

**- INTERNATIONAL -**  
**PRESS**  
**CORRESPONDENCE**

Vol. 9. No. 31

28<sup>th</sup> June 1928

Editorial Offices and Central Despatching Department: Berggasse 31, Vienna IX. — Postal Address, to which all remittances should be sent by registered mail: Postamt 66, Schüsselbach 212, Vienna IX. Telegraphic Address: Inprekorr, Vienna.

**International Co-operator Day.**

**CONTENTS**

To the Workers of the World. Appeal of the E. C. C. I.  
Ivan Steiner: The Co-operatives and the Struggle Against Imperialism.  
Phyllis Neal: Women Co-operators and War.  
H. Schumann: Fascism and the International Co-operative Movement.  
M. Strakhovenko: The Role of the Consumers' Co-operatives in the Industrial Struggle of the Working Class.

M—n: The Position of the Consumers' Co-operatives in the Most Important Countries.  
J. Shafir: The Agricultural Co-operatives and the Dictatorship of Finance Capital.  
B. Makhlin: Co-operative Reformism in the System of Economic Democracy.  
A. B.: The Co-operatives of the Soviet Union as a Social Educational Factor.

**To the Workers of the World.**

**Appeal of the E. C. C. I.**

On July 6, the co-operatives are observing their annual **International Propaganda Day**. Once more the reactionary leaders of the co-operatives will announce on this occasion that the co-operative ideals are gradually coming true throughout the world, that the peaceful work of the co-operatives will gradually overcome capitalism and will lead to the establishment of world peace.

Last year's facts speak another language. Accentuated exploitation of the proletariat through the capitalist rationalisation, a longer working day, growing unemployment, spoliation of the toiling masses by the speculation-policy of the trusts and commercial concerns, by custom dues and taxes, increased armaments for the preparation of a new world slaughter on an unprecedented scale, in the interests of capitalism — such is in reality the aspect of "the progress of co-operative ideals" during the last year!

Millions of workers and proletarian housewives connected with the co-operatives are feeling the pressure of this ruthless offensive of the bourgeoisie. It is becoming clearer and clearer that the consumers' co-operatives are unable to impede the progress of concentrated capital, of the trusts, cartels and big commercial concerns, of the subordination of the markets to their price dictatorship, with the means of peaceful co-operative work. It is becoming clearer and clearer that the abolition of the capitalist system through the overthrow of the bourgeoisie and the establishment of the proletarian dictatorship is the only way out for the co-operative movement.

But last year was at the same time a year of growing resistance on the part of the masses to the capitalist attacks, a

year of big strike movements, of the transition of wide masses to energetic counter-attack against their oppressors.

**Working class co-operators!**

It is time you understood that this struggle is also your own struggle, that the place of the co-operatives which embrace millions of workers, is also in the ranks of the struggling proletarian army. By giving moral and material support to the workers in all their struggles, the co-operatives can and must help to accelerate the victory of the toiling masses over their oppressors and exploiters.

**Demonstrate on the International Co-operator Day your will to convert the co-operatives into a weapon of the proletarian class struggle! Declare ruthless struggle against the reactionary leaders who want to prevent this!**

In close alliance with the Social Democrats, the watch-dogs of the bourgeoisie, against the rebellious masses, the co-operative leaders are busily engaged in converting the co-operatives into an obedient tool of the capitalist exploiters and imperialist war makers. In the course of last year they have strengthened their bloc with the predatory finance capital; they are even joining the usurious concerns and are participating in the exploitation of the toiling masses through the policy of high monopoly prices and in the cruel exploitation of the colonies by the bourgeoisie; they are supporting the imperialist policy of the bourgeois governments.

Every day they make foul attacks on the workers and refuse them assistance in their struggles. Disciplinary punishment and expulsion are meted out to those who carry out themselves or only demand an energetic defence of the interests of the

workers. They are already beginning to expel whole organisations for having supported strikers and locked-out workers. They would rather split the co-operatives than tolerate their incorporation in the fighting front of the toiling masses.

They have long ago converted the International Co-operative Alliance, which embraces fifty million workers, into an appendix of the League of Nations. They have fostered among the masses the illusion that this League of predatory imperialist states will solve the contradictions of the capitalist world and give peace to the peoples. They support its policy of hostility to the revolutionary Soviet Union. They slander the Co-operatives of the Soviet Union, hinder them in the representation of the interests of the workers in the organs of the International Co-operative Alliance, and threaten them with expulsion. At the same time, they fraternise with fascism, and offer their services to the fascist co-operatives of Italy in regard to their affiliation to the Alliance. They help to rally the counter-revolutionary forces throughout the world; they endeavour by all manner of means to impede the revolutionary activity of the masses.

While indulging in fine words about the peace mission of the co-operatives, they beg the governments for army orders for their enterprises, they support the introduction of laws for the mobilisation of the co-operatives in the event of war, in the interest of the bourgeoisie.

**Co-operators, Workers of the World!**

The danger of another world slaughter is getting nearer and nearer. Bear in mind the shameful role of the co-operative leaders during the last world war! If you want to prevent them playing the same, or a worse role in the coming war, **tear off the hypocritical mask from their face! Over their heads do your utmost to prevent, together with the revolutionary proletariat, the mass slaughter of another imperialist war.**

On August 1st the revolutionary proletariat will demonstrate its will to fight against the imperialist war makers and their social-patriotic lackeys. Show that you too are ready to march on August 1st with the demonstrating masses!

Look at the example of your brothers, the workers and working peasants of the Soviet Union! Under the leadership of Lenin's victorious party they have long ago thrown off the capitalist yoke, and are constructing now a new socialist society.

In the Soviet country, the co-operatives are rapidly developing. They awake the masses to self-activity and help to get rid of the remnants of the capitalist system. The grand Five-Year Plan for the economic development of the Soviet Union assigns an important role to the co-operatives. Only here, in

the Soviet country, where the co-operatives grow and work on the basis of proletarian dictatorship, are they in reality the road to socialism.

**Co-operators, Workers of the World!**

This work of your victorious brothers is an inspiring example to you, and a great help in your difficult struggle against the bourgeoisie. Defend this work with all the strength at your disposal! **Show to the capitalist class and its Social Democratic lackeys that your reply to every attempt at an attack on the Soviet Union will be a revolutionary counter-attack against the bourgeoisie!**

The reactionary leaders of the co-operative movement are converting the International Co-operator Day from a revolutionary fighting day of the masses into a day of humorous family festivities.

**Workers of the World!**

Frustrate this intention on July 6 by your action! **Hammer down the reformist banner of these reactionary leaders which is the symbol of the hypocritical class peace! Unfurl the banner of class struggle, march into the streets and open spaces and announce there, your slogans:**

**Long live the solidarity of all workers in the struggle against capitalism!**

**Long live the fighting alliance of co-operatives and all revolutionary labour organisations!**

**Down with Social Democracy! Down with the treacherous co-operative leaders! Long live the revolutionary unity of the co-operative movement!**

**Ruthless struggle against Fascism! Down with the Social Traitors who have allied themselves with Fascism against the working class!**

**Participation of the co-operatives in the struggle of the masses against the preparation of imperialist wars! Long live August 1st, the International Day of the Revolutionary Proletariat Against Imperialist war and against the Social Patriotic aiders and abettors of imperialism!**

**Brotherly solidarity with the workers and peasants of the Soviet Union! Defence of the country of the oppressed and exploited of the world by every possible means!**

**Long live the revolutionary liberation struggle of all workers under the leadership of the workers class!**

**Long live the dictatorship of the world proletariat!**

The Executive Committee of the Communist International

## The Co-operatives and the Struggle Against Imperialism.

By Hans Steiner.

"The Co-operative movement stands for the abolishment of all industrial barriers and other impediments to free intercourse between the peoples of all countries. It stands for the establishment of industrial collaboration of nations and as a logical consequence for world peace."

This is said in the Manifesto of the International Co-operative Alliance for International Co-operator Day of this year. The working masses that are united in the co-operatives have every reason to observe how the "peace policy" of the co-operative leaders looks in practice.

We give here a few facts. In **Great Britain**, the motherland of imperialism, the co-operative leaders issue the slogan of "national exploitation of the colonies", struggle for advantages for the co-operatives in the fleecing of the colonial peoples and openly support the criminal support of British imperialism. Also the "socialist" co-operative leaders in **Belgium** are openly treading the path of imperialism. They are using co-operative funds to form stock companies for the exploitation of the Belgian Congo territory. The **French** co-operative leaders are coming out for better protection of the home market and for closing the way to cheap foreign products and are participating together with the capitalists in the exploitation of the colonial countries in North Africa.

