"Below Bridges," a fine photographic picture by Mr. J. Dixon-Scott, represents three generations of sea-craft on London's river near the great ferry at Gravesend.

The "Sokol" movement of Czechoslovakia originated to develop character as well as physique. The picture shows the Prague Festival with 20,000 men in mass drill all at once.

The London office of this federation showed slightly decreased sales from 7,900,000 kroner in 1930 to 7,881,815 kroner in 1931. Details of the total turnovers of Andelsforbund follow:—

Year.	Turnover.	Net Surplus.
	Kroner.	Kroner.
1919	9,647,649	.....
1920	11,224,991	143,813
1921	11,385,492	154,761
1922	13,177,517	164,823
1923	17,691,406	194,677
1924	22,965,492	270,633
1925	19,161,174	206,503
1926	18,226,876	206,826
1927	17,400,000	211,385
1928	23,546,504	263,000
1929	30,700,000	323,946
1930	27,800,000	260,912
1931	28,085,676	.....

International C.W.S.

There are 26 national Co-operative Wholesale Societies in membership. The objects of this Society are to collect and distribute information, and to develop trade between the central co-operative organisations of the world. The Society itself does not undertake actual trading.

International Banking.

A year or two now a committee, consisting of representatives of 21 different countries, has been sitting under the ægis of the International Co-operative Alliance, for the purpose of studying questions of special interest to the Co-operative Banks and banking departments of the movements in different countries.

International Re-Insurance.

Some 14 countries are represented on the special committee, sitting under the International Co-operative Alliance, for the purpose of founding an International Re-insurance Institution. Successful working arrangements already exist between the Co-operative Insurance Society and similar organisations in Belgium and Bulgaria.

International Relations.

The year 1931 produced the International Committee for Inter-Co-operative Relations, which consists of an equal number of representatives of the International Co-operative Alliance and of the International Commission of Agriculture. The purpose is "to promote the development of moral and economic relationships between agricultural co-operative societies and distributive co-operative societies; and also to act as a liaison body between the Co-operative Movement as a whole and international institutions in particular."

The International C.W.S.

Activities and Achievements in 1931-2.

THE hope that the universal wave of economic and industrial depression had at last reached the height of its devastating power was not fulfilled during 1931–32. Indeed, affairs national and international moved rapidly from bad to worse, creating fresh problems, the solution of which still challenges the genius of statesmen and the wisdom of economists alike.

Now, whilst co-operative organisations have been able to stand firm, and even advance, within the limits of their own national borders, the moment they crossed their frontiers into the realms of international trade great difficulties have been encountered. The barbed wire barricades of tariffs by which countries have surrounded themselves naturally have made impossible a free flow in the world exchange of goods. The buying and the selling of merchandise between national co-operative movements, therefore, has been seriously affected, in common with the experience of private manufacturers and traders.

A careful consideration of the following table of imports by members of the International C.W.S. leads to the encouraging conclusion that whilst there is recorded a decrease of £6,105,692 for the year 1931–32, as compared with the year 1930–31, the real cause of this is the continued fall in commodity values. It will also be observed that the English C.W.S. still is by far the largest importing partner.

C.W.S.	1931.	1930.
	£	£
England	30,945,064	34,729,538
Scotland	4,471,510	4,224,422
Russia	3,758,810	4,054,975
Germany	2,293,385	3,765,696
Finland	1,204,367	1,512,216
Switzerland	1,074,550	991,630
Czechoslovakia	589,998	513,951
Austria	320,182	453,699
Esthonia	281,618	353,832
Norway	207,772	208,437
Belgium	146,552	118,276
Poland	68,320	118,020
Holland	61,736	81,232
Bulgaria	3,888	6,017
France	397,454	346,442
Latvia	—	201,779
Sweden	1,213,794	1,464,530
	£47,039,000	53,144,692

An analysis of imports into groups of Commodities reveals the following values :—

	£
1. Cereals, Grain Products, Sugar, Peas, Beans, and Seeds	7,687,304
2. Animal Fats and Meats, Dairy Produce, Vegetable and Mineral Oils	22,451,592
3. Colonial and Tropical Products, Fruit (green and tinned), Fish, (fresh and tinned), Nuts, and Perfumes	13,049,361
4. Textiles and Manufactured Goods	2,626,103
5. Timber, Minerals, Chemicals, and Fibres	1,224,640
	£47,039,000

The imports were drawn from all Continents as follows :—

	£
Europe	20,726,093
America	10,609,736
Africa	697,297
Asia	6,237,107
Australia	5,009,957
	43,280,190
Russia's Imports from all Sources not analysed	3,758,810
	£47,039,000

A very interesting feature of the year's activities was the organisation of a series of conferences of co-operative experts in various branches of trade, with a view to arranging the joint purchase by National Wholesale Societies of commodities in common demand.

The possibilities in this direction have been well demonstrated by the experts and buyers of dried fruit, who met at Brussels in June to review the joint purchase made in the previous year, and decided to continue the experiment during the next season.

A matter of considerable importance which the Executive Committee have had under consideration is that of compensation sales between the national organisations. Much valuable information has been collected on this subject, and it was under consideration by the Executive Committee at their last meeting in Geneva. It is confidently expected that a policy will be evolved which will be of inestimable value to the national co-operative organisations by assisting them to maintain and develop the interchange of goods.

The members of the Executive Committee have maintained close contact throughout the troublesome times. It remains the same in constitution, except that a representative of Austria is now a member and represents the countries of Central Europe.

The year saw the Executive Committee deprived of the services and inspiration of one who has been a member since the very inception of the Society, through the retirement of Dr. Suter, of Switzerland Dr. Suter has been succeeded on the committee by Mr. Maurice Maire also of Switzerland.

World Economics.

The Rôle of International Co-operation.

By Henry J. May, O.B.E., J.P.,

General Secretary of the International Co-operative Alliance.

SINCE our last contribution to the People's Year Book the world economic situation, like that of the woman in the parable, "has nothing bettered but rather grown worse." Our optimism concerning the return of sanity to the controllers of world destiny in the shape of politicians and governments has not been justified. To go no further than our own country, the disease has passed from the incipient to the definite stage, with good prospects of becoming acute in the near future, unless the people on whom our rulers depend for their place and power throw off their complacent acquiescence in the "Rake's Progress" to which the country is committed. The abandonment of the Gold Standard has had, on the whole, a certain beneficial effect upon the export trade of Britain, and has facilitated international exchange. Contrary to what some of the experts have forecasted, sterling has proved itself a fairly stable means of exchange, and in the experience of the past year has shown the possibility and advantage of a managed currency. But the abandonment of Free Trade principle, and the imposition of what bears every evidence of becoming a general system of tariffs, has distinctly worsened the prospect of an early restoration of international economic health.

The Ottawa agreements, which were to provide the brilliant example of Empire unity on Free Trade principles and a step to their extension amongst the peoples of the world, have only succeeded in producing acute divisions which threaten, if pursued, to dismember the Empire more completely than any other cause could do. Trade with other countries, instead of being facilitated, is faced with fresh discriminations against our neighbours when the tangled and futile details of the Ottawa conspiracy are fully revealed. Meanwhile, the result which appeals most to Co-operation and its world-wide organisation of consumers is the fact that the operation of the Ottawa agreements will increase the cost of living and of production, thereby accentuating the very evils we were asked to believe they would remove.

Disarmament and Peace.

Disarmament means peace, and universal peace is a main plank in the co-operative platform, an essential to its free working and to the realisation of all its aims. Not alone on that ground is it foremost amongst the steps to world recovery, but also because it is funda-

mentally an economic question, and in the progress towards a disarmed world must be considered side by side with the reduction of tariff barriers, frozen credits, and strangled international trade. In this field the country that we love for its own freedom and its will to extend true liberty to all the world, has not shone with its old time brilliancy, has not even put forward an intelligent and definite policy calculated to achieve the minimum aims of the disarmament conference sitting at Geneva under a British president. It is a striking fact in the present circumstances that Arthur Henderson, independent of control by the British Government and obviously free from restraint or undue influence by the party of which he has for so long been the chief, should represent the forward policy in Disarmament, while the National Government damns with faint praise the proposals of others and utterly fails to produce an intelligent or constructive policy of its own. If to-day it is possible to see dimly the signs of the dawn of a happier epoch, it is certainly not due to the prescience and wisdom of Governments, nor to any real attempt on their part to achieve a common understanding and policy.

The Alliance and the Crisis.

In the early part of this year, the Alliance had a unique opportunity of making its contribution to the discussions on the crisis in the World Economic Conference organised at Berlin by the great German newspaper, the *Berliner Tageblatt*. In itself, the organisation of a conference under such auspices was a remarkable achievement, but still more was the spontaneous inclusion of co-operation and co-operators in the programme. For the Alliance, it was a notable occasion of presenting before an audience representative of, and expert in, economics the case for co-operation and its place in the schemes for restoring order out of the present chaos.

We presented our case to that conference on lines which it may be useful to follow here, recalling the post-war efforts to re-open the channels of international commerce, choked or destroyed by the operations of the armies ; the rebuilding of the framework of economic life, and the restoring of the currencies of a score of countries to some sort of stability. After achieving a degree of recovery in 1929, which approximated to pre-war conditions, the world economic situation gradually, but with increasing momentum, slipped back into a world crisis without precedent in its intensity and unexampled in that it occurs in the midst not of famine but of plenty. The resources of nature never produced a more abundant supply than now, and yet we are in the presence of an appalling lack of employment and widespread want and poverty. Excessive and dislocated production, combined with disorganised distribution, seem to have been largely responsible, as they are also the normal results of the working of the capitalist system. Recurring cycles of prosperity and depression

are recognised features of the economic life which have been manifest for more than a century past. They recur at roughly regular intervals, and are inherent in the capitalist system and its competitive basis. This succession of the hills and dales of prosperity and depression possesses few of the features of joy which characterise the undulations of the countryside, but exploits the whole body of consumers whether rich or poor, though it falls with greatest severity on the working and poorer classes. The test to be applied to any economic system designed to satisfy the needs of the whole community is the extent to which it fulfils the needs of the consumer, whose wants remain stable or increase only very gradually. The condemnation of the capitalist system lies, therefore, in its inevitable periodical expansion and contraction. It is beside our present purpose to examine here the remedies—amounting in the aggregate to a new commercial policy—which the governments of the world have applied to the disastrous condition into which the capitalist system, augmented by the post-war conditions, has landed civilisation. Suffice it to say that they represent haphazard and arbitrary attempts to ward off from producers the effect of the fall of prices, and that they must necessarily fail since they are not based on any coherent economic theory and ignore the simplest elements of the true economic position.

The Co-operative Remedy.

In any case, what is the co-operative solution? This is only to repeat the old story of our basis and our aims, illustrated by the considerable achievements of our huge army of co-operators spread over the five continents of the earth.

The remedy that co-operation offers is that of a new economic structure essentially different from the existing capitalist régime in its democratic constitution; the elimination of the profit-making motive and the substitution of service to the community; the distribution of the surplus realised from its trading operations amongst the purchasers, that is the consumers; and the control of usury by the limitation of interest on capital. These fundamentals of the co-operative system constitute a new economic theory, which the economists have not yet fully recognised, but which already provide in their achievements the foundations of scientific theories for which they will certainly hasten to take credit when they can no longer resist the onward march of the Co-operative Movement.

Whether we attribute the present world depression—which no one has yet been able to analyse, still less to produce an effective remedy for—to over-production, under-consumption, over-population, or the failure of gold, it represents a dislocation of economic forces attributable to two main causes, viz., a defective economic system and the faulty application of human intelligence to the problems involved. The inherent defect of the capitalist system is its inability

to maintain an equilibrium between production and consumption, and, in fact, that it is simply a form of economic warfare which, no less than military conflicts, produces its aftermaths of chaos and suffering.

We suggest that International Co-operation offers the only effective solution at present in practice, with its ideals of service to the community instead of profit to the individual, and its inherent capacity by equitable association to produce the desideratum of an equilibrium between supply and demand—production and consumption.

It is on this basis that the co-operative movements of the world can contribute to the relief of the present economic position, and from this standpoint that the International Co-operative Alliance must contemplate its future activities.

Need for International Policy.

Passing to the more restricted application of "international co-operation" to our own Movement, we are compelled to admit that it has made little progress in the development of an international policy that would materially contribute to the solution of the world depression and also to the realisation of its own aims. To be quite frank about the matter, the national co-operative movements are too prone to follow the trend of their own national governments. The International Co-operative Movement, to a large extent, reflects the various national tendencies, and sees the same difficulties in the way of the advance of co-operation which the national governments see in the way of unifying political or economic interests. This tendency is perhaps especially marked in the question of disarmament, largely, we think, because it is always visualised as a political question and not, as it undoubtedly is, an economic problem to be settled side by side with tariffs and quotas. It is scarcely conceivable that any effective reduction in armaments can be secured apart from at least a corresponding reduction in tariff barriers in all their varied forms of customs duties, for protection or revenue, quotas, licences, or super tariffs. The essential purpose of all these methods is the exclusion of the "foreigner" and the insulation of the national boundaries. Equally, the fundamental purpose of armed forces is to secure that immunity from outside interference, and at all costs to protect the channels of national trade. The science of protection, if it can be dignified by such a name, is developing on parallel lines with the science of warfare and the destruction of human life by the quickest and most effective means. We are continually being warned by statesmen and publicists that the march of science in these directions threatens the destruction of civilisation. In the present development of world economy, and face to face with the obvious remedy of international understanding, can it be doubted that the system of economic protection is any less deadly in its ultimate effects?

Our co-operative system, as we have already pointed out, offers the real remedy through the planned economy which the organisation of commerce and industry on a co-operative basis would make possible by affording the only practical means of adjusting production to consumption. Under a complete co-operative régime there would be neither protection nor free trade, but association in production and distribution on a world basis which would be complete disarmament—moral, economic, and military.

Meanwhile, the International Co-operative Movement should speak with no uncertain voice in favour of any and every measure which advances along the road to this ideal. Albert Thomas, whose tragically sudden and early decease has left the Co-operative Movement poorer, voiced this thought in his last speech to the Central Committee of the Alliance—of which he was a member—at Paris last year, when he said : " I am distressed to see you so restrained, so modest, and so cautious. With your 70,000,000 Co-operators affiliated to the Alliance, you represent a force and influence which justify you in speaking with no uncertain voice, whether it concerns the economic crisis or the struggle for peace and disarmament."

International Activities.

Throughout the past year the I.C.A. has steadily pursued that policy of extending its frontiers, building up its forces, and perfecting, as far as its slender financial resources will permit, the organisation which, until now, bears the whole brunt of the co-operative economic advance, and which has done so much to attain that moral disarmament which is the first step towards world peace. In this conception of our responsibilities, the systematic study of economic problems vital to our progress, and the dissemination of the results amongst the co-operators of the world, take a foremost place. Economic research, therefore, has been developed to a very useful point, perhaps the best proof of which is that it now gives rise to discussion, and has recently justified the Executive in holding special meetings to examine the collated material and to devise means for its practical application in the development of co-operative enterprise.

Beginning with an enquiry into the Margarine and Allied Trusts, from which much useful information was gleaned, the researches of the Alliance have extended into the fields of State and Municipal Trading. Each of these subjects, from its present extension and variety of type, forms a separate and considerable study. A large amount of material has been collected and placed at the disposal of the national organisations, and particularly, of course, the Committee which is charged with the promotion of International Co-operative Trade. The conclusions to be drawn from these reports have been so far formulated only with respect to the Marketing of Agricultural Produce, as follows :—

(1) The co-operative method of marketing of agricultural products

may contribute substantially to make the relations existing at present between agricultural prices and the general price level more satisfactory from the consumer's point of view. The marketing of crops in the producing countries, their delivery and distribution in consuming countries, on a co-operative basis, would substantially decrease the profits of the middleman, who brings down the purchase price, to the disadvantage of the producer, and keeps on a relatively high level the retail price, not giving the consumer a chance to gain by the fall of prices.

(2) The direct sale of Producers' Co-operatives to Consumers' Cc-operatives would rationalise the trade relations, not only on a national, but, what is even more important, on an international basis, and the producers by refusing the services of the middleman, would be able to market their products more advantageously without any increased charges to the consumer.

(3) At present both types of co-operative society are trading with each other in the ordinary way of commercial marketing, and, consequently, their respective interests are contradictory, to the same extent to which the interests of any buyer and seller are conflicting in our competitive world. This natural conflict of interests could be disposed of only by creating closer organic relations between producers and consumers ; if necessary, by establishing common organisations for marketing.

(4) Such an extension of co-operative trading would require very substantial capital investments which are now supplied by the private trade and would put upon the Co-operative Movement considerable responsibilities. But co-operative organisations of distribution, national and international, are the best and the most efficient means of adjusting demand to supply, and, consequently, to overcoming the existing agricultural crisis and the general industrial depression.

The enquiry into Municipal Trading is, perhaps, the most valuable piece of research yet undertaken, as it has been pursued " on the spot," in the actual organisation with which it deals. The report shows that :—

Municipalities usually engage in such branches of trading as are certain to become the subject of monopolistic organisation. The most representative of such services are gas, water, and electricity supply, and ownership of various means of communication within the boundaries of the city, and a few others. It is preferable to establish such services as municipal monopolies rather than monopolies in the hands of private enterprises. There are certain services which cannot be organised so efficiently in any other way. This natural and legitimate development of municipal

trading must be regarded as advantageous from the consumer's point of view, as the consumer is able, through a democratically elected municipality, to exercise a greater control over the policy of such an undertaking than could be done if it were privately owned.

Municipalities, however, come into direct competition with co-operative societies when they encroach upon the trade in such commodities as milk, bread, coal, &c.

The Executive conclude that there is no real necessity for the municipalities to engage in commodity trading, as that function can be better performed by co-operative organisations which are directly responsible to the consumer and are not influenced by political considerations such as necessarily penetrate the activities of any municipality in the world. The Executive, in its summary of the results of the enquiry, go much further than this, but the passages cited above give the trend of the report.

Municipal Insurance is also the subject of an enquiry, which is proceeding on similar lines, with a view to presenting to the Movement an objective and scientific study from which it may draw lessons, and make comparisons of the relative value of the co-operative, municipal, and capitalistic control of insurance.

Consumers' and Producers' Co-operation.

The older generation of co-operators, particularly in Great Britain, though something more than its echoes were heard in the earlier assemblies of the Alliance, will remember the lively controversies which raged round the rival claims of producers and consumers to pre-eminence. The sounds of battle died down, partly owing to the decease of the doughty protagonists of production and partly as a result of the rapid advance of productive enterprise organised by federations of consumers. A truce was called and for many years the lion has lain down with the lamb, each recognising the right of the other to a place in the co-operative sun.

We do not here enter into the merits of the dispute, but only recall the facts to point out that in this post-war period the old problem has lifted its head again under a new aspect. It was left to the World Economic Conference in 1927 to discover that, especially in the field of agriculture, organic relations between Co-operative Consumers and Agricultural Co-operative Producers were doing something, and could do much more, towards the solution of the present economic difficulties, particularly in agriculture.

The International Co-operative Alliance had previously come to a similar conclusion, directed thereto from another angle. A moment's reflection will, we think, make it clear that the advance of co-operation towards an integral system of world economy must, sooner or later,

receive a check if we do not take active steps to reconcile the interests of producer and consumer. There is an ideal way, of course, as represented in our federations of Consumers, but between the present position and the ideal there is still a gulf to be compassed.

The Alliance took the first step in encouraging the affiliation of productive organisations, agricultural and industrial of all types, provided only they observe the Rochdale basis to the extent laid down in the rules of the I.C.A. More recently, the Joint Committee of the I.C.A. and the International Commission of Agriculture has been working at this problem and has made an appreciable contribution to its solution. All these circumstances serve to bring into relief the renaissance of the old problem which, being approached from a new angle under the impulse of necessity, it is hoped may find a practical via media for future work.

The Principles of Rochdale.

The moral stocktaking which is involved in this enquiry undertaken on the decision of the Vienna Congress of 1930 into the present application of the Principles of Rochdale, is as timely as it has proved interesting. During the development of any movement which has an ideal, at once for its basis and its ultimate aim, it is necessary, from time to time, to look back over the way that has been travelled to see whether the growth corresponds to the main purpose of the organisation, and forward to see whether or not the goal is still in the direct line of the advance. In this instance it must be admitted that the initiation of the enquiry was prompted rather by doubts as to the possibility of adhering to the original plan in the face of modern commercial developments. From both these points of view the enquiry was welcomed, and as it has proceeded some curious interpretations of the Rochdale basis of consumers' co-operation have been revealed. On the whole, however, and without anticipating the conclusions of the Special Committee engaged upon the enquiry, we think it will be found that, as Professor Gide pointed out in one of his last lectures on the subject, the principles of co-operation are eternal, and therefore whatever the changes in commercial methods may have been, the essentials of the system worked out by the weavers of Rochdale, nearly ninety years ago, are as sound to-day and as essential to our purpose as they were then. The re-statement of our standards will be a useful exercise, and will certainly lead to adjustments and rearrangements in the co-operative economy in many lands. The special interest of the whole investigation to British co-operators lies in the fact that Rochdale remains the accepted Mecca of co-operators, and the " Owd weavers' shop," the shrine of the vastly extended legions enrolled under its banner. That honour carries with it the responsibility of maintaining in unsullied splendour the great ideals whose realisation can give the world equity and peace.

The Congress of 1933.

The fourteenth Congress of the Alliance should be an historic one for International Co-operation. The prospects are that it will be able to consider what is its true place in World Economy, in the light of the most acute phases of the greatest economic depression which the modern world has seen. At this distance from its deliberations and with all the possibilities of the intervening period, it is impossible to pronounce with finality on the decisions which it should take to justify its claims to be a world economic force. That, however, must be its aim and, moreover, to devise means of giving practical effect to its conclusions. Most international movements are strong to the point of concluding what they *ought* to do, but are often lamentably weak when they come to put their resolutions into practice. There lies the danger no less for co-operation. British co-operators will have a great opportunity to lead the way to the higher levels of the promised land.

The programme of the Congress will contain all the matters we have touched upon in this article and some more. The way is still open for a great lead to those who have the inspiration to give it. How to make the International Co-operative Alliance an effective force in World Economy is one of the subjects for special treatment at the Congress; and if this great question, pregnant as it is with implications vital to our progress, can be effectively handled by the delegates who meet in London next August, then we shall have made history.

Our future success lies in the measure in which the national movements of the Alliance succeed in pooling their ideas and resources, unifying their interests, cultivating a truly international outlook, and also in throwing off the obsession of the world crisis, in the confidence that the way of their forward march lies above the swamps and miasma of the present depression in the purer atmosphere of service for the commonweal.

The New Day = = = By Thomas Carlyle.

We must some day, at last and forever, cross the line between Nonsense and Common Sense. And on that day we shall pass from Class Paternalism, originally derived from fetish fiction in times of universal ignorance, to Human Brotherhood in accordance with the nature of things and our growing knowledge of it; from Political Government to Industrial Administration; from Competition in Individualism, to Individuality in Co-operation; from War and Despotism, in any form, to Peace and Liberty.

The Women's Internationale.

Guild Work in Many Lands.

By A. Honora Enfield.

THE world economic crisis which in one form or another has existed ever since 1921, has compelled both communities and individuals to try out new forces and possibilities. Perhaps for this reason, in spite of the difficulties they have brought, these years have been propitious in their influence on the international work of co-operative women which took organised shape with the foundation of the International Co-operative Women's Guild in 1921. For they have led the Co-operative Movement on the one hand to the resolve to try out the capacities of its women members, hitherto untested in many countries, and on the other have compelled women themselves to seek new methods of self-help in balancing their family budgets, so that they have naturally been drawn to greater understanding of the Co-operative Movement, and greater interest in its activities and its world-wide possibilities. Certainly there has been a great change in the position of women in the movement during the last ten years; everywhere it is now recognised that the progress of the consumers' movement depends upon an educated and active women membership, and on all sides women are turning more and more to the Co-operative Movement as a field of service as well as a source of help.

The International Women's Guild, which started with seven national organisations as its affiliated members, now has 14. Naturally the formation of a national Women's Guild (and the International Guild only accepts as members those of a really national character) is a matter of some years, and there are many countries, both in Europe and beyond, where women carry on active work in their movement through local groups but are not yet sufficiently organised to form a national Guild. This is the position in Poland, Hungary, and Spain, to mention three countries in Europe where national Guilds are in course of formation. In Japan there are over 100 local Guilds, but as yet no central organisation has been adopted, while in Australia and America there are active Guilds in certain States, which have federated to form State organisations, and are now well on the way to assuming really national proportions. In other countries again there are isolated local Guilds as in Canada, New Zealand, and South Africa, while in yet others, Roumania, Greece, the Argentine, China, the foundations are being laid by press and other propaganda work, which usually has to precede for several years the inauguration of a new national Guild.

The form of Co-operative Women's Guilds in different countries varies considerably. There are two main types: those that follow the British model and are self-governing federations of autonomous branches supported mainly by the voluntary subscriptions of their individual members, and those which follow the Central European model, in which all the women members of the society are reckoned as belonging to the women's organisation, whose active element consists of those elected to some sort of position in the society as members of supervisory, education, or members' committees, and who act as leaders and committee of the Guild which is financed by the society. The former type is the more widespread, and almost all the Guilds now in course of formation follow this model.

Far West and Far East.

Besides the Guilds of the consumers' movement, other types of women's organisations are growing up, which are taking a constantly more active part in the development of co-operation. There are the farm women's organisations of Canada, which bear much the same relation to the agricultural movement there as the Guilds bear to the consumers' societies. And in many countries there are societies composed entirely of women associated either with the consumers', producers', agricultural or credit movements. The most important women's consumers' societies were started for the veiled women of Uzbekistan in the U.S.S.R., and in India women have lately started their own societies in Bombay to supply themselves with clothing. Thrift and saving societies for women are also a notable feature of the Indian Movement, and there too, as well as in the Polish Ukraine, are to be found a number of productive societies of women, chiefly for handwork, most of which have been organised in recent years. In the agricultural movement the Jewish Women's Co-operative Training Farms in Palestine are of special interest and growing importance, while in many countries women are forming their own marketing societies for products they specially handle—eggs, poultry, and vegetables.

There is much variety too in the activities and methods of work followed by the women's organisations in different countries, though their main purpose and objective are the same everywhere. Thus every Guild has for a primary object to increase the membership of its society, to further the sale of co-operative productions, to extend the influence of the co-operative Press, to enlighten indifferent women as to the real meaning of co-operation. But the ways and means of doing these things show infinite variety. Some Guilds concentrate largely on what the Germans call "Kleinarbeit," the detailed, day-to-day work, so valuable and so exacting, such as house-to-house canvassing for new members, looking up lapsed or dissatisfied members and distributing co-operative literature; while in other countries Guild work for the movement takes more largely the form of special

Continued page 194.

A Czech Girl, in a very beautiful peasant costume characteristic of her country, painted by Phyllis Dodd, and one of the outstanding Royal Academy exhibits.


Zu vermieten
Creme Leodor

A healthy sign of the times is when Germany and France meet on the football ground, as here shown, in complete and friendly rivalry of sport.

campaigns on particular questions, or discussions and educational work on particular problems. In Austria 66,543 house-to-house visits were made during the last year, and nearly 4,000 leaflets, and over 66,000 pamphlets were distributed, while 1,432 propaganda and educational gatherings of one kind or another were held. Holland has been concentrating largely on co-operative plays as a means of propaganda. These have been performed by Guildswomen both in town and country, before audiences of many hundreds with marked success; and their effect upon the women themselves has been to reveal new powers which they did not know they possessed and to give them, as so much co-operative work does, a new purpose and confidence in life. The Belgian Guild has taken up in successive years such questions as the sale of butter and margarine on which there were restrictions injurious to the co-operative stores, the sale of milk, and now the sale of sugar. Belgium, Norway, and Switzerland have all done good work in recent years on temperance, and in pushing the sale of non-alcoholic liquors by co-operative societies as a means of counteracting the drink traffic: this is to be one of the special campaigns of the Swiss Guild for the coming year. A great number of Guilds have taken up the question of coupon-trading, and it is significant with what unanimity the system, and particularly the temptation of co-operative societies to resort to it, is condemned by co-operative women.

From Credit Trading to Washing-Day.

Credit-trading was one of the special subjects of international study during the last year, and nearly all the Guilds devoted much attention to it. The Swiss Guild conducted a valuable inquiry, not yet completed, as to the extent of credit-trading among its members and the reasons for it, while the Warsaw branch of the newly-formed Polish Guild has tried to give the housewife practical help in keeping to cash methods by issuing a leaflet showing a simple method, suitable for working-class budgets, of keeping household accounts and apportioning the family income. Naturally the subjects taken up at the International Guild Conferences also occupy the attention of all the Guilds. The most practically fruitful of these campaigns was that on the reform of washing-day, which stimulated the establishment of co-operative laundries in several countries; while the question of the rights of women in the co-operative movement has been widely discussed since the Vienna Conference, and is likely to claim the practical attention of co-operative women for many years to come. For with the possible exception of the U.S.S.R. the equality between men and women in the movement still rests more on theory than on fact.

The educational work carried on by the Guilds for their own members is as a rule somewhat more formal than that to which the British Guilds are accustomed, and depends perhaps less on the interchange of opinion in the branch meetings, which take place less

frequently than in this country, and more on set courses of lectures arranged from time to time both by the local and national Guilds. Two-day schools are also organised in many countries, and several are beginning to organise their own summer schools; Sweden and Switzerland for instance now hold these regularly; Norway has just decided upon one, and the summer course of lectures arranged by the Bulgarian Guild, in conjunction sometimes with other co-operative bodies, is taking the shape of a permanent summer school.

In some countries, too, the Guilds are responsible for a good deal of educational work, as distinct from mere propaganda, among the general body of women members, while many have interested themselves particularly in co-operative education of the young people. Thus in America and Bulgaria holiday camps and homes for children have been organised where co-operative education is part of the daily curriculum, and in Australia the Guild was responsible for organising the first young people's circle. In other countries Guildswomen have been active in promoting School Co-operative Societies, which play such a large part in the educational world of France, Poland, and elsewhere.

Co-operative holiday homes, both for children and adults, are often amongst the earliest of the social activities undertaken by the Guilds. In Belgium a special stimulus was given to this work by the passing, a year or two ago, of a law entitling every employé to a holiday with pay. The Guild threw itself enthusiastically into a campaign to organise holiday homes for which a special society was started, and the raising of funds to endow beds in these homes and enable the children of its members to benefit by them is one of its standing activities. Bulgaria and Yugo-Slavia have also taken the initiative in this matter, and Australian Guildswomen are discussing the question; in Norway and Poland homes for their own members have been organised by certain branches.

Political Neutrality.

The extent to which those social and semi-political activities, which the English Guild knows as citizenship work, enter into the programmes of the different Guilds, varies considerably from country to country. In those countries where social amenities are well developed there is naturally less opportunity for co-operative effort on such questions as public health, education, &c., than in countries of less advanced conditions. This partly accounts for the fact that it is in Russia, Poland, Bulgaria, Japan, and India, rather than Sweden, Holland, or Switzerland, that women are paying most attention to such questions. Political considerations, again, make some Guilds fight shy of approaching large social questions in spite of the strong inclination of their members. The International Guild, for obvious reasons, is politically neutral like the rest of the international movement, but its interpretation of neutrality is one which tends to free

co-operative women from the trammels of party considerations on great questions of co-operative and human importance, rather than to restrict them to inaction, and it sees in the development of the Movement's social services and the stand taken on big social questions the necessary means to realising co-operation's own social purpose. For this reason it has always attached importance to the social side of co-operative enterprise and to the influence of the movement on large social problems, and the Guilds in many countries are active on many such questions. Maternity and child welfare, housing, birth control, the marriage laws, political rights for women, married women's nationality, are all questions which have formed the subject of recent discussion by Guilds in one country or another, while the problem of the economic and social position of the mothers of the future, which formed one of the subjects at the last International Co-operative Women's Conference, has been widely and keenly debated.

Of all these larger questions, however, it is that of peace and disarmament which has brought Guildswomen throughout the world most closely together. On nothing are they more united or more in earnest, and the campaign carried on before and during the Geneva Disarmament Conference is a great demonstration of the solidarity of their international purpose. From almost every country where any form of women's organisation exists co-operative women launched their demand for total disarmament. Special mention must be made of the work, not only of the oldest member of the Guild family, whose hundreds of resolutions, telegrams, and letters sent week by week to Geneva made a deep impression, but also of the youngest, Bulgaria. There the Guild with its fifteen branches took the initiative in the whole women's disarmament campaign of the country, arranged a press campaign and organised a petition with signatures from 263 organisations representing 667,000 individuals, which was supported by all the large co-operative organisations—the first occasion in Bulgarian co-operative history in which such unity of action has been achieved. The Czech Guild, too, was responsible for a petition numbering 204 signatures of organisations with a membership of over 363,000 individuals, and followed this up with constant action from their own branches.

Such activities, apart from their primary purpose, give Guildswomen other opportunities of service for the co-operative ideal which are rarely lost—a fact not always appreciated by the movement as a whole. Just because the Guilds are women's organisations and their activities extend beyond the commercial aspect of co-operation, they have entrée into circles, not always open to the official bodies of the movement, to whom they become the symbol and interpreter of its social purpose. And it is by such peaceful penetration among the thinking public everywhere, quite as much as by commercial success, that the Co-operative Movement will eventually conquer the world.

Sport—and the Nations.

Does it Tend Towards Good International Understanding and Peace among the Peoples?

What is the Effect of Sport?

On the People, on the Nation, and Internationally.

A Striking Symposium.

SPORT to-day plays a big part in the life of every civilised people. One form is more popular in one country than in another, true, for each one has its own character, national or traditional—football for the British, baseball for the American, and tennis for all. Sport, however, now crosses all frontiers. One of the happiest signs of the times is to see special trains packed full of Germans going to Paris to watch their national team contest on the football field that of the French. And so "Peace hath her victories no less renown'd than war." Let them all be won in the sphere of international sport! Vive le Sport! Hoch, Hoch der Sport!

IN AN ENGLISHMAN'S LIFE.

By George H. Elvin,
General Secretary,
National Workers' Sports Association.

UNFORTUNATELY, sport is tending to become a business. The "entrepreneur" to-day is as potent a force on the sports field as he used to be in the economics text-book. He is trying to ruin sport as he has ruined big business. Professionalism is his offspring, and it is up to the workers of the world to kill him and foster a return to the days when sport was played for sport's sake. There is no better definition of a professional sportsman than "an unproductive member of the community who makes a profit from a sport." The two latter are absolutely incongruous and we must see they are separated. There the matter must rest as far as this article is concerned. It is amateur sport which must attract the people: sport to be played and not watched.

Sport is one of the most important factors in an Englishman's life, as witness the enormous amount of space devoted to it in the popular Press. But that is the trouble: too much attention is paid

to the activities of the other fellow and not enough to one's self. That is largely why the National Workers' Sports Association has been formed. The British Labour Movement wants to organise the playing of sport as the Continental Socialists have done for years past. Active sport, physical culture is the only way to breed a healthy nation, and we must see to it that Great Britain climbs down from the terracing into the arena.

Great Britain has no one national sport. It has several. Football for men, netball for women, and hockey for both are all popular in the winter. Cricket, swimming, and athletics thrive in the summer. Tennis is played all the year round, thanks to the popularisation of the hard court, while golf each year becomes more popular as an all-the-year-round game now that public courses are being constructed in various parts of the country. It is a very small proportion of the population which has not at one time or another been actively interested in one or more of these forms of recreation.

In these days of intensive work it is more necessary than ever to have intensive play. Most employers are realising this and are providing sport and recreation for their employés. This is a development, however, which can prove harmful unless approached in the right way. There are many business houses in this country which now look upon their sports club as an additional advertisement for their goods, and it is wellknown that in certain cases victimisation has arisen, or dismissal been threatened, because employés have preferred to play for " outside " sports clubs. There are also cases of vacancies being filled by a man because even if his working ability is not quite up to the standard of other applicants his sporting prowess is superior. When one is working in particular company by day it is often better for a complete change of environment when work is finished. It is better, both for the man and his work, for him to mix with different company and indulge in recreation with different persons than those with whom he is in continual company during working hours.

One is asked whether sport is advantageous or disadvantageous to the people of this country. It is distinctly advantageous. It makes healthier and better citizens.

Sport breeds sportsmen. A good loser on the sports-field is generally a good loser off: not that we like or anticipate being on the losing side, but it happens to all of us sooner or later. Englishmen have the reputation of being good losers, due doubtless to the fact that they have always been extensive sportsmen. Sport helps us to be good "mixers": it encourages sociability. We get to know the other fellow and generally to like him, even if off the sports-field he has different views and opinions. Where, but in a country of sportsmen, would the police play football with the strikers as they did in many towns during the General Strike of 1926 ?

Again, one is asked whether sport helps or hinders stability and the progress of a nation. Here, also, one must say that sport has a beneficial effect, but with the proviso that this will only remain so as long as sport comes after and not before industry. We must not go sport mad, but look upon it as the means to a healthy body and as recreation to take our minds temporarily away from the more serious things of life. Then will we return fitter in body and mind to the things that really matter.

"Peace through Sport" is the motto of the British National Workers' Sports Association. Only those who have been so fortunate as to witness an International Workers' Sports Meeting can fully appreciate what this means and how effectively it can be realised. Contest on the sports-field in friendly rivalry is probably the most effective way of getting to know one's foreign comrades. In spite of language difficulties, there is an opportunity to converse and exchange views. We soon learn that many of their difficulties are our difficulties and that their troubles are ours, and once frontier barriers are forgotten, as they are on the sports field, there is no radical difference between a worker in one country and one in another. Sweeping statement as it is, I make bold to say that there is no British competitor at the Second Workers' Olympiad in Vienna last year who would willingly take up arms against one of the other competitors, whatever country he came from or whatever the cause of dispute might be. Encourage international sport, bring foreign peoples together on the sports field, and so encourage them to travel from one country to another. Then will the seeds of universal peace be sown. Sport is the surest and safest way to an International Entente Cordiale.

