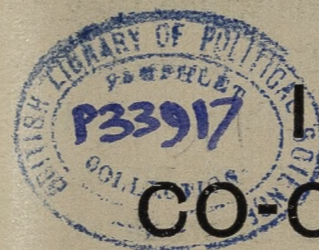


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WOMEN'S CO-OPERATIVE GUILD.



INTERNATIONAL CO-OPERATIVE TRADE.

By A. HONORA ENFIELD.

The Meaning of International Co-operative Trade.

As the Co-operative Movement grows and deals in a greater variety of goods, it becomes more and more dependent on foreign countries to supply the raw materials, food, or manufactured goods which are not produced in England. It has long been the policy of the Co-operative Wholesale Society to try to supply its own factories with its own raw materials, so that its goods may be co-operatively produced throughout.

For this reason it has acquired palm oil concessions in West Africa, which give it the materials for its soap and margarine factories, and has bought estates in India, Ceylon, and Canada, on which to grow the tea and the corn it imports.

But the Co-operative Wholesale Society cannot itself own the sources of all the materials it needs, nor is it necessary or desirable that it should. The same purpose can be served by leaving the Co-operative Movement in each country to develop the natural resources of its own country, and building up a system of international trade between the different Co-operative Movements all over the world. The



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Co-operative Wholesale Society in England would then import from the Wholesales of other countries the goods not produced in England, and export to them in exchange goods which they needed. Thus each country would get what it wanted, and neither side would make any profit out of the other, for all co-operative trade is carried on for use and not for profit: that is to say, international co-operative trade is what all trade really ought to be—simply exchange of goods for mutual advantage.

The Importance of International Co-operative Trade.

The growth of international trade is of great importance to the Co-operative Movement everywhere, because it is only by trading internationally that the movement can make itself independent of capitalist sources of supply. If the movement in a country which possesses raw materials knows that, though it cannot manufacture much itself, it can exchange the raw materials for goods manufactured by the Co-operative Movement of another country, it will be worth while for it to work the raw materials, and both movements will be independent of the capitalists. Otherwise, the raw materials will be worked by the capitalists, who will thus be able to make both movements dependent upon them.

Besides this, international trade will greatly increase co-operative production, because the Co-operative Movement in each country will not only have to supply its own members but also produce the goods for export which the movement in other countries needs. Thus a much larger part of the nation's industry will come to be controlled by the Co-operative Movement.

And the development of international co-operative trade will benefit not only the movement but the whole world,

for, by trading with other countries for use and not for profit, co-operation will help to get rid of the rivalry between nation and nation for the possession of markets and raw materials which has so often led to war.

Importance of Trade with Russia.

The commodities which at the present time it is most important for the Co-operative Wholesale Society to be able to obtain from co-operators abroad are raw materials for its factories and articles of food.

Russia has all kinds of raw materials—metals, timber, hides, etc., as well as great quantities of butter, eggs, wheat.

Russia, on the other hand, needs a great many things that the English Co-operative Wholesale Society could supply, *e.g.*, boots, cloth, tea, coffee, etc. Russia also needs great quantities of such things as agricultural machinery and motor cars. Trade with Russia would enable the Co-operative Wholesale Society to start these industries, which would be very important to the Co-operative Movement in this country.

It would, therefore, be most advantageous to both movements that trade between the two should be developed as quickly as possible.

The Russian Co-operative Movement has become under the Soviet Government part of the recognised State system for carrying on both home and foreign trade. It is represented in London by a Standing Committee now known as the All-Russian Co-operative Society, and since the decision of the Supreme Council of the Allies in February, 1920, to open trade with the Russian co-operators, official delegations have been sent from Russia to Denmark and England to arrange transactions. Naturally both the Russian co-operators and

the Soviet Government would prefer to do their business with co-operators rather than with capitalists, and the Italian co-operators have taken advantage of this to conclude an agreement by which *all trade between the Russian Co-operative Movement and Italy shall be conducted through the medium of the Italian Co-operative Movement*. It is very important that our Co-operative Wholesale Society should also come to some arrangement with the Russian delegates, and that societies should support their efforts for trade with Russia in every possible way. For if co-operators everywhere take the chance which is offered them now, while Russia is rebuilding her foreign trade, they will prevent the capitalists from monopolising the vast resources of Russia.

The Need for an International Wholesale.

But exchange does not always take place directly between two nations. It might happen, for instance, that the English Co-operative Wholesale Society could supply cloth to the Austrian Movement, Austria could make it into clothes for Russia, and Russia could supply England with butter or eggs. To carry out such transactions as these it is necessary that there should be an International Co-operative Wholesale to which the Wholesales of all the separate nations should belong. Its work would be to ascertain what the movement of each country needed and which country could supply it; to carry through the necessary transactions; to keep accounts of all international trade; and to distribute any surplus on the whole of this trade to the various national Wholesales according to the amount of their purchases. Thus it would act for the different national Wholesales very much as the English Co-operative Wholesale Society acts for the different English societies.