At the last Conference of the C. C. of the International Co-operative Alliance at the end of last year, a violent discussion

arose between the German and French delegations with regard to the question of the occupation of the Rhine. The representatives of both delegations openly defended the official stand of "their" imperialist governments. The "Konsumgenossenschaftliche Rundschau", central organ of the German Co-operative Union, presented this discussion in an article after the Conference. The article reeks with chauvinism and could have well been written by a German nationalist.

This is but a small selection from a large number of facts which clearly show that the co-operative leaders in the capitalist countries feel and act exactly like profiteers of imperialism. All their talk about the peace mission of the co-operative movement, all their peace resolutions at national and international co-operative congresses, are only for the purpose of hiding from the working masses the fact that in reality they are industriously participating in the preparation for new imperialist wars. While they are arousing hopes among the masses for the increasing desire of the imperialist governments for peace, and for the peace-bringing activity of the League of Nations, they are doing everything to nourish the spirit of social-patriotism, and spreading propaganda for the solidarity of the working masses with their exploiters in the pursuit of imperialist aims.

In view of the threatening war danger it is very fitting today to recall the rôle of the co-operative leaders during the last world war. While the co-operative press in all war-waging

countries was placing itself in the service of Jingoism and propaganda for "holding out against the enemy", the co-operative factories were producing provisions and equipment for the front. The financial resources of the co-operatives, which means the hard-earned pennies of the co-operative members, were being used for war loans without consulting them, thus making possible the continuation of the war.

What benefits did the co-operative peace apostles gain from this shameful practice of theirs during the world war? The official organ of the International Co-operative Alliance, published in January 1927, an extract from a speech by the French co-operative theoretician, Professor Charles Gide; his words are:

"What did the war do for the co-operatives? It was of great benefit to them. We can even say that the co-operative movement was one of the chief gainers from the war. At least we can make the statement that no other organisation derived so much benefit from the war."

In elucidating this thesis, Gide points to the growth of the co-operative organisations since the war, as a consequence of the shortage of goods arising from the war and of the usury of the war speculators. Secondly — and this is particularly emphasised by Gide — he points to the fact that the governments of the war-waging States recognised the co-operatives to be their "worthy helpers" in the carrying on of war industry. The authorities were convinced that in the co-operative bodies

"the apparatus was provided which they so badly needed in the existing circumstances. Therefore also in these critical times the co-operatives were called into high positions."

It is with great pleasure that Gide enumerates the co-operative members who that time rose to responsible positions in the Government. Here is one example:

"And lastly, in France our friend, Albert Thomas, was placed in charge of one of the most difficult Ministries during the war, namely, the Ministry for Munitions. The mighty building in which this Ministry was quartered... was almost a second home for our Co-operative Union: Co-operative members went in and out in such numbers — the theoreticians, as well as the practical men, — and were given important work in the Ministry."

To correctly appreciate this hymn of joy on the blessing of war, it must be kept in mind that Gide is one of the most ardent apostles of humanity and one of the most noted representatives of "co-operative pacifism."

While the co-operative theoreticians write such cynical commentaries on the much heralded "peace policy" of the co-operative practical men, the latter are also not inactive in this respect. They are already going hand in hand with Government bodies in the adoption of all measures for bringing the co-operatives into the war apparatus in case of war. We recall the "Boncour Law" in France which gives an important place to the consumers' co-operatives in the military mobilisation plan. The draft of this law met with the complete support of the French co-operative leaders. The same thing is being repeated now in Czechoslovakia, where a "law for the protection of the State", similar to the French Boncour law, is being prepared with the support of the reformist co-operative leaders. Furthermore, the Czech co-operative leaders are already making application to the Government for war orders for the co-operative factories. They are offering themselves to the bourgeoisie

as active co-operators in the defence of the capitalist fatherland in order to grasp a few morsels of the war profits.

Let us briefly mention the reflection of this "peace policy" in the organs of the International Co-operative Alliance. Although the alliance embraces 50,000,000 working people from almost all countries of the earth, it has degenerated, in the hands of the reactionary co-operative leaders, into a mere appendage of the imperialist League of Nations.

The leaders of the Alliance are working their way into the various bodies of the League of Nations; they are supporting its policy of encirclement of the Soviet Union, both ideologically and organisationally. They are carrying on a systematic and bitter propaganda against the co-operatives of the Soviet Union attempting to prevent the expression of their revolutionary views in the bodies of the Alliance, and threatening them with expulsion. At the same time they are fraternising with Fascism and holding out their hands to the Fascist trade unions to bring them into the Alliance. They are making the Alliance into a tool for the betrayal of the masses and the hampering of their revolutionary activity, a tool for the rallying of all counter-revolutionary forces in a common international war front against the Soviet Union.

The struggle of the masses against the preparation and carrying out of new imperialist wars, and for the defence of the Soviet Union, cannot be conducted unless at the same time a most bitter struggle is carried on against this criminal policy of the reactionary co-operative leaders.

It is necessary to unmask before the millions of working co-operative members, threatened with the danger of new mass slaughter in the interests of capitalist profit, the shameless hypocrisy of the "pacifist" co-operative leaders. It is necessary to show the masses how they and their organisations are being taken advantage of by their treacherous leaders and placed at the service of the capitalist oppressors and their imperialist aims. It is necessary to make it clear to the working co-operative members that they — over the heads of their treacherous leaders — must join the common front of the masses against imperialism and its social-patriotic lackeys. It is particularly necessary to obtain the broadest possible participation of these masses in the demonstrations of August 1st, the day of revolutionary struggle against imperialism. This is one of the most important tasks of the co-operative opposition in all countries for International Co-operator Day of this year.

But it is not the task of the revolutionary co-operative members alone. The rôle played by the co-operative mass organisations in the preparation and carrying out of the coming war is a question of the greatest importance for the entire working class, for the entire army of workers that sympathise with the revolutionary proletariat. Therefore, the revolutionary masses must rally all their forces together with the revolutionary co-operative opposition for International Co-operator Day and help to make this day a day of demonstration of the international solidarity of the enslaved and exploited masses throughout the world, a message of struggle against robber imperialism and its Social-Treacherous accomplices, a pledge to defend the revolutionary Soviet Union with all methods.

Transformation of imperialist war into civil war. Transformation of the co-operatives from a tool of imperialist war into a provision squad for the struggling proletarian army — this is the slogan under which the revolutionary masses must march on International Co-operator Day.

## Women Co-operators and War.

By Phyllis Neal.

Of all proletarian women who have made organised declarations, demonstrations against war, the women co-operators have been the most insistent and the most emphatic. From the successive international conferences of co-operative women, the respective national conferences, the periodical meetings of the lower organs in which women co-operators are grouped in the various countries, goes out unceasingly the call for world peace. The Stockholm Conference of 1927 with 200 delegates, representing working class housewives and mothers in the co-operative movement of many countries, recorded "the unconquerable opposition of co-operative women to war".

But unfortunately there is by no means among these millions clear realisation of what is implied in this "unconquerable opposition" to war; no clear appreciation of what constitutes an effectual struggle against the overshadowing menace which they all feel and desire to fight with their whole strength. For this reason the minds of the proletarian women co-operators are to a large extent the prey of the petty-bourgeois and bourgeois leaders of the co-operatives.

The first-named lull to sleep the sharp sense of danger which rightly warns the women to be active, by preaching of "love between the nations"; of "mutual trust that will make

war impossible"; of "the growing understanding between the peoples, under the influence of which the war-mind will disappear". The women co-operators are told that indeed great strides have already been made in this direction by the extension of co-operative trade, by the very existence of the International Co-operative Alliance and the International Women's Guild, the exchange of visits between co-operators of different countries and the advent of Esperanto. (The two last-named naturally have value; while the I. C. A. and the I. W. G. could, under revolutionary leadership, act as powerful instruments in the fight against imperialist war; but they have not the significance attached to them by this kind of propaganda). The pages of the co-operative women's press abound with such ideas.

The second loudly "demand" that the imperialist governments disarm; "advocate" universal disarmament; burn incense to the disarmament proposals of the Soviet Union; and so on, and by so doing seek to cover their own refusal to lead a real struggle against imperialist war preparations. Such are the pseudo-Left Social Democrats, who either participate in the leadership of the co-operative movement or are linked with it.