AUSTRIAN AMENITIES.

By Dr. Andreas Vukowitsch,
A Co-operative Authority in Vienna.

THE marked progress of physical culture is one of those features which distinguish our modern era from the past.

Civilisation has recognised the importance of health and physical well-being in leading an intellectual and spiritual life. This striving is to be seen in the improvement of housing, in the use of more suitable and healthy clothing, in the progress of hygiene and medical science and, not the least, in the strengthening and hardening of the physique through sport activities.

The beauty of the human body has been re-discovered in the present age. Sport must be regarded as the factor which has developed this beauty and, at the same time, accustomed the public to its presence.

The sport movement has obtained foothold in the life of all civilised nations, and continues to increase in importance. In Austria, as in other industrial countries, it has everywhere found a firm hold in the imagination of the public.

The oldest sport is, of course, the gymnastic movement, which was founded in Germany by F. L. Jahn in the year 1811, as a preparation for a fight for freedom against Napoleon. The idea was at the same time taken up by Austria. The German Gymnastic Union in Austria now has about 70,000 members, and the Workers' Gymnastic Association about 45,000 members.

Another activity that has found considerable popularity in Austria is mountain sport (Bergsport), which has experienced a remarkable development over many decades. Above everything else, Austria is the country of mountains. The wonder of its mountain peaks has attracted the Austrian people to climb the snowcapped heights and to get into closer communication with the wonders of nature. The mountainous region offers in its virginity, solitude, stillness, and grandiose beauty. In no other country in the world has this so-called " Bergsport " attained the same popularity as in Austria.

The Workers' Tourist Union, " Naturfreunde," in Austria has itself about 130,000 members, and the German and Austrian Alpine Union has 250,000 members, of which a great part come from Austria.

Since the development of ski-ing, the mountains have also become the destination point of many expeditions throughout the winter. Since the war ski-ing has developed in Austria with phenomenal rapidity. Ski-ing, pursued in the high mountains, gives an unexpected abundance of attractions and beauty.

A new movement, closely related to mountain sports, is the Wander Movement. Young people tramp in groups from place to place, through valleys, over mountains, prepare their own simple meals, and sleep in simple hostels or in their own tents. By these means they become acquainted with new people and new places, and particularly do they develop initiative and learn to stand on their own feet.

It can be said that the " Bergsport " has always been the most representative of Austrian sports, but it must also be added that football has now become a very great competitor indeed, and attracts even greater masses of people in its support. Of course not all our football enthusiasts are actual players. Austria holds a place of honour among European nations for the quality of its football.

In the post-war period other sports have gained in popularity alongside of football, such as handball, fist-ball, net-ball, and push-ball. Popular as these sports are, however, they nowhere attain anywhere near the degree of popularity attained by football.

A special sporting development in Austria is shown in the case of water sports. Rowing and yachting have been a popular pastime in Austria from time immemorial. In recent years, however, river sports

have become more and more in evidence. An even greater expansion has been achieved in the sport of swimming. New swimming baths are being erected everywhere, with the municipality of Vienna well to the fore in the provision of the most modern, hygienic, and beautiful baths.

The game of tennis also gains many supporters from year to year in Austria. On account of the proportionately high cost of the pastime, however, only few people can afford to take up this new sport.

Very popular and long-established also is the sport of ice-skating in Austria. Vienna possesses the largest artificial ice-skating rink in Europe. The Austrian school of skating has achieved fame throughout Europe, and has repeatedly won international championships.

With regard to the sports adopted by the general public, cycling deserves special recognition, since it boasts very many supporters, especially among the working classes.

A quite modern, but none the less progressive sport, is that of air-yachting, in which Austria has achieved considerable success and renown.

In summarising, I would like to say that sport hardens and strengthens the human body, it promotes courage and confidence in one's own strength, and it strengthens character and will. The sport movement represents, without any doubt, a great step forward in the culture of the nations. In many respects it has achieved a freedom from some of the old repressive customs. One need only point to the stimulus towards temperance and the disassociation from alcoholic excesses brought about by sport.

Sports tournaments and competitions work both stimulatingly and recreatively at the same time. The hunt after records which, unfortunately, plays such an important rôle to-day is, however, a degeneration of sport; very often this pursuit leads to an over-exertion of the young strength, resulting in actual physical harm, and should therefore be discouraged. There is also the danger of the over-accentuation of sport as a whole. It should never be allowed to escape from one's vision that the primary purpose of sport is, above all, the building up and the retaining of a healthy body.

In addition to sport people should have intellectual and moral ideals.

Modern sport is a phenomenon in modern society which is likely to become of even greater importance in the future, for its development becomes a veritable necessity, in view of the increasingly monotonous labour brought about by the progress of industrialisation.

Sport ennobles the combative instinct which is inherent in human nature. In sports and tournaments between the various nations, the peoples get to know and appreciate the performances of other nations besides their own. In this way they will be educated to respect and esteem the peoples of other nationalities.

In this sense the Workers' Olympic Games, the last concourse of which was held in the year 1931 at the great stadium newly erected by the municipality of Vienna, play a supremely valuable part.

International sporting events undoubtedly promote international understanding, and thereby the idea of peace. Whilst one can say therefore that sport assists the peace idea, it can, of course, in no way assure peace. To destroy the war spirit, other and still more powerful forces are necessary.

HOW BELGIUM REGARDS IT.

By Frans Vandersmissen,

Secretary of the Central Committee of the Belgian Workers' Physical Training Society.

IT would be idle to say that as yet sport plays an important part in the life of the Belgian nation. The big stadia are swallowing up large sums of money, and new tram routes are made to convey, on the Sundays during the winter, some hundreds of thousands of people to them. Many of these people, however, only associate with one another for some two hours a week, and that is when they are among the supporters of their favourite clubs.

The middle-class or wealthier people utilise sport as a means of turning the attention of the working-class from their domination over them.

The political parties seek to use the sporting crowds as propaganda in their respective favour.

But, in general, sport is characterised by two things:—

1 It wishes to remain neutral from a political and religious standpoint.

2 It chiefly organises entertainment, where several individuals physically well-endowed exhibit themselves before some thousands of non-participating spectators, the majority of whom have never in their lives practised the least physical exercise.

Our biggest federations of sport and their most important sport meetings are organised on the basis of these two so-called principles. From the point of view of the physical development of the people themselves, it is clear that it is a false position, and from the social point of view it is even more so.

Also it is curious to note that in the two sports movements, where the number of active participants is nearly always greater than the number of spectators, such as the boy scouts and the gymnasts, the political and religious neutrality has long since been abandoned.

No, it cannot be said that sport plays a particularly big part in Belgium. It exists certainly and develops from year to year, but for the masses it is nothing more than mere amusement, a popular and pleasant distraction, and that is all they see in it.

Sport amuses and distracts, and thus causes the social injustice of the people to be forgotten, to the benefit of the wealthier class.

In the Walloon provinces the national sport is certainly the "jeu de paume," a game played with two or three types of small balls, "the little white queens" as they call them—a kind of tennis.

All over Belgium cycling and football are mostly in favour, the former for quite a long time, and the latter before quite a lot of people.

The latest games introduced into Belgium are basket-ball, rugby, and hand-ball. Basket-ball is progressing rapidly and is considered, along with hockey, to be the sport of the future.

From the social side, Belgian sport, with the exception of the workers' sports, serves entirely the interests of the wealthier class, and hampers in many ways the work of emancipation of the proletariat.

And on the industrial side, sport gives to the employers of labour the opportunity of binding their employés closer to their businesses, by using the leisure time of the workers for their own commercial publicity. It was to this end that what are called associated clubs were created, but they are in reality nothing but employers' clubs.

Now viewing our sport in a cultural light, only the gymnastic clubs and the Boy Scout movement can have a beneficial influence on the minds of their members. As for the rest, the benefits to be derived from them are almost nil, at least so far as the games are purely spectacular. Only the workers' sports systematically work for the social and cultural progress of the working classes.

The Belgian people, on the whole, do not gain any real advantage from spectacular sport, which neglects the physical development of the masses. But in Belgium, as elsewhere, the dominant wealthy class reap the advantage from the diversion of sport. The nation itself gains nothing from sport which only serves the interests of the class which is in the minority.

Sport can do much to help peoples to a better understanding of each other, and unity among nations, but certainly not merely spectacular sport or the sport of the upper class. Both these, with their international contests and "olympiads," only serve to engender a nationalism jealous of the glory of its own respective flag.

It is only the workers' sport that tends towards peace by their international relations, as was shown by the Workers' Olympic Games which took place at Frankfort in 1925, and at Vienna in 1931. Such gatherings unite the young workers of the various nationalities under the sign of the common interests of class, among which universal peace is one of the greatest.

BULGARIA SAYS IT BREEDS TOLERANCE.

By D. Nedelkov,
A Sofia Journalist.

MODERN sport in Bulgaria before the war was not very popular. Our youth had to use their leisure time in various literary circles mostly influenced by the Russian writers like Tolstoi and Dostoievski.

We must give credit to the British sailors who were the first pioneers in our country with the football game. While visiting our seaports, Varna and Bourgas, the sailors used to play football while their vessel was at anchor, and so introduced the game.

But after the war football became so popular in our country that, at the present time, there can scarcely be found a place where the youth does not play this game, and the boys all over the country know the so-called " sport language " with all its terminology. The youth of Bulgaria passionately became seized by the sport, all in a couple of years. The football clubs trained their teams, and the rivalry among them brought up the country to a high level in the Balkans as concerning the game. To-day the Bulgarian sportsmen possess the Balkan Cup for sports supremacy in the Balkan States.

Sport in our country plays a great educational rôle among the young people, especially in the schools. It occupies all their leisure hours, helps their physical development, and influences their character by developing patience, forbearance, and friendly feelings. The most important factor for us in the Balkans is that sport creates a feeling of tolerance between the Balkan nationalities, whose Governments have too many " heavy mixed accounts."

Our national sport in the old times was running, jumping, throwing a stone at a distance, the shepherd's jump, and some outdoor games. These games were played mostly by the village youth and the shepherds. In the newer times, our national sport comprises the various physical exercises practised by the organisation of " Younak "—Sokols—whose members are organised in groups in every school and whose number is over 30,000. The maxim of this organisation is " In a sound body, a sound mind." Accuracy, smartness, gentlemanliness, honesty, and properly doing one's work are the principal goals.

Our second national sport is " hiking." We, the Bulgarians, like very much to walk, and we are accustomed to it. We are out in the mountains every week-end. Thousands of people spend their holidays in the mountains climbing to the high summits. They go after the fresh mountain air and good water : they get plenty of sunshine, and admire the beautiful scenery of the Bulgarian mountains. That makes us Bulgarians good walkers and climbers, and it develops physically the body in a great degree and elevates the mind.

Before the war, in our country, there existed some football and tennis, too, but after the war, as already mentioned, football became very popular. Besides, the Y.W.C.A. introduced among the schoolgirls the basket-ball game, and the Y.M.C.A. introduced netball among its members, and it is the second game after football.

After the war was introduced the winter sport, "Ski," and this also has become very popular, as in our mountains there are very suitable places for "ski-ing." Ski parties come even from abroad.

The Ministry of Education has a special department for physical training. In every school there are specially trained teachers, who carry on the programme for physical training, and most of them are members of the organisation of "Younak," and so the schoolboys are practically members of "Younak."

Sport in our country exercises some influence upon the social life, but this is not great yet. Anyhow, we can say that sport creates friendly feelings among the young people and tends to make our young people accustomed to discipline. The goal of sport in our country is not only physical development, but to get to that point of understanding of how to "play the game." That's the ideal. Such an understanding makes for the progress of the country.

We get another advantage from sport. It helps to make known our country abroad. While looking at sport results, many readers would like to see where Bulgaria is, and there are not a few of them who are surprised when they find out that the capital city of Bulgaria is not Bucharest, but that it is Sofia!

To-day sport is the only international link which has no secret tendencies and no race dislikes, tolerating no political aims. The people who participate in international sport avoid every troublesome national question, which are not a few in this part of Europe. In the Balkans it is not easy for the States to come together in an agreement on a commercial basis, or for scientific mutual help, but sport can easily arrange a match between two teams of different nationalities. By this way many sportsmen became good friends. But still it cannot be said yet what influence sport can have definitely upon the relations between the Balkan nations, because, as we have already hinted, the Balkan peoples have among themselves so many misunderstandings and misdoings, and one must wait for better times for the settlement of these questions. However, among sportsmen, there are many optimists who believe that a day will come when all the dark clouds over the Balkans will disappear, when all the nationalities will have equal rights and responsibilities in the cultural and social life of the country where they live, in the same way as in sport.

And, after all, isn't human life sport of a higher degree? Then why shouldn't we play properly and honestly the Game of Life?

A CZECHOSLOVAK ORIGINALITY.

By Rudolf Krnansky,
A Czech Journalist in Progressive Causes.

THE great importance of sport and physical education in the spiritual and physical development of the individual has not been known to the Czechoslovak people save in recent years. Already in the XVIIth Century the great educationist and "Teacher of the Nations," Jan Amos Komenský (Comenius), who, in his leading work, the "Orbis Pictus," described all the games and exercises known in his time, recognised the advantage of the motto *mens sana in corpore sano*, and recommended physical exercises for children.

Czechoslovakia has many sport societies, which cover the large field of almost all sports in the world. According to recent statistics, the most powerful among them are the tourist associations with about 65,000 members, football associations with 60,000 members, sharp-shooters' societies with 30,000 members, ski-ing clubs with 20,000 members, lawn tennis societies with 18,000 members, swimming with 7,000 members, cyclist with 7,000 members, and athletic with 6,000 members. Besides these societies there are other sport organisations in all centres of the country with thousands of members, such as rowing, canoeing, aviation, motoring, riding, volleyball and basketball, table tennis, hockey, boxing, fencing, and so on.

However, only the well-known Sokol Movement can be considered the national sport of the Czechoslovak people, although this movement does not represent "sports" but rather physical education. It is considered by Czechoslovaks much more important for the health of the nation than any other sport organisation.

The Sokol Movement was inaugurated in Prague in 1862. The designation of "Sokol" was not given to the new body until 1864. The name was taken from the legends and epic songs of the Yugoslavs, who call their national heroes "Sokols" (falcons).

The members greeted one another with the miners' salute, "God greet you," which was changed into "Good Luck." The watchword of the society was "Be fit." A strict but brotherly discipline was introduced into the organisation, the members addressing one another as brothers and sisters. This was the humble beginning of a powerful organisation which, seventy years later, became the largest institution of its kind in the whole world, having almost 700,000 members.

Wherein lies the magic force which has attracted such an army of people into the organisation of the Sokol Movement and succeeded in maintaining them in their ranks? This magnificent force is embodied in the democratic and progressive principles worked out by the founder of the movement, Dr. Miroslav Tyrš. Without observation of these principles, no man or woman could be called a good Sokol.

Such a one is: "An absolute negation of immoderate selfishness, a subjugation of the petty interests of the individual to the larger interests of higher units such as the family, the nation, and humanity."

To the Czechoslovak nation the Sokol Movement means much more than merely an organisation for physical education and sport: it is closely connected with the struggle of the nation for freedom and independence.

The Sokol unions were the first centres which brought together large masses of the Czechoslovak people, who burned with zeal for freedom and liberty from the Austrian domination. It was the Sokol spirit which animated the Czechoslovak legions in France, Russia, and Italy, and which fought with the Allied armies in the Great War for the final victory. And after the armistice and the revolution in Austria, the Sokols were charged to assure order in their countries, where they represented the police and the army, thus helping to organise the Republic.

The leaders of the Sokol Movement emphasised on several occasions, since the establishment of the Czechoslovak Republic, that the foremost aim of the Sokols in the liberated country was to educate every member to be a citizen of the Czechoslovak nation, and to make of him a good man, physically, intellectually, and morally, and to reject every tendency to use physical education as a means of promotion of party politics, or of class, religious, and racial prejudice.

To the outside world, the Sokol Movement became known mainly by its great festivals, which are organised by the Sokol Federation every five or six years, and by the mass physical drills in which many thousands of members participate, and many visitors are attracted from overseas.

Besides the Sokol Movement, which is non-political, there are in Czechoslovakia other physical education and gymnastic societies based upon the same progressive ideas, but are closely connected with either a political movement or with a religious denomination. For instance, the Czechoslovak Labour gymnastic societies, "D.T.J.", which follow the Social Democratic party, is the second largest movement of this kind, having around 140,000 members.

The Sokol and Labour gymnastic societies do not devote themselves only to physical training, but care is also shown for the mental education of their members by organising lectures on all vital problems, evening schools, libraries, lecture-rooms, and recreative and educational action for children. By these general activities they fulfil their duty to their country, and can be justly considered as the pillars of the whole nation.

The gymnastic and sporting movements are great heralds of a better international spirit and understanding. It seems—of course, with some exceptions—that the interest which the people take in the sport events kills the hatred and animosity of one people against

another, and promotes real fellowship. It is seldom that a gymnastic or sport event of some importance of one country would be unattended by representatives or teams of other countries. The fraternal relationship which exists among those who attend such events, either as active participants or as spectators, leaves a deep and lasting impression.

The people cannot but ask themselves, that if peace and friendliness can reign in this field of people's activities, why should not a real fraternal relationship exist between all civilised nations who, as a single body, could enjoy equal rights and jointly work for the realisations of ideals of an all-embracing humanity?

DENMARK AS WORLD TEACHER.

By Niels Bukh,
Principal of Gymnastic High School, Ollerup.

THE health of the people being a fundamental necessity in the life force of every individual nation, it follows that physical education, which is health's most efficient servant, should play an important part in Denmark as in every other country.

Denmark has no special national sport, but she has understood that rational gymnastics can and will establish the foundation for national physical education in the best possible way.

Gymnastics have been developed in Denmark through a series of voluntary organisations for people of all ages, male and female. They have also become an essential part of the curriculum of nearly all Danish schools and educational institutions.

Physical culture, by means of its strength-building properties, its rhythmic and recreative qualities, seeks to build up a keen, healthy, alert, and energetic youth, in contrast with the stiff, unbalanced, and clumsy type of worker whose life has been warped by monotonous and one-sided labour.

Our modern type of physical culture in Denmark is capable of producing this ideal type, when the exercises are planned and directed properly. This end is being achieved to a wider and wider extent, and since physical culture requires the active participation of *all* its followers, it thus trains and develops a much wider proportion of the population to a high degree of character and personality.

It is evident that the continuous progress of rational physical culture through gymnastics in Denmark has had the greatest significance and influence upon the social, economic, and cultural life of the nation.

As physical culture also forms the best possible basis for all other idealistic and cultural movements, I am of the opinion that gymnastics

will continue to play an increasing part in the development of the nation, materially assisting thereby the stability and progress of the country.

I believe also that so extensive will be the development of gymnastics, that Denmark will soon become the teacher of the whole world in this sphere. I am convinced that if physical culture here in Denmark, and throughout the rest of the world, is used as a means of promoting education and as a *servant* to humanity, then it will prove of the utmost importance in improving the national health of each individual country, as well as promoting international understanding and agreement between nations.

GERMANY'S GREAT LEAD.

By Siegfried Schweikert,
A Hamburg Undergraduate.

THE importance of sport in the daily life of the people and the nation has not been recognised in Germany for so long a period as in England and America. It is true that "Turnvater Jahn" (Father of Gymnastics Jahn) had taught the Germans, over a hundred years ago, that they must make themselves stronger as a nation through individual physical culture. In spite of this early beginning, however, sport has secured only a small foothold upon the broad masses of people a hundred years later.

The first sports which were taken up to any extent in Germany were gymnastics and football. The rapid growth and expansion in popularity of German sport can be said to have developed after the confusion following on the Great War. A national movement arose, embracing every sphere of society, with the object of devoting itself to the extension of sporting activities throughout the country. Its slogans, "Sport strengthens the body," "Sport keeps the nation young and healthy," "Sport promotes the will power of humanity," and the like, soon became national bywords; and they represent the extent to which the new propaganda was having effect.

The State next declared that gymnastics, games, and sports were to become compulsory in all schools. Sports-grounds and playing-fields were provided everywhere. Since that time the youth of Germany has been keenly interested in all forms of sport; and sport, as such, has become an important factor in the educational system. Sport has at once become a road to physical strength, a means of recuperation, a diversion, and a healthy pastime. It builds physique and strength, and at the same time promotes a real pleasure in learning and a will to work, as well as materially contributing to the national health.

Once the schools had awakened to the idea of sport and physical training, the multifarious private sports movements took a rapid step forward. The number of members in the Gymnastic and Sports Unions rose rapidly. The number of members affiliated to these Unions, however, is no indication of the total number of people who pursue sporting activities in Germany. Many men, women, girls, and boys swear allegiance to the new sports in the sport sections of youth movements, of trade unions, and of officials' organisations, and to large industrial and business sports unions and various free unions.

To-day there are 6,000,000 Germans organised in over 80,000 sports clubs in Germany. In addition, there are 5,000,000 Germans who have taken up river sports and tennis, but who are not members of clubs.

Three sports take precedence in Germany when the various activities are judged by the numerical strength of their club membership: these are gymnastics, football, and athletics. Of these three, gymnastics has won the greatest number of active members in the many sections which it covers. Football has won a tremendous and increasing support from the German people, not only in the number of its players, but also in the innumerable supporters of the game.

Water sports and wheel sports are also developing very rapidly together with " Das Wandern "—walking or " hiking "—if the last-named may be termed a sport. The above may truly be termed the national sports of Germany as pursued throughout the length and breadth of the country. Some sports, which are even national sports in other countries, are seldom, if at all, practised by us, such as golf and rugby, which are played only to an extremely small extent. Cricket is practically unknown in Germany.

After the Revolution in 1918, the workers' sport movement began to develop freely, and, in addition, it received some considerable assistance from the State. The door to all sports was thereby opened to the working classes, so that only within the last ten years can sport be termed a *national* pastime in Germany.

A few new kinds of sport not previously known in Germany have recently been introduced, such as jiu-jitsu, table-tennis, ski-ing, flying, boating, and aquatic sports, as well as sport on the Rhone wheel. Their circle of supporters is also rapidly increasing. Table-tennis is finding great popularity, since it requires no great amount of space and a very small money outlay, which is an important factor to many people of limited means and whose occupations do not permit a great amount of leisure time.

The beneficial effects of sport upon the nation are not exhausted with a description of their material values. The social, cultural, and industrial life of the nation is also considerably enriched by sport. This effect, however, can only be produced when the sports are open to, and practised by, the greater part of the population. Sport must not become merely the pastime of cranks or degenerate into a spectacle

provided by professional athletes. It must be an activity of the entire nation, before one can speak of the social effects of sport upon the nation. Sport would then have a very favourable effect on the life of the people, building and strengthening character and mind, and developing a sense of unity and comradeship in its most noble form. Sport, therefore, not only brings health to the nation as a whole, but drives it on to greater resolution, to spiritual and social unity, and awakens powers which have the property of promoting the stability and progress of the country.

The question now arises as to whether or not sport can create a better relationship between the nations and promote international understanding.

The answer is that sport *can* and *must* do this. There will, of course, have to be a greater development of international intercourse of the various sports organisations in the individual countries, such as took place at the Workers' Olympiad in Vienna. The wider and more embracing are the international sporting events, so much the more rapidly will sport break down the barriers between peoples and nations, who would otherwise, through narrow nationalistic politics and economics, be separated from one another.

POPULAR IN THE NETHERLANDS.

By Waling Dykstra, Jr.,
A Dutch Co-operative Publicist.

THE question has been raised as to whether or not sport is popular in Holland. Most certainly it is! One only needs to look at the daily papers any Monday morning to become convinced immediately that public interest in sport is by no means lacking in Holland. Whole sheets are devoted to reports of football, basket ball, tennis, and other games which are played on Sundays in practically every town and village.

It can safely be said that football is the most popular sport in Holland, and the Sunday afternoon matches are witnessed by large crowds of spectators. The orthodox Protestant section of the population is, of course, against Sunday sport, but since this particular section rarely has the majority in any town or village council, its protest has served very little purpose, except in a few isolated cases.

The youngsters begin to group themselves in football clubs even during schooldays, and most of them retain their enthusiasm even when they themselves have become too old to take an active interest in the game. Senior clubs are nearly all affiliated to one central association—De Koninklijke Nederlandsche Voetbalbond. The committee of this association controls the various matches, and also selects the international team.

Football has gradually extended its sphere to such an extent that it has now almost completely usurped the place of handball, which was an extremely popular sport, especially in the north of Holland, throughout the 19th century. To-day handball is played only in a part of the province of Friesland. In both football and handball professionalism is unknown, and the amateur holds complete sway everywhere.

The Dutch girls have their sports clubs as well—for basket ball, a game which they sometimes play together with boys. This game has not attained popularity anywhere like that of football. Every year basket ball appears to be losing more and more ground to tennis, which is also played by both sexes, but which is especially popular amongst the modern feminine youth.

Ten to twenty years ago tennis was played only by the most exclusive set, who possessed their own tennis courts on their country estates. Since then, however, private persons, municipalities and other authorities have begun to rent out tennis courts in the various "sport-parks"; and tennis, having become accessible to those of moderate means, has won many supporters. The tennis courts at the famous bathing resort, Noordwyk, are especially fine, and sheltered from the winds. An international tournament is held almost every year on these courts.

A summer sport of a quite different character, and which has also won many friends for itself during recent years, is yachting—and also rowing. Of course this pastime is limited to those provinces which possess plenty of canals and lakes, such as Friesland, where it has become practically the national sport. In this province almost every other person has a boat of some description, often small, but nevertheless a boat which will sail. Each locality holds its own regatta and, at the same time, the arrangements include a public festival. It is easy to understand to what extent the population is interested in sailing and yachting, as the whole village or town takes holiday on regatta day.

Swimming is becoming more and more popular in this land of inland seas. The Dutch girls especially are devoting themselves to the sport, and they have already established many international records. Open-air swimming baths are to be found practically everywhere. Indoor swimming baths, for winter swimming, are still only to be found in the cities, but they are always extremely well attended.

From time immemorial skating has been a favourite recreation in these water-bound areas. Friesland again, with its abundance of canals and lakes, has generally provided our finest skaters. Unfortunately this particular sport has lost a good deal of its influence, since in Holland there is very little ice in the winters nowadays.

Should there happen to be safe ice for a couple of weeks, however, the rusty skates are polished up, and skating again comes to the fore, but not to the same extent as in former years. In the 19th century, when the bicycle was still practically an unknown quantity, the ice

provided the only opportunity of visiting distant relatives without expense, and a very much quicker means of transport than by foot. In this way long journeys were often made, but the custom has now practically disappeared, and skating has been relegated to a local recreation and a competitive sport.

The bicycle has now become the popular transport agency in Holland, and it can easily be understood that it also plays an important part in the sporting life of the Dutch people. Races are still held only in the sport parks of the largest towns and cities, and cyclists of championship class have very rarely come to the front.

On Sundays, however, the roads simply overflow with great numbers of cycling excursionists. A separate path on practically every road is reserved solely for the use of cyclists, and a signpost, erected by the Cyclists' Union (Algemeene Nederlandsche Wielrydersbond) is to be found at every cross road.

Other forms of sport are to be found in Holland, such as golf, hockey, and cricket, but these have by no means the support and following of those sports previously described. There are clubs, generally very exclusive, whose membership is composed of representatives of the richest families.

In the cities occasional fencing schools are also to be found.

All kinds of sports are practised in a system of organised associations such as the gymnastic clubs, which are in turn affiliated to the Dutch Gymnastic Union. A feature of public festivals and holidays is that provided by these gymnastic clubs in their exhibitions and rhythmic demonstrations. In addition to these general gymnastic clubs there are a number of Catholic, Socialist, and other clubs established by religious or political bodies. This is unfortunately a natural result of the sectarian spirit of the Dutch people, and is the cause of the tremendous amount of apathy prevalent in Holland.

And then, in addition to these purely sports clubs, there have developed other groups which stress the value of character-building and spiritual education to be derived from sport as, for example, the English Boy Scout Movement, which has been taken up with great enthusiasm in Holland.

The Socialist Labour Youth has organised itself even further along similar particular lines, and the members are often to be seen, with their gay costumes and banners, out on their "wanderings," or reviving the old folk dances. Similarly, the Catholics have organised their own youth along the same lines, with great success, during recent years.

Sport can no longer be regarded as a negligible quantity in the life of the nation, but rather as a strong vital movement working for the health of the nation. In all the schools sport has now become a permanent part of the daily curriculum.

The recent Olympic Games have proved that the Dutchman has now proved his right to be regarded as a sportsman. With only

twenty-six representatives, the Dutch performance was a highly creditable one. Calculated over the whole of the competing athletes, the proportionate average for each team was 36·4 points. The Dutch team, however, secured 61 points.

Sport certainly has an influence for the good on the nation as a whole. Those who take part in the sports enjoy a greater freedom, and are less confined by the restriction of worn-out and conservative customs. Sport helps progress and will in time be helpful perhaps in promoting better international relations.

POLAND'S LATE START.

By J. Czulinski,
A Co-operative Writer of Warsaw.

SPORT, in the accepted sense, is a very recent movement in Poland. It only commenced to develop freely after the Polish-Bolshevist War, which took place in 1920. Before the World War, Polish sport could not develop uniformly and naturally, since it was impossible to create a central organisation covering all the three parts into which Poland was then divided, namely, Russia, Germany, and Austria. The political situation of that period made the amalgamation of the Polish sports unions impossible. Only in Austrian territory did Polish sport develop at all, chiefly in such activities as football and other ball games, and athletics. This is practically the first instance of the various clubs having any active contact with people of other nationalities.

Naturally, during the Great War, all sporting activities on the present Polish territory practically came to a complete standstill. A certain improvement in sport developments has been attained, however, during recent years.

Although Poland obtained her independence in 1918, it was not found possible to begin immediately upon systematic reorganisation work and propaganda as in the other countries, because Poland had to fight bitterly to maintain her new frontiers right up to the end of 1920. The Bolshevist invasion in 1920 interrupted all sporting progress, and prevented Poland from sending a delegation to the Olympic Games, which were being held in Antwerp at that time.

Nevertheless, at the end of the year 1919, a Polish Olympic Committee had been set up, which, in turn, created four associations, one for athletics, one for football, another for sculling and rowing, and a fourth for ski-ing. The Gymnastic Union (Sokol) has been in existence since the year 1867. The organisation and centralisation of other branches of sport, such as cycling, tennis, skating, wrestling, swimming, boxing, and the like, have only developed since the years 1920–23.

Conditions of development for Polish sport were very unfavourable up to the year 1926. A radical change took place in the year 1927, when the National Office of Physical Education was set up by the Government, and national interest was concentrated on the active promotion of sport. As a consequence, one can say that this interest has resulted in a tremendous increase in the number of clubs and other organisations in all the various fields of sport.

The interest which the State shows in the new development is reflected in the establishment of the Central Institute of Physical Education at Warsaw. The object of this Institute is to train instructors for the different sports clubs and secondary schools. There are also fourteen centres of physical education, which train sports instructors and assistants; and this work is supplemented at the Universities of Cracow and Posen.

It is difficult to say which sport could be termed the "national sport" of Poland. The most popular sports are athletics, football, sculling, ski-ing, and gymnastics. In addition, such sports as skating, boxing, fencing, swimming, wrestling—which is only practised in the industrial centres—cycling, ice hockey, horse racing, tennis, motor racing, yachting, and the "kayak," which has made very great progress in nautical sports during recent years, have all found a firm hold in the public interest.

All these sports have their own clubs and national associations representing all the various branches of sport. At the head of all these national associations is the Federation of Sport Unions in Poland, which constitutes the Olympic Games Committee. Altogether there are twenty-three associations, representing more than 10,000 clubs with nearly half a million members, affiliated to the central organisation. These figures do not include the youth of Poland who are at present at school. Youth is keenly interested in sport, and the Government does everything within its power to stimulate and encourage this interest. In speaking of the sport movement among the youth of Poland, it is of interest to mention that the Boy Scout Movement has found a strong foothold, and there are now over 58,500 scouts in Poland.

To-day, sport in Poland has reached a level which permits our country to compete with those countries where sport has been established for generations. The fact that we continually secure better and better places in each succeeding Olympiad is a worthy testimonial to the progress we have attained. At the seventh Olympiad we obtained twenty-first place, at the ninth Olympiad the seventeenth place, and at the tenth Olympiad, held in Los Angeles in 1932, we advanced to the thirteenth place, including two firsts, a second, and three thirds in the individual sport records.

The health influence of sport upon the nation are indisputable. For youth it serves as an outlet for the natural excess of physical

energy. It gives birth to finer aspirations, strengthens ambition, character, and other spiritual virtues, to say nothing of the beneficial influence which it exercises on the physical development.

The young people who devote themselves to sports find themselves in a sphere of interest more elevated and inspiring than the sphere of their comrades who ignore sports. In addition to the individual benefits, a physically stronger nation is able to achieve better tasks and a bigger production, and can more easily face all difficulties which may confront it.

The influence of sport on the cultural life of the Polish nation should not be lost sight of, because physical culture goes hand in hand with intellectual culture.

Regarding the importance of sport in improving the relations between nations, and bringing about an " entente cordiale " among them, it is to be acknowledged that sport, whilst it cannot achieve this object alone, is nevertheless a very important factor in building up a unity of interest among the different peoples, and contributes thereby towards the consolidation of friendly relations and world peace.

RUSSIA KNOWS THE WORTH.

By H. C. Stevens,
An English Expert.

THE post-war generation in the Soviet Union, as elsewhere, has turned in large numbers to an active, open-air life. Whereas before the 1917 revolution mass sports were completely unknown, to-day the athletic and youth organisations embrace many millions of the working youth in both town and countryside, in the most developed and advanced, and also in the most backward and remote, districts of the U.S.S.R. Moreover, the government recognises the vital importance to the country of healthy and strong citizens, and sports and athletics are not merely encouraged, but are regarded as part of the civic training of the Soviet youth.

Training in physical culture and sports of all kinds begins with the youngest pupils of the elementary schools, continues throughout school and university life, and is an integral part of the cultural activities which centre around the factories, works, collective and Soviet farms, and State and co-operative institutions. Most of the large factories and works in all the chief cities have their own sports grounds, provided and maintained from the fund allotted to cultural purposes out of the receipts of the enterprise. Wherever the factory, works, or office is not large enough to justify possession of its own sports ground, the local section of the trade union concerned makes good the deficiency, and thus in every town ample sports and physical culture facilities are provided for all. As a result great sports grounds,

stadiums, and gymnastic halls, covering all forms of sport and athletics, are to be found in every city and town, and in many cases on the Soviet and collective farms also.

Moreover, the various youth organisations all make special provision for the physical fitness of their members. The Young Pioneers, embracing the children and adolescents, and the Young Communist League, embracing the young men and women, together have a membership of many millions, all of whom are active in one form or another of organised sport.

The sports and athletic activities of the Soviet youth are of the most varied and all-round kind, and every kind of taste is catered for. Tennis, football, track and field athletics, shooting, ski-ing, skating, swimming, rowing, boxing, sailing, wrestling : there is hardly a game known in Western countries, with the outstanding exception of cricket, which is not known and played with enthusiasm and considerable skill. Foreign teams of footballers, for instance, have always found the champion Soviet teams hard nuts to crack.

Professional sport, and attempts at record-breaking for their own sake, are not encouraged ; and all the big football teams, for example, are composed of amateurs drawn from factories and works. Records get broken, of course, but the individualistic type of record-breaking which consists of a single athlete setting out to reduce a running time or to demonstrate his own prowess is not regarded with favour. Sports and physical culture generally, like all else in the Soviet Union, are a social activity, and the collective principle pervades all their organisation.

In the Red Army, which is, of course, composed of the finest examples of physical manhood in the country, physical culture and organised games play a large part in the training of the soldier. Physical training in the Red Army is not chiefly a matter of military exercises, pack and rifle drill, or route marches. The Red soldier's day opens with ten to fifteen minutes' open air physical exercise, and track and field athletics, games and sports are recognised as of vital importance in the development of the efficient and physically and mentally fit soldier. Nor does the benefit of this development end when he leaves the army and goes back to his native town or village. Frequently the peasant soldier returns to become a leader and organiser of cultural life in his village, and sets to work to train a village football team, instructs the lads and girls in the arts of ski-ing, skating, and swimming, and in other ways promotes the physical well-being of his fellow villagers.

Of recent years a new " sport," that of touring and exploring their country, has been developed by the Soviet youth. Saturday hikes, bicycle and walking tours, mountaineering, and holiday jaunts are growing more and more popular every year, and the groups of tourists penetrate the most remote districts of the Soviet Union. In accordance

with the workers' own ideas of the necessity of combining recreation with education and service, the tours are usually arranged with a view to the study of the natural riches, the ethnography, geography, &c., of the district. With the aid of such groups of tourists, very valuable acquisitions to scientific knowledge and important discoveries of new mineral and other riches have been made. The significance of this comparatively recent development can be gauged from the fact that in 1932 over two million persons spent their holidays touring such outlying and adventurous areas as the Caucasian mountains, the Urals, the sub-Arctic regions, the Pamir mountains of Asiatic Russia, &c.

In all the sports activities of the Soviet youth, the principle of collective group enterprise is predominant. The object of physical culture and sport in the U.S.S.R. is to develop the very highest type of citizen, fully equipped both mentally and physically to play his or her part in the life and government of the country. Sport is regarded as one very important aspect of the work of building a socialist state. It is recognised that the Socialist State of the future requires citizens whose consciousness has been developed towards communal life, citizens whose whole outlook is not individualistic, but social. The importance of the team spirit is nowhere more fully realised than in the Soviet Union, and like everything else, physical culture, athletics, and sports, with all their powers for instilling either an individualistic, unhealthy, or a corporate healthy spirit of competition, are organised and run to stimulate and create the healthy social outlook of socialists as well as the physical fitness of individuals. It is not merely coincidence that some of the finest athletes of the U.S.S.R. are also among the finest shock brigaders—those whose duty it is to put vim into the activities of workers who are not coming up to the Soviet standard of achievement.

Peoples and Sports.

