a piece of subtlety and, still worse, as a dangerous encouragement to protectionist governments, of which these would certainly take advantage. Perhaps in the long run they were right from the political, if not from the scientific, point of view. Perhaps the action of the British Parliament, which is revolutionary in the strict sense of the word since it breaks with the tradition of nearly a century by imposing an *ad valorem* duty of 33 per cent. on imports, is best met by an absolute and uncompromising *non possumus*.

However this may be, the adoption of the resolution could not be obtained without the sacrifice of the words "co-operation does not demand the abolition of customs duties". In return, our British friends accepted the entire text of the declaration, including the words "the policy of co-operation cannot be either nationalistic protection or free international competition", though probably not without certain mental reservations on the part of a number of members.

The text finally adopted was as follows :

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

The co-operative movement denounces competition and war in all their forms.

The co-operative movement recognises that in many cases the system of free trade has helped the consumer by reducing the cost of living. Its own policy, however, cannot be either nationalistic protection or free international competition. The co-operative movement proclaims that its object is association between all nations.

It declares that commercial treaties should be multiplied. It demands, however, that they should no longer be governed by the spirit of bargaining which has hitherto prevailed. It also desires that these treaties should be renewed for a sufficiently long period to allow of the secure development of industry.

The Tenth Congress of the International Co-operative Alliance associates itself with the proposals which have already been made to the League of Nations, concerning the establishment and regulation of the conditions of a just distribution of raw materials and foodstuffs and the institution of control over international monopolies and trusts.

The congress expresses the hope that the Economic and Financial Committee of the League of Nations may as soon as possible set up an international statistical office entrusted with the collection and publication of all necessary information concerning production, supplies, and requirements in various countries.

The congress is convinced that commercial relations between the co-operative organisations of various countries will not only serve the general good by eliminating middlemen's profits, but will also lay a strong foundation for a world economic system in which the spirit of strife and competition would have no place. For this purpose it recommends the establishment of direct relations, both between country and country and within each country, between organised consumers and agricultural producers' organisations, and it counts on the central organisation of the International Co-operative Alliance to unite all the co-operative organisations of the whole world.

CO-OPERATION AND WAR

The present writer's report on the manner in which co-operation might fulfil its mission as peace-maker gave rise to hostile criticism. My instructions had been to adapt the resolution passed by the Glasgow conference in 1913 to the new situation created by the war. The most important passage of this resolution was as follows:—

The congress desires to impress upon the public opinion of all nations the fact that the reasons for the continuance of armaments and the possibility of international conflicts will disappear as the social and economic life of every nation becomes organised according to co-operative principles.

I considered it necessary to warn the congress against the element of optimistic illusion in this declaration. It cannot be denied that many disputes would be prevented if the co-operative system in the form which we have always supported should become general, implying therein abolition of competition and profit, removal of all restrictions on the free transport of goods, persons, and capital, and realisation of all measures calculated to strengthen the bonds of mutual dependence between nations. I had, nevertheless, attempted to show that no economic transformation, whether collectivism, communism, syndicalism, or even co-operation, could be expected to result in the abolition of war. The reason for this is that the fundamental causes of disputes between nations as between individuals are not interests, but feelings, or, if you will, passions. It therefore follows that, if the reign of peace is one day to be established, this cannot be accomplished by an economic, but only by a moral, revolution.

I was, of course, well aware that this view differs from the generally accredited opinion which, under the name of historical materialism, forms the basis of modern socialist education. It is a commonplace to say that capitalism is the sole cause of war and that the latter can, therefore, not be

abolished unless the former has first been destroyed. If it is pointed out that war is as old as humanity, whereas capitalism is a growth of yesterday, and that as war existed thousands of years before capitalism, there seems no reason why it should not survive it, the reply given is that even when there was no capitalism the desire for gain and pillage existed, and that this is the only explanation of the Crusades, erroneously called wars of religion, and even of the Trojan war!

As this doctrine is held principally by the Germans and by Marxists in general, I expected that there would be protests from those quarters. In this I was not mistaken. The German delegates, Mr. Feuerstein, who I understand is, or was, a member of the Reichstag, and Mr. Lorenz of the Hamburg Wholesale Store, declared that this view was unacceptable, not only from the German point of view, but from that of co-operation in general. They considered that it did not condemn in sufficiently strong terms the responsibility of capitalism for world catastrophes, that it attributed too little importance to the part played by co-operation, and that it was fatalistic and discouraging, as it appeared to admit the probability of further wars for all time, or, at any rate, until the accomplishment of a moral transformation which was a long way off and might never take place.

These criticisms undoubtedly expressed the feeling of the majority of the congress. The representatives of an organisation are always unwilling to accept reservations as regards its powers. Again, capitalism is a convenient and apparently simple explanation for everything which we are unwilling to give up. Finally, as was said above in connection with Mr. Thomas' report, congresses have very little sense of distinctions, and this manner of regarding wars between nations as resembling dramas or romances, whose characters are impelled by love, hate, or jealousy, must have appeared a trifle fantastic.

