The Co-operator in Politics

BY

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The Co-operator in Politics.

By A. Barnes, M.P.

The entrance of the Co-operative Movement into politics in 1917, during the war period, and at a time when the Movement was suffering in an aggravated form from the influence of private vested interests entrenched in the Houses of Parliament and the various government departments, has obscured the deeper and more fundamental reasons for the development of a political aspect of co-operation. War effects pitched co-operators into the political arena under abnormal conditions. Consequently, it is not until the affairs of the nation commence to flow once more through the normal channels prevalent in peace times that the advantages or disadvantages of political action by co-operators can be made apparent. Co-operators have now to justify their entrance into politics, define their attitude to the political system of the country, and determine their relations to the other parties.

Co-operation and Trade Unionism.

No movement of democracy has accomplished so much, and yet is so little known, as the Co-operative Movement. The sister movement to trade unionism, co-operation has progressed in relative obscurity compared to the trade union movement. This may be accounted for by the fact that whereas trade unionism is in constant and open conflict with capitalism in its struggle to maintain the standard of living of the workers, and in the use of the strike weapon brings itself prominently before the notice of the public on account of the inconvenience it causes, the Co-operative Movement is engaged in the comparatively passive process of trade penetration, thereby meeting capitalism on its own ground, with its own weapon and according to its own practices.

The struggle between co-operation and capitalism is in the open market and across the shop counter, and as the British public is soaked in the theory enunciated by capitalist economists and served up daily by the "millionaires’ press" that the rivalry of commercial groups is to their advantage as consumers, this form of conflict is accepted as a matter of course; and, in addition, having no dramatic setting, it is not generally appreciated that the "trade" battle between co-operation and capitalism is one of elimination and substitution, the outcome of which will revolutionize the economic, political, and social basis of society itself.

An industrial dispute can be seen, felt, and experienced by all. Therefore, it brings into play all the primitive passions which a
fight produces in men. The desire to win is transformed into a class struggle, the incentive on both sides being deep rooted in the past. The bitter resistance often offered by the men to any lowering of their standard of living arises from the age-long "struggle for existence," for there is little doubt that if there had been no trade unions, capitalism would have crushed the workers back into slavery long before now. Evidence of this may be seen to-day in the slum areas of our industrial cities, where a section of the community live under such awful and hopeless conditions that they have lost hope in the future, and consequently have not the spirit to organize.

The extent to which the "possessing class" will go to hold what they have, is the outcome of the desire to own, dominate, and control, which has characterized leadership hitherto in the development of human society. Thus it is, that the industrial struggle of democracy has attracted a good deal of attention, and trade unionism and the Labour Party, its political aspect, have been talked, thought, and theorized about to such an extent that to-day there is in the minds of trade unionists and the workers generally a fairly clear idea of the purpose of these two movements.

Co-operation is a newer movement than trade unionism, not only in history, but in instincts. It rests less upon the primary motive of self-preservation and more upon the direction of intelligence for its success. It is constructive and not destructive in its methods. In trade, it accepts the commercial test of capitalism, viz., price, quality, and service, and has held its own especially in the first two. In the "trade" battle, it is the consumer who determines the issue. The spender buys to-day where is obtained the greatest value in price, quality, and service, and the trader who cannot hold his own in any, or in all three of these, passes out of existence.

Because the conflict between co-operation and capitalism is obscured in ordinary day-by-day commercial transactions, co-operation has not attracted the notice of publicists to the same extent as the Trade Union Movement and the Labour Party, with the result that there is less general knowledge abroad of co-operation than there is of industrial and political labour, in consequence of which the social importance of the Co-operative Movement, its reactions on the political system of the country, and its effect on the economic life of the workers are not appreciated to any degree, either by its own members or the general public.

The object of this pamphlet is to endeavour to explain the development of the political aspect of co-operation and to deal with the problems it involves, both to co-operators themselves and the existing political parties.
The Early Pioneers.

The Rochdale Pioneers were social reformers of the Chartist and Christian Socialist type. They commenced co-operative trading with the definite and avowed object of creating a new system of society, viz., The Co-operative Commonwealth. They sought to accomplish their ideal through a voluntary association of consumers for trade purposes, realizing that everything else follows sales. Get the trade, and the ownership of land, capital, and the machines of production is but the natural sequence.

The device of the dividend enabled them to abolish profit as we know it under capitalism and gave them the opportunity of returning to the purchaser the difference between the cost of production and the sale price, and in such a way that it was transformed into an inducement for greater loyalty on the part of the housewife to the stores.

The pioneers desired not only the establishment of an industrial democracy, but they wished for an educated, political and social democracy as well. In the objects of their society, after detailing plans for the establishment of a store for the sale of provisions and clothing, they proceeded to express their determination to provide houses for their members, to commence manufacturing their own goods as soon as possible, to acquire estates of land upon which to settle those of their members who might be badly remunerated or unemployed and to promote sobriety, by opening a temperance hotel. They conclude by stating—"That as soon as practicable this society shall proceed to arrange the powers of production, distribution, education and government." This latter clause leaves no doubt of the vision in the minds of the pioneers and foreshadowed, if their spirit and intentions lived, a subsequent political development in the Co-operative Movement, in the event of the trading operations of co-operators being successful.

Trade Growth.

This new commonwealth vision of the pioneers has persisted and is avowedly the objective of the Movement to-day, and, in addition, the trading operations of co-operators have spread to such an extent that its ramifications are now entwined with every industry of importance in the country.

Co-operators have their retail stores in almost all the towns and villages in Great Britain. They touch the lives of four million families by providing them with commodities or service in some shape or form. Besides being distributors of practically every description of food, fuel, furnishing and clothing through their retail societies, co-operators, through their federal institution, the
Co-operative Wholesale Society, have become their own merchants, wholesalers, manufacturers, and producers of a vast range of commodities. They grow their own tea on their own estates; blend and pack it in their own warehouses. They are probably the largest millers in the country. They own and control the only effective soap production, apart from the Lever Combine. They have huge works wherein they produce their own jams, preserve condiments, biscuits, margarine, and other food products, sold exclusively in their own shops. They have great garment and boot factories, textile mills and other works manufacturing a large range of goods. They own their own coal mine and farms, and have depots and buying agencies in all parts of the world for the importation of foodstuffs from abroad. In addition, they are shippers, bankers, and have their insurance and agricultural departments.