One does not readily associate the Japanese with any form of physical exercise except jiu-jitsu, but it seems that we must revise our notions. In the Olympic swimming races (1932), *the Japanese swimmers were a good deal more successful than all the other competitors put together; they outclassed the rest of the world more completely in the water than the United States had done on the running-track. Nor does the ordinary man think of the Argentinians as a nation of boxers, yet for two Olympiads they have had a better record than any other country. We forget, except when the Olympic Games remind us, that the Italians are the best gymnasts in the world, though the Swiss run them close, and the Indians the best hockey players. And, most disconcerting of all, it now appears that our best eight is not so good as those of Italy and Canada. We are more or less reconciled to being beaten by the United States. It is all bad for the superiority complex, already shaken by the spectacle of two Germans in the final of our Diamond Sculls.*

—Manchester Guardian.

BRITISH SPORT FESTIVAL FOR CO-OPERATIVE EMPLOYÉS.

To coincide with the International Congress.

IT is a very interesting coincidence with, as it is a happy corollary to, the theme of this section of THE PEOPLE'S YEAR BOOK, that there is an earnest attempt being made to initiate the first National Co-operative Employés' Sports Festival. The proposal is the outcome of the desire of many employés, who feel that there is a need to bring the workers in our co-operative movement into closer contact with each other.

The promoters of the scheme have hit upon a momentous occasion for achievement. The International Co-operative Congress is to be held in London during August of this year, 1933. Such an event is of the highest importance, as it will bring before the general public the great development of the Co-operative Movement throughout the world. How better to herald the presence of co-operative leaders from over forty different countries than by a great British sports festival that shall be both co-operative and national!

A definite expression to the idea was given at a meeting of representatives of the sports organisations of the Greater London co-operative societies, held in London in September, and it was there and then that it was unanimously decided to promote a national sports meeting of co-operative employés on August 23rd and 24th this year.

What is of great worth is that it is not intended to let this scheme end with the close of the triennial congress of the International Co-operative Alliance. It is hoped, under the name of the British Co-operative Employés' Sports Association, to organise regularly national sports meetings and competitions for employés of the British Co-operative Movement.

The management committee consists of employé representatives of the Greater London societies and of the Co-operative Wholesale Society in London, with power to co-opt employés from co-operative societies in other parts of the country. Financial backing is sought from the wholesale and the retail societies, the International Co-operative Alliance, the National Co-operative Publishing Society, &c.

The sports events, which will be under the rules of the Amateur Athletic Association, will all have the rank of championship, and will be arranged for both sexes. The *grand clou*, as our French friends put it, will be an international relay race of two miles for teams comprising countries affiliated with the International Co-operative Alliance.

Is a Five Year Plan Needed for the Co-operative Movement?

The Opinions of European Experts.

A Five Year Plan For Co-operation?

European Experts Give Their Views.

THE President of the British Co-operative Congress, held during the year at Glasgow, in his inaugural address, gave the lead for a definite plan of campaign for extending and developing the Co-operative Movement in our own country. The idea is of such importance, in view of the considered system and achievements of the Russian Five Year Plan, that we have ventured to invite the opinions of representative European leaders as to what they think of the application of such a plan.

Britain no Option.

By JOHN DOWNIE,
President of the British Co-operative Congress.

SUCH a plan may be imposed by some superior or controlling authority, as in Russia, or may be evolved by the Movement itself through its own machinery. We in this country have no option: the Movement is too large and its members too independent to be commanded into progress. Therein indeed lies the difficulty: every other active co-operator has a different scheme of things for our salvation; the vast majority are planless, living in and for the moment as it passes.

There must probably always be leaders and led, so long as temperaments range from zealous to torpid, from brilliant to dull. Because of their more energetic eagerness, co-operation seems sometimes more lacking in the leaders than in the led. For the vast majority, bold, sane leading is what they need and wish. So, if compulsion is to be applied, it should be towards making leaders collaborate and find agreement.

More or less clearly, Congress perceived this necessity when it approved the National Authority, and when that body gets over the first difficult stages and settles down to real business we should

see definite progress towards, if not just a Five Year Plan, at least some co-ordinated scheme for much more rapid, systematic, and effective advance. At its first meeting the National Authority agreed to take a census of all British co-operative production, and further, a census of all relevant or convertible British production not yet co-operative.

Thus should be obtained a clear and comprehensive picture of our whole production. That will involve immediate inquiry into the possibility of extension both on new and present lines. Should it appear that one particular section, say a retail society, is conspicuously and unusually successful in one line of production, say, dairy farming or bread baking, expert investigation will be made of methods and results to sift out from local factors what is of advantage to societies generally to help them to improved results. Or any new branch of manufacture—matches or electric lamps, or wireless, for example—could be scientifically costed by experts employed for the purpose and the Movement canvassed in advance for support.

Here we stumble upon an obstacle that must be removed. We cannot enter into this or that manufacture, we are told by our Wholesale, because our turnover of its production is not sufficient. But others adventure into such manufacture without any certain or promised trade. A wireless firm, whose name is almost a household word in Britain, began in 1925 in one small room.

Much manufacture is now on so large a scale, so mechanised, that lavish expenditure is necessary to embark thereupon with any prospect of financial success. But much remains where no such great outlay is required. With one such branch thoroughly prospected and costed can we not somehow bind ourselves through our societies to a sufficient purchase, collectively, to ensure its immediate success? To that end we must reach and incite the member, and for that we need a Press with a huge circulation. There, perhaps, we must begin.

With all our vast funds, our "frozen" reserves, we stand fearfully by while smaller people start an electric lamp factory outside Glasgow and a match factory at West Hartlepool, in defiance, to all appearance, of rings and combines, and prepared to fight the Trusts indeed for trade. The gesture itself would be worth—who can say how much?—to our jaded Movement.

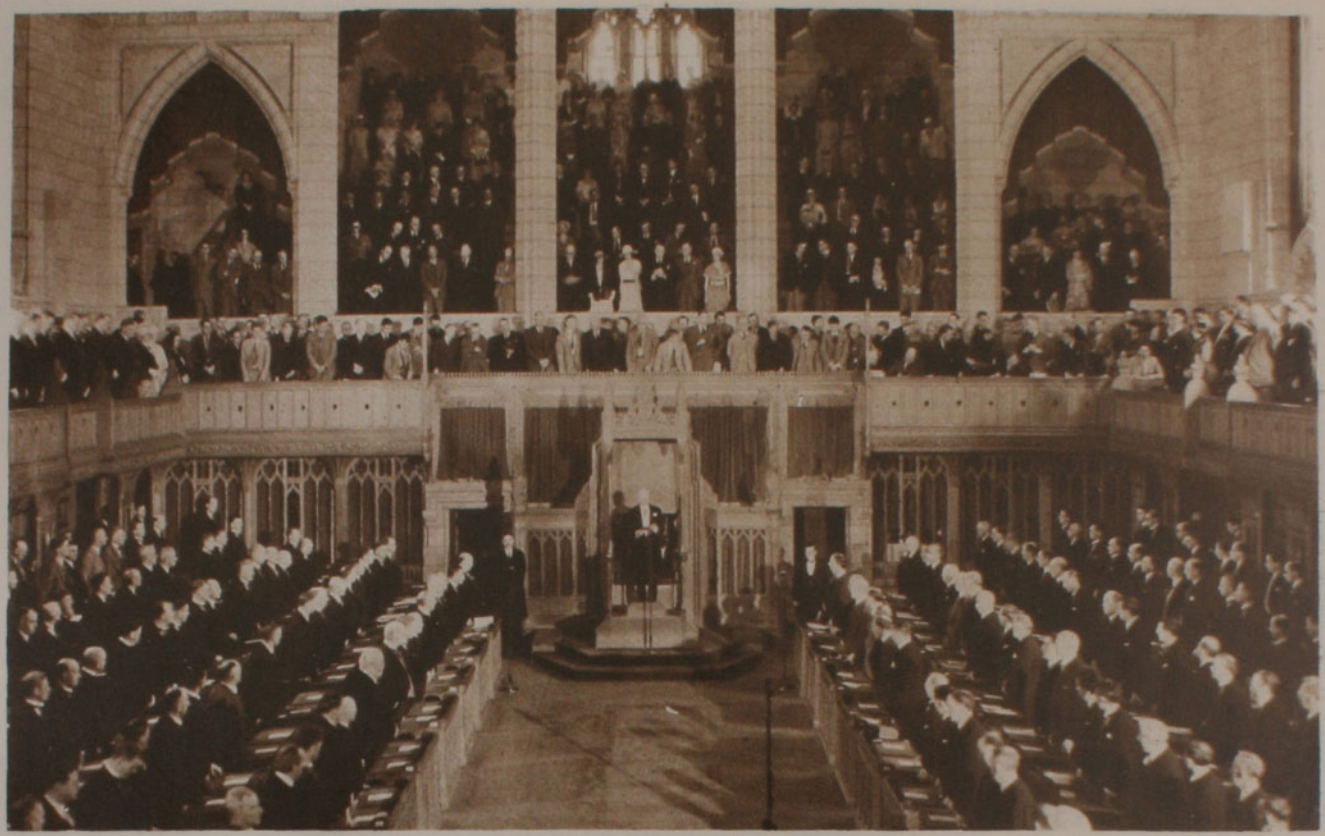
Austria's Early Start.

By Emmy Freundlich,
C.W.S. Director and M.P.

THE Austrian Co-operative Movement was suddenly shattered into many pieces by the Peace Treaties following on the Great War. The consequence of this disintegration was that it became necessary to build up an entirely new structure and organisation, and it remained for us to devote the whole of our strength to

Continued page 226

How Football is King in the hearts of the British folk is evident in the vast crowds of devotees who regularly follow their favourites.



Opening of the Imperial Economic Conference at Ottawa. Lord Bessborough, the Governor General of Canada, proclaiming the historic proceedings open.

retain that portion of the old movement which remained within our new boundaries, and to carry it through all the crises which threatened to destroy the economic existence of the new and weak State.

Immediately after the stabilisation of the currency, we made strenuous efforts to repair the damage and loss caused after the collapse of the Austrian Empire and by the subsequent currency depreciation.

During the war a large number of consumers' organisations had arisen, since a distributive agency could be very easily established under the prevailing state-controlled economy. And this, in turn, led to the formation of a strong consumers' movement parallel to, and often opposing, the existing co-operative societies. Such a state of affairs could only be straightened out gradually and order restored. Many of these new consumers' organisations disappeared after the cessation of hostilities; others managed to continue and, in time, affiliated themselves to our Central Union.

Even after affiliation all the difficulties were not overcome, for two or more societies were often to be found struggling for separate existence in small areas, and there were also many instances of societies establishing branches so far away from the central premises that it could only supply them with goods by means of vehicles that had to pass through the trading areas of other societies.

We in Austria, therefore, had to evolve a plan, even as early as 1923–24, with the object of restoring order and economic efficiency. For each district we worked out a plan which ensured that all distribution points were thoroughly reorganised, involving the closing down of some and the handing over of others to the nearest societies. New centres were established here and there in order to supply the whole district most economically.

It is in this way that much valuable reconstructive work has been achieved during recent years in all the various sections of the Austrian Union, with the exception of Lower Austria. In the case of the latter we found it impossible to adopt the same measures, because this area is supplied by grocery and other branches radiating into the country from the large central societies in Vienna. Here it was first of all necessary to reorganise the central institutions in Vienna. Only in the autumn of 1932 would it be possible to complete the rationalisation of our distributive apparatus in Lower Austria, so that we could say that our first Five Year Plan would be completed by the 1st of January, 1933. By that date there would be no more competition or overlapping between neighbouring societies, and the distribution points would be so arranged that they could be most economically and efficiently controlled and supplied.

The next task we had before us was the educational work amongst our employés and officials. Work of this nature had been very backward in old Austria, as the Central Union had been of a mixed national character: it was found impossible to organise educational

activities for one nationality without doing the same for all the affiliated nationalities, and there were not sufficient funds for that purpose. We must therefore put forward the greatest efforts to regain the lost ground. We have established salesmen and employés' classes, schools for officials and directors, regular business conferences in which the most important co-operative managers and leaders were assembled, and a large number of courses of study for all the various grades of workers. This work will never be slackened by us, because we realise that the staff is continually changing and that only by educational propaganda of a continuous nature can we achieve success.

Moreover, it has also been our endeavour to erect a subsidiary organisation in each society, that shall serve as the promoter of membership campaigns and educational work amongst the members. Co-operative societies are democratic organisations which can never reach their goal without the collaboration of the general body of members.

Between the management and the members there must be a connecting link representing the interests of both sides. In Austria we call these subsidiary organisations "Mitgliederausschusse" (Members' Committees). They are elected at the annual general meeting and, in constant touch with the management, they are responsible for the work of educating the members into becoming co-operators. It is in this field that the women achieve the best results. Many times indeed they are the dominating influence within these members' committees. Meetings are held every month in each branch, and a report of the proceedings is sent to the society's headquarters, so that the management may know exactly what is going on. All presidents, chairmen, secretaries, &c. from the various committees hold regular conferences generally monthly with the central board of management of the society, so that the latter may be kept informed and the officials made aware of all complaints.

These "Mitgliederausschusse" have proved themselves excellent in practice, and it is due almost entirely to their assistance that we avoided catastrophical decreases in our turnover during the economic crisis. Through their help, also, we have been successful in carrying co-operative principles, by means of propaganda and other educational work, into the broad masses of our members and made many true co-operators.

That then is the Five Year Plan upon which we are at present working, and which we have to a great extent fulfilled.

We believe that in so doing we are completing a sound foundation on which we can build with every confidence in the future.

The next plan will be to extend the range of our own productions, as far as the economic circumstances of the country will allow, so that also in the productive field we can secure the leading position which we have already obtained as a commercial organisation.

Still further we must endeavour to win some thousands of new members to our ranks each year, so that we can have a steady and

natural growth, which is far more valuable than securing a great number of members quickly and losing them again.

Even now we are trying to incorporate in our list of members only those who actually make purchases from the branches. All others, together with those who only make very small purchases, are struck off, as we do not regard such members as co-operators.

Our experience has taught us that the old motto of our English friends, *i.e.*, "Labour and Wait," is especially valuable.

Not once shall our movement rush headlong ahead—rather shall it come slowly and steadily, but with tireless strength, to fruition like the corn in the fields. Then, indeed, will come a rich harvest.

Belgium's Only One.

By Victor Serwy,
The Union Director.

THE Soviets have made their Five Year Plan fashionable, since when less pretentious and more modest plans have appeared in various quarters as well as in the Co-operative Movement.

Really, the idea of a plan in not extraordinary. Has not everyone his own pet theme or themes ? The men of industry and commerce, have not they all thought out some plan or another to be realised within a more or less given date ? The idea, therefore, is by no means new, and particularly in the realms of co-operation.

A well-defined and complete co-operative plan was perfectly thought out by the Rochdale Equitable Pioneers, when they, in their programme, aspired to transform the world, indicating that it was by co-operation that it would be possible to attain this end.

Has their dream been realised ? No. The Co-operative Movement has realised but a part of it. It has organised the means of distribution and production in a small degree only, and does not yet play among the masses of people the part of educator to the workers, which rôle was assigned to it by the Rochdale Pioneers when they wished to establish co-operative democracy.

The realisation of this dream is pursued throughout the world, throughout the crisis, slowly but surely, as much among the industrial workers as among the agricultural workers. The plan is in existence. The ways and means of realisation are known and put into practice everywhere—to group consumers into local units, to bring together the local units into the national group for the purpose of wholesale purchase, production, centralised economy, and, finally, for association on an international basis.

The co-operative organisation is steadily developing, perhaps not with the rapidity that one would like, because the co-operative conviction has not yet penetrated the minds of all the workers.

Such a work as Co-operation must have its believers, its enthusiasts, its convinced followers.

It is not everything to draw up a very fine plan on paper, but rather to have builders and constructors setting about the job capably, intelligently, and devotedly, knowing how to inspire enthusiasm in their co-workers.

The success of the plan depends also on the practical character of the means employed. To act with boldness in its organisation and at the same time with prudence in its execution is essential.

Plainly speaking, it must be proclaimed before the world that the practical way for everyone to live without being exploited, to have one's needs satisfied, to see fraternal relations existing between individuals, and to have peace descend upon earth, is for all consumers to be co-operators.

Ceaseless propaganda is also necessary to convince our millions of co-operators to entrust all their purchases to their co-operative societies, as well as all their savings, to enable the co-operative organisation to take its stand in the place of the thousands of private shops and the hundreds of workshops.

The united capital of the co-operators must find an international destination, especially in the commercial transactions of our wholesale establishments, in the erecting of factories in opposition to the trusts, and in the acquiring of productive sources.

It is desirable that each country draw up its own plan of co-operation for the progress of its own movement, but it ought to be thought out in an international spirit, otherwise it has no future.

We must lift our mentalities over the frontiers. It is only by viewing things internationally that the question of relations between countries can be solved and the economic crisis overcome. Economic nationalism and protectionism are but deceiving palliatives, which sooth the evil momentarily, only to cause it to break out later more terribly and violently.

The International Co-operative Alliance, for more than half a century, has asserted its conviction that it is solely by an international organisation of the sources of distribution and production that the ideal of liberty and equity—the aim of Co-operation—can be attained.

Capitalism is going, crumbling away.

Is Co-operation ready to step in as its successor ? Will the national unions group themselves closely enough to bring about the International Wholesale Society ? Will they come to an understanding to regulate production from an international point of view ? Will they take up the study of international banking again, profiting by the experience acquired during the last months ?

The plan of the Rochdale Equitable Pioneers will be realised all the quicker when co-operators have risen to the international spirit.

It is the concern of the leaders of the Co-operative Movement to develop our ideal with enthusiasm, and to act in order to realise it.

Czechoslovakia's Move.

By Emanuel Skatula,
Czech Editor-in-Chief.

THE most prominent organisation of Consumers' Co-operation in the Republic is the Central Union of the Czechoslovak Co-operative Societies in Prague, to which are affiliated 240 societies, with 2,453 shops, 400,750 members, and a turnover amounting to 980,553,615 Cz. crowns. The Central Board of the Union for two years has been endeavouring to put the co-operative movement on a solid basis, so as to secure its development in the future. Although the rules of the Union are not limited to a certain length of time, nevertheless they contain a series of commercial and financial measures leading to the aim mentioned above. It is not a "Five Year Plan," but a plan for the next few years, and evidently worked out under the influence of the hard economic crisis.

It is true that the consumers' co-operative societies furnish, during the present crisis, daily proofs of vitality and offer greater resistance than do the old private institutions, yet they cannot avoid all the consequences of the economic crisis. In Czechoslovakia, for instance, where the population amounts to 15,000,000, there are 500,000 unemployed, and their extremely restricted power of consumption cannot be without influence on the turnover of the co-operative societies. The decrease of turnover was 1 per cent in the past year.

The measures taken by the Central Board of the Union to meet the circumstances can be summarised into four groups, as follow :—

I.—The task of securing the development of the consumers' societies. Districts or regions for evolving greater societies were established, securing in this way full activity with less trouble ; for systematic concentration of the movement by the fusion of local societies ; for the extension of regional societies ; for taking measures concerning the opening and the managing of the active shops and the closing of the passive ones ; for suitable and more efficacious central managing, administration, and bookkeeping of the societies according to their proportion and capacity.

II.—A group of measures concerns the financial security of the societies, namely, the right proportion of the managing expenses to the turnover, economy in the collective property, commercial rationalisation regarding the interests of the members and employés ; the care for increase of own capital, shares of members, and reserve funds ; the right proportion between own and loan capital—this relationship has been for years as 1 : 2·80–2·90 ; the stocks of goods, scrupulous examination of all new investments, new buildings, and adaptations ; the care for the rentability of undertakings of co-operative production ;

the improvement of the auditing and control reacting at the proper time upon all faults, errors, and omissions of societies. The question of cash payment forms a special part of the directions given by the Central Board to the Consumers' Societies. Although cash payment is a rule in our movement, it is impossible to avoid cases of credit given to members considering the actual situation of the working people, their unemployment, and their increasing misery. In the directions given, the most scrupulous responsibility of the sales assistants is recommended, whilst the summary register of debtors, and their division in categories and sections for the payment of debts are prescribed. To the greater societies it is recommended that they establish a special credit-survey.

III.—The measures relating to co-operative production. In the Central Union, various productive enterprises are carried on by forty-six consumers' societies, chiefly bakeries, butcheries, cider and lemonade factories, &c., with the value of the productions standing at 43,000,000 Cz. crowns. The Wholesale Society in Prague records for the year 1931 a turnover of 478,000,000 crowns, whilst the production of its own factories amounts to 118,000,000 crowns. There are run by the C.W.S. flour mills, bakeries, butcheries, smoked-meat, fish preserves, chicory, jam factories, coffee-roasting, &c. A new factory has been opened with the capacity of a daily output of 75,000 kg. of margarine, vegetable fats, table oil, soap, soap-powder. A good step forward has thus been made in the sphere of co-operative production, as well as a step to the emancipation from the power of the trust.

IV.—In this category we can summarise the measures concerning the co-operative education and propaganda. The systematic propaganda brings good results to the movement. It has for its aim the recruiting of new members, and the financial and economic strengthening of the societies. The autumnal propaganda campaign has become a substantial part of the educational and propaganda activity of the Union. Naturally, this most important task falls on the societies, while the Educational Committee and the Committee of Women are charged with the initiative and control of the propaganda, which, as a general rule, is carried on in contact with the Trade Unions. The main idea of this work is to popularise Co-operation and to strengthen the movement in such a degree, that it could render still more service to its membership and prepare the economical bases for a Co-operative Commonwealth. And never has there been more emphasised the necessity of Co-operation than in our days, when Co-operation is rightly considered as being one of the most suitable and efficacious means to lead us out of the labyrinth of the economical chaos.

France Goes Forward.

By Ernest Poisson,
National Secretary.

THE French Co-operative Movement has been occupied for some considerable time now, not merely in thinking out, but in putting into execution a plan for the further development and extension of the whole of its organisations, to be carried out in a number of years.

As early as 1927 a resolution was passed at the Nimes Congress, inviting the Central Council to draw up a long-term plan of development, and to carry on with it in co-operation with the Regional Federations until its realisation was accomplished.

In 1931 the Paris Congress devoted part of its agenda to this subject, and we were directed to present a report, together with a resolution, which was unanimously adopted, as follows :—

> " The Congress authorises the Central Council to draw up, and put into execution, a National Development Plan founded on a methodical and rational basis, and specially in co-ordination with the local and regional plans drawn up according to the decision of the Nîmes Congress. This development must be considered in all its breadth and depth, and provision made for the time to be sufficiently long to permit of its realisation in stages, and in conformity with the total possibilities and resources of the movement, the objective to be the satisfying of the needs of the largest possible number of consumers in the highest possible degree."

The carrying-out of the plan since then has been put into action in its entirety, and its applications put into force.

The following are the considerations which have served as a basis for this plan :—

Why a plan ?

Because no matter what changes time or custom may bring, a decided plan makes for a psychological factor, which carries with it almost sportive enthusiasm for those carrying it out, the militants, and the masses.

The effort put forth will be much greater than the end to be pursued will be precise, and allowance must be made for a long period.

Rationalisation must be pushed forward in all phases of the Movement—commercial, administrative, and propagandist.

This action will be followed, by reason of the spirit of mutual emulation between societies, by the wish and will of each to arrive at the strived-for goal.

To double the strength of the co-operative power here in less than ten years is not exactly a Utopian task when one regards the progress already achieved by the foreign co-operative movements, and that of the co-operative competitors—the multiple shops.

For each society, regional federation, and the N.F.C.C. (the National Federation of Consumers' Co-operatives) to undertake this task; to follow from year to year the progress made—the setbacks, the advances; to consider the results, the successful experiments, and the pitfalls encountered—that is the course of action proposed.

It would appear that to be able to set up this plan one must be inspired by the following considerations:—

The maximum development of the Co-operative Movement, with regular and measured step, must be sought after in its breadth and depth. It must be considered from the point of view of satisfying needs—groceries, household articles, bread and confectionery, butchers' meat, &c.

And in all matters concerning the maximum development in groceries, first of all there will have to be brought into being an extension of operation which will enable every consumer, no matter in what part he may reside, to be supplied with goods, either by an ordinary shop or by means of a travelling shop belonging to a co-operative society. This done, the next consideration is to compare this outlined plan with the present state of our co-operative movement as a whole. And it is then that an examination, from a practical standpoint, could be made as to what course, as much from a point of view of time as of method, it would be necessary to take to realise the plan in conjunction with the existing societies and those to be created, as well as with the co-operation of the central organisation. Next must come the figuring-out of the cost of shops and buildings and the rolling-stock essential to this end; and the finding-out what financial resources it would be possible to have at our disposal.

But, first of all, the first piece of work would have to be so arranged that the next would smoothly follow. It was the work of the regional federations, along with the National Federation, to establish this theoretical plan, a national and complete plan of extension. To carry out all this the same lines of action must be taken, while taking into account the particular situation of the districts—for instance, the minimum turnover on which a branch may be workable in the big cities, the small towns and the country market towns is a matter of indifference. It may be that here a minimum figure of 15,000 francs monthly is required, and elsewhere 25,000, nevertheless there are limits which can correspond to certain common base requirements—a travelling shop would have to make its rounds long or short according to the nature of the land, *i.e.*, flat land or mountainous; again, the proportion of the population on which one could rely to purchase from the co-operative society is to be taken into account, together with the conditions of the moment and the district. At the same time, in order to obtain this result, it would necessitate finding out, according to

the distribution of the population, what would be the rational organisation of the co-operative movement, in view of the ideas set forth :—

(1) To enable a branch co-operative to thrive, it must have a minimum turnover ; and as a first condition of this success, the turnover in general requires a certain dense population, otherwise it entails a number of minor branches in proportion to the population.

(2) That where a branch store is not possible, travelling shops can be substituted and, by reason of at least one tour weekly, be assured of a round which would give a maximum of return with a minimum of expense, whether they be attached to branches or to central stores.

To establish a systematic chart for placing branches and circuits for travelling shops was the object of the first study of a plan for the development in extent of the grocery section. At the same time there ought to be taken into consideration the question of depôts, their importance and their place. And of equal importance, into what would best take their place in their absence, considered from the point of view of carriage and warehousing.

The plan is now going forward. Let us hope that nothing will retard it.

German No Time Limit.

By Vollrath Klepzig,
Central Union Director.

THE consumers' co-operative movement, in contrast with the general distributive system, is an economic structure arising out of, and controlled by, the demand of organised consumers. It strives for a reasoned revolution from a haphazard capitalistic society into a carefully planned national economy.

The growth of co-operation has always been marked by an unmistakable basis of planned effort. For the full realisation of the plans that have evolved from time to time, a definitely fixed time for completion has scarcely ever been provided for.

The plans made by the German Co-operative Movement were only realised when the aggregate demand of the whole of the members made this completion possible, and warranted the construction of further plans.

Systematic planning in the construction and extension of distributive and productive operations is at once the basis and strength of consumers' co-operative movements in all countries of the world. At the same time, the necessity for making " time limit " plans of construction does not arise in the case of the co-operative movement, although there is no objection to the formulation of plans whose

completion *ought* to be effected in the course of three, five, or ten years. *Such schemes, however, should bear no guarantee or be bound to be completed in the allotted time.*

Co-operation in the economy machinery of each land is a wheel possessing most of its own motive power. Nevertheless, it cannot make itself entirely independent of the workings of the whole economic machine. The plans of the co-operative movement will certainly be effected by variations in general economic conditions; and since humanity has not, as yet, discovered the secret of perfection in the existing business structure, the assurance of being able to guarantee the completion of projected plans *inside a pre-arranged period of time* is, therefore, not given to the co-operative movement. If this assurance is not present, then it follows that this type of "time limit" plan should be avoided.

The German Co-operative Movement believes that it has worked on a well-planned system since the beginning of its existence.

Its plans for the future, have, from the beginning, never been hedged around with strictly limited time period conditions at all.

Even in pre-war days (1913–14) the German C.W.S. (G.E.G.) had made detailed plans for the erection of a series of productive factories, for whose completion no time limit was set. The size and the rate of progress of the expansion were to be determined by the increase in demand of the membership regarded as a whole. Thus the pre-war programme of the G.E.G. has not yet been fully completed to the present time, almost twenty years later, as, for example, the construction of margarine factories had been planned some two decades ago, but have not been built to the present day.

On the other hand, other G.E.G. factories for the production of meat products, malt coffee, clothing, and footwear, whose erection had not been foreseen in the pre-war programme, have already been in operation for some considerable time.

All future plans of the German Co-operative Movement have been forced to a standstill by the weight of the present economic depression.

The special crisis prevailing in Germany has compelled the co-operative societies and their federal institutions to devote their entire energies and strength in a never-ceasing struggle to retain their former position and not to lose ground. There is at present no room for the discussion of further development programmes.

If the groundwork achieved in the past is not secure, there is no question of further proposals for future construction.

The designing of plans may be possible for the restoration of an economic ruin, but it would serve no useful purpose by bringing these plans into effect.

The German Co-operative Movement can do no better at the present time than hold that which it has already built up.

Now, more than ever before, we realise the importance of the great principle of the English Co-operative Movement—"Labour and Wait."

What Holland Knows.

By K. DE BOER,
A Union Director.

IT is of importance to consider if the Co-operative Movement is in need of a five-years' scheme for its work to be more completely done. The needs of every country are not equal, so that what is good for the one is not good for the other. But however that may be, it is not possible to compare a movement such as the Co-operative Movement, concerning its projecting and its scheming, with the activity of a State, which is ordering its economical life and has for the greater part its powers in hand.

In the Co-operative Movement we know where we want to get. Our purpose is, and remains, the Co-operative Commonwealth. We all work in the Movement to enlarge it in every direction. New members are brought into it, and new economic power to what already exists. New influences appear, but we never have a clear idea how large the number of new members will be, neither do we know the importance of the economic power that may be added.

We can prepare our scheme for 10,000 new members, but how far shall we achieve it ? And if we get the 10,000, how much money will the members spend in our stores ? Will they be complete members who buy everything they want for their families in the co-operative shop, or will they be three-quarter or half members ? In this respect the number of possibilities is endless.

The last five years the Dutch Co-operative Movement, organised in the Dutch Union, has worked, and is working, in close contact with the trade unions. The latter are doing their utmost to propagate the Co-operative Movement among their members. There is a committee of ten persons, five nominated by the trade unions and five by the Dutch Union of Co-operative Societies. This committee is organising the propaganda work in the country as well as in the different towns and villages. Out of the boards of the trade unions and the societies in the different places sub-committees are formed who carry out the propaganda work. After a period of inactivity the Dutch Movement is growing again, and we are satisfied with the results, shown in the following table :—

1st	January,	1927	178,704
1st	,,	1928	180,539
1st	,,	1929	183,423
1st	,,	1930	185,396
1st	,,	1931	189,970
1st	,,	1932	203,358

Every year, before the summer holidays, a propaganda scheme of what we desire to do in the winter months is arranged, and instructions are given as to how it should be carried out. The scheme is confined to the existing year.

We work similarly regarding our Wholesale Society. On the basis of the results of the past year our scheme for the coming year is devised. Every step is taken accordingly, knowing that we are on firm ground. Not on what we hope, but on what we have, can we make projects for new factories. All our business activities must be free from speculation. Eventually we arrive at the time for the enlargement of our productive works, feeling that we are ready for the extension, and that we can work with a surplus because we know exactly what the turnover will be.

The packing of co-operative products has grown from 12,072,000 in 1929, to 15,849,000 in 1930, to 19,508,000 in 1931.

In this way we shall advance in the coming years. Not by a floating five-year plan, but by well-founded one-year projects and a strong will, we hope to make the world safe for all people by co-operation.

Swiss No Use For It.

By Dr. Walter Ruf,
A Union Journalist.

THE establishment of a Five Year Plan arises from the idea that it is necessary to fix a new and definite objective to be attained within the next few years by the Consumers' Co-operative Movement, which has, as yet, not achieved the desired power in most countries.

The plan would endeavour to bring new life to those parts of the movement which threaten to stagnate or even to retrogress. The question of how this new activity brought about by a Five Year Plan is to be directed will have to be decided separately in each individual country. And since the position and stage of development will be different in each country, the immediate requirements will also differ from country to country. On these grounds alone our attention need only be concentrated on the formation of a national, and not an international, Five Year Plan.

Moreover, in consideration of the high tariff barriers which still exist, together with all the other difficulties in the way of an unhindered intercourse of nations, the construction of an international co-operative Five Year Plan in the near future is not to be thought of.

A Five Year Plan for the co-operative movement in Switzerland would not satisfy any direct need, because the leaders of the central organisations are already striving, with all the means at their disposal, to bring the movement to still greater strength.

The formation of such a plan, at the most, could only be of tactical importance to us. For, as an appeal to the masses of co-operators, it would set before them a clearly defined task, whose fulfilment, step by step, would depend on the collaboration of each individual co-operator. A definite psychological value would most certainly accrue from the plan, which would also serve as a continuous "reminder" and an unceasing driving force for the whole of the membership. Herein lies a plan's greatest value and importance.

A preliminary essential of fundamental importance is that a united and enthusiastic body of members shall stand behind the plan, *i.e.*, the plan must have an objective that meets with the approval of the entire movement, and in which the whole of the members will be interested.

However, in view of the variety of interests, not only among the various co-operative unions but also among the different districts, the possibility of securing a united front of all societies and members appears to be very doubtful. Another factor standing against any unified action is the different stages of development attained in the various districts.

A far greater chance of success seems to present itself if the initiative were to be taken from above, *i.e.*, the establishment of a Five Year Plan in connection with the central organisations. Here there has always been, from their inception, a complete agreement of policy and views regarding future progress.

It is just this agreement, however, which makes a Five Year Plan unnecessary in their case. Without the aid of a plan, the leaders of these central organisations—proved and experienced co-operators—are doing their utmost for the advancement of the Swiss Co-operative Movement.

In spite of our not being able to agree that there is a necessity for the inception of a co-operative Five Year Plan, we are able to define those of our problems for which solutions will have to be found in the near future :—

1. The absolute concentration of all business through the V.S.K. (The Swiss C.W.S. and Union).
2. The sole recognition of the trade name "Co-op." ; the greatest possible exclusion of private traders' goods ; and the development of our own productions.
3. The building-up of our educational system, press, and propaganda.
4. The bringing closer together of producer and consumer.
5. The development of co-operative insurance.

A steady, healthy growth, adapted to changing conditions, has brought the Swiss Co-operative Movement to its present strength,

and we have every confidence that the co-operative societies throughout Switzerland, under a purposeful and inspired leadership, will put forth the best that is in them through their loyalty and devotion to duty, and thereby make the greatest progress towards reaching the co-operative goal.

Sweden Says Concentrate.

By Albin Johansson,
The C.W.S. Chairman.

IT is obvious and generally agreed that the Co-operative Movement ought to work as efficiently as possible. This means, among other things, that the work must be done according to a plan. The local society must have a plan that takes into consideration all the special conditions prevailing in the locality in which it is working. The Co-operative Wholesale Societies and the National Unions ought also to work according to a certain plan, and they are, I suppose, on the whole, doing so.

The activities of a national wholesale society should be, I think, so planned that full unity and harmony can be acquired between the work of the wholesale society and that of the local societies. In other words, co-operators should all concentrate locally and nationally on *one* big problem at a time, and thereby increase efficiency both in the wholesale society and in the local societies.

Internationally, something similar might be achieved. The work should be concentrated on one special problem that is likely to create interest in all the national organisations and, through them, in the local societies and amongst their members. We ought to aim also at unity and harmony in the international field, which means, among other things, that we ought to have a definite plan ; whether we call it a five year plan or not is, I think, not very important. The essential thing is that we *concentrate*. Whether our plan can be achieved in one, five, or ten years is not of primary importance.

Such a plan, whatever we may call it, must not comprise a number of different projects. Our plan must be one that aims at solving *one* problem ; and when that problem is solved, we should all concentrate on another problem. The chief difficulty is to find the tasks around which we can unite. In the search for such tasks we must take the individual members as our basis, and always bear in mind that the various co-operative organisations are merely their servants. A measure deliberately and simply demonstrating that, in the ultimate,

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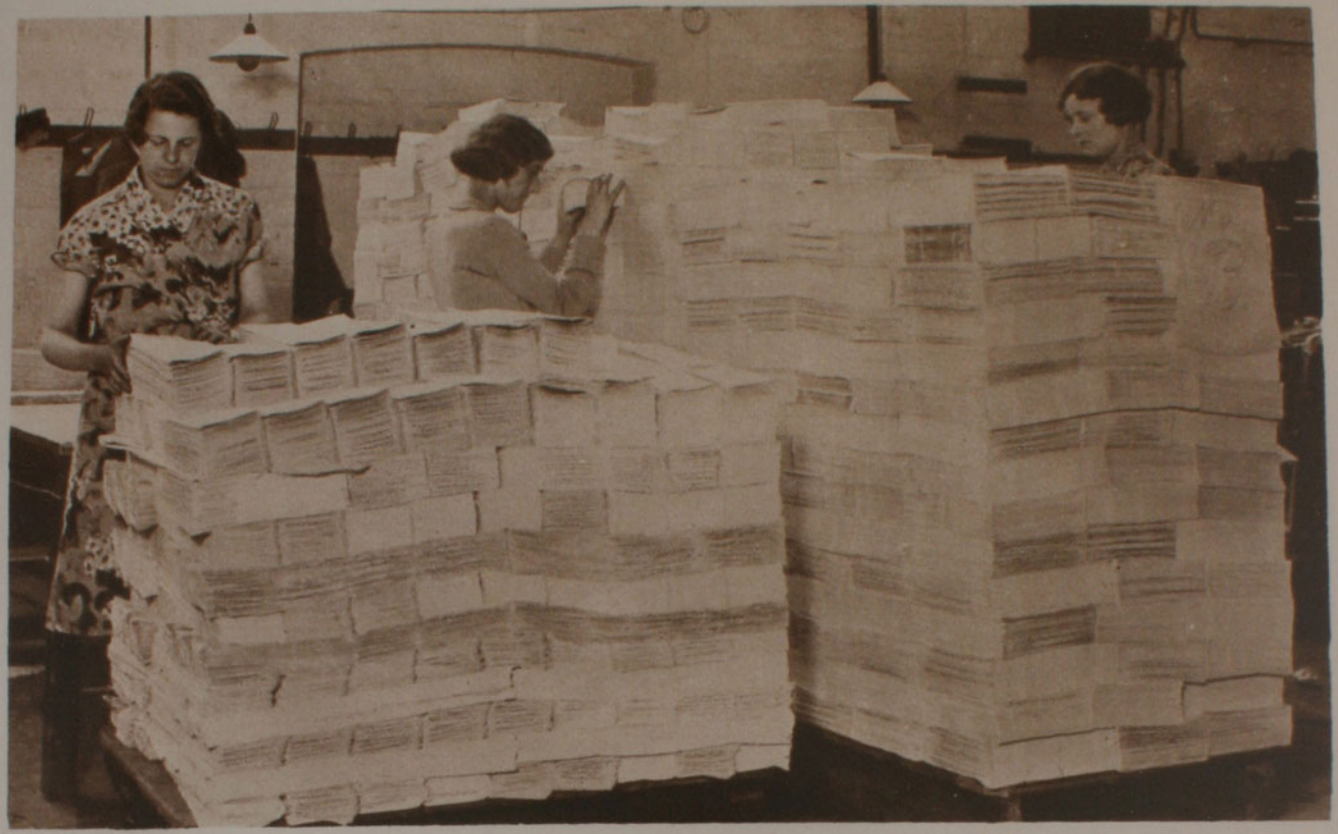
A particularly striking oil painting by René Aubert, shown in the Paris Salon. Character is stamped all over the "Trombone Players."