The co-operative imperialists propagate on the one hand the illusion that the capitalist class is doing honour to the might of the co-operative movement, when its leaders are placed on various committees of investigation, etc., when royalty visit its exhibitions and premises (Great Britain); or when the promise of government contracts to supply the troops is secured (Czechoslovakia).

On the other hand they advocate "closer ties between co-operatives within the Empire (Great Britain)"; and encourage the "extension of our beneficent movement" by developing plantations in the tropics where the colonial peoples are exploited just as by any capitalist enterprise (Belgian and British co-operatives). Behind such screens they seek to draw the respective national sectors of the co-operative movement into active collaboration with their "own" bourgeoisie, thus preparing for making them part of the State apparatus for recruiting, furnishing military supplies, and acting as a branch of the State administration of economic life, in the coming war.

Objectively therefore all these three elements in the leadership of the movement are doing the service of the war-makers in different ways (and whether consciously or unconsciously, they are equally dangerous).

Is it not clear that unless the proletarian co-operators cleanse their movement of these "leaders", one of two things will happen: Either the I. C. A. on the outbreak of war will become a battleground of conflicting national sections, as the I. International did in 1914, or it will prove a mere creature of the League of Nations, helping to prosecute a war upon the Soviet Union?

Thus we see that in spite of — indeed partly by reason of — their fervent desire for peace, the proletarian women co-operators are confused and deceived, because that desire is unenlightened by knowledge of the nature of imperialism and the way in which it alone can be fought and vanquished.

How much this is the case can be seen in many resolutions of conferences and committees, some introduced by reformist leaders, some by rank and file women who were under the influence of their teaching. For example: a) the **Stockholm resolution** records "unconquerable opposition" to war in general, i. e. all war (and not only imperialist war) as being "contrary to every principle for which co-operation stands"; b) the April resolutions of the Committee of the International Guild express dismay that "in spite of" the signing of the Kellogg Pact, war preparations are rapidly increasing, and "look to the Disarmament Commission of the League of Nations to initiate steps" toward "an immediate and drastic reversal" of this policy (We already know how the Sixth Session of the Disarmament Commission acted!); c) the last two annual conferences of the English Guilds each representing over 60,000 members adopted resolutions first endorsing the proposals of the Soviet Union, and then calling upon the League of Nations

and the Baldwin government respectively to convene a conference to achieve disarmament!

Not by such roads can they realise their will to avert the imperialist war. Imperialism is the last and therefore the most desperate stage of capitalism: the stage in which the gigantic capitalist groups (with the State apparatus which each controls) are fighting unceasingly among themselves by one means or another for redivision of sources of raw materials and cheap labour, markets and spheres of investment; are using armed force continuously to hold down the ten-times exploited subject peoples (e. g. the Indians and Singalese some of whom labour in the British co-operative tea-plantations; and the natives of the Congo, whose toil enriches the Belgian co-operatives); are shooting down the workers at home (as in Berlin on May 1st) precisely because they foresee that the advancing proletariat will take from them their power and privileges in order to organise economic and social life on a co-operative plan.

War in this period is indispensable to the continued existence of the various imperialist groups. To expect that they can be persuaded to renounce it is to expect that they consent, as a class, to die, and make way for a classless world republic of workers and peasants. The dream is fantastic. One knows that no ruling class in history has acted so; but that on the contrary, the more apparent it became that their historic role was ending the more furiously they fought to maintain themselves in power. They will not disarm. They can only be disarmed. By whom? By the proletariat supported by the peasants and the suppressed colonial peoples. Why? Because these classes alone have the interest or, in other words, are compelled by historical necessity to break the rule of the bourgeoisie, such a necessity as can steel them to perform the miracles of heroism necessary for the task. Because the proletariat alone is capable of organising life in such a way that wars of plunder and suppression are no longer needed.

That is the nature of the disarmament proposals of the Soviet Union. The Soviet Government alone was able to put forward such proposals, because the Russian workers and peasants, having rid themselves by revolution of the rule of the capitalist class (while by its very nature capitalism was impelled into war in the race for ever bigger profits) have organised production solely for their own needs and for exchange, thus leaving no soil for a new imperialism nor any motive for war, unless compelled to defend the proletarian fatherland against imperialist wolves. Not until Great Britain, the United States, France, Germany, etc. are also workers' and peasants' republics will there be governments here which dare accept the proposals of the Soviet Union.

What becomes then of the League of Nations, the Kellogg Pact, the Preparatory Commission on Disarmament? In the face of the realities of imperialism the real significance of these things can be understood. On the one hand they serve as the screens behind which the war plans go forward. (Not in spite of the Kellogg Pact, but the more readily because of it: the American Billion Dollar Naval programme was embarked upon). On the other hand, they are actually instruments by which the various powers and groups are pursuing the intrigues and manoeuvres that are fast leading to war. Such instruments cannot serve the cause of peace; and proletarian women must not allow themselves to be deceived.

Then how can the proletariat of capitalist countries support the proposals of the Soviet Union? The question is already answered. Only by the revolutionary struggle against their own capitalist class: the struggle which they are compelled to wage for their very daily bread, and which must be intensified and clearly aimed at the final overthrow of the bourgeoisie that drains their life in the factories or on the battle field just as its interests dictate. There is no royal road to world peace and proletarian women co-operators, once understanding this will not shrink from the message of the Red Day, but will courageously proclaim it: "Away with the imperialists and their lackeys: Side by side with the organisation of the revolutionary proletariat, turn the imperialist war into a class war for the establishment of a workers' republic!"

# Fascism and the International Co-operative Movement.

By H. Schumann.

There is a growing desire among the co-operative leaders of the capitalist countries to come to an understanding with summed a very palpable form: In the official co-operative press of various countries, the admission of the Fascist co-operatives of Italy to the International Co-operative Alliance is the subject of lively discussion.

In the present situation, this is by no means a chance occurrence. Although reformism looks upon Fascism as its rival and a dangerous competitor in regard to services to the bourgeoisie, it is gradually driven into a community of interests with it.

Reformism and Fascism have the same enemy: the revolutionary proletariat! The more intense the class differences, the stronger the rally of the exploited masses under the banner of Communism over the heads of the treacherous leaders for a counter-attack on their oppressors, the more the reformist lackeys of the capitalist regime are losing their influence on the masses and see their leading position jeopardised, the stronger their desire to save their own skins by allying themselves with Fascism against the revolutionary labour movement.

This desire coincides with the growing efforts of the bourgeoisie to establish a counter-revolutionary united front against the revolutionary Soviet Union. In order to prepare and carry through an armed attack on the Soviet Union, the bourgeoisie must co-ordinate on an international scale all the forces whose aim consists in depriving the proletariat of its ability to resist. A reformist-Fascist alliance is a component part of the war preparations of the international counter-revolution.

In this connection, the co-operative bureaucrats play a very active rôle. Neither is this a chance occurrence. The co-operatives are industrial enterprises which, although created by the working class for the improvement of its own conditions, are becoming more and more converted into a component part of the capitalist system owing to the reformist policy of the co-operative leaders. A "co-operative capitalism" is developing which is endeavouring to get into the financial concerns of the capitalists and to profit by high monopoly prices, and which is deliberately subordinating itself to the economic and political interests of the bourgeoisie. This tendency has assumed lately very concrete forms. No wonder that now as before the co-operative reformists are once more ahead of party and trade union reformists and are exhibiting special initiative in the establishment of collaboration with the Fascist organisations in the interests of the bourgeoisie.

Since the destruction of the old co-operatives by the Fascist gangs, Italy has not been represented in the International Co-operative Alliance. But there have been signs lately in the new Fascist co-operatives of a desire to get in some form or other (acceptable to them) into contact with the Co-operative International. The reformist leaders of the Alliance who already in 1925, instead of replying to the barbarous destructive work of the Fascists by the organisation of a protest campaign on a large scale, sent telegrams to Mussolini guaranteeing the loyalty of the Italian co-operators towards the Fascist authorities, these same co-operative leaders are once more meeting the Fascists half way.

We recall last year's trip of the French "Socialist" Albert Thomas. Thomas is not only a prominent leader of the International and President of the International Labour Office in the League of Nations, he is at the same time member of the Central Committee of the International Co-operative Alliance. He played at the last International Co-operative Congress in Stockholm an important rôle as stage manager behind the scenes and also as actor on the platform. His trip and praises of the Fascist regime on that occasion are a demonstrative stride on the road to an international understanding between reformism and Fascism. Thomas visited also the Fascist co-operatives and met with a hearty welcome.