Co-operators own and control about 100 millions of pounds of capital; their trade turnover is roughly 300 million pounds annually; they return to their members in interest on share capital and in dividend on purchases a sum approximating to 77 million pounds a year, which, but for the Co-operative Movement, would have gone to swell the incomes of the idle shareholders of capitalist companies.

The 4½ million co-operators to-day, despite the fact that the majority of them are unconscious of their purpose and power, have nevertheless succeeded in building up a vast commercial organization on a collective basis, democratically controlled, and retaining the fundamental principle and ideals upon which the pioneers founded the Movement.

**Politics and Trade.**

It is impossible to separate business from politics. Before the war the influence of commercial interests on political issues was somewhat obscured by the manipulations of the professional politicians of the Liberal and Tory parties, aided and abetted by an enslaved press. The war has changed this somewhat. It has burned down the painted transformation scenery of the pre-war political stage which was forever being shifted by wily capitalist governments to distract the attention of the people from fundamental things.

War conditions were such that "the hidden hand of business in politics" was forced into the open. The control of the mines, railways, food, agriculture, transport, munitions, production, &c., entailed agreements and guarantees, which had to be sanctioned by Parliament. In the arrangements made one could easily discern that the government's policy favoured the owner as against the workman, the manufacturer, wholesaler, and shopkeeper, as against the consumer. So apparent has this become that it has led to the
phenomenal rise of the Labour Party in power and influence to such an extent that it has emerged from the recent General Election t.42 strong, and is now His Majesty’s Official Opposition, and therefore the only alternative administration to the present Conservative Government.

The great issue of war and peace itself during the past eight years has turned the commerce of the world upside down. The politicians at Versailles, instead of making a peace calculated to restore confidence in the world’s markets, thus stimulating trade, made a peace which has brought commercial chaos and financial ruin to this country with the concomitant evils of unemployment, destitution, low wages, and restriction in social reform. In consequence, the trading interests of Britain and France are in opposition and we can see the reaction of this on the international, political, and economic conditions of Europe.

Federations of employers, trusts, banking and other trading corporations have their political director or directors, either in the House of Commons or Lords. These federations of employers, trusts, multiple firms and trading corporations are further linked together in the Federation of British Industries and constitute the most powerful and conscious economic and political force in the country. The Federation of British Industries not only interests itself in politics, it largely dominates the Government.

The following analysis of the commercial and professional connections of members in Parliament reveals the secret trade influences behind Party Government to-day.

### House of Commons, 1923.

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<tr>
<th>Industry</th>
<th>No. of Members concerned</th>
<th>No. of Companies</th>
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*These totals allow for the duplication in directorates in more than one group.*
House of Lords, 1923.

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Note.—The above tables are taken from "Labour and Capital in Parliament."

Even the small shopkeeper in a back street, through his local chamber of commerce and ratepayers’ association, is active in local politics and exerts his influence on the side of reduced rates versus everything else, and strives to crowd the local council chamber with tradesmen, jerry builders, estate agents, publicans, auctioneers and others whose administration will not be too severe in the application of bye-laws and other regulations passed to control traders in the public interests. Trade Unionists, in their struggles with the employers, have discovered this connection between politics and business and have, therefore, created the Labour Party.

All this demonstrates the obvious fact of the interdependence and interaction of trade and politics, and the Co-operative Movement can no more ignore this and live, than it could exist by selling goods at a higher price than, and of inferior quality to, those of its competitors. If the private trader from the "trust" down to the small shopkeeper has discovered the vital connection between business and politics, surely the Co-operative Movement, which trades for the ideal object of creating an industrial, political, and social democracy, cannot afford to ignore it.

Political Influences.

Because the decision of the Co-operative Movement to establish its own political party was made in 1917 during the most difficult period of the war, and at a time when the Co-operative Movement was seething with discontent owing to the treatment it was receiving in matters of food control, military tribunals, representation on government committees and taxation, it is generally assumed that co-operative politics are a war-time development and represent a
revolt against forces from without during an abnormal period in co-operative history rather than the consummation of a natural growth from within.

This view is erroneous. The war only precipitated the birth of the Co-operative Party. For many years before the war, the knowledge that co-operative trading alone would not realize the Co-operative Commonwealth without the help of trade unionism and supplemented by political action was steadily gaining ground in the minds of leading co-operators. This may be accounted for by the fact that co-operation is a social reform movement. It has attracted to itself on its representative side voluntary workers who, whilst forwarding co-operative trading, have also been intensely interested in the political issues of their day. This has reacted in a variety of ways on the Movement, for individuals, if they are political enthusiasts, cannot prevent their politics influencing their other activities. Although this does not apply with equal force to the permanent officials of the Co-operative Movement, nevertheless, there are a number of these, who, through working for a democratic institution, have been brought into more intimate contact with the inequalities of our social system than they otherwise would and, consequently, have become more receptive to the aspirations of democracy than the average business man.

The Rochdale Pioneers themselves, whilst excluding politics from their midst, proceeded to emphasize to their members the importance of such questions as housing, temperance reform, education, the land, and government. They may have thought the reforms they desired on these matters could be obtained through voluntary trading, but after 78 years of practical experience, we find that, although the objective is the same, the methods must be different. There is no co-operator of any standing to-day who does not recognize that housing, temperance reform, education, land nationalization, and administrative government are political problems, to be settled on the floor of the House of Commons, and if co-operators desire to influence legislation on these and other matters, then they cannot exclude politics from their deliberations.

A survey of the history of co-operation shows clearly that the Movement has always been influenced and affected by political issues and administration, and the creation of the Co-operative Party and the disturbance which it has caused are not because it represents a sudden and complete departure from principle and practice, but, on the contrary, indicate that the growth of the political aspect of co-operation has now reached such dimensions that adjustments are necessary in the political system of the country to meet it.