Neither the congress nor the present article has been the place in which to engage in a discussion on the immense question of the causes of the war and the part played respectively by the factors of interest and of sentiment. I ventured to point out to Mr. Feuerstein—not at a meeting of the congress, but at a small committee entrusted with the drafting of resolutions—that, when the Germans assert that the cause of the late war was France's desire for revenge, the motive which they attribute is by no means of an economic character. The same applies if it is said that the cause of the late war was German imperialism, Prussian militarism, etc. I still more strongly repudiated the reproach that the attitude set forth in my report is discouraging or unfavourable to action. This criticism might rather be applied to those who state that nothing can be done until capitalism has been abolished. Nothing was further from my mind than to say that co-operators can do nothing to prevent war. I merely said that they should not be content with purely economic action, but should also

undertake moral action, for which co-operation is particularly well suited. I also tried to indicate the methods by which this could be accomplished: education in general, more particularly in co-operative schools or by co-operative organisations; publication of pamphlets emphasising the destruction caused by war, e.g. the fact that all the capital amassed by the British co-operative movement in the last eighty years would not pay the expenses of the late war for more than five or six days; constant pressure against the Chauvinist press, and, above all, hearty support of the League of Nations, which may be regarded as a younger sister of our Alliance, while at the same time striving to shape its development along more democratic lines.

The statement that the general adoption of the co-operative system would "reduce the risks of war" was replaced by the more positive expression "gradually eliminate the essential causes of war". Again, in the sentence which ran: "although not expecting the early realisation of these aims, and without placing absolute confidence in the efficacy of economic revolutions to abolish the causes of conflict between the nations no less than between individuals, the International Co-operative Alliance earnestly requests the co-operators of all countries to strive in the moral domain, etc..." the first clause was deleted as being too much expressive of doubt.

The last paragraph of the resolution was also amended, not at the request of the delegates of other countries, who offered no criticism, but at that of the French delegates, who feared that it might offer an advantage to the enemies of co-operation, who would interpret it as a refusal to serve in the case of a future war. I pointed out that this was not the sense of my resolution. Co-operators could, while protesting unceasingly against war, fulfil their duty towards their country and even lay down their lives, as was done by many uncompromising pacifists and many Christians. In this they would resemble the Alpine guides, who point out the road which ought to be followed, but if their companions insist on going towards the precipice, refuse to cut the rope which binds all them together and perish with them since they have been unable to save them. In order, however, to avoid any misunderstanding, the following words were added: "without contesting the right and duty of every country to defend its independence". In other respects the conclusions of the resolution were maintained, and the following text was finally adopted by show of hands.

The International Co-operative Alliance expresses anew the hope that, despite the great deception experienced, the progressive and general adoption of the co-operative programme in the economic order will gradually eliminate the underlying causes of war.

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

The congress requests the national co-operative unions and all co-operative societies, each in its sphere of activity and with its proper means, to exercise constant vigilance to prevent any political and economic conflict between peoples, and specially to propagandize the idea of everywhere cutting down the military expenses to the strictly necessary, in order to lead the way to a general, complete, and simultaneous disarmament on land and on sea and in the air.

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

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

This resolution was confirmed and supplemented by another submitted by the Swiss delegate, Mr. Suter. Mr. Suter's resolution gave expression to the hopes which the congress places in the League of Nations, while recommending the "co-operators of all countries to bring pressure to bear upon their respective governments in order to obtain a more democratic constitution of the present League of Nations with a view to making thereof a real Society of Peoples". In this connection mention should also be made of the resolution adopted by the French co-operators and endorsed by the congress to the effect that a representative of the consumers' co-operative societies of each country should have a seat on the International Labour Conference, as well as the representatives of the employers, the workers, and the governments. It should be pointed out that similar representation has just been granted in France on the Superior Council of Labour. The speech of the President of the Swiss Confederation would probably have given rise to considerable discussion if it had been one of the regular reports. He expressed unreserved gratitude for the valuable services rendered to the country by co-operation, but, as was indeed his duty as head of the state, he defended the rights of private enterprise and stated that "complete reorganisation of our economic life on a co-operative basis is neither possible nor desirable". We do not contradict this statement; the important thing is to decide what part is to be played by co-operation and private enterprise respectively.

Mention must be made, in conclusion, of the protests made against the oppression of the Czech co-operatives by the Hungarian Government, of the Hungarian co-operatives by the Roumanian Government, and of the Ukrainian co-operatives by the Polish Government. This was the only incident which gave rise to any bitterness between rival nationalities and to some extent marred the admirable cordiality of this congress, which is perhaps the only meeting held since the war in which it could be felt that the fraternal unity of Europe had been restored.