A few months later the Hungarian co-operative leader, Elemer von Balogh — also a member of the Central Committee

of the International Co-operative Alliance — invited a delegation of the Fascist co-operatives to Budapest, made them welcome there and paid them shortly afterwards a return visit in connection with the Fascist co-operative exhibition in Milan. He also addressed a letter to the Italian co-operatives advocating their affiliation to the Alliance. This letter was published in the Fascist "Il Lavoro Cooperativo".

Balogh went a step further in an article which went the round of the international co-operative press. In this article he acts in regard to the Alliance as the advocate of the Fascist co-operatives, he argues against "the pre-conceived notions" of many co-operators in regard to Fascism, he recalls the Paris decision of the Alliance in 1925:

"In regard to politics, the International Co-operative Alliance is perfectly neutral. On the other hand, it does not go into the political character of its members and does not impose any limitations on them in this respect."

He criticises the "inconsistency" of the leading organ of the Alliance which apply this decision one-sidedly in favour of the co-operatives of the Soviet Union, but do not want to accept its validity for the Fascist co-operatives. And yet, a comparison between the Fascist co-operatives and the co-operatives of the Soviet Union is very favourable to the former:

"The difference between the position of the Italian and that of the Russian co-operatives is approximately the same as between the two countries, i. e. between the energetic and flourishing young Italy and the despairing, suffering, lingering Russia."

Horthy-Balogh does not fail of course to refer to M. Albert Thomas as his sworn witness. This "excellent colleague", in spite of being a "born socialist", acknowledged loyally on the strength of his educational trip

"that there are few countries where more has been done for the workers in such a short time than in the much maligned Fascist Italy."

These arguments in themselves on the part of a Balogh, would not be worth mentioning. Balogh himself admits that very close and friendly relations exist between Horthy-Hungary and Mussolini-Italy, and that on account of this the Hungarian co-operators have much sympathy for the Fascist co-operatives. But it is very significant that the reformist co-operative press is circulating this article throughout the world. It was also published in the official organ of the Alliance ("Internationale Genossenschaftliche Rundschau", April number, 1929), and in the organ of the Central Union of German Consumers' Co-operative Societies ("Konsumgenossenschaftliche Rundschau", No. 6, February 9, 1929). August Kasch, the well-known anti-Communist, who is responsible editor of the "Konsumgenossenschaftliche Rundschau", goes a step further by designating Balogh's arguments — his praises of Fascism and his aspersions in regard to the Soviet Union — as "an objective presentation of the case".

Kasch too demands more consistently on the part of the Alliance. Either the co-operatives of the Soviet Union must be expelled — in his opinion this would be best — or the Fascist co-operatives must be admitted:

"The Fascist members would not be a heavier burden on the Alliance and a worse impediment to its works than the Bolshevik members."

We would like also to mention the attitude of the aged French co-operative theorist Charles Gide in this discussion. Gide is a petty-bourgeois ideologist who has nothing to do with the labour movement. But it is he who has certain qualms in regard to the admission of the Fascist co-operatives to the Alliance. In a series of articles which he published in his periodical "Emancipation", and which were reproduced by a number of reformist co-operative organs, he gives vent to these feelings for the benefit of his contemporaries only to declare

finally — after being admonished to be consistent by the above-mentioned "socialist" Kasch — that in principle he is not against admission. He only made two conditions; firstly, that the Fascists should themselves express the wish to affiliate, and secondly, that once they are in the Alliance, they should act there only as co-operators and not as Fascists. These "reservations" are tantamount to an actual invitation to the Fascist co-operatives to solicit affiliation to the Alliance.

One could quote another series of remarks in the reformist co-operative press which show clearly that in addition to the ideological adaptation of the co-operative reformism to Fascism making rapid progress, the ground is already systematically prepared for an organisational connection through the admission of the Fascist co-operatives to the Alliance. The reservations formal and "on principle" which are still being made, are nothing but manoeuvres on the part of the co-operative leaders not to show their hand too soon to the masses.

All the more reason for the revolutionary vanguard of the proletariat to show to the mass of the workers what the game is about. The plan for the admission of the Fascists to the International Co-operative Alliance while preparations are made for the expulsion of the revolutionary co-operatives of the Soviet Union, shows clearly which way the wind is blowing. The League of Nations, the organiser of the attack of the imperialist robbers on the Soviet Union, having shown the way a few years ago through the admission of Italy, its satellite, the International Co-operative Alliance, is now following suit. The

hostile circle around the Soviet Union is getting tighter. The hand of the war preparations clock is getting nearer and nearer to twelve.

To the masses who understand this, the admission of the Fascists to the International Co-operative Alliance is not a question of interpretation of statutes but rather a question of class struggle. If the co-operatives will answer this question with yea or nay, depends to what camp they mean to belong — the camp of the bourgeoisie or to that of the proletariat — depends on them ranging themselves on the side of the imperialist war front against the Soviet Union or on the side of the front to defend the country of the workers of the world. The mass of the workers must and will answer this question in an utterly different way than their Social-Fascist leaders.

On this year's International Co-operator Day, the masses of all the countries who will line up under the red banner of the class struggle, will raise their voice and say:

Down with Fascism, the brutal executioner of the working class, the destroyer of the proletarian co-operative movement!

Down with the Social-Traitors who are allying themselves with Fascism against the working class!

The revolutionary masses will also take advantage of the day to demonstrate to the enslaved Italian proletariat warm sympathy and their solidarity in its difficult struggle against the Fascist oppressors.

## The Rôle of the Consumers' Co-operatives in the Industrial Struggle of the Working Class.

By M. Strakhovenko (Moscow).

The recent industrial struggles have clearly demonstrated the necessity of mobilising all the forces of the proletariat against the triple alliance — the employers, the state apparatus and the reformist trade union bureaucrats.

The inevitability of the extension of the industrial struggles of the working class in view of the growing class differences, demands peremptorily the production of a corresponding "mobilisation plan", in which the consumers' co-operatives which are embracing wide sections of the proletariat are destined to play an important rôle.

Already nineteen years ago, Lenin pointed out in his proposals to the co-operative question at the International Socialist Congress in Copenhagen.

"that these co-operatives can assume considerable importance for the industrial and political mass struggle of the proletariat, through the support they can give to the workers in times of strike, lockout and political persecution".

Since the Copenhagen Congress, the consumers' co-operatives have widened considerably their field of activity. Suffice it to point out that, according to the statistics of the International Co-operative Alliance, the consumers' societies have now about 45 million members, most of whom belong to the proletariat.

The consumers' co-operatives which coordinate such wide sections of workers, can and must be used to the utmost in the forthcoming industrial struggles.

But one must admit that very little has been done by the revolutionary trade union movement in regard to capturing the consumers' societies, and making them part of the front of the struggling proletariat. Although the co-operative question has been discussed at various congresses and conferences of the revolutionary trade union movement, and quite good decisions have been made, very little has been done to put these decisions into practice. The revolutionary trade union movement has certainly not done everything in its power, it has not explored all the avenues for bringing the co-operatives into the common front of the working class.

And yet, the inclusion of the co-operatives into the common fighting front is of enormous importance to the whole working class. By including the co-operatives, the general front of the working class can be considerably improved. The consumers' societies control a whole series of industrial enterprises, they have enormous material possibilities — a technically well-deve-

loped and organised distributive apparatus. Moreover, the popularisation of the slogan, "Consumers' Societies to help strikers and locked-out workers" can contribute to the widening of the united front of the working class from below, and constitute therefore a powerful instrument in the struggle against the reformist co-operative bureaucrats, a means of strengthening revolutionary opposition in the consumers' societies themselves.

But hitherto, the revolutionary trade union movement has underestimated the rôle of the consumers' societies during industrial struggles, it has been unable to apply a suitable tactical line in the struggle against the manoeuvres of the reformist leaders.

For instance, the impetus which was given to the movement in the Ruhr has compelled the control board for Rhineland Westphalia (under reformist leadership) to come in some places to the assistance of the locked-out workers. But this assistance was more in the nature of alms "to members in distress" than an act of class solidarity. Moreover, it did not extend to workers who did not belong to the Consumers' Co-operatives, and was only meant to create among the mass of the workers an illusion that the reformists are also helping the strikers. The manoeuvres have not been sufficiently exposed by the revolutionary trade unions.