A corner of the packing-room of the Government printing works, where girls are counting out the forms for the great conversion of £2,000,000,000 War Loan.

consumers can derive advantage from international action, might be able to create that unity and harmony in our international work that is so desirable. One such form of international action is, *e.g.*, the fight against international trusts and cartels.

We cannot, however, call it an international plan if we speak of such a fight only in general terms. All our forces must be concentrated on breaking the power of *one* of those international trusts or cartels, which are levying undue taxes on the consumers.

An international co-operative plan should be a plan that lessens the cost of living for our members, and does so in an easily comprehensible manner.

If the members can get the goods cheaper, they gain the power of consuming more or saving more, and therefore also of creating more work for others.

The New Order of Society.

All the signs of our time tell us that the day of earthly kings has gone by, and the advent to power of the great body of the people, those who live by manual labour, is at hand.

Already a considerable percentage of them are as intelligent and provident as the classes above them, and as capable of conducting affairs, and administering large interests successfully.

In England, the Co-operative Movement and the organisation of the trade societies, should be enough to prove this, to anyone who has eyes, and is open to conviction.

In another generation that number will have increased tenfold, and the sovereignty of the country will virtually pass into their hands.

Upon their patriotism and good sense the fortunes of the kingdom, of which Alfred laid the deep foundations a thousand years ago, will depend as directly and absolutely as they have ever depended on the will of earthly king or statesman.

It is vain to blink the fact that democracy is upon us, that "new order of society which is to be founded by labour for labour."—Judge Thomas Hughes, 1823–1896.

Questions of The Day

World Trade and Finance
Disarmament Problems
Russian Co-operation
On Family Allowances
The Housing Question

World Trade and World Finance.

Towards the Co-operative World State.

By Sir Leo Chiozza Money.

Parliamentary Secretary to the Ministry of Shipping, 1916–18; Parliamentary Secretary to the Ministry of Pensions, 1916; Chairman of the Tonnage Priority Committee and of the National Maritime Board, 1917–18; author of "Riches and Poverty," "Can War be Averted?", "Sonnets of Life," &c.

WHEN The People's Year Book for 1932 went to press, the world staggered under a heavy load of misfortunes; as I write this, late in 1932, world affairs are still in deep distress, the number of unemployed in the industrial nations of the world being credibly estimated at from 20,000,000 to 25,000,000. The unemployment figure for Britain for October, 1932, is rather worse than that for October, 1931. A mainly Tory Government, led by Mr. Ramsay Macdonald, has cut down unemployment pay, instituted a means test, and used all its influence to reduce public expenditure upon fruitful objects, even going so far as to suspend for a time the payment of a ridiculously small sum to the Society of Friends which had been given them to help in their beneficent work of providing allotments for those out-of-work.

The 5 per cent War Loan has been successfully converted to a 3½ per cent security, a fact which provokes the reflection that even as much as 3½ per cent should never have been paid. The present writer, when behind the scenes in the World War, took pains to draft a scheme for a forced loan; no more than a low rate of interest should ever have been paid in the war, the funds for which should have been conscripted just as the lives of men were conscripted. I do not, therefore, throw up my hat merely because that which should never have been paid is no longer paid.

Britain in 1918 a Co-operative State.

Let us make a brief retrospect. When the war ceased in November, 1918, *the nation was in control of its resources.* Actually 95 per cent of its imports were State controlled, and the Government also had control of the coal-mines, the railways, and largely of industrial and agricultural production. *For the purposes of war, Britain had become a Co-operative State.* Immediately after the Armistice, control was renounced, and the nation resumed its work in disorder. I may be pardoned for pointing out that it was the decision to decontrol which

caused my resignation from the War Government. The effect of decontrol was a great rise in prices. This price ramp continued until 1921, when there came severe collapse and increased disorder. Thereafter we experienced some sort of recovery, although unemployment continued to be rife. In 1929 came a fresh and even more serious collapse, which began with a catastrophic break of prices on Wall Street. This break ushered in the World Crisis, and raised the British unemployed to between 2,500,000 and 3,000,000.

I have never lost the conviction that moved me when I resigned in 1918 that the Co-operative State should have continued in being, with suitable emendations to suit the conditions of peace. I verily believe that, if that course had been taken, Britain would have escaped the worst consequences of the world crisis, just as Russia has escaped them. I do not mean that we should not have suffered, but as masters in our own house we could have kept that house in better order.

War Finance Wrecks Trade.

The economic crisis which has afflicted civilisation was a direct consequence of the impossible Peace finance, created in incredible ignorance and extravagant greed by the four Peace Treaties which the victorious allies dictated to Germany, Austria, Hungary, and Bulgaria. Only those have now the right to criticise who at the time pointed out that Germany could not pay gigantic reparations save by wrecking world trade: the present writer is entitled to criticise now because he criticised then.

Under the Treaty of Versailles, the Reparations Commission (April, 1921) assessed German reparations at £6,600,000,000. It proving impossible to collect the determined annuities, we had first in 1924 an amended "Dawe's Plan" and, after that tailed, the "Young Plan" of 1929, named after the chairman of the International Committee who drafted it, Mr. Owen D. Young, now happily associated with Mr. Franklin Roosevelt in his Democratic triumph in the American Presidential election of 1932.

What the Young Plan did was to reduce the German payments to about one-third of what had been demanded in 1921. Even so, it called upon Germany to pay annual sums ranging from £85,000,000 to £120,000,000—the average being about £100,000,000—for thirty-six years, followed by average payments of roundly £80,000,000 a year for nineteen more years, and of about £45,000,000 a year for still three more years! The annuities were divided into two parts, the first "unconditional," of £35,000,000 to be paid without question, and the remainder "conditional," to be the subject of possible postponement in adverse circumstances. The chief part of the not-to-be-questioned payment was to go to France.

Unfortunately, however, the Young Plan payments were to be made in gold marks, and the Plan made no arrangements for adjustment in case prices fell. This fact is in itself most illuminating, for it

shows that the great international experts appointed by the nations to constitute the Young Committee had no anticipation whatever of the drastic fall in prices that was about to take place. Hardly was the ink dry upon the Young Plan when the Wall Street collapse occurred and a tremendous fall in prices reduced the Plan to futility.

The "Gold Price Crisis."

Let us not forget the part played by Reparations, as also by War Debts as between the victorious Allies, in producing what we may properly call the Gold Price Crisis. In the main, the chief recipients of Reparations and War Debts were France and the United States, and the money borrowed by Germany to enable her to meet the payments demanded of her really found their way into the treasuries of France and the United States. Both these countries pursued an illiberal trade policy, raised their tariffs, and virtually insisted upon payment in gold. As a consequence, a large share of the world's gold passed to these two nations, and ceasing to play its proper part in world credit, caused the break in gold prices.

Thus France and America, themselves among the chief sufferers, have punished themselves in punishing the world. We have the extraordinary spectacle of the United States, the naturally richest industrial area in the world, with some 10,000,000 of unemployed in 1932, and with a steel production reduced from 4,700,000 tons per month in 1929 to 832,000 tons in 1932 !

Lausanne Reparations Conference.

In 1932, the victors of the World War, having at last learned that to ruin an enemy is to ruin oneself, met at Lausanne to consider the serious case that they themselves had created by their own folly. On June 16th, 1932—within a week or two of the expiration on July 1st of President Hoover's twelvemonths War Debts and Reparations "holiday"—the nations thus came together. They had before them the grave report of the Basle Committee, which, under the terms of the Young Plan, had met to consider Germany's failure to pay ; that committee, meeting in December, 1931, had reported in Germany's favour.

When the Lausanne Conference met, Germany had notified her refusal to pay any further sums, what she had paid already having been borrowed by her and she having no power to borrow more. *The Lausanne Conference was thus faced with the fact that, whatever they did, Germany would pay nothing and was without means to pay.* We need not be surprised, therefore, that the conference ended with the great creditor powers agreeing to renounce the enormous payments which had been demanded under the Young Plan, and asking Germany to agree to a small relatively insignificant final payment, to be made if and when brighter days arrived in Europe. Moreover, this final

small sum was to be devoted to the purposes of a common European Reconstruction Fund; and in any case Germany was to pay nothing for a definite period, and afterwards only upon definite recovery.

From this combination of tragedy and farce, the man-in-the-street can form an accurate opinion of the value of the policies and estimates framed by the world's "great men." It is upon record that Lord Cunliffe, as Governor of the Bank of England, thought that Germany could pay £24,000,000,000, or about four times the Reparation Commission's ridiculous assessment of 1921 already mentioned. Even the Young Committee gravely asked for yearly payments extending to the year 1988, amounting to over £5,000,000,000 gold!

The United States took no part in the Lausanne Conference, although, as we have reminded ourselves, she is the chief recipient of War Debts and Reparations. America has never officially renounced her gigantic claims upon Europe, which demand annuities amounting to over £4,500,000,000 gold, the final payment to take place in the year 1988, or fifty-five years after the publication of this volume! Is there left in the world, I wonder, one sane person who believes that these payments will ever be made by Europe to America? Nevertheless, as I write, the claims remain.

The American Claims.

The American claims are intimately connected with what is called the "Balfour Note" of 1922 on the subject, which was really drafted by Mr. Lloyd George. That note made it plain that Britain desired to cancel all war claims whatsoever, but in default of agreement upon such cancellation declared further that she would only ask from her European debtors such a sum as would suffice to meet the American claims. We may well hope that the Roosevelt administration may emulate the belated exhibition of commonsense at the Lausanne Conference, and wipe out formally claims which can never be realised in fact.

We may be pardoned for interpolating, for the benefit of America, a footnote to history. As I have pointed out in "Can War be Averted?" the British position in relation to War Debts and Reparations is a continuous humiliation. Britain figures as a debt collector for America, drawing £32,000,000 to £58,000,000 a year from six nations, and sending it across the Atlantic. The part played by Britain is surely the most ungrateful and uncomfortable in the history of finance.

Britain fought Napoleon with the British navy and by heavily subsidising Spain, Portugal, Sicily, Sardinia, Sweden, Denmark, Russia, Prussia, Austria, Bavaria, and other countries to fight the enemy. These nations actually had from us the sum of £57,000,000, a gigantic amount for those days. Nearly the whole of this was given

and not lent—a striking contrast with the strange international war finance of a century later, which sees America dunning Europe and Britain dunning Europe on behalf of America.

Britain Abandons the Gold Standard.

The " National Government " of 1931 was set up by Mr. Ramsay Macdonald ostensibly to save the gold standard. The British public was informed that if it did not help Mr. Ramsay Macdonald to save the gold standard, the consequences would be almost too terrible for contemplation. The National Government was formed and immediately abolished the very gold standard upon which it had set such great store. The sterling pound is no longer exchangeable for a definite amount of gold at the Bank of England: it is now merely worth what it will fetch. It is amusing to observe that as soon as the National Government abandoned the gold standard, the great majority of people, including some of the most learned of our economists, threw up their hats and declared that what had been feared as disastrous was really our salvation! This is a political-cum-economic gem of the first water, which perhaps may claim to rank with the attempt to extract thousands of millions of pounds in gold from a Germany which does not produce gold.

Now we have the curious spectacle of the world at large composed of nations, some of them " on " gold and some of them " off " gold, doing their very best to strangle each other's trade and succeeding only too well. Let us hope that the telescopes of the Martians are not powerful enough to read the rescripts of the world's governments! Each nation, in its endeavour to preserve its precious gold standard or to preserve the value of a currency not based upon gold, arms itself with restrictions upon imports and exchange and plays the game of beggar-my-neighbour. In vain Mussolini and others protest that such a course can only produce international economic anæmia: a world divided into ultra-nationalistic groups, surrounded by old and new political barriers over which neither men nor goods may travel freely, is cursed by an exacerbated and ridiculous economic nationalism, and vainly seeks relief in quack medicines which only increase the disorders they are concocted to cure.

The trouble about gold is that while it is notoriously an imperfect standard of value, it is possibly the only standard yet acceptable as common by all these warring elements. Theoretically, of course, there is no need for a gold standard any more than there is need for war. We have metallic standards and war merely because of the imperfections of human nature. An international committee of experts could to-morrow frame a standard of value based upon the production of real wealth or commodities, but would it be accepted? Who can say? It may be, therefore, that the world will be forced back upon a metallic standard as the basis of international exchange, but no monetary standard can save the world from the recurrence of

world economic crises. It is too often forgotten that the world crisis of 1929–32 is no new thing: it differs from former slumps only in being exceedingly severe. We have had economic crises before. We have known them in this country at intervals of about ten years. One of my earliest recollections as a boy is of hunger-marchers caused by a trade depression which drove the then government to appointing a Royal Commission.

Making World Crises Obsolete.

Where is the plain man to look for guidance? Surely no honest observer who knows his own doubts in the crisis that is with us can presume to be dogmatic. I, for one, cannot forget that we are dealing with a world of imperfect human beings, grouped in a number of States divided by historic wrongs breeding hatreds—hatreds which banish reason from the minds of men. I cannot forget as I look at the map of Europe the insensate political boundaries drawn by peace treaties which are upheld only by force of arms. I see a Germany wantonly divided into two parts: I see an Austria, a Hungary, and a Bulgaria which are impossible economic units—all of which are being deliberately ruined by political means. I see the great new lands of the world shut to immigrants. I see some nations with an undue proportion of the world's territory and other nations barred from access to the natural resources of the world. I see these things, and seeing them I know that anything I may propose is conditioned by political wrongs.

But I have yet a conviction that the world of trade and the world of finance will come to know larger co-operative methods which will embrace such an exchange of commodities on such a scale as has never yet been dreamed of in commerce. In the World War, in the national synthesis of which I have spoken, we contrived to deal with wool on the largest possible scale by buying up the whole of the wool-clip produced not only by our own country but by all Australia and all New Zealand. We handled our purchase with such effect that our soldiers got cheap khaki while our civilians got equally cheap clothing. That was possible in war: it is possible in peace. I look forward to a day when the nations of the world will report their export surpluses to a World Clearing House, and when, as a consequence, bulk exchanges will take place to the great advantage of all those who make them. Such exchanges could be made either by a metallic or an index standard; it matters not which—any reasonable standard would do. Then the phrase "world crisis" would become obsolete, for there would be no monetary power to prevent one nation from exchanging with another. The economic bonds so fashioned would link the nations as never before, and all the world's peoples would come to understand that international commerce, now so obscure in its operations, is essentially a simple thing.

The Disarmament Conference.

Something Attempted, Something—?

By Sir Norman Angell.

THE first World Disarmament Conference, after many years of preparation, met in February, 1932, and adjourned in July, having arranged to meet again in January, 1933, its Standing Committees remaining at work meanwhile to prepare the draft of the final decisions.

What has the Conference accomplished so far ?

The achievements so far have been summarised thus : The Conference has passed a resolution comprising the points upon which all governments are agreed. Those who abstained or gave adverse votes on particular points did so because the resolution did not go far enough for them. If we analyse the resolution and divide its agreements into general principles and details, we get this result : The general principles agreed on are that (1) A substantial reduction of world armaments shall be effected, to be applied by a general convention alike to land, naval, and air armaments ; and (2) A primary objective shall be to reduce the means of attack.

The agreements upon details are as follows :—

(1) The absolute prohibition of the use of poison gas and disease germs, also of bombing from the air except for police purposes ; (2) Limitation of tanks, big guns, and military aircraft ; (3) International control of civil aircraft, to prevent its use for bombing ; (4) A Permanent Disarmament Commission to supervise the carrying out of the Treaty and make sure that all Governments keep their word.

The Standing Committee is to prepare proposals for limitation of effectives and of expenditure, and for regulation of the arms traffic—perhaps with the prohibition of private manufacture.

It cannot, therefore, be said that the Conference has merely ended in " talk," and that nothing at all has been accomplished. But what is true is that not enough may have been accomplished to prevent a general reversion to the old armament competition and, so, the collapse of the whole effort.

The Conference, for a special reason, is in the position of having to accomplish a great deal or finding that it has accomplished nothing at all.

The special reason for this particular situation is the position of Germany.

At the Treaty of Versailles very drastic disarmament was imposed upon Germany, accompanied by the statement that the disarmament would be merely the prelude to a general disarmament.* The Germans have interpreted this as a contractual arrangement. If, as a result of this Conference, there is no disarmament by the Allies comparable at the least to the disarmament already undertaken by Germany, the latter will take the line that the contract, not having been observed by one side, the other is liberated from its conditions and will insist upon her right to arm in equivalent degree. There can be no doubt at all, therefore, that the alternative before us is either the disarmament of the Allies or the re-armament of Germany.†

What degree of disarmament would constitute a fulfilment of what Germany at least regards as a solemn undertaking on the part of the victors? The reply to that question indicates the minimum which the Conference must achieve if it is to succeed at all.

The Irreducible Minimum.

The irreducible minimum of disarmament necessary is probably indicated by the statement of the Federation of the League of Nation Societies of the World (which included the French Society), in which it urges the following:—

1. The five classes of aggressive weapons now forbidden to Germany and her Allies should be forbidden to all nations. These are military aircraft, submarines, tanks, mobile big guns, and battleships above 10,000 tons.
2. Civil aircraft should be internationally controlled, to prevent its use for bombing.
3. The use of poison gas and disease germs being forbidden, the preparation for such use should be forbidden.
4. Besides the above specific limitations, every nation should limit its budget for army, navy, and air force. The world budget should be reduced by at least 25 per cent in five years.

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*In the Treaty of Versailles it is stated "In order to render possible the initiation of a general limitation of the armaments of all nations, Germany undertakes strictly to observe the military, naval, and air clauses which follow." (Opening Clause, Part V.)

In answer to German observations on the Treaty terms, a further promise was made in June, 1919, when Mr. Clemenceau wrote:—

"The Allied and Associated Powers wish to make it clear that their requirements in regard to German armaments were not made solely with the object of rendering it impossible to resume her policy of military aggression. They are also the first step towards the reduction and limitation of armaments which they seek to bring about, as one of the most fruitful preventives of war, and which it will be one of the first duties of the League of Nations to promote."

†Major-General Sir Frederick Sykes says:—

"Germany . . . cannot be expected to accept a permanent subordination, and no solution seems possible without a decision as to whether she may be permitted to raise forces from her enforcedly disarmed condition or whether those of other nations shall not be reduced to her proportions." (*Army Quarterly*, April, 1926.)

5. The arms traffic must be controlled, and the dangers of private manufacture stopped.
6. A Permanent Commission should be set up to make sure that the Disarmament Agreement is faithfully carried out.

The Disarmament Commission has accepted in principle the limitation of tanks, big guns, and military aircraft; prohibition of bombing except for police purposes; international control of civil aircraft, and the establishment of the permanent Disarmament Commission, but it has reached no details and no figures.

It depends on the details and figures whether the reduction of armaments is a reality or not, as one of the societies concerned pointed out. "To permit the systematic preparation for practices which are nominally forbidden, to leave the private manufacture of arms free to stir up the wars by which it lives, to adopt figures of limitation so large that things are left practically unchanged, would be a sham. If the Conference should give us no more than this the peoples will know that the Governments are deceiving them."

The issue rests with the Governments of the great powers and chiefly with Great Britain. All the smaller nations want disarmament: Germany, Italy, and Russia want it, and are willing to submit to a Permanent Commission to see that they carry it out.

Such then, broadly, is the situation. President Hoover attempted to supply a stimulus at one point by offering for America to give up among other things: all bombing planes (300), all big land guns (1,000), all tanks (900), five big warships, and to make other reductions if other countries will do the same.

Why Do the Nations Hesitate?

While, therefore, there has undoubtedly been progress, it has been extremely slow; and it may, for the reasons just indicated, prove too slow to save civilisation.

Why the hesitations of the nations? Why do they thus cling so desperately to the means of war?

Briefly because heretofore a nation has had no means of defending its rights except by being stronger than any who might challenge such rights. Statesmen have felt it their duty to maintain the means by which they could defend things which might be vital to their country's welfare. There is no organised society of nations—as there is an organised society of individuals within the nation—by which the rights of each are protected by the power of the whole. Each has to take his own measures of defence, which mean in practice trying to be stronger than any probable rival; which in its turn means that that rival is deprived of the means of defending *its* rights.

If another is more powerful than you, that other becomes the judge of any dispute between you. Under the method of armament competition of each trying to be stronger than the other, if one is

secure, the other is not. The security of one means the insecurity of another. It is a dreadful, self-defeating game; but statesmen feel that they must keep it up "so long as the world is what it is."

That world, of course, can only be altered by the wisdom of men. It won't get itself altered despite us. And yet whenever a proposal is made to take steps to create a real society of nations, a real league, we are told that the world is not yet ready for it. Another vicious circle: the world can only be ready when we begin to make it so.

Then there is the further difficulty that you can never know when you have established equality of power with another state or not, for the reason that you cannot "equate the varying factors of power."

This nation has more ships, but that has more coaling stations or fortified bases: How many ships go to how many coaling stations? No one knows. This nation has a large army, but that a more expanding population. How many army corps must be allowed to offset the prospects of birth control? Nobody knows. The factors which enter into strength are infinite. Liability to fogs is of great naval strategic importance. How many ships will go to offset fogs? Bogs along frontiers are highly important strategically. Then general resources have to be considered; things like fats—part of the raw materials of ammunition—are very important. Thus pigs should enter into the calculation of political strength. How many pigs to how many bogs? No one can tell you.

Question of Equality.

And if we search equality of power, equality with whom? Adequate defence for what enemy? Strength is, of course, a purely relative thing. If you have two ships and your enemy one, you are strong. If you have two hundred and he has three hundred you are weak. Your enemy's power is the measure of yours. That is the real yardstick. And until we know the size of the yardstick we are going to measure by, it is no good talking of the measurement of "defence" at all.

Now the wars that count, wars like the last, which threaten to engulf civilisation, are not fought by single nations, they are alliance wars. And whether your armaments are adequate is obviously largely—mainly—determined by the fact whether a given navy or army fights on your side or on the other side, that is to say, by your political situation. Some of our admirals have been greatly excited by the size of the American guns. It is more important to know the direction in which the guns are going to shoot when they do go off.

In other words, you cannot achieve security or defence by considering armaments apart from policy. What would be more than adequate with a given power neutral or in alliance, becomes instantly quite inadequate with that power hostile. Until we can make some assumption as to what are the enemy units we must face, these words "adequate," "sufficient," "insufficient," are completely meaningless.

And that, incidentally, is why naval and military experts have no competence as such to say when our defence is adequate, and when not, for that depends on political questions which do not come within their province. If armaments are to be effective for national defence, and to play any part in giving a sense of security, they must be the instruments of a declared policy with which foreigners can agree or disagree. In either case, then, we get somewhat nearer to knowing what it is all about, what we have to face.

You may say: That policy is already clear. It is to defend this country, keep its soil inviolate from foreign invasion. But defence is practically never in the case of great states, and in our small world cannot be, merely the defence of soil. As an Englishman I am prepared to argue of course that all our wars were defensive, but I face the fact that about the only country in which the British army, for something near to a thousand years, has never fought is Great Britain. The history of all great states is similar. America prides herself on her isolation, on having no concern with the rest of the world. Yet American troops have fought all over the world: they have landed on foreign soil something like a hundred times. Defence means, not the defence of the nation's territory, but the defence of the nation's interests. Ultimately it means the defence of the right to be judge of what those interests are; the right to be judge of our own rights.

"Purely Defensive."

But that puts the country demanding armaments sufficient to defend itself in this position. It says to another: "My armaments are purely defensive. That is to say, when we get into a dispute about our respective and conflicting interests and rights, I claim to be in such a position of power that I shall be able to maintain my point of view; that means, of course, to be in a position to compel you to yield your view to my view." That claim involves several interesting things.

The first is that it denies to the other what we claim for ourselves: it demands that he shall accept our view of the dispute although we refuse to accept his. It sets up a principle of relationship which is incapable of general application. If one party by this means is in a position to secure justice, the other must suffer injustice. In other words, there can be no equality of right under such a principle. It defies morals as completely as it defies arithmetic, and is fundamentally anti-social.

The force which each is trying is the force of each litigant pitting his strength against the other litigant, a method under which no society could possibly survive. The force is not analogous to a police force. For a police force represents the combined power of the community put behind the *judge*, the law, in order to *prevent* one litigant

coercing the other. The function that is of the police force is the exact contrary of that which has been the function of armies and navies in the past.

The first problem, the most fundamental, of disarmament is not one of military or naval technique; not the discovery of means by which we shall all establish the exact amount of power to which each nation shall be entitled for "defensive" purposes. Again, what is defensive? What is "adequate" power? Is a nation in a given conflict to fight alone or with others? Is it going to face one nation or several? Obviously until these questions are answered it is pure nonsense to make elaborate arithmetical calculations of whether an 11in. gun mounted on a 10,000-ton ship moving at x speed is the equivalent of a larger number of 10in. guns mounted on a bigger ship moving at a slower pace. What of geographical position? Or the counterveiling advantage of more coaling stations? Of greater potential industrial resources? Of the possibility of arming merchant ships? Of . . . It is not within the power of diplomacy or arithmetic or strategic or naval or military science to equate these things, and the whole attempt is fantastic rubbish that in Mars or somewhere must be exciting hurricanes of laughter.

A World Police Force.

But it may be wise to begin at that point, since man almost invariably begins at the point of folly before he can get at all on to the road of wisdom. But the alternatives are fairly plain. Mankind can secure peace by one of two methods. It can, by some great movement, suddenly and completely break with the past, determine to wipe out armaments absolutely and entirely. It would certainly settle the problem. But I for one do not believe that solution will come that way. The other alternative is to modify the alliances, which have heretofore been competitive "Balance of Power" Alliances, each directed against the other, into a "Community of Power" Alliance, as President Wilson called it, the pooled power of the whole society of nations put behind an agreed law, or body of rights for the nations. Thus we should turn our separate armies and navies into what would be in fact a world police force. At present the armed power of each nation is the instrument of dickering between various litigants. Nation Smith says to Nation Jones: "If you will let me have my way in my little difference with Brown, I will see that you have your way in your difference with Robinson." It is profoundly immoral, of course, or would be if we understood what it meant. It is known as the Balance of Power, and is in fact anarchy. The alternative is for alliances to be, not as they are now, half-understood "understandings," diplomatic winks and whispers and nods and calculations, and "you can depend on me when the time comes," which is the very life-blood of intriguing anarchy, but, instead, overt, plain unmistakable declarations by which each nation shall say: "Our power stands behind

the judge to support the law to which we have all agreed, particularly the law that each shall be entitled to third-party judgment in his dispute with another, and not have to submit to the power of the other party to the dispute. By defence we mean the defence of that principle which, once firmly established in the world, will give us security, which we all lack."

This does not mean increasing the risk that our boys will be sent out to fight on foreign soil. It means decreasing that risk.

Indeed, the pledge, if definite and clear, *not* to fight in certain circumstances, would probably prove "sanction" enough to sustain the world law just referred to. For each nation to say: "Whatever happens, we will never support with our military or economic power a nation that refuses to arbitrate" would be enough to prevent war. For in our day the devastating wars are those which arise from the conflict of rival alliances, and are always preceded by alliance making. The pledge just given would prevent a nation finding any allies. And no statesman knowing that he could never secure allies of any kind would take the risks of first-class modern war, though lesser and localised wars might still occur. In the end the pressure of world opinion, which would also mean the pressure of world finance and trade, would restrain most of those also.

Only in that way can we get an orderly, organised world, in which it is possible to have such things as a stable money, a gold standard that will not always be betraying us, some safety for our property—the sort of world in which alone Britain can live and prosper. And the real cost of armaments is not the considerable number of millions we spend directly upon navies and armies, it is the immensely greater sums that are engulfed in the international anarchy, the principle of "no government" in the international field, which the maintenance of competitive armament must necessarily involve.

The transfer of power from litigants to law is the real problem of civilisation. It won't come all at once, or come completely as the result of any one conference. It won't come at all unless we know what the issue is, which way we are travelling. And for the public, particularly of this country, to be aware of that is the first need, the necessary foundation of any successful disarmament conference.

Since the writing of this article, Germany has made the formal demand for "equality of status" in armaments. If the Conference results in substantial reduction of armaments by the Allies, well and good. If not, Germany announces she will re-arm.

Peace or World War?

Either we must make peace throughout the world, make one world-state, one world-pax, with one money, one police, one speech, and one brotherhood, however hard that task may seem, or we must prepare to live with the voice of the stranger in our ears, with the eyes of the stranger in our homes, with the knife of the stranger always at our throats, in fear and in danger of death, enemy neighbours with the rest of our species.—H. G. Wells in Broadcast Talk.

Co-operation in Soviet Russia.

Where Dividend Does Not Rule.

By Sidney Webb.

THE British co-operator visiting Soviet Russia cannot fail to be impressed with the magnitude, even the immensity, of its Consumers' Co-operative organisation, and by its rapid and continuing growth ; with its unity of structure and purpose, from the Baltic to the Pacific, over an area equal to one-sixth of the entire land surface of the globe ; and with the way in which it is closely intertwined with every other part of the constitutional structure of the Union of Socialist Soviet Republics (U.S.S.R.). It is significant that these three characteristics distinguish also the other parts of the constitutional structure of this highly-organised state.

Past History.

Consumers' co-operation in Russia, though its beginnings in individual philanthropy may be traced back for a couple of generations, started as a popular movement only within the present century. It made little headway until the revolutionary uprising of 1905, and then shared in the stern repression of all popular organisations from 1907 to 1914 ; to revive only during the Great War, when in conjunction with the Zemptvos—local representative bodies—it rendered great service in the distribution of supplies. During the 1917 revolution, co-operative organisation rapidly increased in the cities, and its subsequent growth in town and country alike, with various vicissitudes, has been continuous. On January 1st, 1932, there were, in the U.S.S.R., no fewer than 45,764 separate consumers' co-operative societies, having altogether just under 72,000,000 of members—an astonishing figure ! This is more than eleven times as many members as there are in Great Britain, and probably twice as many as there are in all the world outside Soviet Russia.

Abandonment of Dividend.

Russian Co-operation honours the Rochdale Pioneers, and regards itself as following in their footsteps. It is accordingly based on voluntary membership, complete sex equality, individual shareholding, one vote only for each member, no private profit for the capitalist, and management by the members in meeting assembled or by their elected representatives. Nevertheless there are now considerable differences in structure and function between the British and the Russian co-operative organisations which it may be interesting for British co-operators to consider.

We may note, in the first place, that the Russian co-operators have completely abandoned the expedient of "dividend on purchase." This was commonly used before the Great War, and it continued in some societies down to 1930, when it was universally dispensed with. Probably the explanation of this change is to be found in the fact that the Russian co-operative societies no longer need to attract new members, or to persuade old ones to continue; in fact, although no compulsion is used, circumstances impel practically every family to join. There are no private shopkeepers to compete for custom, and no "chain stores" or multiple shops to undercut prices. In the cities there are, indeed, some government shops at which anyone may purchase, but these offer only a limited range of commodities, and that without undercutting. In the villages the only competitor used to be the general store kept by the richest local peasant—the Kulak, rather like the gombeen man of Ireland; and with his expropriation and deportation—effected, it is to be feared, with much cruelty—the village co-operative society has been left in sole possession of all the retail trade.

Soviet co-operators now think it more consistent, with their Communist ideal, to forego individual dividends on their separate purchases, as well as interest on their separate holdings of shares—amounting in the aggregate to 1,376,000,000 roubles, or £137,000,000 at par—in order to utilise every available surplus for the social amenities and welfare activities enjoyed by the members in common, such as club premises, libraries, crêches and kindergartens for infants, schools and classes for older pupils, restaurants and dining-rooms, and assistance in taking advantage of the public hospitals, convalescent homes, and holiday resorts. It will be remembered that co-operators in some other countries, notably Belgium, have moved somewhat in this direction—perhaps more markedly than the British have done—by appropriating a steadily increasing proportion of their annual surplus, not for dividend on purchases, but for the provision of common amenities and benefits in addition to, or in substitution for, the usual assistance to education.

A Democratic Hierarchy.

A second difference between British and Soviet co-operation is the greater elaboration of the democracy of the latter. The number of members, and even the number of separate societies, has become so great that some such elaboration was inevitable. The 45,764 primary societies are united in 2,355 district unions or "rayons," and the district unions in a small number of provincial unions or "oblasts"; the provincial unions are sometimes united in unions for each constituent republic, such as Ukrainia or other autonomous area; and all these provincial or higher unions—32 in all—are united in a central board, the Centrosoyus, for the whole U.S.S.R.

On the one hand, the members directly play a larger part than the British co-operators, by way of public complaint, criticism, and control by election of the managing committee of their own society. The members' meetings are held more frequently than in Great Britain, usually, indeed, every few weeks ; and the average attendance to hear and heckle the committee at these meetings is reported as 60 to 80 per cent of the whole membership. Even if this is an exaggeration, there seem to be indications of a more keenly interested and a more active membership than is usual in co-operation elsewhere.

On the other hand, all the higher stages of the organisation are chosen by indirect election. That is to say, the delegates to the district unions' conference are chosen by the management committees of the separate societies ; those to the provincial unions' conference are chosen by the district union committees, and so on, the delegates to the conference of the central body, Centrosoyus, being chosen, but only once in every two years, by the highest local conferences, whether provincial or constituent republic. At each stage, the delegates elect an executive committee, a presidium, a president, and a secretary ; and these meet their immediate electors at periodical meetings for report, the hearing of complaints, and the fullest possible discussion of current affairs.

An Elaborate Pattern.

It is to be noted that this elaborate pattern of organisation for a democracy from the local group up to the national centre is substantially the same for every part of the constitutional structure of the U.S.S.R., whether Soviet or Trade Union, as well as Co-operative or Communist Party. It is everywhere marked by the same elaborate provision at every stage for public discussion, which the Russians love. There is at every stage the same genuine opening for new candidates for public office, who are everywhere entitled, as soon as elected, to continue to draw their full wages in their old employment, whilst taking all the " time off " that their public duties require. And there is, at all the stages in the hierarchy, always a right in the electing body summarily to " recall " those whom it has directly elected, and to replace them by others of its choice.

It would, however, be misleading not to observe that all this elaborate machinery of democracy, which certainly affords a wide opportunity of participation in public affairs, is guided and steered by the ubiquitous influence of members of the Communist Party, a very exclusive, highly selected, and strictly disciplined companionship of a couple of millions of men and women, which includes in its ranks nearly all those members of the co-operative societies and trade unions, as well as of the elected soviets—local councils—who, by character or knowledge, are the natural leaders of the mass. The " General Line " of building up the Socialist State is implicitly accepted as the policy

to be followed by every organisation in Soviet Russia; and the members of the Communist Party in every society use all their powers of persuasion to keep the organisation to this line.

Differences in Scope.

Probably more important, and certainly more interesting than these differences in constitutional structure, are the differences in scope between the Soviet and the British Co-operative Movements. In Great Britain, as everybody knows, co-operators have gone, principally through the Co-operative Wholesale Societies of England and Scotland respectively, very largely into manufacturing and somewhat into coal-mining, whilst freely importing whatever they choose from other countries. In Soviet Russia, on the contrary, all mining and practically all manufactures are conducted by the central government, acting through about one hundred boards—the so-called trusts—appointed by the highest authority, that is the Cabinet of People's Commissars or Ministers. Consequently it would be neither useful nor permissible for even Centrosoyus, let alone any smaller co-operative agency, to encroach on this field. The consumers' co-operative societies in the U.S.S.R. accordingly confine their "productive" enterprises—apart from agriculture—to tea-packing, cabbage-pickling, sausage-making, bacon-curing, cake-making, and the like.

Foreign trade is a government monopoly, but Centrosoyus, with government approval, imports from the British C.W.S. all the tea used in the U.S.S.R., and also salted herrings, boots, textiles, and a thousand-and-one other articles for consumption or use.

Where the Soviet co-operators are going ahead, actually more generally than the British, is in what is called "self-supply." In order to cope with the perpetual difficulty of adequately feeding the constantly increasing city population, the Soviet Government has lately thrown upon all the consumers' co-operative societies in the cities, as an imperative duty, the establishment of their own market gardens and their own meat-producing farms, adequate for their members' needs, not only of green vegetables but also of beef and pork, and rabbits and poultry. To give one instance, a co-operative society in Kieff, having 25,000 members, has, within the last two years, established so large a farm in the vicinity, that it has been able to inform its members that they may disregard all meat-rationing regulations, as the society is in a position to supply them regularly with as much pork, bacon, and sausages, as well as vegetables, as they choose to pay for. The same is now being done, more or less successfully, by most of the co-operative societies of the cities.