Beginnings of International Co-operative Trade.

Already beginnings of trade with the Co-operative Movements of other countries have been made. In the autumn of 1919 a ship load of goods was sent by the Co-operative Wholesale Society to the South Russian Co-operative Societies. In January of this year 1,200 barrels of herrings were sent to Poland; soap has been sent to Belgium, and clothing to Roumania.

More important still, definite steps have been taken towards establishing an International Wholesale Society. On August 20th, 1919, a meeting of the Wholesales in various countries was held in London to consider questions of international co-operative trade. From this a Committee was appointed consisting of representatives of the English, Scottish, Scandinavian, French, Russian, Belgian and Swiss Wholesales with the Secretary of the English Wholesale as secretary, to draw up a definite scheme for the development of international trade.

Their scheme was adopted by the International Conference of Wholesale Societies which met at Geneva in April, 1920. It recommended—

1. That each country should have a single Wholesale Society with which others could deal.
2. That each Wholesale Society should have an export department.
3. That all Wholesale Societies should be invited to join the scheme and to supply information.
4. That there should be joint purchasing arrangements between the various Wholesales.
5. That there should be a Central Bureau of Statistics, which would collect all information about what goods each Wholesale needed or could supply.

The Committee which drew up the scheme was reappointed, and is known as the International Committee of Wholesale Societies. When it has got the information which is now being collected it will be possible to arrange all kinds of transactions and to start a great world-wide trade between the Co-operative Movements of various countries.

The Present Opportunity.

The formation of this International Committee, which is the foundation for an International Wholesale, is one of the most important events that has ever taken place for Co-operation, and it is very important that all co-operators should realise this, and understand how necessary it is for the Co-operative Movements everywhere, through this International Committee, to get to work quickly; for Co-operation has a greater opportunity to-day than it has ever had before—an opportunity that may never come again.

To-day the trade of a large part of the world is at a standstill as a result of the war. The countries of Eastern and Central Europe, which have been subject to the blockade, have been unable to continue their production because they were deprived of either the raw materials or the machinery which they needed, and of food to feed their workers. Before they can begin to produce again they must import food and raw materials and machinery from the countries which have these things.

But they have no gold with which to pay for what they import, and their paper money is of no value except to themselves. Some, like Russia, have goods which they could send in exchange, but the private trader who sends motor cars to Russia does not always want to take flax or butter in exchange. Other countries, like Armenia, have not even

goods they can part with; they must have the raw materials and the food they need lent to them for a time, till they are able, by the help of these things, to produce something with which to pay for them. But there is a great risk about lending to a private trader who may be incompetent and fail, or dishonest and refuse to pay in the end.

Now, in all these countries there is a Co-operative Movement. In some it is very strong; in others, like the Balkan States, it is small. But in all it has survived the difficulties of the war and in many has actually increased its strength. For several reasons it would be much easier for our Co-operative Movement to begin trading with the co-operators of these countries than it is for our private traders to trade with their private traders.

For one thing our Co-operative Wholesale Society, which deals in almost every kind of commodity, could very well take in exchange for the goods it sends anything which the movements of these countries have to offer. Moreover, if they have nothing to offer immediately and it is necessary to give them credit, there is less risk in lending to them than in lending to the private trader. They have proved themselves able to survive the strain of war; we know that they are working for the same ideals as our own movement and we can trust their honesty, and as they are democratically controlled they do not depend to the same extent as capitalist businesses do on the ability and honesty of one or two men. Their members are the workers on whose efforts depends the production of goods to pay for what have been imported.

For these reasons co-operators could step in where private traders fear to tread, and by beginning to trade with one another would secure an immense advantage for their

movement and do a very great service to the world. For directly it was known in these famine stricken countries that the co-operative societies had food and other goods to offer which no one else had, there would be a rush to join the societies. Their membership would go up, their capital would increase, they would be the sooner able to pay for what they had imported from us and to import still more. The Co-operative Wholesale Society on its side would then benefit for it would have a trade with these countries which no one else had. And so the movement would grow in this country too.

And when it was found that co-operators were trading together other traders would gain confidence, and gradually commercial intercourse would be restored and famine would be overcome. And in this world-wide trade the Co-operative Movement would have the leading part and would have laid the foundations of a better and juster relationship between nation and nation.

Practical Action.

Guild Branches can help on the international movement by seeing that their society's delegates to the Co-operative Wholesale Society's Quarterly Meetings support every proposal for international trade and the formation of an International Wholesale.

The starting of international trade means also that the need for more capital is greater than ever, and Guild Branches should do all in their power to increase the capital of their societies and so enable them to place more with the Co-operative Wholesale Society.

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