The revolutionary trade union movement did not take advantage of the fighting spirit during industrial conflicts, in order to popularise the decisions of the Congresses of the International of Labour Unions, especially of the 4th World Congress, on the tasks of consumers' co-operatives during collisions between labour and capital. Unfortunately, close connection between the revolutionary wings of the trade union and co-operative movement was conspicuous by its absence, and has been repeatedly pointed out in the decisions of the R. I. L. U.

The revolutionary opposition in the co-operatives did not do everything it could and should have done in the period of these sharp class struggles. Revolutionary co-operators, at least some of them, wobble or allow themselves to be influenced by the opportunists. There was in some places a desire to avoid a conflict with the co-operative bureaucrats in regard to the important tasks of the class struggle including consumers' co-operatives' help to the struggling workers.

The activity of the revolutionary co-operative opposition which was fairly energetic in some places, would have been

more effective if a closer contact had existed between the revolutionary wings of the trade union and co-operative movement.

The general "class struggle" situation has radically changed in the last years. The reformist bureaucrats in the trade unions and co-operatives have become the best representatives of the united front of the capitalists against the struggling proletariat. In the class struggle, just as in war, one must be able to detect the strategic plan of the enemy in his tactical manoeuvres. Whatever tricks the reformist leaders resort to, one thing is certain. The co-operative bureaucrats are closely connected with monopolist capital, with the trusts and cartels and the whole apparatus of the bourgeois state.

One should always bear in mind that the whole activity of the reformist leaders in the mass organisations, and, therefore, also in the co-operatives, aims at frustrating the class struggle of the proletariat and at betraying the interests of the working class. This must be our point of departure when endeavouring to solve the problem of the inclusion of the consumers' co-operatives into the class struggles of the proletariat, when laying down our tactics against the reformist co-operative bureaucrats.

What was hitherto the trend of events during industrial struggles?

Let us assume a strike or a lockout takes place: The revolutionary wings of the co-operatives and trade unions approach the reformist committee of the co-operatives with the request to come to the assistance of the struggling workers. The reformist co-operative bureaucrats relegate this request to the waste-paper basket. In such a case, the revolutionary wings of the trade unions and co-operatives publish sometimes articles exposing the attitude of the reformists, but it also happens that they do not do so, because they think they have done their duty by addressing a request to this effect to the central board of the co-operatives.

This must not be allowed to go on. We must be more energetic in our efforts to draw the consumers' societies into the class struggles of the proletariat. The task of the revolutionary wings of the trade union and co-operative movement during industrial struggles consists in exposing to the masses the rôle of the reformist co-operative bureaucrats, and to take advantage of the heated atmosphere in order to drive these leaders from their posts and induce the co-operative organisations to support the struggle of the workers.

To achieve this, it will be most expedient from the organisational standpoint to form elected special committees of the workers consumers' co-operatives, which will organise the solidarity campaign of co-operatives with strikers or locked-out workers.

If properly carried out, this form of organisation can have good results and can become a powerful factor in regard to gaining influence over the co-operatives controlled by the reformists.

But these committees must be very active, they must mobilise all the forces capable of carrying on the struggle against

the reformist bureaucrats. Instead of paper-resolutions, addressed to the reformist leaders of the consumers' societies, there must be energetic actions by strikers, men and women alike, who are members of co-operatives, and energetic actions, also by the relations of the strikers or locked-out workers.

Demonstrations must be held outside the premises of the consumers' societies in which the relations of the strikers must come forward with suitable slogans; delegations of co-operative members on strike to the leading organs of the consumers' societies must be organised, and the workers in general must be kept informed about the negotiations with the leading organs of the consumers' societies in order to keep before the eyes of the masses every manoeuvre, every attempt at treachery on the part of the co-operative bureaucrats.

In addition to all this, special meetings of co-operative members must be called to deal with all questions connected with help to the strikers and locked-out workers. The co-operatives must be asked to provide special funds from their surpluses in aid of the industrial struggles. These funds must be co-ordinated nationally and internationally. The revolutionary wing of the co-operatives must induce the consumers' societies to supply the relations of the strikers with the necessities of life through the strike committees, to find shelter for the children of the strikers in districts not affected by the strike, to organise dining halls etc. for strikers and their families, to undertake the distribution of the relief given by municipal organs, to place their premises at the disposal of the struggling workers for strike meetings, as well as their transport means etc. Thus, the co-operatives play a very important rôle in regard to material and moral relief.

The committees elected by working class members must, however, act in a manner to make the co-operative bureaucrats realise that they are representing a real organised fighting force capable of dealing them a serious blow. Similar committees must also be formed in the co-operatives led by the revolutionary wing. It will be the business of these committees to secure new cadres in support of the revolutionary tasks of the co-operative and to concentrate the attention of the whole membership on support for the struggling workers.

In this article we have limited ourselves to the main questions, practice will no doubt bring forward a whole series of other questions and methods of work, which will have to be solved and used in the forthcoming struggles. We wanted merely to draw attention to the big and responsible tasks which are confronting the revolutionary wing of the trade unions in the co-operative movement, in view of the future big struggles of the working class.

The International Co-operator Day must be considered as preparation for the energetic participation of the co-operative in these struggles. The rôle of the co-operatives in the struggles themselves will be more prominent provided the revolutionary trade unionists develop adequate activity in this sphere, whenever there is "a lull" in the struggle.

## The Position of the Consumers' Co-operatives in the Most Important Countries.

By M—n.

The reformist co-operators make the International Co-operator Day an opportunity of drawing attention to the "great successes" of the consumers' co-operatives in regard to the circulation and production of goods and of boasting with the "steady progress" of these co-operatives, with the capture of more "strong positions" within the capitalist economy etc.

But what is the real state of affairs in regard to these alleged captures of wide economic spheres by the consumers' co-operatives? Unfortunately, the very incomplete and belated figures (turnover of the central unions, the consumers' co-operative societies, membership increase, etc.) prevent us giving a complete picture of the position of the consumers' co-operatives. But the figures which have been published, enable us to submit the development in the most important countries to an economic analysis.

The characteristic feature of the stabilisation year (1928)

is a further penetration of finance capital into the circulation sphere. In all big capitalist countries the number of powerful commercial concerns has considerably increased, and the old concerns have increased their sphere of influence. Suffice it to give a few examples.

In Great Britain, the so-called cradle of the co-operatives, big commercial concerns are in the course of formation. These concerns threaten to monopolise various branches of commerce. The sale of frozen meat is already in the hands of one big firm which has over 2,600 shops at its disposal. The fish trade is controlled by the world famed Lever firm which has at its disposal a network 1,000 shops. The fusion of two big firms, the Home and Colonial Stores and the Maypole Dairy Company, is proceeding. Together with the Lipton firm and another trading company, they will have at their disposal about 5,000 distributive centres of colonial goods (i. e. more than half the

number of the shops of all the consumers' co-operative societies in England).

In France, 80 firms which have many branches control the whole retail trade of articles of primary necessity. In Germany, the leading warehouses Tietz, Karstadt and others are penetrating more and more into working class quarters. Last year they have been developing more rapidly than the consumers' co-operative societies. A similar situation exists in a number of other countries, for instance, in Switzerland, Czechoslovakia and even Finland where the consumers' co-operatives can record an absolute as well as a relative growth.

If we compare with this the growth of the turnover of the consumers' co-operatives in the most important countries, we get the following picture:

In the British co-operative movement, the Wholesale Society has increased its turnover by 0.17% compared with 15% in 1927, while the turnover of the consumers' co-operative societies increased about 6%. But this increase is mostly noticeable in the southern part of the country where the turnover of the individual consumers' co-operative societies has in some parts increased by 10%, whereas the turnover in the northern industrial parts of the country has remained stationary or has decreased. Thus, the consumers' co-operatives reflect the declining standard of living of the British workers and the steady growth of the army of unemployed.

In France where the turnover of the wholesale society increased about 13% and the turnover of the consumers' co-operative societies 2.8%, this increased turnover does not keep pace with the growing cost of living (15% in the retail trade).

In Czechoslovakia, the turnover of the German Wholesale Society has increased by 8% and that of the German consumers' co-operative societies by 5.5%, whereas the price of articles most needed by the workers has increased on an average by 15%. One can assume that the situation is not much different in the Czech co-operative societies. (The figures have not yet been published).

Thus, the above mentioned three countries part company with those which show an upward development in the co-operative movement.