Closed Societies.

An even more interesting new development is the transformation of many of the larger co-operative societies of the cities into societies

of specialised membership. Instead of being open to all-comers, as they were down to 1930, most of these city societies having over 2,000 members have now restricted their memberships. There still remain, in all the cities, a few open societies, unrestricted in their membership and without any geographical boundaries. But practically all the Trade Unions in the " heavy " industries, in mining and transport, in electrical plants and State farms, have sought and obtained permission to restrict membership of the particular co-operative societies which largely catered for their members, exclusively to persons of any craft or grade working in these factories.

The object of this specialisation of societies to particular employments is, at a time of scarcity and severe rationing of meat, fat, and other necessaries, to make it possible for the Government Departments concerned to allocate, for the benefit of these workers in specially important industries, a larger quantity of nourishing food per head than could be supplied to the whole population.

It is universally assumed in co-operative circles that this abandonment of the open door to membership, even in selected societies—none of these being in the villages—is a temporary measure, which will be abrogated as soon as the supply of foodstuffs permits of an equal distribution among the whole co-operative membership.

It may, however, be suggested that these so-called " Closed Societies " (Z.R.K.), which are vigorously developing their own farms and food factories—and are, in fact, thus accumulating valuable property which their members are exclusively enjoying—may not be quite so willing, as is now supposed, to open their doors to indiscriminate membership even when the period of special stress is past.

The somewhat anarchic way in which co-operative societies start up in Great Britain—often overlapping each others' reasonable spheres of influence, and leading to injurious competition for members and trade, whilst yet leaving unserved large interstices of " co-operative desert " in which there is no local society—is not so completely satisfactory that it may not be improved upon. Special societies for railwaymen, for seamen, for college students, or for particular giant factories, such as those of Vickers or Ford, might well find themselves better able than a society of mixed membership to meet any peculiar requirements of their members, and might also secure some of the active attention of the membership, with crowded meetings and free discussion, in which the societies of Soviet Russia seem to excel.

Family Allowances.

Some Successes and Some Doubts.

By Stephen W. Smith,

General Secretary, National Federation of Professional Workers.

IT was in January, 1932, that the Bill passed by the French Chamber of Deputies, making family allowances compulsory, was ratified by the Senate without amendment, and so, with certain comparatively negligible exceptions, all employers in France are now brought within the law, whether the occupations concerned are agricultural, commercial, industrial, or professional.

Since France may fairly be described as the home of the family allowance idea, a brief history of its origin and development in that country may be of interest. From this we can then pass to a short survey of the reaction to it in other countries—in Europe, in Australia, and New Zealand—and then consider the discussions, propaganda, and prospects of the idea in our own country.

Origin of the Idea.

The idea arose in 1862 in the reign of Napoleon III, in connection with the French Navy, when 10 centimes a day were granted to seamen of over five years' service, up to the rank of quartermaster, in respect of each child below the age of 10 years. The principle was extended in 1913 to certain officers, non-commissioned officers, and soldiers, and to the gendarmerie employed by the Minister of the Colonies.

Then came the war, with its devastating effect upon prices and the cost of living. This naturally created wage and salary difficulties which, in 1917, caused the French Government to extend the idea to all civil servants with an annual salary not exceeding Frs. 3,600. The allowance was fixed at Frs. 100 for each child under 16. Where there were more than two children the qualifying salary was raised to Frs. 4,500. Then in November, 1918, salary limits were abolished and the allowances increased.

There was a further increase in 1924, coinciding presumably with the devalorisation of the franc. It was about that time, it will be remembered, that the value of the franc was stabilised at about 2d. as compared with the pre-war figure of 10d. Stabilisation at this figure naturally meant a heavy loss of purchasing power to wage and salary earners, and to people on fixed incomes generally. The family allowance was then fixed at Frs. 495 per annum for each of the first two children, and Frs. 840 for the third and any additional child. According to present values this is about £5 and £9 a year respectively.

By the Act of December 29th, 1929, these figures were again increased, as follows :—

1st Child.	2nd Child.	3rd Child.	4th and each additional.
Frs. 660	Frs. 960	Frs. 1,560	Frs. 1,920

Similar schemes were adopted by other authorities and by many of the municipalities, and it was recently estimated that about one million persons in Government and Municipal, and similar employment, receive annually Frs. 400,000,000 in allowances.

Thus, for an average payment of a little over £4 per employé per annum, the French authorities make Family Allowances, as under :—

In every 1,000 employés there are 745 without children, who therefore get no allowance.

Allowances are distributed among the remaining 255 employés in each 1,000, thus :—

136	with one child get	Frs. 660 (£7. 7s.)	per annum.	
70	,, two children get	Frs. 1,620 (£18. 0s.)	,,	,,
29	,, three ,,	Frs. 3,180 (£35. 10s.)	,,	,,
12	,, four ,,	Frs. 5,100 (£56. 13s. 6d.)	,,	,,
8	,, five or more children get	Frs. 7,020 (£78. 0s.) or more	,,	,,

Let us now return to private industry. The French Act of 1932 requires the employers to pay family allowances by affiliation to an approved Equalisation Fund. Even if an employer at any given time has no married workers on his pay roll, he must nevertheless be a member of, and contribute to, an Equalisation Fund. The Act provides that the minimum rates of allowances shall be determined by decree of the French Ministry of Labour, who have power to fix it either for all industries inclusively or for separate industries.

Previous to the passing of this Act the equalisation fund system had been voluntary, and had been in operation in various groups of private industry to an increasing extent, as may be seen from the following figures, which represent, at the latest figure, between £3,000,000 to £4,000,000 annually at the existing rate of exchange :—

Year.	Affiliated Funds.	Establishments Covered.	Workers Covered.	Total Allowances Paid Annually.
				Frs.
1919	6	230	50,000	4,000,000
1925	176	11,200	1,210,000	160,000,000
1928	218	20,000	1,520,000	260,000,000
1929	229	25,000	1,740,000	292,000,000

Here, for an average per ordinary worker of £2 per annum, monthly allowances are paid, on the average, as under :—

1st Child.	2nd Child.	3rd Child.	4th Child.	5th and each additional.
Frs. 28	Frs. 39	Frs. 49	Frs. 66	Frs. 73

It will be seen that these payments are much lower than those in Government and similar services.

This new Act is the climax of the development of the idea so far as France is concerned, and the following considerations emerge :—

1. That the idea clearly arose as a convenient means—convenient, that is, to those who have to find the money—of meeting the need for higher wages or pay at as small a total cost as possible, particularly as a means of compensating for the steep increase in the cost of living round about 1918 and after. In our country such increases were made for the most part by sweeping adjustments in wages and salaries. Our Civil Service, it will be remembered, was granted a " cost of living " bonus, varying downwards from 130 per cent in 1920, in accordance with the subsequent changes in the cost of living.

2. The allowances in France seem to be definitely and closely linked up with the French concern and anxiety to arrest the decline in population.

3. So far as private employers are concerned, the Act definitely establishes that the allowances should be paid by the employer, as in New South Wales, and not—as in the Australian Federal Government scheme and in New Zealand—by the State.

4. The allowance is paid in accordance with the number of days' work, except in case of an industrial accident. This means no allowance in case of strikes.

How far the second of the above reasons has been achieved is seen in the fact that the proportion of heads of families to the total number of workers concerned has increased in the two years, 1926–28, from 25·22 per cent to 25·52 per cent. The number of children for substantially the same number of families rose in the same period from 410,677 to 525,509. And expressed as a percentage, this is an increase of 27 per cent as against 19 per cent between 1924 and 1926.

There has also been a change in the distribution of children per family in favour of larger families, the years in question showing an increase in families containing three, four, five, and more children, with a corresponding reduction in the ratio of smaller families.

In Belgium somewhat similar methods obtain, namely, a series of equalisation funds for private industries, alongside of a system of

allowances in respect of State servants. Beginning in a small way during the War, the Family Allowance system received considerable impetus about 1921, partly through the example of France, and partly because it was found that a considerable migration of Belgian workers to France was occurring, especially among family men who were anxious to secure the extra allowance for dependants then being paid by French employers.

How It Works in Belgium.

The rates paid to administrative officials in Belgium are: Frs. 30 for the first child, Frs. 50 for the second, Frs. 110 for the third, Frs. 150 for the fourth, and Frs. 200 for each additional child. There is also a birth bonus of Frs. 300. By the Act of August 4th, 1930, the system of equalisation pools was extended to all business enterprises in Belgium. This law came into full operation on New Year's Day, 1932. Contributions are payable for each employé at the minimum rate of 65 centimes per working day, including Sunday, for a man, and 35 centimes for a woman. The legal minimum allowance is: for one child Frs. 15 per month, for the second Frs. 20, for the third Frs. 40, for the fourth Frs. 70, for the fifth and subsequent children Frs. 100. As in France, however, this does not prevent higher payments being made.

The allowances are continued during strikes and lockouts, provided the responsibility is attributable to the employers and not to the workers. This depends on the finding of the Arbitration Court. How far this particular proviso works out without conflict or injustice it is impossible to say.

In a total population of about nine millions the number of wage earners affected by the system is 2,200,000; the number of employers is 400,000; the estimated cost to the employers is Frs. 400,000,000, or, say, £3 million per annum, *i.e.*, rather less than 30s. per worker per annum.

Beginnings in Holland.

The idea has also found favour with some of the Dutch employers, and a number of equalisation funds have been established in the Netherlands, chiefly—as in other Continental countries—among the workers in heavy industries.

The Rest of Europe.

In Germany, Poland, and other European countries, the system tended to be adopted in the early post-war years as a palliative for the serious hardships endured in consequence of the notorious inflation of currency and the corresponding fall in real wages. In more recent years the system has declined, especially in private industry.

In Czecho-Slovakia, the system, though remaining in force among the miners and in one or two other directions, has dropped out in most of the private industries. For State officials, however, it was reintroduced in 1926 after several years' suspension.

It has been retained in Germany for officials and workers in the public services, for the staffs of banking and insurance companies, and for coal miners. Apparently, however, the successive parings instituted by the various emergency decrees of the German Government have left very little value in the official allowances.

There are allowances in respect of State service also in a number of other European countries. These include Austria, Bulgaria, Denmark, Esthonia, Greece, Holland, Hungary, Italy, Latvia, Lithuania, Spain, Sweden, Switzerland, and Yugo-Slavia.

A few private undertakings in such countries as Italy, Austria, and Switzerland have also adopted the system.

Australia and New Zealand.

The response to the idea in Australasia, and the method of its application, have naturally a special interest to us in Great Britain. The response in the Australian Commonwealth, as regards Federal Government service, is shown in a scheme which was adopted in the early post-war years, and under which every married officer in the Federal Public Service, earning up to £500 per annum, receives 5s. a week in respect of each dependant child under 14, the fund for this allowance being raised by a deduction of £11 per annum from the pay of each and every officer. But with regard to other employés, the idea of a general scheme of Family Allowance was the subject of a Royal Commission (1927–29), who rejected it. In 1927 Mr. Lang's government, in New South Wales, passed an Act providing for payment to mothers of 5s. per week for each dependant child but one under 14. The fund in this case is derived from an employers' tax of 1 per cent of their total amounts of wages, and there is an income limit for beneficiaries of £214. 10s.—the established basic wage—plus £13, or 5s. a week, for each child but one under 14.

New Zealand adopted the scheme in 1926. It provides 2s. weekly for the third and subsequent children in each family, up to the age of 15. There is an income limit from all sources of 72s. a week, plus 2s. for each child in excess of two. The money in this case comes entirely from the State revenue. There is no separate fund, and no contribution by either workers or employers.

The consideration of the question in both Australia and New Zealand has been closely wrapped up with the basic or living wage. In both countries this has been defined and fixed by legislation, and Family Allowances have been virtually regarded as a way of supplementing those family incomes that fall short of the modified basic wage. By " modified basic wage " is meant the total income arrived at by adding to the basic wage the permitted concession of 5s., or 2s. per week in respect of each child above the standard " basic-wage " families.

The Position at Home.

Apart from one or two small schemes, such as that operating at the London School of Economics and the scheme for Wesleyan ministers, Family Allowances in the sense dealt with above do not exist here. The nearest approach to them in these islands is the Irish Free State system of differentiated salary scales for the Government service, but as this involves substantial reductions in salary for the unmarried men, it commands no enthusiasm—except, perhaps, at the Irish Exchequer! The fear of this, or of a similar effect, is responsible of course for a good deal of the hesitancy, or even of downright opposition on the part of the workers in other countries. The introduction of Family Allowances in France, Belgium, Poland, and Italy has had the effect, we are told, of withholding increases of wages from the unmarried workers.

This point was emphasized when the subject was thoroughly and critically discussed at the Trades Union Congress of 1930. That Congress decided, by a substantial majority, against the proposed allowance of 5s. for the first child, and 3s. for every subsequent child—to be paid with regard to all children in respect of whom income tax rebate is not obtainable. The rejection was largely based on two grounds. First, the cost: it was estimated that the proposal would cost £70,000,000 a year, an utterly impracticable figure then, and even more so now. And then the Congress evidently considered that if £70,000,000 or a substantial proportion of it were available at all, it would be much better spent in developing the social services, such as the Medical Service, including the pre-natal and post-natal maternity service; the raising of the school age, &c.

It may be urged by supporters of the Family Allowance idea that the trade unionists in the Antipodes approved of it. Their approval, however, always postulates that the Family Allowance shall not be used in any way to reduce the established basic wage; and there is a strong fear in this country that the introduction of such allowances would result in establishing a virtual State subsidy of wages, with a reduction of the basic wage rates to that needed for the maintenance of a single man only.

Efforts and propaganda are being exerted to obtain a footing for the idea in the teaching profession in this country, but those efforts do not meet with much encouragement from the teachers themselves, who naturally fear the adverse effect of such allowances upon the general scale of salaries whenever those salaries come up for a fresh review.

So far as the workers in general are concerned, this may be said in conclusion: that however desirable a system of Family Allowance may be, *as a supplement to a satisfactory and already established basic wage*, it is no substitute, except in the eyes of employers, for an adequate scale of wages and salaries.

Housing and National Economy.

The Unpromising Outlook.

By Leonard G. Crossley.

IT was almost immediately after the so-called National Government came into existence that the new Chancellor of the Exchequer made his spectacular appeal for economy all round, and people seriously interested in housing became apprehensive. They knew perfectly well that Mr. Neville Chamberlain has no sympathy with the policy of subsidy grants for house-building purposes, for during the past ten years he has repeatedly expressed his abhorrence of such a thing; and it was only that circumstances—a continued shortage of houses—have been too strong for him that he did not, on the two occasions he occupied the post of Minister of Health, cut off the State subsidy entirely. He did, indeed, twice reduce the sum per house which the national exchequer would pay.

Up to 1923, under the Addison Housing Acts, 1919, the State contributed first £130, £140, and £160 per house, according to type built, and these sums were later raised by £100 in each category. In that year, however, Mr. Chamberlain became Minister of Health, and carried through the Housing Act (No. 2), 1923. This Act made a very substantial reduction in the subsidy, limiting it to £6 per house for twenty years on houses not exceeding 950 square feet floor space in two-storey dwellings, and 880 square feet in flats or one-storey dwellings. It was left to local authorities to make up any deficiency in the cost of their housing schemes; and to attract tenders for such schemes an addition was at once made to the Ministry of Health's contribution. The £6 capitalised at about £75 per house; and most municipal bodies increased this to £100, and in some instances to £120.

Then came the Labour Government of 1924, and the introduction by the late Mr. John Wheatley of his famous Housing (Financial Provisions) Act, 1924, with its special terms of finance for houses built for letting rather than for selling. While not interfering with the Chamberlain basis subsidy of £6 per house for twenty years, Wheatley's Act increased the subsidy to £12. 10s. per house for forty years in agricultural parishes, and £9 for the same period on houses in non-agricultural areas built solely for letting. This, in my opinion, still stands as the finest piece of housing legislation put on the statute book of this country.

Unfortunately, the Labour Government was short-lived; and in the succeeding Government Mr. Chamberlain again became Minister of Health. He carried a short co-ordinating Housing Act, 1925, into

law. He was prevented by a provision in the 1924 Act from interfering with the subsidy, as that Act stated that the financial situation should be reviewed every two years. However, at the earliest opportunity, Mr. Chamberlain took advantage of that clause ; and on the due date for review he announced a reduction of the subsidy of £75 (the £6 capitalised) to £50, in respect to houses built for sale under his own previous 1923 Act ; and from £12. 10s. and £9 to £11 and £7. 10s. respectively, provided for by the Wheatley Act on houses built for letting. Later, in December, 1928, he announced an Order by which after September 30th, 1929, no subsidy at all would be paid under the 1923 Act, and another £1. 10s. per house would be deducted in respect to houses built for letting.

Mr. Chamberlain's Policy.

The foregoing presents a fair statement of Mr. Chamberlain's attitude on housing finance. It does him no injustice : it does not misrepresent him. In office and out of it, he has always been an opponent of State aid for housing schemes promoted by local authorities. When Minister of Health, as I have shown, he reduced the subsidy on two or three occasions ; and six years ago he stated it was the policy of his Government to drop it entirely. He was one of the leaders of the opposition when both the Wheatley and the Greenwood Housing Bills were going through the House of Commons in 1924 and 1930. It was, therefore, not surprising that housing reformers, and Corporation Housing Committees who had schemes all planned out and only waiting for the sanction of the Ministry of Health to proceed, were a little perturbed as to whether or not Mr. Chamberlain's economy axe would fall on municipal housing schemes. Their fears, in part at any rate, have been justified ; for while there has been no new legislation during the past year, the Ministry of Health has consistently pursued a policy of repression on local authorities who have housing schemes in hand. The rate of subsidy has not been reduced, but a very drastic limitation of the size of house the Ministry would sanction has been rigorously exercised. This policy has had the effect of holding up schemes in all parts of the country.

On January 12th, 1932, the Minister of Health, Sir E. Hilton Young, issued an official circular (1238) in which he stated that it was his " considered policy that local authorities should concentrate on the provision of houses of the smaller type." The type of house referred to is officially described as the non-parlour, two-storied house, and of 760 square feet of floor space. The restriction thus imposed has caused deep resentment on the part of many local housing committees, and schemes have been held up pending some agreement between them and the Ministry.

Amongst instances of holding up schemes is that of Manchester. The Corporation, some time ago, acquired a very fine estate, Wythenshawe, on the south side of the city, for the express purpose of erecting

a large number of much-needed houses. They came in conflict, however, with the Ministry of Health, who declined to sanction a scheme submitted on the ground that the size of some of the houses proposed was not, in the opinion of the Ministry, required. For a time complete deadlock took place ; but later a compromise was arranged, which allows of the Manchester Housing Committee proceeding with some portion of their plans.

The Case of Wrexham.

The Wrexham Council came up against the same difficulty as Manchester. A scheme for 200 houses was submitted, but although the Town Clerk, accompanied by a councillor, paid a visit to the Ministry of Health, sanction for the plans was flatly refused, unless the Wrexham Council agreed to the floor space being reduced to 760 square feet per house. Therefore, Wrexham must either be at least 200 houses short of the town's obvious needs, or put up only the smallest type possible to obtain the state aid the Housing Acts permit. Councillor W. Aston, who accompanied the Town Clerk to interview the Ministry, in reporting the result to his Housing Committee, said : " Evidently the country must abandon the idea of raising the level of housing for the working classes, and public authorities must build only houses suitable for the lowest paid. They have to have no discretion to build according to local needs. The Government policy is the most senseless one I have ever known a Government department to be guilty of. It does not save either the National Exchequer or the Town Council a brass farthing : it benefits no one."

There are earnest housing enthusiasts who sincerely believe in concentration on building the smaller type of house. One of them is Sir E. D. Simon, an ex-Lord Mayor of Manchester and once the chairman of its Housing Committee ; and no one doubts his sincerity where housing is concerned. Commenting on Councillor Aston's complaint about the Wrexham case, Sir E. D. Simon says the position may be summarised as follows :—

1. The bulk of the family houses built for letting have been rented at from 12s. to 16s. inclusive.

2. They have housed the better-off members of the clerk-artisan class. The two million slum children are still in the slums.

3. It has become clear that the only way to get these children into decent houses is to build new family houses to let at from 7s. to 10s. inclusive.

4. A really good family house can be built of 760 square feet of floor area ; and if economically built can, under the various Housing Acts, be let at from 7s. to 10s.

5. Any increase in the size of houses adds to the cost, and tends to put it beyond the reach of the family that most needs it.

The crux of this summary is, of course, that to build any but the smallest houses is a too costly enterprise ; that the rents to cover at least the outlay could not be paid by the people most in need of better housing accommodation, the lowest paid workers and those with small fixed incomes. In that case the more effective remedy would seem to be to increase the grant-in-aid-of-rent provided for in Wheatley's 1924 Act, with its special subsidy for letting.

But the policy of the Government since its inception has had a very serious retarding effect on house building. The experiences of Manchester and Wrexham have been multiplied in many parts of the country, and not only has sanction been refused for the erection of a larger family house, but a cold shoulder has been shown by the present Ministry of Health to the slum clearance proposals in Greenwood's 1930 Act, which was specially designed to deal with slumdom everywhere. Instead of receiving assistance from the Ministry, cities and towns anxious to deal with the slum areas in their boundaries have been hampered in every possible way. The Act has become almost a dead letter.

Yet the need for more houses is almost as insistent as it has been at any time since 1919, in spite of the 1,800,000 which have been built. Evidence of this comes from all quarters. On Wednesday, September 14th last, Sir Raymond Unwin, one of England's most famous architects and housing reformers, startled an audience at the Building Trades' Exhibition, opened that day at the Olympia, London. One of the side-shows was a " New Homes for Old " exhibit, and Sir Raymond, speaking at the opening, upset some of his listeners by stating that, in spite of what had been accomplished, there were more homeless families in London to-day than there were ten years ago. " If anyone should be under the delusion that the housing problem is solved," he said, " he has but to study the conditions around them to be undeceived. I ask you to consider what is to be thought of a great and wealthy people, who are constantly astounding the world by the wonder, the ingenuity, and the magnitude of what they can accomplish, who, nevertheless, allow these slum conditions to continue, while maintaining in idleness over 250,000 men having all the qualifications needed to apply the remedy."

Recently an appalling state of affairs was reported to the Liverpool Housing Committee by the Medical Officer of Health. It referred to the overcrowded state of a number of cellar dwellings, the occupants of which were herded worse than animals. Eviction notices have been served, but there was no alternate accommodation available. In the discussion, the chairman confessed to the inability of the committee

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The Town Hall and the Chamberlain Square, Birmingham—birthplace of George Jacob Holyoake—where the 1933 British Co-operative Congress meets.

Some 300 members of the Women's League of Health and Beauty give a demonstration in Hyde Park of how business girls improve physique.

to do anything in the matter. " Some of the Corporation's own dwellings are overcrowded," he said, " and until those are eased no other families can be accommodated." Yet Liverpool is one of the cities which is in the van of municipal enterprise in housing. Over 23,000 houses have been built in the city area, and £2,000,000 spent in the effort. The Housing Committee have a further programme, involving another £1,000,000 expenditure, and have put in hand tenders for 580 tenement dwellings and non-parlour houses.

Unfortunately, everywhere the efforts of those on the spot and who know the local conditions are thwarted by either complacency, indifference, or false economy ideas of men like the Chancellor of the Exchequer, the Minister of Health, and even the First Commissioner of Works, Mr. Ormsby-Gore. At the Olympia, the last-named gentleman waxed very eloquent over the fact that approximately £110,000,000 had been spent by the Exchequer on housing during the past eleven or twelve years—a sum which, after all, averages only about £10,000,000 a year, in trying to combat one of the worst social evils we have to contend with to-day.

In September last, Sir E. Hilton Young made a tour of Lancashire in his capacity as Minister of Health, reviewing the administrative work of the smaller urban district councils, and at an annual conference of Lancashire Urban District Councils he had some flattering things to say to those assembled. He, however, still sang the song of economy—where the people's needs are concerned, that is. On the question of housing, he remarked : " It is a complete misrepresentation of the Government's policy to suggest that it is designed to check housing activities. That is not the case. The policy of the Government is to make sure in times that are difficult, when there is not money enough to go round for all the purposes for which we want money, to make sure that the money we do spend shall be spent in getting us the houses we particularly need and not in providing houses that could be provided without State assistance. That is the intention—the provision of small houses for the less-well-paid of the wage-earning classes." He apparently insisted on ignoring the opinions and advice of those most intimately associated with the requirements of local areas.

There was, however, one observation of his which, while on the face of it seemed fairly definite, has set members of housing committees speculating as to what is actually meant. He promised " a holiday from further legislation." If this means only no further Acts of Parliament, it may mean nothing much. The Minister of Health can, under existing Acts, alter the rate of subsidy—stop it entirely if the fancy seizes him. This year (1933) the Wheatley Act is due for further review—particularly its subsidy provisions ; and it will be quite competent for Sir E. Hilton Young, if still Minister of Health, to act as did Mr. Neville Chamberlain in 1924, 1926, and 1928, and reduce the subsidy. To do so would be criminal.

A Year of Progress

In
Art
Drama
Science
Finance
Kinema
Literature

The Course of British Capital.

A Year of Amazing Events.

By W. Henry Brown.

"The time has come for an International Economic Conference to sit down and determine a policy for the co-ordination of the economic efforts of each nation to adjust itself to the international welfare. Such a Conference should explore the relations between the national banks and lending houses, the operation of 'most-favoured-nation clauses' in commercial agreements, and the effect of tariffs in placing the consumer and the producer at the mercy of financial intermediaries. The reign of Militarism has been subject to review in the League of Nations: the rule of the financiers must come under the judgment of an International Economic Conference, designed to adjust the monetary policies of the leading countries to the interest of all."

THAT was the concluding paragraph of my review of British Capital last year. In the early part of 1932 such an International examination of the position seemed likely to materialise, but, as the year advanced, the leading statesmen and financiers of the European countries appeared less inclined to get to grips with the problem. Our own leaders were so enmeshed in our own financial tangle, that its elucidation, in conjunction with like chaos elsewhere, has been postponed until the world is weary. Postponement of the adequate examination of the economic position has been made time after time, until even the promise of materialisation given at the opening of Parliament in October failed to arouse enthusiasm.

The Budget of 1932 brought no solace to a bewildered country, and the economies it enforced lessened the prospect of any early recovery of the Home Market—a market in which British co-operators are most intimately concerned. Attention has been riveted on imports and exports to such a degree that the importance of maintaining the production of commodities for distribution at home has been almost overlooked. And yet it is calculated that over one-half of the national income is associated with the home demand. No less than £1,750,000,000 is transferred through the Home Market in a single year—a sum much in excess of the imports and the exports of the country. Hence the decline in the purchasing power of the people, which resulted from the budgetary exactions and the reductions of wages which followed in its trail, has proved a depressing influence on capital throughout the year. It has been reflected in the lessened value of co-operative returns, although volume has been larger than before.

The most spectacular and impressive event of the year was the Conversion scheme of the Chancellor of the Exchequer. The £2,085,000,000 of War Loan affected by the proposals of Mr. Neville Chamberlain was held by 2,000,000 holders, and consent was obtained for the conversion of £1,920,000,000 of the sum into 3½ per cent stock. Only 8 per cent of the amount was desired to be redeemed in cash on December 1st—a remarkable response to the appeals made in Parliament and broadcast to the nation. The embargo that was placed on new issues of capital quietened the company promoters, and stemmed the enterprise of concerns watchful of fresh trade outlets.

Meanwhile the sale of National Savings Certificates continued, the average weekly sales up to the end of June being 1,431,000. Then, when the new issue was available, over 6,000,000 were disposed of in the first seven weeks. Up to September 10th over 1,100,000,000 certificates had been issued, representing a cash value of £872,000,000. The amount remaining to the credit of investors was no less than £500,000,000.

The Great National Burden.

These figures, and more particularly those of the Conversion scheme, are particularly striking when compared with those available at the time of the Goschen Conversion scheme of 1888—the most recent example of such an exchange. Then the National Debt was £705,575,072. Now it is ten times as much. The national revenue was then £89,589,000. It is now nearly nine times as large. But the fact emerges that our indebtedness grows at an appalling rate, and that industry, commerce, and the social welfare of the people are all hampered by the heavy "interest charges" on national, municipal, and commercial enterprise.

To bring the point to an easily comprehensible compass, an illustration from municipal experience with regard to the housing problem will prove clearly the incubus of interest. It burdens the rates and raises the taxes to a degree that is soaring in a never-ending gloom so long as finance is the controlling influence in our communal affairs. Take the case of a municipality seeking to rent houses at 8s. a week. The cost of such a house would be about £446. It has to be spread over 60 years. Worked out on a weekly basis, the cost is 2s. 11d. per week, made up with 11d. for labour, 1s. 4d. for materials, 2d. for the land, and 6d. for sewering, &c. To this add 2s. 5d. for the maintenance and cost of repairs. That makes a total of 5s. 4d. But the repayments and interest charges are 8s. 7d. per week. From this 2s. may be deducted as the accumulation of the Sinking Fund earnings. Then the ratepayers and the taxpayers have to subsidise from the local and national exchequers to the extent of 3s. 11d. per week to reduce the 6s. 7d. to 2s. 8d., which, added to the 5s. 4d., brings the rent to 8s. per week.

This illustration affords some indication of the stupendous sums which have to be paid in interest when the people wish to house themselves. Since the Armistice over 1,800,000 houses have been built in England and, at least, two-thirds of them have been erected for occupation, as distinct from letting. Since 1919 no less than £626,000,000 has been lent by building societies to owner-occupiers. Nowadays the repayments are made in twenty years, as against the fifteen years before the War, and twenty-five years for a short period following that cataclysm. The payment of interest has imposed heavy exactions on those who have tried to keep a roof above their heads.

During the year the Budget was balanced, the Gold Standard abandoned, and the £1 maintained with its purchasing power unimpaired in the country. Consols rose from 53 to 77, and the year closed with all Government stocks in the ascendant. But behind the brighter clouds is the depressing weight of interest charges—encouraged by all the agencies associated with the development of our financial system.

With the success of the Conversion policy of the Chancellor of the Exchequer came a cessation of the activities of the company promoter. The embargo on new issues of capital was a necessity of the case. It prevented speculative appeals to public credulity and silenced writers of prospectuses. But, during the autumn a "boomlet" gathered strength. Here are some illustrations of the quotations in October as compared with the lowest during the year:—

	October, 1932.	Lowest in 1932.
	s. d.	s. d.
British-American Tobacco	95 0	66 10½
Imperial Chemical Industries	23 3	10 9
Patons & Baldwins	45 0	24 6
Tate & Lyle	54 3	38 3
English Sewing Cotton	39 0	22 0
General Electric	41 3	32 3
Associated Portland Cement	26 3	21 9
Bradford Dyers	18 9	12 1½
Coats (J. & P.)	46 6	35 9
Dunlop Rubber	18 6	7 3
Gaumont-British (10s. share)	9 0	6 3
London Brick	31 0	28 0
Vickers (6s. 8d. share)	7 6	5 0

Although the Bank Rate dropped with phenomenal rapidity during the first half of the year, the issues of capital publicly subscribed were only £74,794,000, making a total for the twelvemonth

ending June last of £92,546,000. These figures make a poor showing compared with the first moiety of all the years since 1920, when the public issues rose to £241,232,000. They subsequently dropped to about half that total, rising again in 1928 to £202,616,000. Since then they have declined to the present comparatively small amount. Of the £74,794,000 subscribed in the first half of 1932, £54,371,000 was for investment in the United Kingdom, the remainder being for Colonial and Foreign account. Included in these figures were Government and Municipal loans and the requirements of established companies for new money. During the same half of the year only 108 public companies, with a capital of just over five and a quarter millions, were registered as compared with 135 in the corresponding period of 1931.

New Companies More Numerous.

It is, however, significant that the registrations of private limited liability companies continued. No fewer than 4,985 such registrations were recorded between January and June of 1932, 783 more than in the first half of the previous year, and more than were registered in the similar periods of the years before; in fact, nearly 25 per cent more private companies were authorised at Somerset House during the year than in the earlier time of depression ten years ago. The 4,985 companies of the first part of 1932 had a capital of £28,803,098.

It is evident that commercial interests—notably in the clothing trade—have taken advantage of the limited liability principle to secure their expansion. The individual trader and the large section that formerly impressed the public with the addition of "and Co." to their names are now resorting to the registration of their businesses with the restricted liability attaching to the "and Co. Ltd." Such a method facilitates the ultimate merging of many concerns into one: it is a phase which suggests the commencement of the way to the "rationalisation" that really means the absorption and concentration, which, in the end, becomes monopoly. The development of Co-operation has provided the only challenge to such capitalistic manipulation.

While the number of private liability companies was thus rising, the Bank Rate was falling. The cheapness of money probably encouraged many concerns to registration. It began at 6 per cent at the beginning of the year, going to 4 per cent on March 10th, and to 3½ per cent a week later. Of course, the Banks did not arrange overdrafts to traders on those terms, a 5 per cent minimum being generally preserved. But the drop in the Bank Rate prevented too excessive a charge for financial accommodation. By April 21st it had declined to 3 per cent; on May 12th to 2½ per cent, and then, at the end of June, it fell to 2 per cent—the lowest Bank Rate since

1897. And now investors have had difficulty in finding attractive and remunerative investments at home, while the fact that so many foreign securities, including some under State sanction, were in default, increased the tension. Hence, in some measure, the strong position that British Government stocks have now attained.

The Bank of England.

Much has been heard this year of the Bank of England and its close association with the Government of the country. Suggestions to bring its control into line with the democratic trend of the age have been made from various quarters. Meanwhile, "the old lady of Threadneedle Street" continues the accustomed way with modern architectural adornment. Mr. Montagu Norman, at the half-yearly court of the Bank of England in September, announced a half-year dividend of 6 per cent, payable from the profit of £657,766. This he has done periodically throughout the twelve years he has been in office. No disclosures as to the reserves of the Bank were made: these, however, must be considerably deeper than were given in the published statement. There was a time when the election of the twenty-four directors of the Bank of England was an exciting event in the City of London. Now it arouses little interest, co-option having become the practice, with subsequent confirmation at the meetings. And the salaried officers have become increasingly important since 1924, when the present Deputy Governor, Sir Ernest Harvey, instead of being appointed from the directorate, was chosen from the permanent staff.

Just as the disparity between wholesale and retail prices puzzles the consumer, so the expenses incidental to investment challenges the small investor to resentment. The purchase of stocks and shares affords opportunity for a host of intermediaries, whose commissions and charges have to be met by sellers and buyers, and have to be satisfied before exchange takes place. The complexity of Stock Exchange operations is a heavy drag upon the movement of capital, and should not be ignored when considering the problems associated with the financing of modern business. The matter has been raised in a rather glaring form by the agitation in banking and Stock Exchange circles over the division of commission with agents. In recent years the joint stock banks have increased their business in shares and stocks. Their branches throughout the country have had opportunities of advising clients with money on deposit and of influencing investment. The business thus resulting has been done through the Stock Exchange, the members of which had been willing to share commissions in order to keep the investment business within the City Circle.

But the growth of the influence of the Banks has occasioned much depression among the jobbers and dealers, who have had to share

the fruits in an orchard suffering from financial blight. Hence the agitation on the Stock Exchange which led to protracted negotiations between the various interests concerned. A suggestion that the banks should receive one-third of the commission and that they should not share where it was less than £1 was rejected by them. The hint was plainly conveyed that they were prepared to carry much of the business through without the Stock Exchange coming into the scene. Consideration was given to the matter throughout the year, and ultimately the Stock Exchange Committee for General Purposes approved in principle the proposal that banks and banking houses should be entitled to the return of 50 per cent of commission and other agents to 33⅓ per cent. There have been protests from many sections of the Stock Exchange, but the Committee are convinced that any variations in the direction of lessening the commission allowed to the banks would be detrimental to the banks. Although the point is not one of which much is heard in public, it is important as indicating the growing influence of the banking system of the country, which is evidently desirous of obtaining supremacy with regard to British investments.

Question of Reserves.

Following the exposure of speculative finance in the Law Courts during the past few years, directors have exercised prudence in lessened generosity in the distribution of available profits. Even this necessary step, due largely to the decreased surplus, has had reflection in the reduced ratio of allocations to reserve.

Public confidence has fluctuated, and those responsible for the financial oversight of shareholders' investments have had to restrain their natural desires to make a good showing. About 1,200 public companies, whose reports appeared in the first half of 1932, showed an aggregate drop of £50,000,000 in their profits, and 675 balance sheets published between April and June reported a fall in profits from nearly £75,000,000 to nearly £56,000,000—a fall of 24 per cent. Such a substantial reduction of profits, following a similar trend in the previous year, suggests that public companies were reaching a point when investors would become more critical of results than ever before. In such circumstances, directors generally looked with concern to their reserves and, in many cases, restricted the distribution of profits in order to conserve their reserves—the old policy of preparing for the rainy day, as practised so long by the working classes in placing their savings with co-operative societies.

The *Economist* has made an illuminating analysis of 2,017 companies, with an aggregate ordinary share capital of £1,585,928,876, preference capital of £849,242,088, and debentures of £536,988,854,

the last-named drawing an average return of 5 per cent. The net profits of these concerns were £139,436,950, out of which the average profits were 5·7 per cent, as compared with 8·4 per cent in the preceding year, and 10·3 per cent in the twelve months ended June 30th, 1930. Thus public companies have had to come nearer the co-operative policy which, by limiting the return to capital to 5 per cent—a policy which was sustained throughout the whole history of the movement for nearly ninety years—has limited the remuneration of capital, giving any surplus to the improvement of labour conditions or the advantage of the consumer. Therein lies the distinction between the capitalistic and the co-operative theories of society.

A Striking Analysis.