**Political Developments.**

The Pioneer Co-operators were to all intents and purposes an illegal combination when they first commenced to trade, and it took many years of political agitation and dogged courage to extract
from Parliament the legislation embodied in the Friendly Societies Acts, which gave them the necessary legal status and safeguards to enable them to live and develop.

Each stage of growth has necessitated fresh legislation and in the nature of political things, although co-operation has found friends in all parties in the Houses of Parliament, these friends have been few in numbers, and small in influence, compared to the opponents of co-operation. Consequently, delays and bitter disappointments have been experienced, which could not fail to react in time upon co-operative thought, especially in view of the fact that co-operative leaders are more often than not students of industrial and political history.

The legal position in which the early Co-operators found themselves may be judged from the following extract from George Jacob Holyoake’s book on the "History of the Rochdale Pioneers":

"When the Rochdale Society began and for many years subsequently such associations were not recognized by law. The members had no defined rights, and were under unlimited responsibility: yet they were incompetent to deal with outsiders or even with themselves. Indeed, the cash box might disappear with impunity. The Society could not hold land above a small quantity; members could only hold a very limited sum in the funds even after the law did begin to befriend them; nor could they devote their savings to self education. Indeed, it would take pages to explain all the legal disabilities then existing."

With the growth of the movement, representations to Parliament became so frequent that in 1892 it was found necessary to establish a Parliamentary Committee, whose sole function was to watch and promote legislation according to co-operative interests and ideals. It is not generally appreciated that in each session of Parliament a mass of legislation, affecting industry, commerce, and trade in a variety of ways, is dealt with. It is not noticed by the public because these matters, as a rule, are not deemed to be of sufficient importance to be reported in the press. Therefore, a great democratic trading movement, like co-operation, would suffer irreparable harm if it did not maintain a specialized vigilance in this direction.

Any legislation affecting foodstuffs, whether it be free trade, tariff reform, taxes, prices, or regulations governing the export or importation of food supplies, adulteration, preparation of foods, or conditions controlling sales, &c., cannot be enacted without co-operators being vitally interested, both from the social and financial aspect.

Trades board rates, factory and shop legislation, railway rates, road transport, shipping freights, conditions governing British
traders abroad, colonial and foreign concessions, coal, electricity, gas, water, and petrol supplies, canal and port administration, and many other important aspects of commerce and industry, are continually before Parliament for adjustments, and in all these questions co-operators usually have their own distinct point of view and interest as organized consumers, apart from the general private traders.

The range of subjects which the Parliamentary Committee of the Co-operative Union have to deal with may be judged from a review of some of the items reported by the Committee to the Annual Congress of Co-operators from 1903 onwards. They cover a vast range of subjects, such as: The Corn Tax; Sugar Duties; Importation of Canadian Cattle; Education; Corruption in Trade; Municipal Corporations Amendment Bill; Truck Acts; Land Registration; Medicated Wines; Old Age Pensions; Free Trade; Coal Tax; Patent Medicines; Stamp Duties; Sale of Poisons; Sale of Butter Bills; Trade Marks; Canal Traffic; Easement of Lights and False Statement Bills; The Income Tax Menace; various Amendments to the Industrial and Provident Societies Acts; Sale of Margarine and the Pharmacy Bills; Sweated Industries; The Companies and Societies Bills; Employers Liability Insurance; Small Holdings; Women’s Suffrage; Home Work Regulation; Hours of Work in Bakehouses; Miners’ Eight-Hour Day; Licencing Bill; Argentine Cattle; Professional Accountants Bill; Shop Acts; Report of Poor Law Commission; Milk and Dairies Bill; Health Insurance; Short Weight; Food and Drugs Acts; and so on.

As early as 1897 at the Perth Congress, Mr. William Maxwell, in his presidential address, lifted the question of co-operative political action into public discussion among co-operators, by boldly declaring that he could not see the attainment of the Co-operative Commonwealth unless their trading activities were supplemented by representation in Parliament. At the time, Mr. Maxwell was a director of the Scottish Co-operative Wholesale Society and Chairman of the Joint Parliamentary Committee of the Co-operative Union. Therefore, his opinion carried some weight. He had that somewhat rare quality of retaining a vigorous and progressive outlook on democratic affairs, whilst holding the most responsible positions the Movement would offer on its trading side. Therefore it is not surprising that under the intellectual stimulus of his forceful personality the Perth Congress passed unanimously a resolution in favour of the principle of direct representation of co-operators in Parliament.

From then onwards the question of political action has been continually before the Co-operative Movement and it has been frequently discussed at its National Congress and at Sectional
and District Conferences, sometimes on the question of the direct representation of co-operators in Parliament and on other occasions upon the desirability of affiliation or joint action with the Trade Union Movement and The Labour Party; interest in the matter ebbing and flowing according to the circumstances prevailing at the time. By 1913-14 the growth of the idea within the Movement had reached such dimensions that the more progressive societies were beginning to take individual action in their localities, in conjunction with the local Labour Parties and Trades Councils. Other societies, probably representing about one-third of the Movement, were quite ripe for some further development of co-operative political activities.

But, whilst the opinion in favour of organizing the political influence of Co-operation on more definite lines was gaining ground, there was considerable diversity of views as to the method to be pursued. Some favoured affiliation with the Labour Party, others the direct representation of co-operators independent of the existing parties, whilst a small section advocated the financing of co-operative candidates through all political parties. The experience which co-operators gained during the war not only convinced the majority of the doubtful and waverers as to the necessity of some form of representation in Parliament, but it quickly settled the controversy as to the methods to be adopted. To understand clearly the present position of co-operative politics and intelligently to anticipate the lines of its future development, a careful analysis of the effect of the past eight years of war and post-war conditions on the Movement is necessary."

State Control.