Only Germany with its more than 1,000 consumers' co-operative societies which have about 2,800,000 members, can boast of a growth of 19.12% in the wholesale and of 14% in the retail trade. But here too the growth is merely absolute and does not keep pace with the growth in the turnover of the big private trading firms. At Tietz and Karstadt the retail trade increased in the course of the year by 20 and 22.5%. The share of the co-operatives in the whole retail trade fell in the course of the year from 2.9 to 2.6%, which, compared with the last pre-war year, constitutes an increase of barely 0.6%. On the other hand, the share of the German warehouses in the whole retail trade of the country has increased between 1914 and 1928 from 2.5 to 5%, i. e. it has doubled. These calculations which must be considered approximate, have been

taken from the statistics of a friend of the consumers' co-operatives, Prof. Julius Hirsch.

Thus we see everywhere a relative freezing out of the consumers' co-operatives by the new forms of the wholesale enterprises which, with the support of the banks, are competing everywhere with the co-operatives. The fact that in all countries the purchasing capacity of big sections of the working population has considerably diminished, makes the struggle for the capture of the mass of the consumers extremely difficult. The consumers' co-operatives are not, as in the beginning of the development, face to face with the retail trader to whom they were superior through centralisation of the purchasing activity and improvements in the enterprises, they are now face to face with finance capital which is superior to them in regard to the utilisation of the trade apparatus. So it is to point out that while the average turnover per shop of the consumers' co-operatives in Germany was in 1928 100 mark, this turnover in the multiple shops which are now firmly establishing themselves in Germany, amounts between 819,000 and three million mark a year.

In the face of this superiority, the consumers' co-operatives cannot use the weapon of competition, but must have recourse to the political weapon: organisational capture of the whole possible section of workers, education of these masses for the struggle against monopolist capital and its State. But this is precisely what the reformist leaders of the co-operative movement in the capitalist countries do not want. Their policy of collaboration with the bourgeoisie also in regard to the circulation and distribution of goods induces them to carry out a deliberate re-shuffling of the social basis of the co-operative movement. We witness in the countries which keep statistics of the social composition of the membership of consumers' co-operatives, such as Germany, Sweden, Latvia, etc., a considerable displacement of proletarian members and their substitution by petty-bourgeois elements: The percentage of working class members in the total membership of the consumers' co-operative societies has been decreasing there during the post-war years.

In the other countries, for instance, France and Great Britain and partly also in Czechoslovakia, new shops are being opened not in working class districts, but in localities where the better-to-do circles of the petty bourgeoisie reside.

Therefore, the demand of close adherence to the revolutionary front of the working class brought forward by the revolutionary wing of the co-operative movement which, under Communist leadership, can only promote the interests of the co-operatives as a mass movement, and cannot be presented as a political demand out of which the parties can make capital, as asserted by the reformists. For only a united front of the co-operated masses with all the other militant organs of the working class, only struggle against the fundamental reasons of the stagnation and decline of the co-operative movement of the capitalist countries, only the struggle against the capitalist economic system in all its forms and its elimination will allow the co-operatives to carry out their task and become an organic part of the new Socialist society.

## The Agricultural Co-operatives and the Dictatorship of Finance Capital.

By J. Shafir.

We witness in the last years in all capitalist countries a growing interest in agriculture on the part of finance capital and of the whole bourgeoisie. There are two reasons for this. The keynote of the post-war period of the capitalist development is the birth and development of industries in a number of countries whose pre-war industrial development was very weak. The export possibilities of a whole series of capitalist countries in regard to industrial produce have been considerably narrowed, and therefore the competition of the individual countries for outlets is increasing. This compels the capitalists to extend the absorption capacity of the internal markets through the development of agriculture.

The second reason is that the experiences of the world war have shown the enormous military importance of agriculture. During the world war Great Britain — though mistress of the seas — was compelled under the pressure of the submarine menace to widen its agricultural basis. The Central Powers of Europe still maintain the standpoint that the main reason of their defeat was the shortage of foodstuffs. Therefore, the bourgeoisie and the reformist parties which are on its side, look upon the development of agriculture from the standpoint of the necessity of preparing for a new world war. Thus, apart from a number of other reasons which increase the interest of finance capital in agriculture, there

so the fact that the process of the industrialisation of agriculture has been given an impetus in the post-war years. The assumption of artificial manure, the utilisation of motor power, the electrification of the country have considerably increased in the last years. This is accompanied by another process. The exploitation of the agricultural labourers is growing, the conditions of the small peasants are getting worse, indebtedness and the number of bankruptcies are growing.

Hitherto the main obstacle to the penetration of bank capital into agriculture was the impossibility of giving credit against mortgage of the agricultural produce owing to the social nature of the latter. Much of the agricultural produce (wheat, milk, dairy produce, vegetables, fruit, etc.) does not keep. There is moreover a great difference in the quality of the various kinds of agricultural produce.

Thus, the penetration of finance capital into agriculture demanded and still demands, as an indispensable premise, the standardisation of articles of general consumption which do not materially differ from one another, as well as organisation of a series of institutions such as refrigerators, elevators, etc. Here this produce can be stored a considerable time without losing its value. In the last years, finance capital has paid considerable attention to these purely organisational-technical tasks in regard to agricultural production.

Owing to the fact that landed property is terribly split up, these tasks could not be directly solved by the banks themselves through the medium of so-called boards of directors, as this is usually the case in industry. Therefore, the solution of these tasks was undertaken by the agricultural co-operative movement which is in all capitalist countries the agency of bank capital in the rural districts. The co-operative movement organises the storage of agricultural produce, its purchase, assortment, etc.; the agricultural co-operatives demand of the individual peasant farms the production of definite standardised kinds of goods, they make contracts with the individual peasant farms for the purchase of future harvests and contingents of cattle by advancing money on them to the peasant or farmer.

In this manner, the agricultural co-operatives concentrate in their own hands a considerable portion of the agricultural produce of the individual countries. The agricultural co-operatives in Holland, for instance, dispose of 25% of the butter produced in Holland, 45% of the cheese; in Finland 92% of the butter and 70% of the cheese; in Estonia 84% of the butter and cheese; in Australia 91% of the butter and cheese; in New Zealand 80% of the butter and cheese, etc. Denmark owes its success in the agricultural sphere mainly to the agricultural co-operatives. In the United States of North America, one sixth of the agricultural produce (according to its value) is disposed of by the co-operatives, and in Germany the turnover of the agricultural co-operatives amounted in 1926—27 to 228.5 million Reichsmark.

These few figures show clearly what an enormously important rôle agricultural co-operatives are playing in the capitalist countries. Moreover, in a number of countries, agricultural co-operatives are closely connected with all kinds of export, shipping and railway companies, with a series of big food trusts and with the various banking concerns. In some countries, the agricultural co-operatives play the rôle of powerful capitalist monopolies, as for instance in Canada, where the co-operatives have concentrated in their hands a considerable portion of agricultural production. Such organisations as the Canadian Wheat Pool, the Scheuer-Concern in Germany are in reality capitalist monopolist organisations.

This character of the agricultural co-operatives is due to the fact that they draw to a great extent their means from banks and big private enterprises which naturally receive in return corresponding dividends. The agricultural co-operatives are in many respects directly entangled with the banks through the so-called bridging-banks, which finance the co-operatives

to a great extent. Under these circumstances, the whole character of the agricultural co-operative organisations undergoes a great change. They are becoming coercive organisations which compel the producer to let the co-operative have the whole of his produce and rob him gradually of the last remnant of independence.

In the advanced capitalist countries the agricultural co-operatives are amalgamating more and more with the private elevator-joint stock companies, with big commercial firms, flour mill concerns, meat canning companies, owners of refrigerators, are associating themselves with finance capital and are becoming its direct agents. In this manner, the co-operatives are becoming the link between bank capital and agriculture. Simultaneously, a differentiation process is going on among the members of the co-operative organisations. The well-to-do sections of the peasantry take possession of the commanding posts in the co-operatives and in all commercial and industrial organs which are directly connected with the activity of the agricultural co-operatives.

Under the new conditions, the small peasants and small farmers are feeling more and more the pressure of the bank, the elevator and the co-operative, all of which have adopted the new method of exploitation — standardisation. These strata of the agricultural population are realising more and more that the agricultural co-operatives are depriving them of their independence by the new forms of exploitation and are taking possession of a considerable portion of the produce of their labour. The penetration of finance capital into agriculture via the co-operative helps decidedly to destroy the illusion of independent and "free" peasants and farmers. Through the agricultural co-operatives, the small peasant and small farmer is tied to the same chain as the urban proletariat — to capitalism.