Lower rates of dividend distribution have gone along with lessened allowances for reserves, and only £7,627,651 of the £139,436,980 profits of 2,017 companies was placed to reserves. Of this nearly half was to the credit of the electric lighting and power companies, which have had the pleasant experience of responding to the regard of the public for a clear and efficient supply of power, light, and heat. The oil companies, which are now raising the cost of power through monopolistic influence, are complaining of inadequate returns of capital, because the average rate of profit has fallen from 12 to 7 per cent. But they were able to put to reserve as much as 15 per cent of their profits. This proportion has been exceeded by the brewers, the electric supply companies, tramways, and waterworks. The disposition of the three latter suppliers of public needs to entrench themselves in a financial security is significant of the imminence of their acquisition by public authorities. The finances of 66 companies operating shops and departmental stores give evidence that distributors have done better than producers. These made a profit of £9,146,094, of which 55·9 per cent was distributed on the ordinary capital of £42,933,032, 31·4 per cent on preference capital of £43,514,324, leaving 12·7 per cent (£1,162,607) for reserve. This profit of over £9,000,000 was made after 5·3 per cent was paid on £16,135,236 on debentures. That practically one-eighth of the profit should be reserved suggests that even the most successful concerns realise that, with the growth and expansion of co-operative societies into fresh lines of business, a new factor is developing in the commercial world.

There was a revision of building society interest rates, with a subsequent change in mortgage costs. Within a few days of the announcement of the Government's Conversion scheme, the directors of the Co-operative Permanent and of three other large building societies announced that interest on new deposits would, in future, be limited to 3½ per cent free of liability to income tax. Share capital receives 4 per cent interest, free from income tax. Moreover,

a limitation of increased investments by individuals to £250 in the case of present shareholders and to £30 in that of new depositors suggested that there was a fear of heavy deposits being made by people unsatisfied with the return on Government securities. At the same time, it must be recognised that the Co-operative and other building societies have done much to finance working people to become the owners of the houses they occupy. Many distributive co-operative societies have invested in that which earlier leaders of the movement founded and in which tradition of assisting co-operators to possession of their houses has been well maintained. The four societies referred to advanced on mortgage last year £15,608,477, raising their outstanding advances to £81,617,886, so that they, with the other building societies operating on similar lines, constitute an important aspect of what has come to be known as " the small investor."

Steadily the co-operative movement has pursued its policy of making capital the servant rather than the master of industry. Originally the interest on its share capital was fixed at 5 per cent. Some societies were able to obtain all the funds that were required at 4, and as low as 3½ per cent. Towards the end of 1931, the confidence of the public in co-operation led to an influx of capital. People who had been nurtured in joint-stock finance began to incline to the less spectacular and more secure view of co-operative societies as an investment. And so rapidly was the capital accumulating that a reduction of the rates of interest was inevitable. Societies as distant as Buckfastleigh and Windermere, Rochester and Brymbo, commenced the year with reduced rates of interest on capital. The movement was accelerated by the Government's Conversion scheme, which influenced the interest given by the C.W.S. Bank, and the large societies in London, Newcastle, Plymouth, Birmingham, and other centres reduced their share and loan interest—without, it should be noted, stemming the flow of capital, owing to the confidence of the public. The share capital of the retail societies at the beginning of 1932 was £117,968,460, upon which £5,078,031 was distributed by way of interest. A reduction of ½ or even ¼ per cent will therefore provide societies with increased facilities for meeting the intense competition they have to meet from the multiple shops, " Speciality " firms, and " fixed price " stores that are developing throughout the country. Co-operative societies, in addition to security of capital, are able to convenience their shareholders by affording facilities for the withdrawal of small sums at short notice—an accommodation that is outside the range of joint-stock investments.

The lesson of 1932, therefore, may well be that while ordinary finance has fluctuated in its speculative aspects, co-operative finance has, by adapting itself to the needs of the times, proved its fundamental strength. And the co-operative system is strengthening its place in the British financial system.

A Critical Year in Art.

Orthodox and Modernist—Companions in Distress.

By John Wakefield.

ART, in common with Literature and Music, was affected profoundly during 1932 through the economic depression. American patrons refrained from crossing the Atlantic with the customary full purse, and the painters and sculptors waited in vain for the expected visit to their studios. The orthodox and the modernist, therefore, have been companions for once—companions in distress—with the result that the old ding-dong battle between tradition and revolt is, for the time being, at any rate, almost completely suspended.

It is true that there was a marked absence of the reactionary spirit, less hatred of anything new, less idolatry of the established in art circles even before the slump began, as anyone might have noted during the visit to Burlington House for the past two or three Royal Academy exhibitions, or by noting how mild have been recent attacks on unorthodoxy. Of course the veteran "die-hards" still talk of modernism as "that new-fangled nonsense," but theirs is not the spirit of the age. Sir William Llewellyn, the new president of the Royal Academy, actually looks upon the experimental work of the younger generation with sympathy, although in his own art he is a traditionalist. The real danger of this tolerance is that matters will become too easy-going, and that criticism will impose on itself too complete a silence. The consequence would be muddle-headedness, involving an acceptance of the merely facile in "futurism" and a neglect of the pioneer who has true genius.

The Way of Critics.

We observed signs of this at the 1932 R.A. exhibition. Mr. Glyn Philpots's "Aphrodite," and Mr. Mark Symons's "In the Street of the Great City," were notable acceptances, and the pictures of Miss Joan Manning-Sanders were notable rejections. Now Mr. Philpots and Mr. Symons, until recently, at any rate, were traditionalists, and yet one of the most advanced of art critics frankly declared his inability to see what "Aphrodite" meant, except as "a complete volte face on the artist's part," and as for "In the Street of the Great City," he called it "a sensation-mongering, chilly, colourless, over-laboured Crucifixion picture . . . peopled by gross caricatures of present-day humanity—a freakish performance, void of æsthetic significance." I had the opportunity of viewing the work by Miss Manning-Sanders

that the R.A. Committee frowned upon, and the surprise of realising that Philpots and Symons had been taken and the other left caused me to wonder if the selectors were not exercising their charity, so to say, indiscriminately.

Miss Manning-Sanders, as all who follow the development of art will know, caused a sensation by being accepted for three years running at Burlington House while still in her early 'teens. Her painting was gifted and distinctive. But by comparison with the rejected pictures of last year that earlier work was immature. All of which suggests that there is no knowing what a reactionary jury will do if it suddenly takes fright at its attempts to be liberal-minded! I do not hesitate, before passing on to a consideration of the other art of the year, to say that of our younger painters Miss Manning-Sanders is giving the greatest assurance of great achievement. It was pleasant to share the quiet appreciation that attended her exhibition after having elbowed, and been elbowed by, the artistically ignorant section of the public who gathered, as they always will gather on such occasions, at the exhibition of Mr. Jacob Epstein's "Illustrations to the Old Testament," which in some ways was the event of the artistic year. Mr. Epstein has commanded success, and in commanding it he has drawn to himself all the sycophants and flatterers in London art-patronage. He is a great man, but there is a grave possibility that he will be affected by the fact that he is "fashionable."

The Genius of Epstein.

So far, however, he has not compromised. Again the human form has merely served him as a symbol, and his pictures of the Hebraic God and the Biblical Prophets are based entirely on their spiritual significance. Questions of style and technique hardly arise in his case nowadays. He is a law unto himself—or, rather, he is an expression of the lawless, modern idea of life, especially of the Scriptures. Jehovah is not for him the benign, patriarchal, grey-bearded symbol of everlasting love and mercy with which Renaissance art has familiarised us, but the God of jealousy and vengeance. His harsh drawings are almost inhuman in their suggestion of unbridled will and cruelty. Apart from the fact that it is concerned with the Old Testament, Epstein's latest work bears the stamp of an unorthodoxy towards which the younger generation of artists are all striving earnestly—so far as economic conditions, that I referred to at the opening of this review, will permit them.

Artists and the Crisis.

Some of the artists of less fame and independence than Jacob Epstein have been affected by the economic avalanche more seriously

than they themselves would admit. They are obliged to compromise in some measure—commercially, I mean—and as, unfortunately, the patrons of art who have been hardest hit financially are the liberal-minded ones, that compromise has been far more emphatic than we would have wished. Let us pass them by on this occasion, therefore, trusting that a year hence they will have recovered their stability, and found it possible to pursue their art in freedom once more. Instead, it may be useful to devote ourselves to the artists who have managed to remain "above the battle" in an æsthetic sense, and whose exhibitions have left the same sort of impression as they would have done whatever the social conditions. I mean exhibitions such as that of Mr. George Bergen, whose work resembles in some measure that of Mr. William Nicholson, although, as his catalogue states, "he must work from life, and he never goes to nature with any preconceived notion"; or that of Miss Kathleen Murray, who loves flowers, and lets the world go hang so long as she has them around her and a box of paints in her hands. Mr. Harold Harvey and Mr. Gilbert Spencer are other painters who have exhibited successfully during the year, and at one gallery or another, in connection with one society or another, I have noted sterling work by artists with names more familiar to us, such as John and Paul Nash, Darian Grant, Muirhead Bone, Ethelbert White, and Mr. Richard Sickert. Among the young painters of promise I would include Mr. Morland Lewis and Mr. Robert Medley, both of whom have verve and adventurous imagination.

Painting has always worked in harness with the drama, and a picture of the year has been Mr. Sickert's full-length portrait of Miss Gwen Ffrangcon-Davies, the actress. It ranks alongside Sargent's famous painting of Ellen Terry as "Lady Macbeth," and will doubtless be preserved as carefully. Miss Ffrangcon-Davies is represented as "Isabella of France," in Marlowe's play, "Edward II," and the costume, as well as the features, is done in the grand style, eight feet in height, and practically a monochrome except for the relief of a flashing green jewel. Mr. Sickert has seldom shown his mastery of light and shading so completely and emphatically as in this painting.

A Novelist's Commentary.

It has been good to have another familiar name among the year's exhibitors—that of Mr. Mark Gertler, whose career has been woefully interrupted, I understand, by ill-health. The best commentary that has ever been made, I think, on Gertler's art is to be found in the letters of the late D. H. Lawrence, which were issued as a book during the year. Lawrence is writing to Gertler near the beginning of both their careers, and although it is not possible for me to discover at this late stage what picture is referred to in the letter, it will serve as a commentary, not on one of the artist's pictures alone, but on them all:—

" Your terrible and dreadful picture," writes Lawrence, " has just come. This is the first picture you have ever painted : it is the best *modern* picture I have seen : I think it is great, and true. But it is horrible and terrifying. I'm not sure I wouldn't be too frightened to come and look at the original. . . . I won't say what I, as a man of words and ideas, read into the picture. But I *do* think that in this combination of blaze and violent mechanised rotation and complete involution, and ghastly, utterly mindless human intensity of sensational extremity, you have made a real and ultimate revelation. I think this picture is your arrival—it marks a great arrival. . . ."

The letter, it may be interpolated at this point, is dated October, 1916. It goes on : " I could sit down and howl beneath it like K's dog, in soul-lacerating despair. I realise how superficial your relationships must be, and what a violent maelstrom of destruction and horror your inner soul must be. It is true, the outer life means nothing to you, really. You are all-absorbed in the violent and lurid processes of inner decomposition, your inner flame—but . . it is a real flame enough, undeniable in heaven and earth. . . ." I wonder if it may be suggested that words like this, of such comprehensive scope, general and not particular, ought to be read as a prelude to one's view of *any* picture ? Very few would stand the test ! That is, if we take our art seriously, and refuse to regard it as an entertainment pandering to our more commonplace, less sensitive selves.

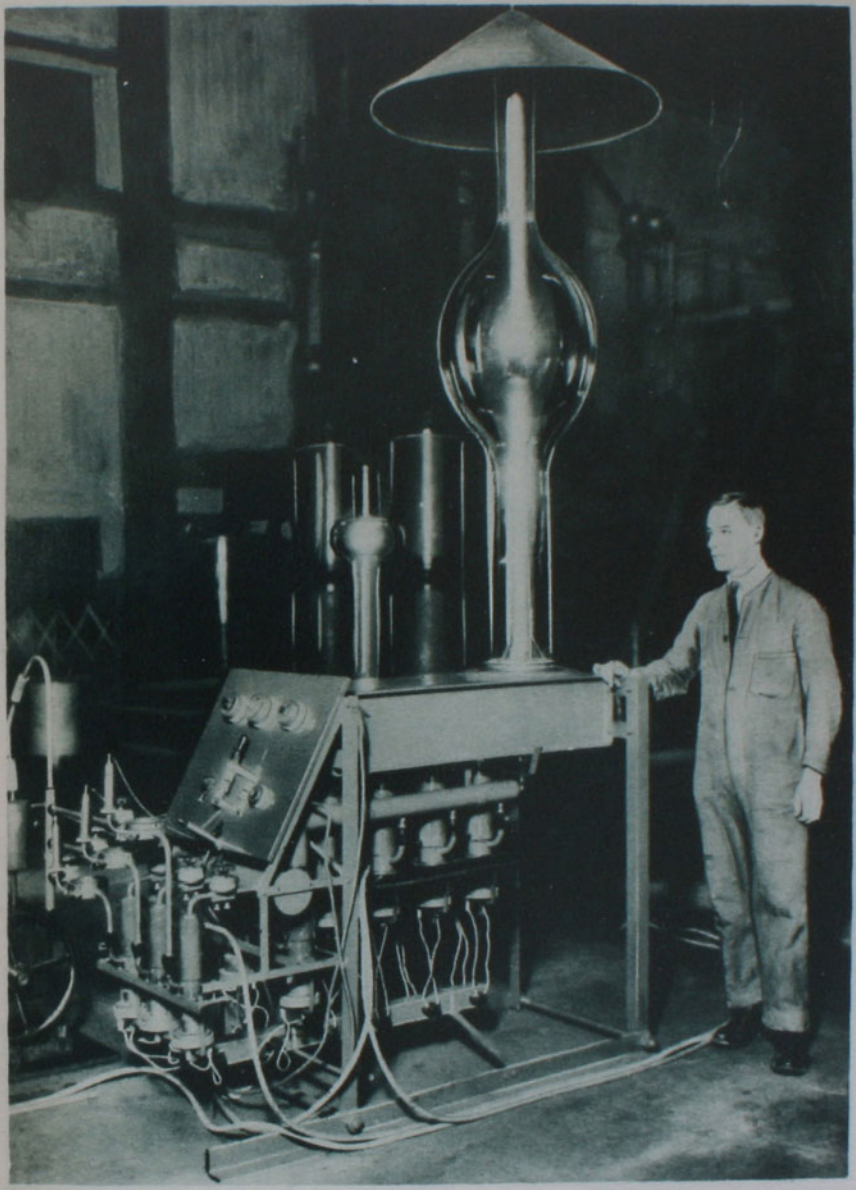
If I were to name what in my opinion were the most remarkable pictures of the year, they would be " In the Mountains " by J. D. Fergusson, " Self-Portrait " by Joan Manning-Sanders, and " Gandhi " by Clara Winsten. Miss Manning-Sanders's work has already been referred to : Mr. Fergusson lives abroad oftener than he lives in this country nowadays, and his work reflects the fact advantageously. " In the Mountains " is a magnificent painting, whose subject, tenderly, yet strongly worked out, is in its title. Mrs. Winsten's portrait of Gandhi, for which the great Indian reformer gave special sittings, has all the weirdness yet timeless peace that one finds in the poetry of Rabindranath Tagore. Here is the comparison that may be most suitably applied to it. Mrs. Winsten's " Gandhi " is a Tagore portrait in paint.

All Art for the People.

The voice of the people is the voice of God when the real artist has taught them what to sing : the hand of labour is the hand of God when the artist has taught them what to make, but all the great and lasting values in art have been produced for the people, by the people, in the joy of the people, in faith though not always in full understanding.

—W. G. Raffé, in "Art and Labour."

The machine which split the atom. The apparatus consists of a one million volt vacuum discharge tube, and was used in the Cavendish Laboratory, Cambridge.



Dr. J. D. Cockroft, on right, devised the machine which disintegrated an atom of lithium. Dr. E. T. Walton, left, assisted. In the centre is Lord Rutherford, their master.

The Drama in 1932.

Stratford and Malvern Festivals.

By Ivor Brown.

THE two major events of 1932 were countryside happenings, both of them, curiously enough, occurring in the Midlands. One was the Malvern Festival, with a new play by Mr. Shaw, and the other the opening of the new Memorial Theatre at Stratford-on-Avon.

Sir Barry Jackson, at some cost to himself, has established the Malvern Festival as one of the major theatrical events of the year. Undoubtedly to do one's playgoing on the spurs of these beautiful hills—from whose easily-reached summits one has the most sublime survey of England and Wales—is the happiest observance of theatrical duties. Just as the Malverns afford an amazing panorama of England, so Sir Barry's programme provided a grand retrospect of English theatrical history. We began with the first strivings for articulation: Heywood's "Play of the Weather" and Udall's "Ralph Roister-Doister," and proceeded by way of Ben Jonson, Southerne, Fielding, and Boucicault—each typifying an epoch—to the last utterance of G.B.S.

"Too True to be Good" was certainly a ragged piece of work, but then we never have looked to Mr. Shaw for trim and shapely play-writing. Its plot might have been that of a musical comedy which had lost its music and found a new kind of comedy. Fun in a bedroom, and the African desert with sheiks about and beautiful ladies pretending to be abducted—this sounds the very stuff of routine entertainment. Mr. Shaw used it all as the plinth from which to sermonise: his chief orator was an ex-airman, ex-parson, and present burglar who held forth in the grand Shavian manner on the crimes, follies, and blunders of mankind. Mr. Cedric Hardwicke, who took the part, had no chance to create a character in his usual vein of richness: he was simply the voice of G.B.S., and very finely did he utter the prophetic warnings of his master. The play contained a good deal of rather common-place shooting at old Shavian targets, at doctors, the army, and so on. But, needless to say, its passages of social criticism had a powerful wisdom and majestic eloquence, and the play ended with one of the noblest passages of English prose that Mr. Shaw has ever composed.

The most successful feature of the Festival, apart from its Shavian finale, was the revival of Jonson's enormously vigorous comedy, "The Alchemist," in which Mr. Hardwicke took the quite small part

of Abel Drugger—one of Garrick's favourites—and made it into one of his most brilliant efforts in characterisation. The poor, timid little simpleton with the up-turned nose and wan, pathetic smile—could this be the man who was Churdles Ash, Mr. Barrett of Wimpole Street, and King Magnus of "The Apple Cart"? It was, yet we could scarce recognise him, so richly had the plastic genius of Mr. Hardwicke been employed. Whatever the Malvern Festival did for the reputation of our senior dramatist, it further confirmed the supremacy of Mr. Hardwicke as character-actor.

The Russian Touch.

Earlier in the year we celebrated Shakespeare's birthday royally, the Prince of Wales being present to open the New Memorial Theatre at Stratford-on-Avon. Much sour criticism has been levelled at the external aspect of this new building, with its lovely river-side site, watching the Avon go curving past it to the gracious spire of Holy Trinity Church. Its flat lines and rectangular bulk certainly make it look more like a fortress than a palace of the arts. But I believe that subsequent generations will approve the architect's drastic rejection of "Ye Olde" methods and sham-Tudor models. The theatre is unashamedly modern and, whatever we may think of the outer shell, the interior is lovely beyond words. Above all it has been built to suit the comfort of the audience and the utility of the players, both of whom are grandly and spaciously accommodated. There are platform stages which rise on lifts, and these were used with great effect, not only in creating the pageantry of the historical plays but in permitting Mr. Komisarjevsky to indulge a playful fancy in his rendering of "The Merchant of Venice." The presence of this Russian genius needs some explanation. It is typical of the broader policy to be pursued at Stratford. Hitherto Mr. Bridges Adams has been sole producer, but now he is encouraging distinguished visitors to come in and give their own Shakespearean interpretations. And rightly, for Stratford has now the best-equipped theatre in England, and ought to be a centre of pilgrimage, not for sentimental reasons only but to view the flower of contemporary theatrical art. Stratford must not sink back into housing a good provincial stock-company: it must offer a continual challenge to the capitals, so that theatrical connoisseurs from all over the world will be compelled to keep an eye on its experiments in production and its leadership in progressive dramatic art.

And so to London, a city more impoverished theatrically than is usually recognised by the constant migration of its best authors and actors to Hollywood. Mr. Coward's "Cavalcade," produced in September, 1931, ran to the following September, when the same author's revue, "Words and Music," entirely his own work in writing, composing, and production, was put on at the Adelphi after a successful

trial at Manchester. If it were still necessary for Mr. Coward to prove his omnicompetence in designing theatrical effects, this show did so. But the matter hardly needed demonstration.

One of the best plays of the year was " Musical Chairs " (Criterion), by Ronald Mackenzie, a young actor who had roughed it in various parts of the world, and had evidently a very sharp eye for observing the human comedy as he travelled from one job to another. His play was set in the Polish oilfields, where Americans, Germans, and English, as well as Polish types, were caught up in a tragi-comedy of young idealism and old sensuality. The play, discovered by Mr. John Gielgud, gave that brilliant actor a further opportunity of displaying his strong yet sensitive handling of a nervous, emotional part. It was one of the disasters of the year that Mackenzie, having achieved so great a success with his first piece, should have been killed in a motor accident in France.

The adaptation by Mr. Edward Knoblock of Mr. Beverley Nichols's " Evensong " (Queen's) afforded Miss Edith Evans a splendid chance to show her surpassing qualities, which are not always fully accommodated by the plays in which she appears. " Evensong " is the story of a declining operatic prima donna, and is a quite remorseless picture of the vanity and jealousy of these great favourites of a pampered world. Miss Evans's performance threw a brilliant illumination on this dreadful species of the spoilt darling and consummate egoist, and the play, as a whole, had more in it than a single character study. Its immediate popularity was fully merited. Mr. Priestley emerged as a dramatist with " Dangerous Corner " (Lyric), an extremely ingenious essay in the reconstruction of an ugly domestic past owing to a chance word at a family party.

The Best in Crime.

Mr. van Druten provided us with the best crime-play of the year in " Somebody Knows." Naturally a dramatist of this calibre would not confine his attention to the mere question of " Who did the murder ? " He is always interested in character, and he created an extraordinarily vivid picture of a flamboyant lad, morbid and flashy, who might have done the deed from motives of jealousy or sensationalism. Mr. van Druten is so keen a realist that he left his audience in the dark and never betrayed the secret of the murder which, after all, is exactly what happens in life where a conviction or a discharge proves nothing certain. This probably annoyed audiences used to getting a plain " yes " or " no," and the play did not have the success it deserved. The same dramatist also gave us " Behold We Live " (St. James's), a would-be romantic picture of the smart-set lady who is lifted out of smart-set squalour by a love-affair which ends unhappily. It should have been more moving than it was, but errors of construction and the players' refusal to be unashamedly romantic hampered

its effect. On the other hand the popularity of Sir Gerald du Maurier and Miss Gertrude Lawrence obtained for the play a greater favour than was shown to " Somebody Knows."

One serious casualty of the year was the termination of Sir Nigel Playfair's management at the Lyric Theatre, Hammersmith, after thirteen strenuous years. He had been responsible for many successes of esteem which had, perhaps, brought in more glory than grist to the mill. The last operetta at this theatre was Mr. A. P. Herbert's " Derby Day "—with music by Alfred Reynolds—which was a delightful attempt to use the colour and the humours of the contemporary English scene in a medium where resort is usually made to the exotic and the historic background. Mr. Herbert holds very strongly that comic opera, using topical themes and local colour, can be restored to its proper and traditional place in English theatrical life, whence it has been ousted by imported musical comedies. In support of his theory, he has given us " Tantivvy Towers " and " Derby Day," both of which began at Hammersmith and moved to the West End. Since they were more successful in their place of origin than after transportation, it is a great pity that the Lyric has been abandoned. But the costs of producing operettas are too great for a cheap-priced house with a rather remote situation, and one can easily sympathise with the directors who decided that the burden could no longer be borne. They had made some charming theatrical history in their time, and the echoes of the eighteenth century, their favourite period, will for ever tinkle round the shabby streets.

The death of Edgar Wallace in Hollywood removed the ceaseless purveyor of crime-plays and an occasional maker of really powerful melodrama. The crook play has consequently waned in popularity, and the feature of the year has been the renewed popularity of Variety, either in continuous form or as " a crazy house " in which all the turns furiously collaborate in a wild medley of clowns. Continuous variety was initiated at the little Windmill Theatre, where you could drop in at any time during the afternoon or evening. Thence it spread across London and soon occupied half-a-dozen major theatres. It was certainly good for employment in a branch of the profession which was suffering acutely.

With the Repertories.

Provincial repertory has bravely maintained itself despite a year of financial depression, and there is now scarcely any large town which has not its little theatre offering an alternative to the touring companies or the movies. These sometimes unite amateur and professional in the company : the amateur movement remains vigorous and numerous. The desire to act is widespread, and is now so general that the danger is of having more potential players than potential audience ! They also serve who only sit and listen.

The Year's Best Films.

Come from the Continent.

By J. A. E. Kitchen.

AMERICA'S worst motion picture year was 1932. The huge film-making combines had to retrench in all directions; most of them are at the mercy of the bankers, and two out of three could have been closed down in forty-eight hours had Wall Street wished it.

It is a position one reviews with no regrets, for the American industry in particular, and the film trade in general, gained prosperity by the simple method of applauding silly sentiment, and exaggerating mass hysteria. They did it for years: they have no more than five formulas for story creation—sexual jealousy, mother love, commercial graft, homicide, and seduction; and they have played so many jangling airs on this octave that the whole world is literally tired of them.

I am not exaggerating in this statement, for go where you will, the evidence is plain—people are tired, tired, tired of the feeble sexual complications of the screen puppets, weary of the inuendo and dirt of the so-called sophisticated talkie, and the blatant boasts and promises of Hollywood that "a change is coming," or "we are seeking entirely new fields." America produced about ten notable films in 1932. Ten! and this from an industry with an invested capital of 2,500,000,000 dollars.

The year's best films have come from France, Germany, and Russia, and although these productions have been presented in their original languages, the public response has been phenomenal, and relatively far more enthusiastic than for any American picture.

René Claire's film for 1932 was "La Liberté," probably one of the cleverest films yet screened, for it is not only a satire upon our economic system, but is a remarkable technical achievement, and in effect a philosophy in film form. It shows how an escaped convict succeeds in business, and runs a huge gramophone factory upon prison lines. Every worker has his task in this mass production—one placing a screw, another tightening it, and so on. Claire has moments of sheer inspiration, when he shows a vagrant sleeping in the fields; near by we hear the drone of the schoolroom; farther away rises the black smoke of the factory chimneys.

This film, however, is not without its drawback, for it started a number of American producers on the same idea! "What the public want," said their wise men of the West Coast studios, "is pictures

with music." The result was that Paramount gave us "Innocents of Paris," which opened *à la* René Claire with a squad of gendarmes in song, and rapidly disclosed itself as a vulgar copy of a master.

Indeed, America continues to make her fundamental mistakes, and her banker picture-makers cannot yet understand that one cannot take the same colours and the same canvas and produce a Corot as invariably as four is accepted as the sum of two and two.

Another startling example of this fact is that Germany gave us a remarkable film entitled "Blue Express," in which the whole action took place on a train crossing Europe. It was magnificently directed and brilliant for its realism and character studies. So outstanding was the idea that Paramount made another effort, and featured Marlene Dietrich and Clive Brook in a film entitled "Shanghai Express," the story taking place on a train! But this story was trivial, and showed Dietrich as a Shanghai prostitute falling in love with a British officer. Her love for this man was supposed to more than atone for a livelihood gathered here and there as opportunity offered. Only one "decent" woman was depicted in "Shanghai Express," and she a fuzzy old fool inordinately fond of her dog! Technically the film is astonishing in its detail and brilliance, but it is not satisfactory entertainment, and the fact that it ran for three months to after-dinner audiences in the West End of London is no answer to the criticism. It is, however, a matter of some concern, that the New Gaumont British studios at Shepherd's Bush have, chosen as *their* first picture "Rome Express."

Whence Originality Comes.

For originality we have still to go to the Continent, where we find Leontine Sagan's splendid work "Mädchen in Uniform," a picture in German which ran for nine weeks at a second-rate Oxford Street Theatre, and where it was almost impossible to book a seat in advance during its whole run. This is not, as has been said, a story of homo-sexuality: it is a study of adolescence; that state of mind familiar to all those who come into close contact with young school girls. Havelock Ellis most adequately describes this state as "raves," a strong affectionate attachment to another girl, or a teacher. This film in its understanding of the subject does not create a dangerous sympathy with Mädchen, who is a sweet sensitive girl, adoring one of the younger teachers, but makes her rather pathetic, and helpless, against the strength of character of the mistress, which comes out clear, fresh and invigorating.

I cannot pass this film without mentioning the powerful dramatic climax at the girls' school, where Mädchen, bent on suicide, is suddenly missed by the other pupils, who begin to call "Manuel, Manuel," louder and louder, more agitated, until it seems like a rising tide of fear that drives them hither and thither in frenzy. Then Manuel is found, half fainting, above the deep well of the main staircase.

There is, however, a sequel to this success, which recalls the two echoes of " The Blue Express," for Leontine Sagan was later engaged by London Film Productions to make " Men of To-morrow," a story of University life, written by Anthony Gibbs. I cannot do justice to the situation by any comment !

Also from Germany comes " M," directed by Fritz Lang, a man already known to British audiences, who founded his story upon the Dusseldorf murders of the previous year. Here we have a study of the homicidal maniac whose victims are little girls. We see him meet one of them : he buys her some sweets and they move off together ; and later a ball rolls out from under some scrubbery. The newsboys run through the streets of Berlin calling news of another tragedy.

The highlights of the film, designed to show the methods of the Berlin Criminal Investigation Department, is the acting of Peter Lorre, whose study of the criminal is one of the cleverest pieces of acting seen in 1932. He is a short, stocky man, with the round eyes of a startled boy ; his voice has that high protesting note of the neurotic, and his sympathy is entirely self-centred.

A Russian Study.

Finally, I shall take one Russian film before reviewing the film situation in its wider aspect, and this is " The Road to Life," directed by Nikoli Ekk, the first Soviet sound film, and dealing with the child vagrant problem in Russia in 1923. Hordes of young bandits infested the cities, and the police were often powerless to deal with them, until the Children Collectives were formed, where under a sort of free Borstal treatment these youngsters carried on their own industries.

The most noticeable aspect of the film is the types it portrays, showing crowds of these Mongolian youths, of from 14 to 18 years of age, and coarse with all the vices of their elders. It is a terrible picture, but it indicates the gigantic nature of the post-revolution task of reconstruction. I did not find it entirely convincing, for whereas " kindness " to put the treatment into popular parlance, may reform some, it cannot, and does not reform all. There are many psychological states wherein the only " kindness " possible is further indulgence, but Nikoli Ekk has ignored such trivial problems as that.

I feel it necessary to say, however, that Russia tends to overdo her film propaganda, for all sane people must resolutely refuse to believe in a Russia peopled by potential angels, and the sooner Soviet producers get back to the realism of Dostoievsky and a gentle touch of a Tolstoy, the more they will achieve in world impression. " The Road to Life " is by no means the best Russian film we have seen.

I have purposely mentioned these special films in order to emphasize the position of America and Great Britain, which is by no means a happy one. Over-capitalisation, as I said in my review of 1931, is one of the problems of Hollywood, but with it has developed a strange

mental strangulation. There have been perhaps a dozen or so really good American films screened in 1932, but the bulk of their material is not outstanding: few of them break away or open up fresh ground.

Maurice Chevalier and Jeanette MacDonald in "One Hour With You" were quite charming in a pleasant after-dinner humour; "Scarface" was tough enough in all goodness; Greta Garbo lost none of her boudoir exoticism—which is the be-all and end-all of most Garbo films; Marlene Dietrich drawled through familiar scenes with Clive Brook or another; but it was like a long parade of masks and faces—nothing more.

America has given us nothing solid or substantial in drama, and very little in the way of comedy. Hollywood is alive to the situation, which is giving them grave concern, but I definitely state that at the time of writing there is no evidence of an early change. The cause is simple—I have stated it many times before—the banks control the film industry: it is now a great financial game in which stars are made in a night, and stories which sell the most widely are made into films, because it is believed the public will want to see their favourite novel in talkie form. Two of the most tawdry films from America last year were Gustave Flaubert's wonderful novel "Madame Bovary," and Thackeray's "Vanity Fair," the last modernised, and presented as the story of a "gold-digger," the "gold-digger" being, of course, Becky Sharp! They did not film these works because of the place they hold in the world's literature, but because they thought they would sell on their traditional values.

Some of America's Best.

Here are some of the best American talkies of the past year—"Arrowsmith," with Ronald Coleman, adapted from Upton Sinclair's book and remarkable for its brilliant acting; "Matta Hari," a Greta Garbo talkie, notable for its reckless and extravagant staging; "Arséne Lupin," a triumph for the brothers John and Lionel Barrymore; "Private Lives," which needs to be mentioned because it is Noel Coward carried brick by brick to Hollywood; and "The Doomed Battalion," a really fine film, made in the Alps, amidst war and avalanche, spectacular, beautiful, and unusual.

America persuaded Ernest Lubitsch, described for a reason unknown to me as the "satirist" of the screen, to make "The Man I Killed," from the famous French war play. But Lubitsch, Lionel Barrymore, and Nancy Carroll seemed lost in it: they were like people in a strange land talking a language they did not understand. The film died painfully in the course of an ill-advised stay in the West End of London.

The Gaumont-British Picture Corporation opened their £500,000 studios at Shepherd's Bush—a hive of ingenious mechanism. Every dressing room has its bath with hot and cold water: there are rubber floors and brightly decorated administrative offices. Here are gathered

most of the picture directors we already know. At the present moment there are no new names to add, and it is too early to say whether we shall secure any new ideas in story or technique.

One of the best British talkies of the year was made at a comparatively small studio at Beaconsfield—British Lion Film Corporation—this being "The Case of the Frightened Lady," from the late Edgar Wallace's work. It was brilliantly acted and featured poor Norman McKinnel, who died a few months later.

At Elstree, British International Pictures attempted a burlesque of the gangster story, called "Innocents of Chicago," and made a success of it. Henry Kendall was the leading player, and the director Lupino Lane—but, unfortunately, British companies do not seem to learn a lot by experience, and one waits—rather hopelessly, I fear—for another burlesque.

London Productions, a new company, made "Wedding Rehearsal," a light flippant sort of thing with a rather swaggering humour many people liked. Gainsborough Pictures, at their Islington Studios, made "Jack's the Boy," featuring Jack Hulbert, and "Goodnight Vienna," with Jack Buchanan. But one could go on at great length with the list. Most of this material is usable and much of it made big monetary success at the box office; but one feels that the British industry is still far from maturity, and there is hardly anything which demands serious criticism at the moment.

Like America, they have played for safety in big names and have paid the cost in a measure of mediocrity. British development is still in the scales of the bankers. Gaumont-British, for instance, have tied up with Ufa, of Berlin—the greatest production company in Germany, and will interchange stars and directors to make multi-lingual talkies; and we have yet to see what effect this co-operation will have in production in general.

What British Films Lack.

Among the kinema owners it must be admitted there has been a great reaction in favour of British films, but it was due, in part, to the Quota Act, the shortage of American films, and the paucity of their material. We can sum up the progress of British studios by saying that their output has been as good, and occasionally better than the output of America; but that is hardly a happy comparison.

If only British companies will allow newcomers a place in their studios, and give them freedom to write film stories and direct film stories *about something*, we have now the resources to challenge the whole world in a comparatively new industry.

Our fault is that our stories are too flippant: they have no serious side at all, and world crisis, social upheavals, and personal problems in a rapidly changing society, are never allowed to form the theme of our pictures.

Literature of the Year.

Scott and Goethe Overshadow Moderns.

By Thomas Moult.

IT is without disparagement of the host of authors whose books have been published during the past year that we begin this survey by recording as the most important literary events of 1932 the celebrations of the hundredth anniversary of the death of Johann Wolfgang Goethe and of Sir Walter Scott. Whether the new biographies that have been an inevitable accompaniment were equally important is a matter on which posterity will be better able than we are to pronounce judgment, but these biographies, nevertheless, require to be mentioned—and so do the memoirs, collection of letters, and criticisms whose theme is the same "Big Two." That the majority of them should concern Scott is fitting, for we claim him as our own; but the fact of no fewer than three works being studies of Goethe is a tribute not only to the great German, but to the cosmopolitan interest of readers in these islands.

Of the trio, I give first mention to Mr. H. W. Nevinson's "Goethe: Man and Poet." The others are: "The Life and Work of Goethe," by Professor J. G. Robertson, and "Goethe as Revealed in his Poetry," by Barker Fawley. The most important of the books on Scott is Mr. John Buchan's critical biography. "The Laird of Abbotsford," by Dame Una Pope-Hennessy, has not pleased everybody, and "Sir Walter Scott, a Character Study," by Mr. John A. Patten, is intended for the more elementary reader. "The Letters of Sir Walter Scott, 1787–1807," compiled by Professor H. J. C. Grierson, is the opening volume of a splendid Centenary Edition. "Sir Walter's Postbag," edited by Wilfred Partington, is a compilation of letters written *to* the author of Waverley, not by him. "The Waverley Pageant," is Mr. Hugh Walpole's selection of extracts from the Waverley Novels, and it has been widely welcomed by a generation that shrinks from reading the lengthy, slow-moving originals. I conclude this list with a reference to a very stimulating collection modestly entitled "Scott Centenary Articles," which appeared originally in a periodical from the pens of the late Thomas Seccombe and others on the dates of the centenary of the various novels—what a fine critic Seccombe was!—and also to Mr. W. E. Gunn's interesting and illuminating "dramatic presentation" of "Scott of Abbotsford," or, "The Moving Hand."