The War marked the passing of 19th century thought. It has smashed up the traditions and beliefs of the present generation and has left nations, and movements within nations, floundering without any clear ideas of their relations to post-war conditions. The Co-operative Movement has suffered severely with the rest of the democratic movements in this country. During the War it was repeatedly out-maneuvered by capitalist interests and buffeted about by the ignorance and prejudice which existed towards it in government circles. It was helpless to defend itself, for, unlike the trade unions, it could neither compel public attention to its grievances through the threat of a strike, nor voice them through representatives on the floor of the House of Commons.

The War necessitated changes of a far-reaching character in the trading practices of the country. Largely owing to the submarine menace the Government was compelled to set up a vast

buying and administrative machinery, to secure adequate supplies for the community. Despite all its efforts, supplies, especially in foodstuffs, became so limited that to prevent social disorder an elaborate and expensive system of control and rationing was introduced to ensure some measure of equitable distribution to the consumers. Manufacturers, wholesalers and retailers became mere producing, factoring, distributing and recording agencies of the various Government Departments. Property was commandeered, supplies allocated, quality of production determined, and prices were fixed by Government regulations. It was one of those rare occasions in history when the ordered development of economic affairs was rudely interrupted, and in the stress of an overwhelming crisis, the mind of the nation was freed for great changes, either for good or ill.

If this new machinery of the state had been created, directed, or even influenced to any extent by a Government imbued with democratic ideals, an immense step forward by this generation towards the Co-operative Commonwealth could have been made. Instead, it was used to bolster up capitalism and prepare the way for the further economic enslavement and exploitation of the people. Government commissions became the preserves of vested interests, and state departments the instruments of the profiteer. The policy of the Government was to maintain the structure of private trade and, to ensure this, the new buying and control departments were staffed in the key positions by nominees of the big trading corporations and interests in the country.

Despite all this, some really magnificent achievements were accomplished, and valuable experiments made from a collective standpoint, this emanating largely from the Civil Service Section of the staff, and from the service of that type of individual that rises above personal and class motives in times of communal crises. But capitalism in the main frustrates the natural desire for service in the individual, with the result that eventually the settled policy of the Government triumphed, making State Control a huge, cumbersome, costly bureaucracy, revolting in its incidence the inherent independence of British character, which has a rooted objection to undue interference from the authorities. Thus decontrol was obtained with little protest, its discontinuance to the workers and consumers being as disastrous as its operations were immoral.

Co-operation in War Time.

Democracy follows its pioneers less from conviction than through necessity. Seventy years of co-operative trading had only partially convinced co-operators of the inevitability of co-operative political action, whilst in less than three years of war it became an accomplished fact.
At the outbreak of hostilities in 1914, "Big Business," taking advantage of the panic prevailing among the purchasing public, reaped a rich harvest by advancing in price their pre-war stock, whereas the Co-operative Movement maintained pre-war prices until its pre-war stocks were exhausted. Because of this public-spirited action of the Co-operative Movement, there was a boom in co-operative membership and trade. When control was instituted—prior to complete rationing—the Government introduced what was known as the "datum period" for the allocation of supplies to traders. This meant that supplies were based on a previous period of sales, which ignored the increase of members in the Co-operative Movement. This method of allocation caused a more acute shortage in co-operative shops than generally prevailed. Consequently, considerable dissatisfaction arose among co-operators, many of whom were compelled to go elsewhere for their supplies.

The average co-operator, not being versed in what was going on behind the scenes of State control, was not in the position to place the blame upon the right shoulders. Therefore the effect of these conditions was to weaken their faith and loyalty in their stores. This doubt in their minds has remained, and provides fruitful soil for stunts and panics of all descriptions as to the stability of co-operative finance during these difficult times of trade slump.

In addition to the unequal incidence of food control, the Government brought co-operative societies within the scope of the Excess Profits Tax, thus applying a principle of taxation to co-operators contrary to that which they applied to other citizens, and, by so doing, destroyed a position that co-operators had maintained from their pioneer days.

When the Military Tribunals were established, co-operators more often than not found them packed with their trading competitors and many biased decisions were given against co-operative employees' claims. It is no exaggeration to say that representation upon, or in, all these Commissions, Departments, and Tribunals, whose authority emanated from the Government or Local Authorities, became of vital importance to the whole of the Co-operative Movement, with the result that, at the Swansea Congress in 1917, there was an overwhelming opinion in favour of taking direct political action to safeguard co-operative interests and to present the Movement's point of view on public administrative bodies.

The Swansea Congress.

The Resolution upon which Co-operators made their momentous decision to form their own political party was sent in from no less than 104 retail societies and received the support of the Joint Parliamentary Committee.
RESOLUTION.

(1) "That in view of the persistent attacks and misrepresentations made by the opponents of the Co-operative Movement in Parliament, and on local administrative bodies, this Congress is of opinion that the time has arrived when co-operators should secure direct representation in Parliament and on all local administrative bodies.

(2) "It therefore calls upon the Central Board of the Co-operative Union to take such steps as may be necessary to put into operation the terms of the above resolution."

It was carried by the overwhelming majority of nearly 10 to 1, the actual voting being 1,979 for; 201 against. The absence of any real effective opposition may be gauged from the fact that an amendment, aiming at delay, moved by the C.W.S. received very little support, and the resolution was carried by Congress with the full knowledge that steps would be taken immediately by the Co-operative Union to create a political party for co-operators. At a Special Emergency Conference, held in October, 1917, and at subsequent Annual Congresses, the constitution and policy of the Co-operative Party have been adjusted from time to time, and it may now be stated that co-operators have a National Party and political machinery in being, capable of securing the return of co-operative representatives to Parliament and Local Authorities.

The decision of the Swansea Congress is indicative of a new phase in the development of co-operation. Previously, co-operators, whilst professing the Co-operative Commonwealth, and all that it implied, to be their ideal, had nevertheless limited themselves to the specialized function of organizing the consumers’ democracy upon a trading basis only. Their attitude towards the democracy of producers (trade unions) and the political democracy (the Labour Party) had been friendly but neutral. Obviously this could not continue indefinitely, for neither the Co-operative Movement, the Trade Union Movement, nor the Labour Party is in the position to achieve the Co-operative or Socialist Commonwealth singly. Any undue preponderance of power exercised by any one of these is likely to lead to conflict. Therefore, the decision of co-operators for independent political action in 1917, represented, not only the revolt against political oppression during the war, but it marked the transition of co-operative thought from its previous circumscribed sphere on to a plane of universal application, thereby bringing it more into line with the growing power of trade unionism as expressed through the Labour Party.