The rationalisation of agricultural production through finance capital with the help of the agricultural co-operatives, benefits to a certain extent only the upper stratum of the peasantry who have bigger surpluses at their disposal, whereas the small and middle peasantry are expropriated and proletarianised by the capitalist-co-operative rationalisation.

Under the domination of finance capital, trade union control over the peasant farms is no longer able to help the peasantry as a whole. Only after the conquest of power by the proletariat, can agricultural co-operation become an instrument of socialist reorganisation of the entire agricultural production. In the Soviet Union the collectivisation of the small and middle peasant farms with the co-operation of the proletarian state leads to a complete transformation of the methods of production of the individual peasant farms, it raises the prosperity of wide sections of the peasantry and eliminates all remnants of capitalism in the countryside.

The above described development of agriculture which certainly does not improve the position of the peasantry as a whole in the capitalist countries, but makes, on the contrary, their position worse than before, is driving the working peasants into an alliance with the urban proletariat, for the purpose of carrying on a joint struggle against the domination and for the overthrow of the power of finance capital.

It is incumbent on the revolutionary proletariat to explain to the working peasants this process, and to make them realise its importance, in order to prevent wide sections of the peasantry being hitched to the political car of finance capital through the co-operatives, and in order to draw these sections of the population into the workers' struggle against capitalism.

It is under this slogan that the International Co-operator Day must be carried through by the revolutionary vanguard of the proletariat in the countryside.

# Co-operative Reformism in the System of Economic Democracy.

By B. Makhlín.

That the economic democracy preached by the Social-Reformists amounts in practice to close co-operation with all the economic and political organs of capitalism, is well known to all class-conscious workers. But not so well known are the attempts of the Social Democratic leaders of the trade union and co-operative movement to vindicate theoretically this co-operation with the bourgeoisie. Consequently, the small pamphlet published a few months ago by **Emmy Freundlich**, who was elected in Stockholm member of the Executive of the International Co-operative Alliance, and is the President of the International Co-operative Guild, under the title "Wege zur Gemeinwirtschaft" deserves special attention on the part of the revolutionary co-operative functionaries.

According to its make-up and language, this pamphlet is addressed to the big army of Social Democratic co-operative and trade union functionaries.

"Economy is something thoroughly organic", is the oracular statement of the leader of the Austrian Social Democracy right at the beginning. "Economy is something which we must certainly allow to grow, which we cannot change suddenly."

Taking this as her point of departure, Freundlich looks upon the whole question of securing control over the economic basis of contemporary society, of reorganising this society on a socialist basis from a purely technical standpoint, from the standpoint of management and control over enterprises and not from the standpoint of the class struggle of the proletariat. For, continues the author, only

"to the superficial observer the problem of confiscation in the reorganisation of capitalist society is the most important."

But in reality, the struggle is not carried on for confiscation, because

"confiscation by violent means does not appear in any programme elaborated in the various countries by governmental commissions and Socialist Parties",

but for management and control over enterprises.

"Confiscation by decrees has not proved successful", asserts Freundlich, and refers in this connection to the example of the Soviet Union.

But if this is so, the reorganisation of the capitalist social order, into a socialist order raises first and foremost the question of the form of management of the various enterprises, because

"one can reorganise an enterprise very thoroughly without interfering with ownership rights."

Practically, expropriation can take place in all sorts of forms, says the author: Firstly, by converting private enterprises into state and municipal enterprises; secondly, by the participation of the state or municipality in the existing private enterprises, etc. It has already been possible to apply "successfully" the latter form, especially in Austria, and this is alleged to have resulted in

"the domination of capital being eliminated for good and all on the housing market."

The same applies to the Vienna municipal council in regard to the supply of water and electricity.

But the municipalities and the State did not want to supply all the needs of the population. They left this to the consumers' co-operatives.

While, so to speak, popularising the well-known "theory" of her party and co-operative colleague Renner, Freundlich asserts that the most popular and successful form of "peaceful expropriation" of the capitalists is the consumers' organisation, the organisation which will gradually embrace the whole consumption and will establish its own places of production, in-

surance institutions and so on, and so forth. One thing would be necessary to achieve this aim, namely, co-ordination of all consumers in one organisation which

"could then expropriate without legislation and state power".

Here again Freundlich has the cheek to refer to the example of the Soviet Union, whose experiences

"have clearly shown that the co-operative supply-organisation is the only possible form of distribution, also for the new economy".

This is in brief, the "co-operative plan" of the Austrian co-operative reformists. Otherwise the ingenious work is entirely devoted to the form of organisation of enterprises in the future society and to the methods of managing these enterprises. We find here the philosophic argument that the big enterprise "is individuality", that it is essential "to overcome spiritualism in this industrial form, to divide the executive and initiative functions correctly etc. Thus, the best method for the realisation of democratic economic control, namely economic democracy, which is visualised as supplementary to the political democracy, which, according to Freundlich, already exists, is the systematic application of the example of the co-operatives to all state and municipal enterprises, and gradually to all other enterprises".

The transformation of the capitalist social order is, according to Freundlich, possible at the present juncture,

"without waiting for state power being in our hands".

Co-operative organisation, municipal enterprises, trade unions etc., are

"embryo-nuclei of the future, and the time will come when the state will have to encourage all these embryo-nuclei when it will have to adapt the juridical conditions to its new aims and give new rights".

Till then Freundlich recommends to all functionaries of labour organisations

"to study thoroughly the administrative methods of the various enterprises",

in order to be prepared to lead them.

Thus, we have to do in Freundlich's pamphlet with a very popular or rather very vulgar, but frank presentation of the so-called system of economic democracy in which the main role is assigned to the co-operatives. It is difficult to say what predominates in the pamphlet: the complete ignoring of the most elementary principles of Marxism, or the clever juggling with facts with which all are familiar, even the junior functionaries of the Austrian co-operatives.

Freundlich succeeds in not mentioning at all the rôle of finance capital in the present development of the capitalist society. She says nothing about the closer and closer association of finance capital with the state apparatus of the capitalist countries. At the time when the Austrian workers are confronting with the repeal of the Rent Restriction Act, when the leaders of the Austrian Labour Movement, with Freundlich's friend Renner at the head are making one concession after another to the Fascist Government, Freundlich has the cheek of talking about the domination of the Vienna municipal council on the housing market "for good and all".

But the climax is reached by the author in her reference to the Soviet Union. In this connection, she reckons on the ignorance of the Austrian trade union or co-operative functionaries. How differently one could explain the impudent assertion that in Russia

"the violent expropriation of all enterprises has proved to be an almost insoluble task"?

But it is just with the example of the Soviet Union that the author gives herself the lie. One of her statements is that the example of Soviet Russia proves that the organisation of supply on a co-operative basis is the only possible form of distribution

also "for the future society". This means that in Soviet Russia a new social order is being established, in other words, that capitalism is abolished there. But how are we to bring this assertion into harmony with the other that

"the expropriation of the capitalists has not succeeded in Russia"?

But this contradiction does not trouble our author. She knows her readers and reckons on their ignorance in regard to what has been and is going on in the Soviet Union, because also in the discussion of the question of the future financing of the various enterprises of the labour organisations, the municipalities, etc., Freundlich brings forward the demand that these enterprises be financed by the state banks with which the co-operative bank must establish a close connection. That this connection is necessary and useful is shown by the example of the collaboration between the co-operative and the state bank in the Soviet Union. The fact that the State power and consequently also the State Bank in the Soviet Union is serving the interests

of the workers' co-ordinated in the co-operatives and trade unions is, according to Freundlich, of secondary importance. By keeping silent about it, she creates the illusion that the Austrian State Bank which serves the interests of the Austrian capitalists, can help the Labour Bank in Austria, without subjecting this bank, and the co-operative and trade unions organisations connected with it, to the interests of the ruling class.

This attempt on the part of a Social Democratic co-operator, to justify collaboration with the capitalists by examples from the co-operative practice in the first Workers' State of the world and to make it thus palatable to the workers, is the acme of cheek and cunning demagogy. This attempt on the part of the reformists to use the successes of the co-operative and trade union movement of the Soviet Union to their own ends, must be exposed before the mass of the workers on the International Co-operator Day. It must be brought to the notice of the workers organised in the co-operatives and trade unions as what it really is — counter-revolutionary poisoning.

## The Co-operatives of the Soviet Union as a Social Educational Factor.

By A. B. (Moscow).