The books of the year that I have already tabulated would, in ordinary circumstances, come under the heading of biography, criticism, or *belles lettres*. Therefore, I continue with each of these three subjects in turn. One of the leading biographies has been "The Life of Lenin," by James Maxton. Others were "The Life of John Redmond," by Denis Gwynn, and Mr. J. A. Spender's "Life of

Herbert Henry Asquith." Another of the Gwynns, Mr. Stephen Gwynn, has contributed a life of Horace Walpole, and further valuable "lives" have been "Julius Cæsar," by John Buchan; "Chaucer," by G. K. Chesterton; "Robert Burns," by Franklin Bliss Snyder; "Leonardo da Vinci," by Clifford Bax; "Dunbar," by Rachel Annand Taylor; "Robert Emmett," by R. W. Postgate; "Daniel Defoe," by Thomas Wright; "Albert the Good," by Hector Bolitho; "Charlotte Brontë," by E. F. Benson; "Mary Wollestonecroft," by H. R. James; and "Jean Jacques Rosseau," by Matthew Josephson. "Margaret Macmillan, Prophet and Pioneer," by Albert Mansbridge, stands by itself. Admirers of Mary Webb, famous for her novel "Precious Bane," may be interested if I add here that I, myself, was responsible for the publication during the year of her official biography.

Essays in Criticism.

The emphasis in several of the above volumes is laid on criticism, and I group along with them Mr. Osbert Sitwell's "Dickens"; Mr. David Larg's "Ruskin"; M. Andre Maurois's "Voltaire"; and Mr. Clifford Bax's "Leonardo da Vinci." Criticism in the non-biographical sense was richly represented during the year. "Song and its Fountains," by "Æ," who is Mr. George Russell, the Irish poet and co-operative leader, has no rival. If any work of 1932 seems destined for immortality it is this. Beauty, severity, nobility, dignity, spaciousness—all these ever-desirable qualities are still in literature while Mr. Russell goes on writing. His "Vale, and other Poems" is another vital work of the year. "Personality in Literature" is an uncommonly suggestive book by Mr. R. A. Scott-James, and so is "The Facts of Fiction," by Norman Collins. "Tragic America," by Theodore Dreiser, is one of several books by the great American novelist, others being "Newspaper Days" and "Dawn (a History of Myself, first volume)." Mr. Chesterton has also written on the U.S.A. in "Sidelights on the New London and New York." "The Savage Pilgrimage," a critical study of the late D. H. Lawrence, by Catherine Carswell, proved to be too personal to continue long in circulation, and it was withdrawn soon after its first issue. Lawrence's "Letters" also appeared. Frankly, they are an exposure. "The Doom of Youth," was a slashing satire by Wyndham Lewis; "Lamb before Elia," by F. V. Morley, as gentle as its title suggests; and "Brave New World," a criticism of life after Mr. Lewis's rather than Mr. Morley's heart—this was Mr. Aldous Huxley's contribution to the year's output, and it caused a flutter in the modernist dovecots.

None of these criticisms of life and literature, apart from "Æ's," will, in my opinion, have the durability of Mr. H. G. Wells's "The Work, Wealth, and Happiness of Mankind." A social contribution that ran it close is "The Intelligent Man's Guide through World Chaos," by G. H. D. Cole. Students of sociology and industrialism have welcomed these two significant volumes in a way that reminded me

of the old days, when every second person one met seemed to think of nothing but the deadly parallel of riches and poverty, and the way to Utopia. Mr. Wells is the author of a novel also; "The Bulphington of Blup," as satirical in its way as Huxley or Belloc. But before I turn to the year's fiction, it will be in place to put on record that among those who have told their own story—in addition to Mr. Theodore Dreiser—is Mr. William Rothenstein, "Men and Memories: Second Series"; Mrs. Mary McCarthy, "A Pier and a Band"; Miss Nina Hamnett—the artist—"Laughing Torso"; Mr. John Drinkwater, "Discovery"—the second volume of his autobiography, covering 1892–1913; Mr. Hugh Walpole, "The Apple Trees"; and the Right Hon. Winston Churchill, "My Early Life." Two volumes of Arnold Bennett's diaries—or "Journals"—have appeared, and other books which are mainly or partly autobiographical are "Golden Horn," by Francis Yeats-Brown; "Hindoo Holiday," by J. R. Ackerley; and "Arabia Felix," by Bertram Thomas, who had the advantage of being introduced through a foreword by the famous Colonel T. E. Lawrence. "The Face of England," by Edmund Blunden, and "A City of Encounters," by Thomas Burke, refuse to be classified. Let us describe them as typically Blunden and Burke.

The Pick of Fiction.

Now for the year's fiction. As usual, the very thought of it is overwhelming. To tabulate even a percentage of authors' names and titles would take up considerably more than my remaining space. It must be sufficient, therefore, for me to put on record that the "best sellers" were Mr. Charles Morgan's "The Fountain," and Mr. Louis Golding's "Magnolia Street." I cannot admit, however, that either of these novels was an advance on previous work. I still rank "Portrait in a Mirror" as Mr. Morgan's highest achievement, and "Day of Atonement" as that of Mr. Golding. Similarly, "Faraway," by J. B. Priestley, and "The Fortress"—of the "Rogue Herries" series—by Hugh Walpole, were not quite the achievements they might have been. Mr. Galsworthy's "Flowering Wilderness" is "good Galsworthy," and other established novelists who published during the year were Mr. Frank Swinnerton, "The Georgian House"; Miss G. B. Stern, "Little Red Horses"; Miss Naomi Jacob, "Young Emanuel"; Dr. A. J. Cronin, "Three Loves"; Mr. Alec Waugh, "Leap before you Look"; Miss Storm Jameson, "That Was Yesterday"; Miss E. M. Delafield, "Thank Heaven Fasting"; Mrs. Beatrice Kean Seymour, "Maids and Mistresses"; Mr. T. S. Stribling, "The Store" and "The Forge"; Mr. William McFee, "The Harbourmaster"; Mr. Richard Blake, "The Needle Watcher"; Miss Sheila Kaye-Smith, a children's fantasy, "The Children's Summer"; Miss Radclyffe Hall, "Master of the House"; Mr. Beverley Nichols, "Evensong"; Mr. Edward Thompson, "Lament for Adonis"; Mr. James L. Hodson, "North Wind"; Mr. R. H. Mottram, "Home for the Holidays";

Mrs. Wilfred Ward, "Tudor Sunset"; A. G. Street, "Strawberry Roan"; and a novel and short stories came from L. A. G. Strong.

"Without My Cloak," a first novel by Miss Kate O'Brien, enjoyed a reception whose warmth I, frankly, could not understand. But perhaps that was because I had read about the same time "Shadows on the Rock," by America's best woman-writer—and, I think, the best woman writer living—Miss Willa Cather. Other first novels of prominence—some with promise also—were "The Bright Temptation," by Austin Clarke; "Three Fevers," by Leo Walmsley; "No Decency Left," by Barbara Riche; "The Crooked Laburnum," by Orgill Mackenzie; "Nymph Errant," by James Laver; "The Forlorn Years," by John Morrison; and "The Cat Who Saw God," by Anna Gordon Keown. I don't know if Mr. James Hanley has published novels before 1932, but his "Aria and Finale" and "Ebb and Flood" have impressed me as deeply as anything in the whole year's fiction output. He is strong: he is a voice of labour; and his sympathy with the "down and out" is sometimes all-compelling.

Christmas, 1931, was given distinction by the appearance of a new Barrie item—a fantasy entitled "Farewell Miss Julie Logan: a Wintry Tale." Mr. Kipling published "Limits and Renewals," and Mr. Eden Phillpotts began a wonderfully fine trilogy with "Bred in the Bone," as well as continued his usual astonishing output with "The Broom Squires" and others. For fundamental brainwork as well as historical sense and sociological and industrial sympathy the novel of the year was Miss Phyllis Bentley's "Inheritance," an epic of the Yorkshire moors.

A Glimpse at Poetry.

Finally, poetry. "Strict Joy," by James Stephens; "Verses Written for Mrs. Daniel," by the late Robert Bridges; "A Tale of Troy," by John Masefield; "Islands," by Wilfrid Gibson; "Red Roses for Bronze," by "H. D."; and the volume by "Æ" already mentioned, are enough to give distinction to any year. But we have also had new volumes by Lady Margaret Sackville, Richard Church, Robin Flower, Eden Phillpotts, Geoffrey Johnson, and Edmund Blunden, as well as several by newcomers, including Laurence Whistler, George Villiers, and Norah Nisbet. We have also had the collected poems of Mr. Binyon, Mr. Sturge Moore, Mr. Padraic Colum, the late D. H. Lawrence, Mr. Edwin Arlington Robinson, and Neil Munro, with a foreword by John Buchan.

A melancholy note is sounded in this foreword, for Neil Munro, who was one of Scotland's most distinguished men of letters, died during the year. The obituary list also bears the illustrious names of Kenneth Grahame—author of three children's classics, including "Dream Days"—Lytton Strachey, Harold Munro, Sir Gilbert Parker, Halliwell Sutcliffe, and Sir Ronald Ross, who was not only a great scientist, but a novelist and poet of no mean achievement.

Science for the People.

System of Trading Condemned.

By Walter Haydon.

IT would be almost impossible to imagine a greater range of subjects than that of the various papers read at the annual meeting of the British Association for the Advancement of Science which this year met in the historic city of York, where the Association had its birth. The meeting may be regarded as a summing up of the researches in every department of science of the past twelve months —an epitome of all the important discoveries and theories, and an attempt, in most cases, to expound them in language suitable for the layman's comprehension.

This is all to the good, and is as it should be. At the same time it seems to me that there must be many people in the country who might reap enormous benefit from a certain paper, or papers, if they were able to obtain possession of a copy, and did not have to be content with a brief summary in the newspapers. A useful purpose would be served if the papers in each section were made available in separate volumes and at a popular price.

The brains of the scientist would thus be placed at the disposal of the engineer, the chemist, the teacher, the farmer, the surveyor, the ship-builder, the mining manager, and so on, everyone of whom would be provided with that stimulant to greater attainment which every section of the world's activities needs to-day.

Effect of Mechanical Production.

A question of vital importance was raised by Sir Alfred Ewing in his presidential address, which he described as "An Engineer's Outlook." After recounting some of the inventions which have revolutionised the habits of modern man, and paying tribute to the art of electrical communication as "an unqualified blessing," which has made all the world practically "instant in its interchange of thought," he proceeded to point out that in the present-day thinkers' attitude towards what is called mechanical progress we are conscious of a changed spirit. Where is the sweeping pageant of discovery and invention leading? What is its goal and its probable influence on the future of the human race? Many of the gifts of the engineer, as he said, are benefits to man, but in some there is potential tragedy as well as present burden. "Man was ethically unprepared for so great a bounty. In the slow evolution of morals he is still unfit for the

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"The Madonna of the Mount," a lovely picture by the late T. C. Gotch, given to the Kettering Infant Welfare Centre by the enterprising Kettering Co-operative Society.

A vivid and realistic painting, shown in Paris and London, is "Coming Home from Work," by L. S. Lowry, an artist of Pendlebury, Manchester.

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tremendous responsibility it entails. The command of Nature has been put into his hands before he knows how to command himself." But that is not all.

If there is a possibility that some day we may find ourselves overwhelmed by the forces or elements which the scientists are commanding, we have already reached the stage when, owing to mechanical production taking the place of human effort, the workman " has lost the joy of craftsmanship . . . in many cases unemployment is thrust upon him . . and the world finds itself glutted with competitive commodities produced in a quantity too great to be absorbed, though every nation strives to secure at least a home market by erecting tariff walls." Truly a depressing picture, and Sir Alfred confesses that he cannot tell where to look for a remedy. Perhaps the layman would be forgiven if he suggested that, if it is due to the scientists and the engineers that we have been plunged into the present muddle, the sooner they set about finding a solution the better. He might also venture the opinion that the causes of the world-trouble are to be sought in other directions as well, though the scientist may take his share of the responsibility.

Electricity and the Motor Car.

There seems little doubt that in the near future far-reaching discoveries will be made in the use of electricity which, as Professor Miles Walker stated, is going still further to simplify our factories, lighten the labour of the housewife, and make our cities clean and healthy. He is convinced that as soon as the characteristics of the battery-driven locomotive are sufficiently good, there will be an opening in this country for the battery-driven motor car. Cars will no longer burn petrol, at a national cost of eighteen millions per annum, and pollute the atmosphere of our towns, but will be driven by home-generated electricity. And the professor asks us to imagine hundreds of battery-charging stations, twenty miles apart along our main roads, at which we could, in the course of a few seconds, drop our partly discharged battery and take a new one that would carry us for the next three or four stages. The batteries, he says, would probably belong to the Central Electricity Board, and though we have not yet reached the stage of such perfect batteries, they will probably come some day.

Traders and Workers.

In another part of his paper, Prof. Walker seems to have stepped from the chair of science into that, shall I say, of economics. He declared that the greater part of the money spent by the well-to-do goes into channels that do not contribute to the welfare of the state as a whole, and laid it down that for all the inhabitants of a state to be as wealthy as possible two conditions are necessary: (1) Things that contribute to well-being shall be manufactured at the greatest possible speed at our present state of knowledge, and with the best

appliances available, and (2) The method of distribution shall be so efficient that the people who make the things are able to buy the things they make. Anything that interferes with the second condition will prevent the obtaining of the first.

Then, developing his point, he considers the hundred million inhabitants of the United States of America, who have at hand all raw materials, all food supplies, factories, expert advisers, and means of transport. What, he asks, is to prevent every inhabitant from enjoying a very high standard of life ? What is it that condemns the great majority of them to a very poor standard ? Let him reply in his own words : " It is the system of trading, in which most men are traders and only a few are real workers. And why are there so many traders ? Because under the present rules it is more profitable to trade than to work. Alter the rules so that only the useful workers, useful distributors, and providers of useful capital share the things that are made, and there will hardly be any limit to the material wealth of the individual." Perhaps, in passing, one may hint that there might be violent differences of opinion as to just what is " useful." Space prevents me from following the professor further, but I cull the following from his thought-provoking paper : " One of the things wrong with democracy to-day is that its representatives come to decisions upon matters about which they know very little after long desultory discussion."

Value of the Sound Film.

In the Educational Section several speakers dealt with the film in education. After Sir Benjamin Gott had pointed out that the film must be used to help the teacher and not to replace him, Mr. R. Gow observed that if the kinema is to be developed for classroom teaching it would seem desirable to establish the technique of the " teaching film " as soon as possible. Just as it is possible to approach a subject in education in a variety of ways, so it would be possible to produce an educational film in a variety of styles. So far, experiment has been chiefly concerned with attempts to prove that there is a place for the film in the classroom, but future experiment must concern itself with the kind of film, and the extent of co-operation required of the teacher must be decided.

The educational function of the sound film was described by Mr. F. A. Hoare as the modern method of imparting knowledge and conveying facts, and by reason of its dynamic nature it renders the old method of picture and printed word somewhat obsolete. He believes that geography, economics, science, history, and nearly every subject of the curriculum stand to-day in urgent need of this vitalising and invigorating quality, which the kinematograph can impart, and without which their school treatment must tend to be " a sterile commerce with abstractions."

The Succulent Sardine.

What is a sardine ? Most people know it only when served at the table from a tin, and it may surprise most of those who enjoy these succulent morsels to hear that an enormous and widely-scattered literature has grown up around it, and that the sardine has formed the theme of many a learned lecture. But for the benefit of the serious student of the sardine, as distinguished from the epicure, a very carefully tabulated and extremely full bibliography on the subject has been compiled by the Bureau of Commercial Fisheries at California, dealing both with its natural history and its commercial properties. In this is embodied practically all the result of the researches which have been carried out to elucidate the life-histories of these fishes, and to understand the causes underlying what are described as their erratic habits. From a text-book on fishes, it is learned that the name " sardine " is French in origin, and " is applied to the young of the same species of fish which, when caught by British fishermen, mainly off the Cornish coast, is called by them the pilchard."

Centenary of the " B.M.A."

This year has seen the celebration of the centenary of the British Medical Association, which was founded by a country doctor named Charles Hastings, in a year that was memorable for the first epidemic of Asiatic cholera in England. The " B.M.A." was originally called the Provincial Medical and Surgical Association, and it was not until 1855 that its new name was decided upon. Three years later the Medical Act was passed, and the great body of practitioners throughout the country for the first time received official recognition of their existence.

A hundred years ago the average doctor was said to be " a man of little culture or education," but the strides which the profession has made since then have placed the practitioner of to-day in the very highest position among professional men, and he is regarded as a friend of the family, and one to whom the closest confidences are entrusted. The subjects discussed at the annual meetings of the Association are so wide that they are distributed over from fourteen to twenty sections, and numerous special committees are appointed to consider particular aspects of medical science. Within the past fifty years these committees have reported on such topics as chloroform, the action of various drugs, the prevention of ophthalmia neonator, the treatment of fractures, maternity and child welfare, and tests for drunkenness. The ideals of Hastings were high, but the Association has lived up to them. He sought that it should be a body that would not only look after the interests of its members, but should be also the guardian of the medical interests of the public—an object which continues to inspire the Association and which has resulted in the profession having won the entire confidence and admiration of the world.

The State of The Nation

A Summary of Statistics

The Nation's Social Progress.

A Statistical Review.

POPULATION.

THE decennial census of Great Britain was taken in 1931. The general results of the census have not been published, but the preliminary returns giving the total population of the country show that since the last census in 1921, the number of persons has increased by slightly more than 2,000,000. In England and Wales the population increased by 2,061,000 between 1921 and 1931, but in Scotland it decreased by 40,000. The decline in the Scottish population was due to migration, for the excess of births over deaths, numbering 352,000 in the ten years, was offset by a net loss of 392,000 persons who left the country. In England and Wales the excess of births over deaths in the ten years amounted to 2,238,000. The net loss due to migration was 177,000.

The migration figures reveal that between 1921 and 1931 80 persons out of every 1,000 in Scotland left their country. The corresponding figure for England and Wales was 5 out of every 1,000.

The growth in the population of Great Britain in the ten years between the censuses is shown in this table :—

Year.	Males.	Females.	Total.
1921	20,423,000	22,346,000	42,769,000
1922	20,583,000	22,479,000	43,062,000
1923	20,699,000	22,606,000	43,305,000
1924	20,892,000	22,735,000	43,627,000
1925	20,955,000	22,828,000	43,783,000
1926	21,052,000	22,911,000	43,963,000
1927	21,156,000	23,026,000	44,182,000
1928	21,245,000	23,130,000	44,375,000
1929	21,313,000	23,178,000	44,491,000
1930	21,403,000	23,249,000	44,652,000
1931	**21,465,000**	**23,326,000**	**44,791,000**

Two important factors in the grouping of the population need to be recorded. Firstly, the slight change in the ratio of males to females. Between 1921 and 1931 the male population had increased by 5·1 per cent and the female population by 4·3 per cent. This tendency will in time bring the sex groupings into a more equal position. Secondly, the changes in age groupings. The full particulars of the 1931 census are not yet published, but the declining birth rate, and the longer expectation of life combine to produce a social organisation in which the number of young people grows smaller while the number of older people grows larger.

MARRIAGES, BIRTHS, and DEATHS.

The marriage rate has been maintained in spite of bad trade and unemployment. But it should be noted that 1931 marked the beginning of the worst effects of the economic crisis. In that year, there was a slight falling-off in the marriage rate, a tendency which may be continued into 1932.

MARRIAGES.

Year.	England and Wales.		Scotland.		Total Number.
	Number.	Rate per 1,000 Population.	Number.	Rate per 1,000 Population.	
1920	379,982	20·2	46,754	19·2	426,736
1922	299,524	15·7	34,375	14·0	333,899
1924	296,416	15·3	32,328	13·3	328,744
1925	295,689	15·2	32,456	13·3	328,145
1926	279,860	14·3	31,244	12·8	311,104
1927	308,370	15·7	32,553	13·3	340,923
1928	303,228	15·4	32,957	13·5	336,185
1929	313,316	15·8	32,999	13·5	346,315
1930	315,109	15·8	33,343	13·7	348,452
1931	311,402	15·6	32,669	13·5	344,071

The birth rate in 1931 shows a decline from the previous years. The actual number of births in Great Britain in 1931 was 19,129, or 2½ per cent less than the number of children born in 1930.

BIRTHS.

Year.	England and Wales.		Scotland.		Total Number.
	Number.	Rate per 1,000 Population.	Number.	Rate per 1,000 Population.	
1920	957,782	25·5	136,546	28·1	1,094,328
1922	780,124	20·4	115,085	23·5	895,209
1924	729,933	18·8	106,900	21·9	836,833
1925	710,582	18·3	104,137	21·3	814,719
1926	694,563	17·8	102,449	20·9	797,012
1927	654,172	16·6	96,672	19·8	750,844
1928	660,267	16·7	96,822	19·8	757,089
1929	643,673	16·3	92,880	19·2	736,553
1930	648,881	16·3	94,549	19·5	743,430
1931	632,081	15·8	92,220	19·0	724,301

The provisional figures of the death rate for 1931 show an increase on 1930, but a lower total figure than 1929.

DEATHS.

Year.	England and Wales.		Scotland.		Total Number.
	Number.	Rate per 1,000 Population.	Number.	Rate per 1,000 Population.	
1920	466,130	12·4	68,179	14·0	534,309
1922	486,780	12·8	72,905	14·9	559,685
1924	473,235	12·2	70,357	14·4	543,592
1925	472,841	12·2	65,507	13·4	538,348
1926	453,804	11·6	63,780	13·0	517,584
1927	484,609	12·3	65,830	13·5	550,439
1928	460,389	11·7	65,271	13·3	525,660
1929	532,492	13·4	70,917	14·5	603,409
1930	455,427	11·4	64,285	13·3	519,712
1931	491,630	12·3	64,229	13·3	555,859

NATIONAL INCOME.

The trade depression has had a serious effect upon the income of the country. The extent to which the national income has been reduced by the depression cannot accurately be calculated. Guesswork has to serve the place of correct information. When Professor Bowley and Sir Josiah Stamp made their estimate of the national income in 1924 they calculated the total income of £4,140,000,000 to be divided as follows: wages £1,600,000,000, salaries £742,000,000, rents £252,000,000, and profits £1,546,000,000. These calculations were based mainly upon income tax returns.

The following table gives the particulars of incomes assessed for tax under each schedule.

INCOME TAX ASSESSMENTS.
In £ millions.

Year.	SCHEDULES.						Total.
	A	B	C	D	E (1)	E (2)	
1923–24	222·4	29·9	129·9	985·2	301·2	634·7	2,303·3
1924–25	224·6	29·3	135·5	1,016·4	343·5	651·4	2,400·7
1925–26	224	28·2	135·1	1,033·3	243·1	673·1	2,336·9
1926–27	238·7	28·9	135·6	106·9	196·3	673·6	2,337
1927–28	248	27	142·6	1,013·2	285·4	700	2,416·2
1928–29	254·1	27·4	153·4	1,064·9	284·5	710	2,494·4
1929–30	260	27	158	1,060	295	720	2,520
1930–31 (estimated).	268	26	161	1,000	260	725	2,440

It will be seen that the total of incomes assessed for taxation was estimated to be £80,000,000 less in 1930–31 than in 1929–30. Although there are no official estimates for 1931–32, experience of trade in that year indicates that a much greater reduction than £80,000,000 is to be expected. The figures for 1930 show the trend :—

Schedule A (income from ownership of land, houses, &c.) shows an estimated increase of £8,000,000 over 1929.

Schedule B (profits from the occupation of land, chiefly farms) shows an estimated deficit of £1,000,000.

Schedule C (income from home and foreign securities) shows an increase of £3,000,000.

Schedule D (profits from businesses and professions) shows a decline of £60,000,000.

Schedule E (1) (weekly wage earners) shows a falling-off of £35,000,000.

Schedule E (2) (salaries) an increase of £5,000,000.

The estimated reduction, therefore, has been caused by a diminution in wages earned, in profits from businesses and professions, and in farming. But in spite of these reductions, the total of £2,440,000,000 is approximately £40,000,000 greater than the total incomes assessed for tax in 1924, when Bowley and Stamp made their calculations.

INCOME TAX PAYERS.

The estimated number of individuals with total incomes above the exemption limits are shown in this table.

Year.	Entirely relieved by operation of allowances.	Chargeable with Tax.	Total above the limit.
1924–25	2,800,000	2,400,000	5,200,000
1925–26	2,400,000	2,200,000	4,600,000
1926–27	2,250,000	2,250,000	4,500,000
1927–28	2,750,000	2,200,000	4,950,000
1928–29	2,800,000	2,200,000	5,000,000
1929–30	2,900,000	2,250,000	5,150,000
1930–31	**2,750,000**	**2,200,000**	**4,950,000**

SURTAX ASSESSMENTS.

In addition to income tax, assessments for surtax are made on incomes exceeding £2,000 per annum. The incomes assessed and the number of individuals concerned are given in this table :—

Year.	Number of persons.	Total income assessed.	Net tax assessed.
		£	£
1923–24	94,612	551·9	68·5
1924–25	95,296	548·6	67·3
1925–26	97,479	557	57·2
1926–27	98,589	555·2	55·8
1927–28	98,127	544·2	53·4
1928–29	97,696	541·3	52·6

WAGES.

Wage reductions have played a part in reducing the total national income. The table below shows the net amount of changes in wages in all insured occupations. The figures, therefore, do not refer to Government employees, agricultural labourers, domestic servants, shop assistants, and clerks in unorganised trades. The wage changes take no account of unemployment or short time working.

CHANGES IN WAGES.

Year.	Number of separate individuals reported as affected by			Estimated net weekly amount of change in rates of wages.		
	Net Increases.	Net Decreases.	Total.	Increases.	Decreases.	Net Increase + or Decrease − all Workers.
				£	£	
1924	3,019,000	481,500	3,873,000	616,000	62,100	+ 553,900
1925	873,000	851,000	2,056,000	80,900	159,000	− 78,100
1926	420,000	740,000	1,607,000	133,000	83,700	+ 49,300
1927	282,000	1,855,000	2,199,000	30,700	388,500	− 357,800
1928	217,000	1,615,000	2,019,000	21,800	163,800	− 142,000
1929	142,000	917,000	1,354,000	12,900	91,700	− 78,800
1930	768,000	1,100,000	1,953,000	59,500	116,100	− 56,600
1931	46,000	2,995,000	3,041,000	...	399,500	− 399,500
1932—Jan.	110,000	335,000	445,000	3,300	63,600	− 60,300
April	7,000	187,000	194,000	450	11,800	− 11,350
July	18,000	170,000	188,000	250	11,900	− 11,650

It will be seen from the table above that wage reductions have been taking place since 1925. To some extent reduced prices have compensated these reductions, as is shown by the wages index on page 322. But this section is dealing with changes in the money incomes of the people; and a net loss of nearly £400,000 per week in 1931 must have had a serious effect on the purchasing power of the people. The yearly reduction will amount to £20,000,000, without taking unemployment and short time working into consideration. The same tendency to reduce wages is seen in the provisional figures for 1932. The complete figure for the year will be swollen by the wage reductions in the cotton industry.

CAPITAL.

The national income is used in three main ways—a part is spent on goods and services; a part is used for capital investments to keep industry and commerce functioning; and a part is used for the payment of rates and taxes.

Capital investments are made directly by individuals who have money available for the purpose, or by banks and other financial institutions out of the collective deposits placed in their charge.

NEW ISSUES OF CAPITAL.

The table below gives the particulars of new issues of capital. The figures are reckoned in £ millions:—

Year.	Domestic.	Colonial.	Foreign.	Total.
1913	36	76·1	84·4	196·5
1927	206·9	99·8	48·5	355·2
1928	263·6	63·2	42·3	369·1
1929	198	61	26·2	285·2
1930	170·6	61·5	35·6	267·8
1931	54·5	38·5	9·1	102·1
1932 (six months) ...	146·3	17·4	Nil.	163·7

The domestic issue for the first six months of 1932 includes £107,600,000 in respect of the 3 per cent Treasury Bond issue made in May, less a sum of £4,400,000 representing encashments of War Savings Certificates. Thus, without the Treasury Bonds the capital issues of the period would have totalled £60,000,000, compared with £70,000,000 in the first six months of 1931, and £104,000,000 in the first half of 1930.

The trend of capital investments reflects the state of trade. Without a trade revival the investments of capital necessary for the life of industry will continue to decline. But here economic organisation is in a vicious circle. The depression has made the investing public refrain from risking their wealth in industrial investments. They over-subscribe to safe government loans, or keep their money on deposit in the banks, and thus prevent, to some extent, the reorganisation and re-equipment of industry, both of which are necessary for stimulating a trade revival.

SAVINGS.

There are many avenues which are open for the people to use for the purposes of thrift and saving. The following group of tables show how far the main avenues are used :—

POST OFFICE DEPOSITS.

Year.	Number of Accounts.	Deposits.	Amounts due to Depositors.	Average due each Depositor.
				£ s. d.
1924	10,670,810	81,056,000	280,373,000	26 4 4
1925	10,672,801	82,986,000	285,491,000	26 13 9
1926	10,427,546	73,877,000	283,658,000	27 2 9
1927	9,985,871	75,660,000	284,650,000	28 8 7
1928	9,783,442	77,778,000	288,619,000	29 8 5
1929	9,834,716	77,421,000	284,953,000	28 17 10
1930	**9,855,817**	**76,120,000**	**290,235,000**	**29 7 4**

WAR SAVINGS CERTIFICATES.

Years ended March 31st.	Amount subscribed.	Amount repaid (excluding interest).	Left invested (excluding interest).
	£	£	£
1924	45,213,000	32,916,000	366,139,000
1925	32,226,000	29,529,000	368,836,000
1926	35,118,000	28,378,000	375,575,000
1927	31,743,000	35,189,000	371,823,000
1928	35,863,000	39,441,000	362,448,000
1929	40,779,000	41,002,000	361,238,000
1930	41,110,000	44,366,000	358,041,000
1931	**50,473,000**	**36,912,000**	**371,602,000**

BUILDING SOCIETIES' DEPOSITS.

Year.	No. of Societies.	No. of Members.	Share Capital.
			£
1924	1,112	1,000,988	108,983,304
1925	1,092	1,129,455	127,827,111
1926	1,064	1,257,400	147,739,000
1927	1,054	1,416,456	172,818,111
1928	1,035	1,130,066	213,235,101
1929	1,026	1,265,329	250,224,511
1930	**1,026**	**1,449,432**	**302,784,697**

The amounts deposited in the joint-stock banks and private banks in Great Britain appear below. Deposits and acceptances describe the money placed in charge of the banks : investments, discounts, and advances explain the way in which bank money is used.

BANK DEPOSITS.

Year.	No. of Banks.	No. of Branches.	Capital and Reserves.	Deposits and Acceptances.	Investments, Advances, &c.
			£	£	£
1924	30	10,212	157,310,000	2,221,985,623	1,749,344,866
1925	30	10,438	161,418,000	2,205,508,929	1,739,455,486
1926	30	10,694	165,970,200	2,230,184,078	1,769,675,477
1927	29	10,995	167,384,200	2,310,969,494	1,768,194,990
1928	28	11,228	170,700,793	2,460,023,222	1,833,364,120
1929	28	11,474	172,809,865	2,364,355,172	1,809,992,307
1930	28	11,800	177,897,501	2,382,231,193	1,887,728,934
1931	**28**	**11,841**	**168,364,754**	**2,222,578,911**	**1,752,890,169**

CO-OPERATIVE SOCIETIES.

The retail co-operative societies are used by the members as a means of saving. The common method is to allow dividends on purchases to accumulate and automatically become share capital.

Year.	No. of Members.	Share Capital.	Loan Capital.	Savings Bank Deposits.	Totals.
		£	£	£	£
1913	2,878,648	37,275,057	5,326,708	...	42,601,765
1924	4,702,868	80,216,116	13,837,825	4,097,680	98,151,621
1926	5,186,728	87,909,381	16,125,992	4,105,378	108,140,751
1928	5,885,135	99,327,922	19,335,744	4,593,536	123,258,202
1929	6,168,994	106,564,889	21,157,279	4,817,112	132,638,280
1930	6,402,966	112,957,896	22,972,023	4,955,887	140,885,806
1931	**6,590,020**	**117,968,460**	**24,465,091**	**5,007,626**	**147,441,177**

The figures in the last column do not represent the total capital of the movement in the respective years. The totals given above are the aggregate savings of the members of the co-operative societies invested or deposited in their societies.

INDUSTRY AND TRADE.

The Board of Trade publishes an index of production, which is a guide to the industrial activity of the country. It is based on the conditions obtaining in 1924—(*a*) means first quarter of 1932 ; and (*b*) second quarter of 1932 :—

INDEX OF PRODUCTION.

	Percentage Total Production.	1929.	1930.	1931.	(a) 1932.	(b) 1932.
General Index	100	112	103	94	95	94
Mining	20·1	97	91	82	83	77
Manufactures	80·1	115	106	97	98	98
Iron and Steel	10·3	114	89	66	70	67
Non-ferrous Metal	1·5	121	119	100	98	93
Engineering and Shipbuilding	19	121	117	95	91	90
Textiles	18·7	99	79	77	91	97
Chemicals	3·5	116	101	95	103	104
Leather Trades	3·5	99	101	100	100	97
Food and Drink	13·7	106	105	105	94	102
Gas and Electricity	4·8	136	140	143	...	...

It will be seen from the table that production has generally been declining since 1929. This decline is most marked in iron and steel, engineering and ship-building, and in the non-ferrous metal trades. The increasing use of gas and electricity for industrial purposes has increased the index figure for that group. Iron and steel production, in 1931, was 34 per cent below the figures for 1924. The same conditions seem likely to obtain in 1932. Coal production is about 20 per cent below the 1924 level. Of the heavy industries, only chemicals show increased production, and even the relatively prosperous food and drink trades appear to be falling off in 1932.

IMPORTS AND EXPORTS.

Great Britain for many years has been a nation engaging in foreign trade to a considerable extent. The tables below summarise the position of our imports and exports. In comparing these figures, it should be noted that in the autumn of 1931 import duties were placed on many imported goods. Full particulars of the import duties are given on pages 333 to 335, and reference should be made to the tables on those pages when comparisons are being made with imports of previous years. The figures represent £ millions :—

IMPORTS.

Year.	Food, Drink, and Tobacco.	Raw Materials, Articles mainly unmanufactured.	Articles wholly or mainly manufactured.	Total (including other items).
1924	571·2	400	299·8	1,277·4
1925	570·1	424·8	319·6	1,320·7
1926	529·8	392·2	314·7	1,241·4
1927	538·5	351·7	322·4	1,218·3
1928	530·9	334·7	317·8	1,195·6
1929	535·5	339·6	334·4	1,220·8
1930	475·6	250·8	307·5	1,044·8
1931	417	173·4	262	862·2
1932 (first 9 months)..	273·3	123·2	118·3	520·2

There was a considerable reduction in our imports in 1931 compared with 1930. The reduction was mainly in the raw material section, and it corresponded with the decline in industrial production. The reduction in the food, drink, and tobacco section in 1931 was 12·3 per cent less than 1930 imports, mainly due to the fall in prices. The figures for the first nine months of 1932 show reductions on the figures for the same period of 1931, which were: food, &c., £298,000,000 ; raw materials, £123,240,000 ; manufactured goods, £118,300,000 ; and the total £621,400,000.

EXPORTS OF U.K. PRODUCE.

Year.	Food, Drink, and Tobacco.	Raw Materials, Articles mainly unmanufactured.	Articles wholly or mainly manufactured.	Total (including other items).
1924	57	106·5	618·9	801
1925	55	84·4	616·6	773·4
1926	50·5	47·2	539·3	653
1927	52·3	76·4	563·9	709·1
1928	54·3	70·1	578·9	723·6
1929	55·7	78·9	573·8	729·3
1930	48·3	63·9	439·8	570·6
1931	35·5	47·1	290·6	389·2
1932 (first 9 months)..	23·4	31·8	206·8	271·1

The reduction in our export trade is clearly seen in this table. Total exports in 1931 were little more than half of the figure for 1929. The position of the export trades in the first nine months of 1932 is slightly worse than in the same period of 1931.

EXPORTS OF IMPORTED MERCHANDISE.

The same decline is shown in the figures of exports of imported merchandise. Again the position in the first nine months of 1932 is slightly worse than in the same period of 1931.

Year.	Food, Drink, and Tobacco.	Raw Materials, Articles mainly unmanufactured.	Articles wholly or mainly manufactured.	Total (including other items).
1924	29·8	76·2	33·7	140·
1925	32·1	90·3	31·5	154
1926	26·4	73·8	25·2	125·5
1927	26·5	71·2	25	123
1928	27·5	66·4	26	120·3
1929	26	54·3	28·9	109·7
1930	23·8	38·4	24·2	86·9
1931	20·2	25·8	17·5	64
1932 (first 9 months)..	11·8	17·9	9·1	39

AGRICULTURE.

Agriculture is still one of the most important industries in the country. The following tables show the extent of production in thousand tons, and the acreage of land under cultivation :—

AGRICULTURAL PRODUCTION.

Year.	Wheat.	Barley.	Oats.	Potatoes.	Turnips.	Hay.
1924	1,444	1,268	2,950	5,862	21,437	14,630
1925	1,438	1,287	2,954	7,516	20,171	13,326
1926	1,397	1,170	3,172	6,663	22,488	14,450
1927	1,532	1,093	2,907	7,354	18,755	13,116
1928	1,365	1,255	3,061	7,945	20,913	12,816
1929	1,365	1,229	3,253	8,874	19,433	12,185
1930	1,161	952	2,897	6,797	17,682	14,436
1931	1,034	954	2,608	5,784	16,262	14,935

AGRICULTURAL LAND.

The acreage of agricultural land occupied in use in England and Wales is set out in the following table. In addition, approximately 1,200,000 acres of heath and mountain lands and other lands were grazed in common in 1930. The figures in the table refer to thousands of acres :—

Year.	Arable.	Permanent Pasture.	Total Crops and Grass.	Rough Grazings.	Total Agricultural Land.
1914	10,998	16,116	27,114	3,782	30,896
1920	12,020	14,487	26,507	3,629	30,136
1930	9,833	15,547	25,380	4,094	29,474
1931	9,582	15,700	25,283	5,316	30,599

Employment in agriculture and comparisons with other industries are given on page 325. The figures of production show that agriculture, too, has suffered from the depression.

PRICES.

One of the most important features in the present trade crisis has been the abnormal fall in prices. The table below shows the changes in wholesale prices during the last eight years. It is based on the averages of 1924 = 100.

WHOLESALE PRICES.