Problems of a New Party.

Having decided for independent political action, co-operators were immediately faced with the difficulties all new parties have to
confront in Great Britain where conditions do not favour a number of political groups. They have had to translate the principles of their movement into a political programme. They have or will have to think out the co-operative attitude to all political issues, and determine their relations with other political parties, for there is either room for a new party or they must become part of, or ally themselves with, one or other of the existing parties. Fortunately co-operators have the experience of the Labour Party to guide them to a decision on many of these matters, for the Labour Party is the outcome of a development from causes within and without the Trade Union Movement, very similar in character to that which has led to the formation of the Co-operative Party.

Finally, only experience can prove what form the political appeal of co-operation should take to gain sufficient support from the electorate to return co-operative representatives in any appreciable number to our legislative bodies. It is too early yet to state with certainty the future path of the Co-operative Party, but there is nevertheless much evidence of tendencies already in existence to provide reasonable ground for deduction.

**Political Policy.**

Co-operators have had little difficulty in drafting a political programme to conform to the principles of co-operation. The acid test of politics to-day is the individual versus the co-operative ownership of land and the processes of production, distribution, and exchange.

On the main political issues, e.g., the ownership and control of mines, railways, waterways, transport services and similar matters, the Co-operative Party supports national or local ownership and control according to whether the service is national or local in character.

In international affairs it stands for a real and effective League of Nations to prevent wars.

It stands for equality of opportunity in education and the democratization of state services, civil, commercial, and diplomatic.

It is against tariff barriers and favours the abolition of indirect taxation on foodstuffs.

It recognizes the right of the individual to live and therefore supports the principle of "work or maintenance" for the unemployed.

Co-operators could do no other than thus define their political policy for their movement is an association of consumers whose motto is "Each for All and All for Each," and who own in common farms, mines, ships, warehouses, factories, mills, shops, plant,
machinery, rolling stock, &c., and state and municipal ownership and control are but an extension of what co-operators already practise.

Comparisons.

But whilst the programme of the Co-operative Party conforms to the principles of co-operation, all co-operators do not support the Co-operative Party. The Co-operative Party is to-day where the Labour Party was 20 years ago. Then men as producers had felt the need for association and had joined trade unions with the limited desire to improve the wages and working conditions of their trade. Beyond this desire to increase wages and reduce hours the average trade unionist was only vaguely conscious of the reactions on society at large which these growing combinations of producers were having. But not so a majority of the leaders and delegates of the Trade Union Movement; hence the formation of the Labour Party. Yet whilst it was possible in 1900 to create the Labour Party, it has taken 20 years of steady and continuous propaganda to educate and widen the outlook of the rank and file of trade unionists to vote for it and to see the desirability, if any permanent improvement is to take place in their conditions, of organizing their political as well as their industrial power, and even to-day, although sufficient support is given to make it one of the great parties of the State, trade unionists do not vote as solidly as they strike, or the Labour Party would have formed the Government of the country ere now.

The same may be said of the Co-operative Party. Sufficient knowledge and opinion exist in the Co-operative Movement to-day to create and maintain the Co-operative Party, but much education and propaganda will be necessary before the great mass of co-operators realize the necessity of advancing their interests, as organized consumers, through political as well as through trading association. In the meantime, although the Co-operative Party has made considerable progress, there is a good deal of confusion of thought and opposition to its existence among co-operators. Whilst this is natural, it causes difficulties and accounts for the variety of policy among co-operative societies at this initial stage of development.

The majority of societies are affiliated to the Co-operative Party. About 50 have directly affiliated with the Labour Party, some of these also retaining membership with the Co-operative Party. The rest have refrained from taking any political action.

Local Autonomy.

To understand the reason for the divergence in policy among societies, it should be kept in mind that each Co-operative Society is autonomous. Therefore, its action is determined more by opinion
among its members, which varies according to the locality in which the society operates, than by national considerations. Decisions of the Co-operative Congress are not binding on a retail society until they are confirmed by the membership of that society. Therefore, whilst the decision of the Swansea Congress was a correct indication of national experience in 1917, in its reference back for individual endorsement, all kinds of local influences have operated to create difficulties and retard progress. Co-operators, prior to the war, had divided their support mainly between the Liberal and Conservative Parties, with the exception of a district here and there which had already become converted to Labour. Liberal opinion undoubtedly predominated and many prominent and earnest co-operators were actively associated with that party. It is not easy for individuals to throw over their political beliefs, and it is not possible for movements to stand still in deference to their wishes. Conflict, therefore, is bound to arise and the question which the Movement now has to answer is whether the desire among co-operators for the Co-operative Party to live is greater than the desire for its destruction.

The Aim of a New Party.

The outcome of this struggle will profoundly affect the future, for it will determine the lines upon which the Commonwealth will evolve and the functions of the Co-operative Movement within it. There is no doubt about this because the political power of democracy is rapidly increasing, and the Labour Party is certain to have an opportunity before long of putting its programme into operation. Therefore, a decision on this issue is not only of the utmost importance to co-operators, it is equally so to the wider democracy. For co-operators to decide against political action is tantamount to acknowledging that the consumers’ democracy is not as distinctive a factor in political democracy as is the democracy of producers. To come to such a decision would be contrary to the history of the working-class movements of this country, of which the Co-operative Movement is one of the outstanding successes, for experience provides the valuable lesson that, when the complex interests of the consumers are subordinated to the particular interests of the producer, the economic aspect of democracy tends to stagnate and suffer.

But as a matter of fact there is not much evidence that the opposition to the Co-operative Party will be successful. No doubt adjustments will have to be made, for it is not to be expected that the first step into politics made by co-operators will be on infallible or unalterable lines. When experience proves any of its methods to be wrong, common sense will adjust them, for it should be the aim of a new party to recognize that political attachments cannot easily be broken, and the adherence of sincere people can never be
compelled by force, but may be won over by consideration, reason, and the logic of events. In time, those co-operators in whom cooperation is stronger than party attachment will recognize the need of their party for their support and eventually will give it their adherence, whilst the opposition with ulterior motives will cease to inconvenience, because it will then be ineffective.