In his arguments concerning the co-operatives, Lenin emphasised that the growth of co-operatives under conditions of proletarian dictatorship, under the assumption

"that State power is in the hands of the working class, that the political power of the exploiters has been overthrown and all means of production belong to the working class... is tantamount to the growth of Socialism."

Only under conditions of a Soviet State, only by establishing proletarian dictatorship, only after the overthrow of capitalism and not under conditions of a capitalist social order, can co-operatives become an important factor in the reorganisation of the human society on a Socialist basis. Under conditions of a Soviet State, the ultimate aim of the proletarian State and the co-operatives, is the same — abolition of class differences and establishment of a Socialist social order. Contradictions between State and co-operatives no longer exist.

Under such conditions, it is incumbent on the co-operatives to co-ordinate the whole population by supplying consumers and looking after their vital interests on a co-operative basis, by means of socialising the processes of production and distribution.

To do justice to their main task, the Socialist distribution of articles of consumption, the consumers' co-operatives of the Soviet Union are endeavouring first of all to bring the population into the co-operative movement. They have achieved in this sphere considerable successes in the course of the last years. The consumers' co-operatives embrace at present 26,400,000 members (on 1. March 1929) compared with 15,200,000 on 1. January 1927. In the course of the last financial year, the co-ordination of the population in the consumers' co-operatives has increased from 39 to 54.2% of the total number of peasant farms, and from 60 to 70.7% of the total number of workers and employees organised in the trade unions.

But the consumers' co-operatives of the Soviet Union are a public mass organisation not only according to the number of working class elements organised in their ranks, but also because they are an organisation of self-activity where the mass of the population takes an energetic part in co-operative construction.

Numerically, the whole so-called co-operative organisation, i.e. the members who participate directly in the work of the co-operatives, is about one million strong in the rural consumers' co-operative societies, including 120,000 committee members, 120,000 members of auditing commissions, most of whom give their services free of charge, 540,000 members of delegate meetings, 85,000 members of branch committees, etc. In the urban and workers' consumers' co-operative societies,

the organisation has about 150,000 members out of which number 15,000 go to the branch committees, 18,000 to the delegate meetings, etc.

The co-operative organisation is at present a factor which has a decisive influence on the development of the co-operatives, an organ of real public control by the rank and file members over the activity of the administrative organs of the co-operatives. This co-operative organisation is to a varying degree participating directly in the daily work of the co-operative societies. One cannot of course assert that the co-operative organisation is already up to all its tasks: Greater co-ordination of the members, increased activity, extension and development of the methods of work of the widest possible circles of members are necessary, but the results of the work of this organisation are making themselves already felt. Among these results is the satisfactory attendance of co-operative members in the election and other meetings of the consumers' co-operative societies. Compared with last year, this attendance has improved considerably. Approximately 60 to 70% of the total membership participated in the recent report campaign, a percentage which no other country can boast of.

The consumers' co-operatives do not of course limit themselves to drawing the rank and file members into the economic work of the co-operatives, they are also carrying on co-operative educational work on a large scale among their members.

Owing to the cultural backwardness of the mass of the workers and peasants, the co-operatives are called upon under the proletarian dictatorship to play an important rôle in regard to raising the cultural standard of the widest possible sections of the population. Therefore, the consumers' societies pay considerable attention to cultural and educational work and participate at the same time in the general measures of the State which aim at raising the cultural level of the widest possible sections of workers and peasants.

Many achievements can already be recorded in this direction. The consumers' societies have in 59 districts alone over 520 schools for the liquidation of illiteracy. These schools are attended by at least 50,000 members of co-operatives. The consumers' societies have a whole network of bookshops. On February 1st, 1929, the number of co-operative bookshops was given as 38, the number of warehouses as 118, the number of the bookshops of the urban consumers' societies, as 77, that of the rural consumers' societies, as 967, while the number of bookstalls in the rural districts was 6,870. The consumers' societies have a whole army of itinerant book-sellers, on an average 37 per society. Special courses are held in all the consumers' societies for the training of shop assistants in bookshops and bookstalls.

The edition of the periodical publications of the *Centrosoyus* alone was 132,000 in March 1929. In the current year, the *Centrosoyus* is publishing 280 works with a total edition of 2,680,000 copies and 15,000 printed sheets.

The cinema which plays an important rôle in regard to raising the cultural standard of wide sections of the population, receives considerable attention from the consumers' societies. Already in April 1928, the consumers' societies controlled over 5.5% of the stationary cinemas and over 12.7% of the perambulating cinemas in the rural districts. By March 1st, 1929, the latter figure had already increased to 55% of the total number. Films of a co-operative character are produced regularly, and the consumers' societies have also undertaken the sale of so-called cultural films.

The radiofication of the country, and especially of the rural districts, is only in the initial stage. The consumers' societies intend to develop their activity also in this sphere in the coming years.

The development of the economic and social activity of the consumers' societies demands the training of new cadres of co-operative functionaries. The old cadres are replenished not only by preparing suitable forces in the special educational institutions of the co-operatives and the State, but also by drawing workers and peasants who are holding honorary posts in the consumers' societies, into the regular work of the leading co-operative organs. This is a good method of training the working class and peasant members for responsible work in the industrial and other co-operative enterprises. This shows how important it is to prepare new cadres and to re-educate and continue to educate the old cadres in the interest of the whole cultural life of the country in general, and of the co-operative organisations in particular.

In this sphere too, the consumers' co-operatives have been very successful. In 1927-28, 90 co-operators graduated from the co-operative institute, 800 co-operators from the co-operative secondary schools, 9,747 from the general secondary schools with co-operative sections, 4,640 from the schools which train for commerce and office work and 444 from the two-year courses for the training of co-operative functionaries from the ranks of agricultural labourers. In the same year, the continuation schools were attended by about 20,000 co-operative functionaries, including 1,000 from the co-operative organisations of the national minorities. Five thousand co-operative functionaries availed themselves of the correspondence courses of the *Centrosoyus*.

Of special importance is the work of the consumers' co-operatives in regard to changing the habits and usages of the mass of their members. In this respect, special mention deserves the measures taken by the co-operatives with the object of relieving their women members of household drudgery. The fact that the Soviet Union peasant and working women have the same political and economic rights as men, the fact that in the Soviet Union, as in no other country, women are drawn

into active collaboration in all state and social organisations, imposes enormous tasks on the consumers' co-operatives in this sphere.

One must also take into consideration that in the pre-war Russia women had no share whatever in the social and public life of the country, that this branch of activity was not taken up either by the co-operatives or by any other public organisation. Then one can realise the difficulties which the co-operatives have to overcome in this sphere.

Nevertheless, considerable progress has been made here also. The following spheres receive special attention from the consumers' societies: the organisation of various institutions for the benefit of the children of the co-operative members (crèches, kindergartens, medical consultations, etc.), the organisation of public kitchens and laundries, and finally, the establishment of big bread factories. As to the latter, one may point out that in the pre-war period, the baking of bread in the rural districts was done entirely at home. In the towns where not much attention was paid to hygiene. The organisation of big bread factories and the mechanisation of the former bakeries in the smaller towns, constitutes therefore a revolutionisation (in the true sense of the word) of the household of enormous sections of the working population.

We will give a few figures to illustrate big progress of the consumers' societies in all the enumerated spheres. The number of the medical consultations of the consumers' societies was about 230 on January 1st, 1929, the number of crèches, 291, that of playgrounds and gardens, 831, of mothers and children's corners, 3,600, and so on and so forth. In the big towns, the co-operatives have also special shops which supply children and nursing mothers with all the necessities.

In regard to bread supply, the share of the consumers' societies in 1928 rose to 52% of the total demand in the cities. The urban workers' and transport workers' societies supplied during 1927-28, 1,888,000 tons bread. In the course of the next five years this quantity is to be doubled according to the plan. In the current financial year, 29 new bread factories are to be put up.

As to the public kitchens, the workers' consumers' societies have now 845 establishments which deliver 500,000 dinners per day. In the course of the financial year 1928-29, 4 mechanised public kitchens are to be constructed, 12 kitchens for cooking food on a large scale, and 7 distributive centres for cooked food.

To sum up, one can say that the activity of the consumers' societies in regard to the social education of the co-operative masses is already carried on on a large scale. But the tasks which are still confronting them are even on a larger scale. With the support of the Soviet Government and the Communist Party which are as much interested as the consumers' co-operatives themselves in a higher standard of living and cultural level of wide sections of workers, the co-operatives of the Soviet Union will do justice also to these tasks.