	1926.	1928.	1929.	1930.	1931.	July, 1932.
Cereals	93·8	93·1	86·1	68·1	56·1	58·8
Meat and Fish	100·1	91·7	95·2	91·3	75·8	66·7
Other Foods	86·6	90·4	82·4	71·8	71·1	69·7
Total Food	93·1	91·6	87·4	76·1	67·2	64·9
Iron and Steel	86·4	78·6	79·9	78·9	73·4	72·0
Other Metals and Minerals	103·4	78·0	83·5	74·6	65·0	61·6
Cotton	69·5	72·1	67·8	53·2	42·5	39·5
Other Textiles	81·9	84·2	77·1	58·0	48·6	44·7
Other Articles	92·0	90·3	86·0	78·5	67·0	57·7
Total Not Food	87·0	80·7	79·4	69·6	60·3	55·7
All Articles	89·1	84·4	82·1	71·9	62·6	58·8

The disastrous fall in the prices of some of the groups is clearly revealed. Cotton, for example, in 1931 and 1932 stood at less than half of the 1924 prices. It should be borne in mind that each group contains raw materials and manufactured goods, and, in consequence, the price changes indicate the aggregate effect in the fall of raw material prices.

The table below shows the comparison of prices in July, 1932, with the average of prices in 1913 = 100 :—

Cereals.	Meat and Fish.	Other Foods.	Total Food.	Iron and Steel.	Coal.	Other Metals and Minerals.	Cotton.	Wool.	Other Textiles.	Other Articles.	Total not Food.	All Articles.
94·1	102·5	127·1	108·0	102·8	118·7	74·2	89·9	85·2	74·1	90·9	92·4	97·7

The general price level, therefore, in July, 1932, was 2·3 per cent below the 1913 averages. The food group was 8 per cent higher, and the whole range of commodities, excluding foodstuffs, was 7·6 per cent below the 1913 level, including foodstuffs, was 2·3 per cent below. Production and commerce have for two years been faced with the position in which the prices of goods have been, in the main, at or below pre-war prices, while their costs of production and distribution have been above the pre-war levels. In numerous cases trade has been carried on definitely at a loss, with a hope that recovery was not far away.

Three of our leading authors, Maurice Baring standing, G. K. Chesterton left, and Hilaire Belloc right, as well painted by H. James Gunn.


TÖREKVÉS
TAKARÉKPÉNZTÁR
NEW YORK ÁRUHÁZ
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The headquarters in Buda-Pesth, Hungary, of the well-known Co-operative, Altalanos C·W·S, Törekvés Savings Bank, and Corvinia Insurance Society Limited.

RETAIL PRICES.

The decline in wholesale prices has affected the course of retail prices. The decline in retail prices, however, has been less severe than in wholesale prices. The reason is found in the rigidity of costs in distribution and retailing, for rents, taxes, wages, power, fuel, light, transport, and other costs have not moved in a downward direction. These costs make up the difference between wholesale and retail prices. Their rigidity, therefore, has prevented retail prices from falling steeply. This table is the Ministry of Labour Cost of Living Index. It is not strictly comparable with the wholesale prices index, but it is the only available guide to retail prices.

COST OF LIVING.

Changes in retail prices are shown in this table, which gives the percentage increase over prices in July, 1914.

Year.	Food.	Rent and Rates.	Clothing.	Fuel and Light.	Other Items.	All Items.
1924	70	47	125	86	80	75
1925	71	47	129	82	80	76
1926	64	49	121	105	80	72
1927	60	51	114	83	80	67½
1928	57	51	119	69	80	66
1929	54	52½	118	71	80	64
1930	45	53	111	72½	77½	58
1931	31	54	96	74	75	48
1932 (July)	25	54	88	68	72½	43

PURCHASING POWER.

The table above shows that the cost of living has been falling steadily since 1925, and the process has been accelerated during the last three years. At the same time, wages have been reduced, as shown in the table on page 313.

The following table estimates changes in purchasing power calculated from wage changes and the movements in retail prices. It represents the wages index number as compiled by the Trade Unions Congress Research Department, and shows the course of money wages and real wages in 36 principal occupations. It is based on 1920 wages = 100.

Year. July.	Money Wage Rates.	Real Wages: In terms of purchasing power.
1927	65·5	103·5
1928	66	99·5
1929	66	102·5
1930	65·5	97·5
1931	64·5	97
1932	64·0	98

The table on the next page shows the changes in the value of the £ measured in foodstuffs at retail prices. It will be seen that, in spite of the fall in prices since 1929, the £ in 1932 bought only 16s. worth of foodstuffs at pre-war prices.

THE PURCHASING POWER OF THE POUND.

Based on the Ministry of Labour's Cost of Living index.	Cost of One Week's Food.		Increase above July, 1914.		Purchasing Power of £1 on Food.	
	Towns over 50,000	Towns under 50,000	Towns over 50,000	Towns under 50,000	Towns over 50,000	Towns under 50,000
	s. d.	s. d.	per cent.	per cent.	s. d.	s. d.
1914—July	25 0	25 0	—	—	20 0	20 0
December 1st	29 3	28 9	17	15	17 0	17 5
1915—July 1st	33 9	32 6	35	30	14 10	15 4
December 1st	36 6	35 6	46	42	13 8	14 1
1916—January 1st	37 0	35 6	48	42	13 6	14 1
July 1st	41 3	39 3	65	57	12 1	12 8
1917—January 1st	47 9	45 9	91	83	10 5	10 11
July 1st	52 3	49 9	109	99	9 6	10 0
1918—January 1st	52 9	50 6	111	102	9 6	9 11
July 1st	53 6	51 6	114	106	9 5	9 8
1919—January 1st	58 6	56 0	134	125	8 6	8 10
July 1st	53 6	51 6	114	105	9 5	9 9
1920—January 1st	60 0	58 0	140	132	8 4	8 7
July 1st	65 6	63 9	162	155	7 7	7 10
1921—January 1st	70 3	68 9	181	175	7 1	7 3
July 1st	55 6	54 9	122	119	9 0	9 1
December 31st	46 6	46 0	86	84	10 9	10 10
1922—July 1st	45 6	44 6	82	78	11 0	11 3
1923—January 1st	44 0	43 3	76	73	11 4	11 7
June 30th	40 9	40 0	63	60	12 3	12 6
1924—January 1st	44 3	43 6	77	74	11 3	11 6
June 30th	40 9	40 3	63	61	12 3	12 6
1925—January 1st	45 0	44 3	80	77	11 1	11 3
July 1st	42 3	41 6	69	66	11 10	12 0
1926—January 1st	43 3	42 6	73	70	11 7	11 9
July 1st	40 9	39 9	63	59	12 3	12 6
1927—January 1st	42 3	41 6	69	66	11 10	12 0
July 1st	40 3	39 6	61	58	12 5	12 7
December 31st	40 9	40 3	63	61	12 3	12 5
1928—June 30th	39 6	39 0	58	56	12 8	12 10
1929—January 1st	39 9	39 6	59	58	12 7	12 8
July 1st	37 6	37 3	50	49	13 4	13 5
1930—January 1st	39 6	39 0	58	56	12 8	12 10
July 1st	35 3	35 3	41	41	14 2	14 2
1931—January 1st	34 9	34 6	39	38	14 5	14 6
July 1st	32 6	32 6	30	30	15 5	15 5
October 1st	31 9	32 0	27	28	15 9	15 8
1932—January 1st	33 0	32 9	32	31	15 2	15 3
July 1st	31 3	31 3	25	25	16 0	16 0
October 1st	31 3	31 3	25	25	16 0	16 0

The course of retail prices is clearly indicated. From 1914 to 1920, due to inflation and shortage of supplies, prices increased by more than 150 per cent. An increase in prices has the same meaning as a decrease in purchasing power. In 1920 and 1921 the Treasury started its efforts to reverse the inflationist policy, and since January, 1921, the purchasing power of the £ has gradually increased. The deflationist policy pursued by the Government has reduced the prices of goods. In January, 1921, the retail prices of foodstuffs in the large towns were 181 per cent higher than pre-war, and 175 per cent higher in the small towns; by October, 1932, these prices had fallen until they were only 25 per cent above pre-war prices.

STOCKS OF COMMODITIES

One of the causes of the fall in prices has been the immense stocks of primary goods in the world awaiting consumption. This table shows the stocks of staple commodities available for sale in each of the years 1928 to 1932, and reveals the condition of plenty which prevails in the world :—

QUANTITIES. (add 0's to totals).	1928.		1929.		1930.		1931.		1932.	
	Jan.	July.	Jan.	July.	Jan.	July.	Jan.	July.	Jan.	July.
Cotton (000 bales)	7,421	4,962	7,819	6,749	8,089	5,951	9,897	7,572	10,193	8,205
Silk (000 bales)	145	85	134	86	190	179	237	197	278	200
Tin (000 tons)	24	25·5	31·5	30·5	37·4	50·7	52·6	62·0	61·7	61
Spelter (000 tons)	45	41	43	36	72	111	140	144	137	140
Silver (000,000 ozs.)	488	457	505	547	572	625	625	667	637	680
Rubber (000 tons)	312	271	297	301	383	430	506	546	644	644
Petroleum (000,000 barrels)	543	571	570	612	624	632	603	587	556	552
Wheat (000,000 bushels) ...	400	381	565	351	584	379	583	443	609	445
Sugar (000,000 tons)	4·7	4·8	5·1	5·7	6·5	6·8	8·3	8·1	8·6	8·1
Tea (000,000 lbs.)	239	179	241	239	286	230	288	223	269	200
Coffee (000,000 bags).....	18·1	18·2	18·8	14·3	25·0	31·4	32·7	28·7	37·3	33·5

EMPLOYMENT.

The problem of unemployment, in the last year, has become increasingly difficult to solve, and has grown in extent. The trade depression has increased the number of unemployed by 920,000 in two years. This table shows the number of insured workers in Great Britain and Northern Ireland. Insured workers do not include agricultural labourers, domestic servants, some civil servants, and some grades of railway workers.

INSURED WORKERS.

Year.	Men.	Boys.	Women.	Girls.	Total.
July, 1924.....	8,022,200	563,600	2,685,800	392,400	11,664,000
,, 1925.....	8,135,600	581,800	2,766,000	408,600	11,892,000
,, 1926.....	8,264,500	579,300	2,782,600	414,600	12,041,000
,, 1927.....	8,315,300	583,700	2,811,300	420,700	12,131,000
,, 1928.....	8,049,870	572,030	2,837,090	422,510	11,881,500
,, 1929.....	8,157,820	597,530	2,890,340	448,310	12,094,000
,, 1930.....	8,326,600	604,930	3,014,360	459,810	12,405,700
,, 1931.....	8,598,200	588,800	3,135,000	448,000	12,770,000
,, 1932.....	**8,736,500**	**565,800**	**3,070,000**	**435,700**	**12,808,000**

It will be seen from the above table that the number of insured workers has been increasing more or less proportionately with the increase in the population in the group aged 16 to 64. From 1928 onwards only persons between the ages 16 to 64 have been insured.

The tables on the following page show the number of insured workers in the principal industries.

The estimated number, up to 1928, included persons aged over 64. From 1928 onwards only those aged 16 to 64 inclusive are included.

INSURED WORKERS IN PRINCIPAL INDUSTRIES.

Year. July.	Coal Mining.	Chemicals.	Iron and Steel.	General Engineering.
1924	1,259,470	98,230	236,820	628,360
1925	1,233,330	96,400	223,690	623,270
1926	1,225,560	93,980	216,630	612,340
1927	1,198,890	95,420	219,440	600 390
1928	1,115,910	100,300	200,700	582,130
1929	1,074,710	105,890	200,790	586,750
1930	1,069,480	103,610	202,700	592,250
1931	1,046,870	105,690	188,830	576,380
1932	**1,044,920**	**115,240**	**185,840**	**551,200**

Year. July.	Electrical, Marine, and Constructional Engineering.	Construction and Repair of Motor Vehicles and Aircraft.	Shipbuilding.	Cotton Textiles.
1924	161,270	203,510	254,230	572,420
1925	163,090	214,220	240,120	573,330
1926	161,600	223,570	223,100	575,100
1927	163,890	232,860	216,030	570,110
1928	162,090	234,830	202,430	553,970
1929	171,120	245,410	204,500	554,790
1930	177,800	247,140	204,720	564,090
1931	177,290	251,320	195,390	550,110
1932	**173,910**	**252,080**	**181,930**	**517,950**

Year. July.	Woollen Textiles.	Textile Bleaching, Printing, and Dyeing.	Tailoring, Dressmaking, and Millinery.	Boots and Shoes.
1924	261,630	120,670	298,580	143,300
1925	256,120	118,200	303,020	144,310
1926	253,550	118,140	302,260	145,260
1927	249,180	120,960	306,710	141,740
1928	242,590	116,670	304,200	134,530
1929	239,030	116,230	302,750	135,250
1930	240,460	116,900	303,720	135,840
1931	238,870	115,000	316,540	137,840
1932	**233,610**	**112,090**	**314,630**	**137,970**

Year. July.	Food, Drink, and Tobacco.	Printing and Paper Trades.	Building.
1924	511,420	361,450	726,280
1925	520,210	362,720	758,930
1926	522,740	373,310	804,590
1927	523,110	379,140	847,860
1928	507,440	374,390	816,560
1929	512,440	386,780	825,980
1930	525,430	399,320	832,270
1931	534,650	410,840	858,170
1932	**535,810**	**418,060**	**856,910**

Year. July.	Railways.	Road Transport.	Distributive Trades.
1924	172,730	269,990	1,354,910
1925	168,610	278,890	1,465,050
1926	160,010	291,550	1,514,140
1927	148,660	306,980	1,581,070
1928	140,350	317,750	1,613,790
1929	138,390	337,310	1,679,090
1930	137,830	351,890	1,764,390
1931	140,020	379,250	1,874,780
1932	**134,450**	**389,670**	**1,950,240**

UNEMPLOYMENT.

The alarming increase in unemployment is revealed in the following table. The actual percentage of unemployed was less in 1932 than in 1931, due to the increase in population. The decline in the number of women unemployed is due to the operation of the Means Test, which has struck many unemployed married women from the register. With the addition of unemployed persons struck off by the Means Test, the total unemployed is over 3,000,000.

UNEMPLOYMENT.

July.	Males.	Per cent.	Females.	Per cent.	Total.	Per cent.
1924	896,650	10·4	241,137	7·8	1,137,787	9·8
1925	1,029,176	11·8	300,041	9·5	1,329,217	11·2
1926	1,331,194	15·1	406,066	12·7	1,737,260	14·4
1927	925,121	10·4	188,842	5·8	1,113,963	9·2
1928	1,091,732	12·9	230,828	7·3	1,322,560	11·3
1929	921,235	10·7	219,308	6·8	1,140,543	9·6
1930	1,481,787	16·9	520,192	15·4	2,001,979	16·5
1931	2,062,557	23·8	650,793	19·5	2,713,350	22·6
1932	2,415,819	23·2	505,125	16·4	2,920,944	21·5

COMPARISONS BY TRADES.

Industry.	1924.	1926.	1927.	1928.	1929.	1930.	1931.	1932.
Coal Mining	6·9	8·8	21·5	29·1	18·9	28·2	36·4	41·2
Chemicals	9·4	12·8	6·2	6·0	6·1	11·7	17·3	16·2
Iron	14·2	66·7	12·3	21·2	10·1	28·3	34·7	41·4
Steel	20·4	58·5	18·2	24·4	19·9	33·0	42·8	48·5
General Engineering	14·5	17·6	9·2	9·7	8·9	16·9	28·3	28·8
Electrical Engineering	4·9	8·5	4·8	5·0	3·8	8·4	14·7	16·4
Marine Engineering	16·3	28·9	13·2	13·4	8·9	16·0	43·7	50·4
Constructional Engineering	11·8	23·1	7·6	9·7	10·0	17·3	25·4	34·2
Construction and Repair of Motor Vehicles and Aircraft	7·9	9·7	7·9	9·4	7·2	16·6	23·3	22·2
Shipbuilding	28·3	41·7	22·3	28·3	23·0	31·7	54·5	59·5
Cotton Textiles	15·9	28·3	9·4	15·2	14·4	45·4	41·5	31·1
Woollen and Worsted	7·3	23·5	9·5	15·1	15·8	26·3	36·0	26·6
Textile Bleaching, Printing and Dyeing	11·8	21·6	11·1	14·3	15·8	32·2	36·2	27·6
Tailoring	6·3	8·8	5·0	7·4	6·4	11·9	15·7	16·1
Dressmaking and Millinery	5·7	5·8	4·0	4·3	3·4	5·2	8·2	8·5
Boots and Shoes	7·5	14·2	12·7	19 8	14·0	18·2	23·5	22·6
Baking	8·7	7·3	5·5	6·1	6·0	9·3	11·9	11·0
Drink Industries	6·3	6·7	5·3	6·1	6·1	9·3	13·3	13·2
Tobacco	7·8	4·5	4·2	4·4	3·9	7·4	13·0	8·0
Papermaking	6·8	8·2	5·4	4·2	3·7	8·4	15·8	13·1
Printing, Publishing, and Bookbinding	4·7	5·8	4·3	4 0	3·8	6·4	9·9	10·2
Building	9·8	9·3	7·1	10·4	8·7	14·0	18·9	27·6
Distributive Trades	5·7	6·6	4·4	5·2	5·4	8·7	11·7	12·0
Railways	5·3	17·4	4·3	6·6	4·4	6·5	11·1	15·2
Road Transport	14·5	14·3	9·6	10·8	10·5	14·8	19·2	21·9

COST OF UNEMPLOYMENT.

The table below, which gives the particulars of the unemployment insurance fund, explains the cost of unemployment. In the year ending March, 1932, a total sum of £94,994,000 was paid out in insurance payments. The insurance or contributory basis of the fund does not maintain the benefits paid out. The deficit at the end of the 1932 period amounted to £112,860,000.

THE INSURANCE FUND.

Receipts.	Year ending March.			
	1929.	1930.	*1931.	*1932.
Contributions :—	£	£	£	£
Employers and Workers	30,165,861	30,564,614	29,735,000	33,275,000
State	11,757,831	19,411,386	35,470,000	48,332,000
Total (including other receipts)	42,309,292	50,367,395	65,205,000	81,607,000
Insurance Payments	46,730,424	45,922,536	92,220,000	94,994,000
Total (including expenses, &c.)	53,693,356	53,397,496	101,330,000	105,685,000
Accumulating deficit	36,012,047	39,042,149	73,620,000	112,860,000

* Estimated.

Since November, 1932, the cost of transitional benefits has been reckoned as a separate item. In the five months covered by this new arrangement, the cost of transitional benefits has been £16,477,000. The total payments for unemployment insurance—excluding transitional benefit for the last five months—by the State, was £31,855,000.

RATES OF BENEFIT AND CONTRIBUTIONS.

The rates of benefit paid to insured unemployed workers were altered in the Supplementary Budget, of September, 1931, to the following amounts :—

Class.	Per Week.		
	Old Rates.	New Rates.	Contributions.
	s. d.	s. d.	s. d.
Man	17 0	15 3	0 10
Woman	15 0	13 6	0 9
Adult Dependent	9 0	8 0	—
Child	2 0	2 0	—
Young Man	14 0	12 6	0 9
Young Woman	12 0	10 9	0 8
Boy, aged 17	9 0	8 0	0 5
,, ,, 16	6 0	5 6	0 5
Girl ,, 17	7 6	6 9	0 4½
,, ,, 16	5 0	4 6	0 4½
Employer	—	—	0 10

In the last four years, therefore, nearly £400,000,000 has been paid out in unemployment benefits. In that period the number of unemployed has grown from 1,140,000 to at least 3,000,000. Nearly 22 per cent of the workers of the country are without employment. Those three sentences sum up the most pressing problem of the day. It is the most pressing social problem because of its effects on the general well-being of the country. No one can assess the social results of unemployment : its effects on those out of work are known, but there are many indirect results which are certainly understood, but it is difficult to gauge their effects. As an economic problem it is wrapped up in the trade crisis, and the cost of unemployment is a burden on industry. It is a political problem, too, which may change political institutions in this and other countries.

TRADE UNIONS.

The total number of Unions in 1931 was 1,081. All Unions are not affiliated to the Trades Union Congress. There were only 168 Unions, with a total membership of 3,613,273, that were affiliated to the T.U.C.

The following table shows the number of registered trade unionists :

Groups.	1913.	1926.	1929.	1930.	1931.
Agriculture	20,795	39,333	34,794	35,143	34,541
Mining and Quarrying	919,823	785,427	616,573	611,551	570,735
Pottery, Glass, &c.	19,256	28,212	24,964	26,248	25,879
Metals and Engineering	559,851	656,934	612,840	600,655	562,547
Textiles	524,571	619,997	592,411	560,021	525,883
Building	243,467	328,970	309,790	305,852	300,338
Transport and General Labour	1,038,074	1,450,146	1,281,809	1,299,016	1,216,886
Manufacturing	279,570	469,089	458,905	461,107	450,328
Other Unions	629,317	831,163	930,829	925,034	923,631
Totals	4,134,734	5,209,271	4,833,115	4,824,627	4,610,768

HOW MONEY IS SPENT.

The income and expenditure of Unions explains the nature of their work. The table below shows the percentage of expenditure, under each head, of 100 principal Unions in 1928. The sum—expenses of management—includes payment of organisers who negotiate on behalf of their members.

Unemployment Benefit.	Dispute Benefit.	Sick and Accident.	Superannuation.	Funeral, &c.	Federation Fees.	Management Expenses.	Political Fund.
Per cent. 36·5	Per cent. 2·3	Per cent. 7·7	Per cent. 11·4	Per cent. 6·4	Per cent. 3·3	Per cent. 30·9	Per cent. 1·5

INDUSTRIAL DISPUTES.

The purpose of trade unions is to protect and improve the working conditions and general economic position of their members. In times of bad trade the unions have to adopt negative tactics : they have to strive to prevent a worsening of labour conditions. The growth of conciliation machinery allows them to do that work in many cases without resorting to strike action, or the employers to a lock-out ; but disputes involving stoppage of work do occur. This table gives the number of industrial disputes involving absence from work :—

Year.	No. of Disputes.	No. of Workers involved.		Working days lost by Disputes.
		Directly.	Indirectly.	
1924	710	558,000	55,000	6,420,000
1925	603	401,000	40,000	7,950,000
1926	323	2,724,000	10,000	162,230,000
1927	308	90,000	18,000	1,170,000
1928	302	80,000	44,000	1,390,000
1929	431	492,000	40,000	8,280,000
1930	415	287,000	21,000	4,400,000
1931	420	426,000	67,000	6,983,000

CAUSES OF INDUSTRIAL DISPUTES.

Out of the 1931 total of 420 disputes, 147 were in the coal industry, involving 281,000 workers and causing the loss of 2,848,000 working days. The cotton industry had 17 disputes, in which 147,300 workers lost 3,318,000 working days.

The number of disputes are set out below, under the various causes :—

Year.	Wage Questions.	Hours.	Employment of Certain Persons.	Working Arrangements.	Trade Unionism.	Sympathetic Action.	Total.
1924	436	13	121	58	57	25	710
1925	305	15	121	54	72	16	603
1926	148	16	80	29	28	22	323
1927	165	22	68	22	26	5	308
1928	169	15	69	29	13	7	302
1929	224	12	107	40	40	8	431
1930	244	19	79	45	26	2	415
1931	232	33	84	52	18	1	420
			Workers Involved.				
1931	56·4%	5·8%	3·7%	33%	1·1%	...	100%

More than half of the workers involved in disputes in 1931 were taking part in wage disputes ; and a third were disputing working arrangements.

A remarkable feature of trade union activities is the work which is done in obtaining just settlements for the dependents of those members who are killed while at work, and compensation for injured and disabled members. These two tables show the numbers of fatalities and accidents.

FATALITIES AT WORK.

Year.	Factories.	Shipping.	Railways.	Coal Mines.	Other Mines.	Other Industries.	Total.
1926	817	636	201	649	81	20	2,404
1927	993	547	250	1,129	83	22	3,024
1928	974	603	261	989	94	21	2,942
1929	1,004	560	269	1,076	89	16	3,014
1930	917	439	245	1,013	82	14	2,710

INDUSTRIAL ACCIDENTS.

The numbers of accidents involving compensation were :—

Year.	Total.	Shipping.	Factories.	Docks.	Mines and Quarries.	Constructional Work.	Railways.
1924	472,991	6,597	201,454	14,209	220,653	8,411	21,667
1925	458,869	6,998	203,681	12,589	204,299	9,012	22,290
1926	356,240	7,242	183,900	12,845	123,684	8,223	20,346
1927	441,503	7,643	196,144	13,230	195,607	8,422	20,377
1928	447,265	7,969	203,831	13,593	192,571	9,017	20,284
1929	463,189	8,354	209,194	13,061	205,889	8,543	20,148
1930	442,273	8,523	194,892	12,958	197,525	9,194	19,181

NATIONAL FINANCE AND THE BUDGET.

The position of the State finances, as was explained in THE PEOPLE'S YEAR BOOK for 1932, gave rise to considerable anxiety in September, 1931. Steps were then taken, by means of an emergency budget, to balance the income and expenditure of the State. The measures which were taken led to the resignation of the Labour Government, and the installation of a National Government under the leadership of Mr. Ramsay Macdonald. Then followed quickly the General Election, which resulted in an overwhelming majority for the National Government supporters. Mr. Neville Chamberlain became Chancellor of the Exchequer in the place of Mr. Snowden, and introduced his first Budget in April, 1932.

The income and expenditure items of the State balance sheet are shown in the tables below. It will be seen that total revenue of the State is not much less than one-quarter of the total national income. Any serious deficiency, therefore, is bound to have a serious effect upon the country. The Chancellor of the Exchequer has to make expenditure balance with income, and has to keep taxation within reasonable bounds; reasonable with the taxable capacity of the country and the necessary commitments of the State.

REVENUE.

The revenue of the State is shown in the principal groups in this table. The figures are in £ thousands :—

	1913–14.	1929–30.	1930–31.	1931–32.	*1932–33.
Customs	35,450	119,888	121,401	**136,200**	173,300
Excise	39,590	127,500	124,000	**119,900**	124,200
Motor Taxation	—	26,802	27,792	**27,900**	27,900
Estate Duties	27,359	79,770	82,610	**65,000**	76,000
Stamps	—	—	20,650	**17,100**	23,000
Income Tax	43,929	237,426	256,047	**287,400**	260,000
Surtax	3,320	56,390	67,830	**76,700**	66,000
Post Office	30,800	68,100	69,100	**70,700**	70,000
Total Revenue (including all other items)	198,243	814,970	857,760	**853,100**	846,400

* Budget estimates.

EXPENDITURE.

	1913–14.	1929–30.	1930–31.	1931–32.	*1932–33.
Debt Services	24,500	355,000	360,000	**322,000**	308,500
Road Fund	1,395	21,882	22,866	**22,900**	22,900
Local Taxation Accounts, &c.	7,734	13,314	2,896	—	—
Army, Navy, and Air Force	77,179	113,000	110,524	**107,300**	104,400
Civil Services	53,901	246,535	307,445	**320,100**	330,200
Post Office	24,607	58,900	59,000	**59,200**	59,200
Unemployment Debt	—	—	36,440	—	—
Total Expenditure (including all other items)	197,493	829,494	881,037	**852,700**	845,700

* Budget estimates.

When Mr. Chamberlain introduced his Budget, he stated that without receipts from import duties he expected to have a deficit of £34,750,000 in the current year. The import duties, he expected, would yield £33,000,000, leaving a deficit of £1,700,000, which would be increased to £2,800,000 by the proposed increased preference on colonial sugar. To meet this deficit he restored the 4d. a pound tax on tea, with a preference of 2d. a pound on Empire tea. This tea duty was anticipated to yield £3,600,000. His final estimates promised a surplus of £796,000 at the end of the year. The main items in the Budget are included in the two tables above.

The Budget gave no general relief to income tax payers, and no reduction in the beer tax. All other items, excepting a few minor alterations in taxation and the tea tax, were unaltered. The Chancellor asked for powers to borrow up to £150,000,000 for the purpose of keeping the exchange value of sterling free from fluctuations. He could not offer any suggestion of returning to the gold standard in the immediate future.

Soon after the Budget was passed by the House of Commons, the Chancellor arranged for the conversion of £2,000,000,000 of War Loan from 5 per cent to 3½ per cent. Nearly 90 per cent of this huge stock was ultimately converted, only a small portion being redeemed. The anticipated net annual saving, due to the conversion, is £30,000,000.

The two tables above show that the Exchequer expects increased revenue from customs and excise duties in 1932–33, and from estate duties ; while income tax and surtax are expected to yield decreased revenue. On the expenditure side reductions are expected in all items except the civil services.

SOCIAL SERVICES.

NATIONAL HEALTH INSURANCE.

The following figures are for Great Britain, and are in £ thousands:—

	1914.	1920.	1924.	1929.	1930.	1931.
Number of Persons	13,687,000	15,279,000	15,597,000	16,822,000	17,012,300	17,245,000
Contributions from Employers and Employees	£ 16,797	£ 22,688	£ 27,379	£ 26,005	£ 26,038	£ 21,897
Contributions from State	5,737	10,206	7,046	7,630	7,334	5,956
Total, including Interest	23,152	36,165	39,748	39,312	39,346	33,735
Sickness Benefit	6,458	6,163	9,840	13,265	11,167	9,327
Disablement Benefit ...	184	2,002	4,684	6,395	6,319	5,105
Maternity Benefit	1,368	1,924	1,702	1,742	1,796	1,448
Medical Benefit	5,620	10,017	9,174	10,323	10,277	9,035
Other Benefits	817	1,084	709	2,771	3,360	2,858
Total	14,447	21,194	26,109	34,496	32,919	27,773
Administration Cost ...	3,002	4,979	4,816	5,399	5,651	4,777
Accumulated Funds ..	22,983	81,440	116,617	125,785	126,392	109,773

POOR LAW RELIEF.

Number of persons in receipt of relief :—

		1914.	1929.	1930.	1931.
Institutional Relief	Summer ...	264,292	225,005	220,872	195,587
	Winter	246,089	213,096	212,166	—
Domiciliary Relief	Summer ...	388,917	899,597	867,030	784,561
	Winter	388,987	832,578	791,191	—
Casuals	Summer ...	7,568	11,562	11,454	10,203
	Winter	5,389	9,397	11,567	—
Lunatics	Summer ...	100,941	104,502	106,061	—
	Winter	101,672	105,282	109,917	—
Totals—England & Wales	Summer ...	761,578	1,240,666	1,205,417	—
	Winter	742,021	1,160,353	1,123,850	—
Total—United Kingdom ...	Summer ...	943,831	1,473,680	1,433,546	—
	Winter	918,527	1,378,426	1,342,031	—

PROVISION OF HOUSES.

House building is carried on mainly with State assistance. The following shows the progress of house building :—

Year.	Houses Built by Local Authorities with State Assistance.	Houses Built by Private Enterprise.		Total.
		With State Assistance.	Without State Assistance.	
1925	23,862	48,830	71,072	143,764
1926	49,508	66,569	62,854	184,331
1927	83,714	83,681	65,867	234,914
1928	120,494	77,725	62,479	261,588
1929	69,677	52,156	66,015	187,858
1930	73,268	53,825	91,691	218,784
1931	60,636	5,626	128,728	194,990

ELEMENTARY EDUCATION.

Year.	No. of Schools.	No. of Depart-ments.	Accom-modation.	Average Attendance.		No. of Scholars.	
				No.	Per-centage.	Boys.	Girls.
1924	20,748	31,241	7,092,459	5,031,680	88·7	2,841,163	2,768,449
1925	20,736	31,053	7,063,343	4,940,461	88·3	2,826,732	2,751,490
1926	20,727	30,922	7,050,024	4,956,585	88·0	2,834,387	2,758,217
1927	20,723	30,773	7,056,250	4,973,656	88·3	2,839,368	2,764,286
1928	20,730	30,640	7,073,770	4,987,277	88·8	2,829,003	2,748,802
1929	20,791	30,569	7,109,381	4,915,336	88·1	2,799,826	2,718,706
1930	20,847	30,476	7,132,969	4,946,849	89·1	2,805,746	2,727,529
1931	20,867	30,636	7,162,767	4,930,076	89·0	Total	5,514,401

SECONDARY AND TECHNICAL.

	Secondary Schools.			Evening Schools.		Technical Schools.	
	Schools.	Scholars.	Teachers.	Schools.	Scholars.	Schools.	Scholars.
1924	1,270	358,531	18,658	4,356	689,928	233	28,960
1926	1,301	367,564	19,640	4,901	770,379	266	33,181
1928	1,329	384,642	20,102	5,562	831,506	308	46,572
1930	1,354	394,105	21,165	4,950	852,923	344	53,399
1931	1,367	411,309	21,694	5,156	905,786	344	48,885

THE TARIFF SYSTEM.

When the first National Government was formed in September, 1931, Mr. Runciman, the President of the Board of Trade, introduced a system of duties on a wide range of imports. The aim of the Government was to check the growing adverse trade balance of the country by keeping out certain classes of goods; and where the duties failed to do this, to bring revenue from the imported articles.

The state of the country certainly necessitated strong measures to effect some recuperation in trade and industry. The adverse trade balance was causing some alarm. The diminution in exports was proceeding at a much more rapid pace than the decline in imports, causing, in consequence, a situation which was judged by some people to mean that Great Britain was living on her capital resources, and using her capital to buy foreign goods. Whether this view of the situation is correct is a subject of intense discussion. At least the foreign trade and home trade conditions were very unsatisfactory.

Mr. Runciman's duties remained in force until April, when the 1932 Budget was disclosed. His duties were applied at a rate of 50 per cent *ad valorem*, on articles which were said to be imported in abnormal quantities. The Budget contained proposals for the establishment of a tariff system in this country. A permanent Import Duties Advisory Committee was established, with the task of investigating trade conditions and suggesting the sort of duty to be applied to particular articles, or selecting articles which should, in their opinion, be free of duty. Their suggestions are put into force by the Treasury.

A very extensive list of goods was selected for an imposition of a 10 per cent *ad valorem* duty. Then selected lists received further 5, 10, 15, 20, or 23⅓ per cent duties, according to their particular trading and industrial positions. A list of goods was also established to be free from duties. The main lines which have been followed have been to keep basic raw materials and foodstuffs on the free list. Then to apply a 10 per cent duty on the wide range of commodities, manufactured or unmanufactured, which do not compete with our basic industries. Duties above 10 per cent are applied to goods which are competitive, and the rate of application depends on the degree to which they compete with home productions.

The following is a list of the goods on the free list—that is, goods exempt from duties: gold and silver bullion and coin; wheat in grain, maize in grain; meat; live animals; fish of British taking, whale oil; cotton (raw), cotton seed, flax, hemp, wool; hides and skins; newspapers and books, newsprint and wood pulp; rubber, raw; metallic ores, radium ores and compounds; iron pyrites; copper, unwrought; wooden pitprops; sulphur; phosphates of lime; coal, coke; scientific films; flint; soya beans; cork (raw), and ramie (undressed).

IMPORTS LIABLE TO DUTIES—EUROPE.

These tables show the total imports, in 1930, from particular foreign countries, and the amount of imports liable to each class of duties, in £ thousands :—

Consigned from	Total Imports.	Free from all Duty.	Per cent.	Imports liable to previous Duty.	Per cent.	Remainder of imports Dutiable.	Per cent.
Germany	65,490	3,592	5·5	6,994	10·7	54,904	83·8
Denmark	54,118	28,002	51·7	61	·1	26,055	48·2
France	49,267	5,701	11·6	12,354	25·0	31,212	63·4
Holland	39,524	4,765	12·1	1,749	4·4	33,010	83·5
Belgium	38,016	3,317	8·7	1,464	3·9	33,235	87·4
U.S.S.R.	34,235	9,686	28·3	5,764	16·8	18,785	54·9
Sweden	22,581	7,647	33·8	486	2·2	14,448	64·0
Spain	16,638	3,612	21·7	1,048	6·3	11,978	72·0
Italy	15,005	1,352	9·0	3,791	25·3	9,862	65·7
Switzerland	12,640	59	·5	6,547	51·8	6,034	47·7
Finland	12,634	3,726	29·5	86	·7	8,822	69·8
Norway	11,967	3,843	32·1	71	·6	8,053	67·3
Poland	7,949	2,224	28·0	342	4·3	5,383	67·7
Czechoslovakia	6,403	14	·2	610	9·5	5,779	90·3
Latvia	4,747	1,651	34·8	—	—	3,096	65·2
Roumania	4,726	1,617	34·2	2,434	51·5	675	14·3
Portugal	3,655	771	21·1	1,707	46·7	1,177	32·2
Austria	3,390	20	·6	461	13·6	2,909	85·8
Other European Countries	7,360	901	11·8	2,008	26·3	4,721	61·9
Total Europe	410,615	82,500	20·1	47,977	11·7	280,138	68·2

DIVISION INTO DUTIES—EUROPE.

In £ thousands.

Consigned from	Liable to *ad valorem* duty.					
	10%	15%	20%	25%	30%	33⅓%
Germany	16,701	4,955	26,814	2,487	740	3,207
Denmark	25,238	34	771	4	8	—
France	15,763	2,313	9,874	514	1,055	1,693
Holland	25,741	1,335	4,839	402	51	642
Belgium	11,112	2,807	10,254	133	25	8,904
U.S.S.R.	17,787	570	351	57	12	8
Sweden	8,270	1,186	3,982	16	—	994
Spain	11,488	2	340	147	1	—
Italy	5,399	705	3,523	221	6	8
Switzerland	1,958	70	3,952	7	21	26
Finland	7,485	244	1,093	—	—	—
Norway	5,652	446	1,700	1	47	207
Poland	5,104	21	258	—	—	—
Czechoslovakia	1,469	185	3,803	13	169	140
Latvia	2,840	8	248	—	—	—
Roumania	675	—	—	—	—	—
Portugal	1,127	9	41	—	—	—
Austria	895	510	1,426	15	39	24
Other European Countries	3,956	91	180	21	5	468
Total Europe	168,660	15,491	73,449	4,038	2,179	16,321