The Economic Test.

Its relations with existing political parties is always the most serious difficulty which confronts a new party, and is the first issue it must fight out. There are many gradations of political thought and this tends to obscure the more fundamental things which divide people into political parties. For instance, Temperance Reform has its advocates in all parties, although they vary in number and the methods of the reform. The Labour, Liberal and Co-operative Parties all agree upon the practice of Free Trade, whilst Liberals and Conservatives unite against Labour on industrial problems, and it is possible that trade union thought might differ from co-operative thought on the degree of workers’ control to be instituted in the earlier stages of common ownership.

But these points in which parties merge are usually the less distinctive features of the party programme and more often than not concern palliatives rather than fundamentals. The most important division between parties to-day is an economic one involving the ownership, control, and administration of the sources of material wealth, this entailing in its turn the recasting of the social and ethical values in society. On this basis, the Co-operative Party must determine its relations to the Conservative, Liberal, and Labour Parties.

The Objective of Parties.

Both the Conservative and Liberal Parties support the present economic structure of Society, with its numerous class distinctions. The difference between them is one of degree, the Liberals favouring a more radical patching up of some of the abuses of capitalism than do the Tories.

The Labour Party, whilst considering it expedient temporarily to support legislative measures of social reform, is opposed to the present capitalist system of society and seeks to replace it by a socialist or co-operative commonwealth. The Co-operative Movement does not support the present economic structure of society. On the contrary, it exists to replace capitalism by a Co-operative Commonwealth:

Wherein, the incentive in industry will be production for use and not for profit.
The economic basis of society to be the common ownership of the essentials of life, with such modifications as may be necessary to keep functioning the desire for change.

Government to be based upon democratic principles, the will and interests of the citizens as consumers to be the dominant factor whilst enabling the producers to function in the administration of their respective industries.

The Co-operative Party of necessity stands for the above object of the Co-operative Movement, and so does the Labour Party. Therefore, the two are fundamentally in agreement and begin to build their political programmes from a common foundation.

**The Reason for Early Success.**

The Co-operative Party quickly made itself felt in politics. About half the retail societies almost immediately affiliated to it and the contributions from these, together with the annual grant from the C.W.S. and the S.C.W.S., provided the funds for local and national candidates to be put forward. In addition, a sufficient number of enthusiasts from the men’s and women’s guilds and from those holding representative positions upon management and education committees were forthcoming to enable the framework of an organization to be established.

Therefore, the two things necessary for starting a political party, funds and voluntary workers, were found at hand by co-operators and a number of candidates were put forward at the Local Elections in 1918, and, in addition, 10 candidates went to the poll at the General Election in November, 1918. Considerable success was achieved by co-operative candidates at the Local Elections, and one candidate—Mr. Waterson, M.P., for Kettering—was returned to Parliament. In the recent General Election 11 co-operative candidates went to the polls, and 4 emerged successful, viz., Messrs. Alexander (Sheffield), Barnes (East Ham), Henderson (Glasgow), and Morrison (Tottenham). But this success was not obtained by co-operative candidates running entirely on the strength of their own organization. Much of it is due to the friendly co-operation of the Labour Party, national and local, which enabled co-operative candidates to go to the poll without Labour opposition. In effect, it meant that the same causes which compelled trade unionists through the Labour Party and co-operators through the Co-operative Party to formulate the same ideals, based upon similar principles, and to be obtained through a political programme framed in almost identical terms, also made it inevitable that, in face of the same electorate, they had the alternative of agreement or the dissipation of their respective energies.

The principle of autonomy for each Co-operative Society is here seen to advantage, enabling the more progressive societies to adapt their policy to practical politics without committing the
Movement officially. This working with the Labour Party has been an important factor in enabling the Co-operative Party to secure the return of something like 500 Co-operative Councillors to Local Authorities in the short space of 5 years. In addition, in all the constituencies where Co-operative candidates stood at the General Election, they were assured of the support of the Labour Party, thus enabling them to rally all the forces of democracy in their favour. This development, although helping materially the growth and influence of the Co-operative Party, has naturally aggravated party feeling and caused the question of the relations of the Co-operative Party to the Labour Party to become a controversial issue within the Movement.

**Opposition to Labour.**

The opposition to an understanding with the Labour Party may be divided broadly under two heads:

1. That form of opposition which is opposed to political action and which mainly arises from attachment to the older political parties, and therefore becomes aggravated when an alliance with Labour is suggested.

2. The fear that it may react adversely upon the trading side of the Movement.

The first form of opposition is unavoidable in the early stages of independent working-class political parties. The members of trade unions and co-operative societies did not join either movement in the first instance with conscious political motives. They joined with the object of obtaining the limited but direct advantages accruing from "industrial" and "mutual trading" association. But one form of association becomes in its turn the seed for further growth and in practice trade unionism and co-operation have discovered to the workers the power that resides for them in collective effort as against their helplessness as individuals. The same conditions apply to the worker as a citizen and as a producer or as a consumer. Politics, like almost everything else to-day, are organized on a large scale! The individual cannot function except through a political party. National Headquarters, County and Local Organizations, Agents in every constituency, national, provincial and local daily and weekly newspapers, and a continuous propaganda are indispensable to any party aspiring to the government of the country. The expensive machinery of politics can only be obtained and maintained by an annual revenue of considerable dimensions. The Liberal and Conservative Parties depend for their party funds mainly upon secret subscriptions from wealthy capitalists and landowners, and according to the honours debate in the Houses of Parliament in July, 1922, they no not hesitate to swell their funds by a traffic in honours. Those who pay the
piper call the tune: consequently, both the Conservative and Liberal Parties exist to maintain the present inequitable system of society.

The worker has therefore no alternative but to accept the politics of parties financed by rich men or to create and finance a party of his own. He can only do this through his trade union and co-operative society. There is no other way because the workers are too poor. By this method the pence of millions becomes a new instrument of power and enables democracy to be politically independent of the cheque books of the rich. It is an open way; it is honest; it is democratically enforced and it certainly will make for greater purity in politics than the secret subsidies to the party funds of the older parties.

At the start of the Co-operative Party, all co-operators were not prepared to sever their connection with the older parties any more than trade unionists were 20 years ago. It is not in the nature of things. Our working-class movements have developed step by step, each stage of growth being tested by the natural resistance to change, the determining factor being the rising generation, who can more surely discern the utility of the new development because their outlook is less clouded by custom and tradition: therefore, the first form of opposition will be eliminated in time provided the Co-operative Party remains steadfast to its ideals, displays virility in its policy and sagacity in its methods, for these three things are the essentials for a successful people’s party.

Methods.

The second form of opposition arises from that body of opinion within the Movement which, whilst recognizing that some form of political action is desirable, is uncertain as to the method to be adopted and fears that any alliance with the Labour Party is likely to react adversely upon the trading side of co-operation. This raises the question as to the method which is most suitable to advance Co-operation in the realms of politics. When creating their party, co-operators were wise enough to establish a special political section. The National Committee of the Co-operative Party consists of 28 members elected as follows:

Nine members elected from and by the Retail Societies affiliated to the Party.
Nine members elected by the Co-operative Union.
Two representatives from the English Co-operative Wholesale Society.
One representative from the Scottish Co-operative Wholesale Society.
One representative from the Productive Federation.
Two representatives from the Joint Parliamentary Committee.
One each from the Men's Co-operative Guild, the Scottish Women's Co-operative Guild, the Women's Co-operative Guild, and the Education Committee of the Co-operative Union.

Thus all the constituent elements of the Co-operative Movement are represented on the National Committee of the Party, thereby avoiding that possibility of political activities unduly occupying the attention or interfering with the other aspects of Co-operation.

The work of the National Committee is primarily to obtain representation in Parliament, encourage the formation of Local Co-operative Parties and to educate co-operative and public opinion in the need for consumers' representation on public bodies. The Local Co-operative Parties have complete autonomy for local purposes and, in addition, have the right of choice in the selection of a parliamentary candidate, subject to the approval of and certain other conditions laid down by the National Committee. This enables the local Co-operative Party to adjust its policy to local conditions within reasonable constitutional limits. In practice local Co-operative Parties have found it expedient to adopt broadly one or other of the following methods:

(a) The Local Co-operative Party and the Local Labour Party meet and agree to an allocation of seats.

(b) The Local Co-operative Party has affiliated with, and submitted its nominations to, the Local Labour Party, and if endorsed, they have run under the auspices of the Labour Party.

(c) Auxiliary co-operative bodies, like the Men's and Women's Co-operative Guilds, have affiliated to the Local Labour Parties, and have submitted nominations to the Labour Party, which, if endorsed, have then been supported by the Local Co-operative Party.

Whilst these various methods have met the initial difficulties of co-operative political growth, they will not suffice indefinitely. Both the Labour Party and the Co-operative Party in the near future will increase their membership and funds and improve their organization, and will then be in the position to put forward a greater number of candidates. Therefore, the time is approaching when the margin of seats which both are now unable to contest will disappear, and then agreement will become more difficult. It is, therefore, advisable that the relations between the Labour Party and the Co-operative Party should have the considered attention of all those who believe in the unity of democracy and, as the main obstacle to a satisfactory solution is a co-operative one, we may now examine a way out of the difficulty.

Affiliation.

Co-operative opinion is not yet ripe for affiliation with the Labour Party. The National Committee of the Co-operative Party
does not advocate it and the Co-operative Union and the Co-operative Wholesale Society are opposed to it. To force affiliation would not help the Labour Party, because a decision of the Co-operative Congress, as previously explained, is not binding on either the C.W.S. or a single retail society, unless it is confirmed by their respective members.

On the other hand, those societies that wish to affiliate are free to do so now, and many have. The Co-operative Party at present is a Committee of the Central Board, which is representative of the whole of the Co-operative Movement, and, if affiliation were carried under present conditions, it would raise serious constitutional difficulties both for the Labour Party and the Co-operative Movement, and would more likely than not retard for a period rather than help the development of the idea of co-operative political association. The Labour Party at present requires a solid membership behind it and affiliation of the Co-operative Party, under the conditions indicated, would constitute a source of weakness. It is therefore obvious that greater political growth within the Co-operative Movement is first necessary before complete unity can be accomplished.

An Unworkable Constitution.

The position of the Co-operative Party at present is that about one half of the Co-operative Movement is affiliated to it. Its policy and work is subject to the veto of the Central Board of the Co-operative Union and Congress. The weakness of this arrangement is that through the Central Board and Congress those societies who are not members of the Co-operative Party retain the power to influence and vote upon its policy and proposals. This is obviously wrong. Either those societies not yet affiliated must become members of the Co-operative Party or else the Co-operative Movement should seriously consider whether it is not only advisable but fair to give the Co-operative Party the same status and freedom which the trade unions have given to the Labour Party. The Trade Union Congress realized that only those trade unions which were members of the Labour Party had the right to exercise any influence in its affairs. Consequently, the Labour Party was given the necessary freedom and the conditions which compelled it to make progress on its merits, and this constitutes a big factor in vigorous growth. Thus the Labour Party has grown up with its own National Congress and with a constitution and machinery to fit in with its needs. This has not weakened the bonds which link the Trade Union Movement and the Labour Party together. On the contrary, it has strengthened them, for it is not subjection which binds the many sections of democracy together, but a community of interests and ideals.
A Special Sphere for Co-operative Politics.

If the Co-operative Movement could see its way to follow a similar line of political growth, many of its present difficulties would disappear. Now the position is neither satisfactory to those who favour political action, nor to those who are opposed to it. The Co-operative Party has to submit the policy it is working out from practical experience to a Congress composed of delegates, many of whom have no knowledge of its problems, and, what is more, very little desire to understand them. Consequently, the maximum of irritation is engendered with the minimum of results.

The fact that co-operative politics has its own special sphere, apart from Co-operative trading, should be recognized. Now the Central Board and Congress are trying to fit the Co-operative Party into a place in the Co-operative Movement, whereas their endeavour should be to create for it a place in the political system of the nation. The Central Board contributes towards the maintenance of the Co-operative Party, and this contribution constitutes the right of those societies not members of the Party to vote upon Co-operative Party policy at Congress. The Co-operative Party should depend for its funds upon its affiliated societies and members, or upon National grants given without conditions which unduly limit its freedom of action. It should have its own Party Conference at which only those affiliated to it should be represented and be empowered to decide policy. This would leave every Society—Retail, Wholesale and Productive—free to decide the part it wished to play in the representation of the consumer in politics.

If this independence were given to the Party, it would prevent those societies not yet ripe for political action from hampering those who are, and it would prevent the responsibility of any action of the Party resting upon those who do not desire it. Contact could be maintained with the trading side on lines adopted by the Trade Union Movement and the Labour Party, viz., the establishment of Joint Committees. There is not the slightest possibility of the Co-operative Party under such conditions losing touch with the main movement, because, if it did, it would soon cease to exist.

Unification of Forces.

In a political democracy it is desirable for the consumers, as well as the producers, to be represented in a specialized form, and the Co-operative Party has been created for this purpose. Independence for the Co-operative Party would solve the main obstacle which stands in the way of an alliance or union with the Labour Party, for it would remove the constitutional difficulty which affects the National and Federal bodies within the Co-operative Movement. If the Co-operative Party were a free association of those societies favourable to consumers’ representation, it could decide for union
with the Labour Party without involving the Central Board of the Co-operative Union, which contains within it the English and Scottish Wholesale Societies, the Productive Federation, and a number of societies whose local conditions may not favour political action, and in particular may be opposed to an alliance with Labour.

The present machinery existing between the Labour Party, the Parliamentary Labour Party, and the General Council of the Trade Union Congress could be extended to the Co-operative Union in time, enabling that body on all matters, to express the views of the Co-operative Movement. Towards some such unification of the forces of democracy the mind of the people is steadily feeling its way. The war plunged co-operators into politics under exceptional conditions, but experience is now pointing out the path to be taken. Co-operators and trade unionists who favour an independent working-class political party to free themselves from political subservience to the rich do not desire two political parties with the same ideal and programme to compete for their votes.

What they do require is a comprehensive party, combining the experience and specialized knowledge of all sections of the democracy, which will develop a community of interests and a higher level of citizenship in a Co-operative or Socialist Commonwealth.
THE FABIAN SOCIETY,
25, TOTHILL STREET, WESTMINSTER, LONDON, S.W.1.

Those willing to join the Labour Party, or desirous of obtaining information about its Programme and Principles, are invited to communicate with the Secretary of the Fabian Society.

The Fabian Society has been, from the outset, a constituent body of the Labour Party; and membership of the Society carries with it full membership of the Labour Party; eligibility for nomination to all Conferences and Offices, and qualification for Labour Party, candidatures for Parliament and Local Authorities, without obligation to belong to any other organisation.

The Society welcomes as members any persons, men or women, wherever resident, who subscribe to its Basis (set forth below), and who will co-operate in its work according to their opportunities.

BASIS OF THE FABIAN SOCIETY.

TO BE SIGNED BY ALL MEMBERS. Adopted May 23rd, 1919.

The Fabian Society consists of Socialists.

It therefore aims at the reorganisation of Society by the emancipation of Land and Industrial Capital from individual ownership, and the vesting of them in the community for the general benefit. In this way only can the natural and acquired advantages of the country be equitably shared by the whole people.

The Society accordingly works for the extinction of private property in land, with equitable consideration of established expectations, and due provision as to the tenure of the home and the homestead; for the transfer to the community, by constitutional methods, of all such industries as can be conducted socially; and for the establishment, as the governing consideration in the regulation of production, distribution and service, of the common good instead of private profit.

The Society is a constituent of the Labour Party and of the International Socialist Congress; but it takes part freely in all constitutional movements, social, economic and political, which can be guided towards its own objects. Its direct business is

(a) the propaganda of Socialism in its application to current problems;
(b) investigation and discovery in social, industrial, political and economic relations;
(c) the working out of Socialist principles in legislation and administrative reconstruction;
(d) the publication of the results of its investigations and their practical lessons.

The Society, believing in equal citizenship of men and women in the fullest sense, is open to persons irrespective of sex, race or creed, who commit themselves to its aims and purposes as stated above, and undertake to promote its work.

The Society includes:

I. Members, who must sign the Basis and be elected by the Committee. Their Subscriptions are not fixed; each is expected to subscribe annually according to his means. They control the Society through the Executive Committee (elected annually by ballot through a postal vote), and at its annual and other business meetings.

II. Associates, who sign a form expressing only general sympathy with the objects of the Society and pay not less than 10s. a year. They can attend all except the exclusively members' meetings, but have no control over the Society and its policy.

III. Subscribers, who must pay at least 5s. a year, and who can attend the Society's Ordinary Lectures.

The monthly paper, Fabian News, and the Tracts from time to time published in the well-known Fabian Series, are posted to all these classes. There are convenient Common Rooms, where light refreshments can be obtained, with an extensive library for the free use of members only.

Among the Society's activities (in which it places its services unreservedly at the disposal of the Labour Party and the Local Labour Parties all over the country, the Trade Unions and Trades Councils, and all other Labour and Socialist organisations), may be mentioned:

(I.) Free lectures by its members and officers;
(II.) The well-known Fabian Book-boxes, each containing about three dozen of the best books on Economics, Politics and Social Problems, which can be obtained by any organisation of men or women for 15s. per annum, covering an exchange of books every three months;
(III.) Answers to Questions from Members of Local Authorities and others on legal, technical or political matters of Local Government, &c.;
(IV.) Special subscription courses of lectures on new developments in thought;
(V.) Economic and social investigation and research, and publication of the results.

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