The Private Trader and Co-operator: The Fascist Solution to the Problem of the Distributive Trades

John Beckett
1935 London: British Union of Fascists
20p.
The Fascist Quarterly

2/6 Handsome Special Cover
Authoritative Articles

All from—THE BLACKSHIRT BOOKSHOP,
Sanctuary Buildings, Westminster

Problems of the Distributive Trade
By John Beckett and A. Raven Thomson.

In the planning of the Fascist Corporate State, one of the chief problems awaiting us is the organization of Distribution. At the present time the individual shopkeeper is gradually being crushed out of existence; the Co-operative Societies, although growing, are not doing so at a rate proportionate to the total increase of business, and the giant multiple concerns are obtaining an ever-increasing share of the market.

The multiple stores are very largely alien in inspiration and ownership, and they derive their power, as we shall show later, from the use of large capital resources derived from the very financial interests upon which Fascism has declared war. On the other hand the principles of Fascism make it necessary to support both the private trader and the co-operator. There are few better ways of inculcating a sturdy economic independence into our people than by encouraging the large class of shopkeepers who have constituted one of our most valuable and steady communities in the past, or by encouraging the steady workman to gradually acquire a stake in his country and its prosperity through a substantial holding in his local Co-op.

In any examination of the future of the Distributive Trades under Fascism, it therefore becomes essential that methods should be found of achieving the following objectives:

i. The discouragement of multiple enterprises which must inevitably result in the crushing of the small shopkeeper.

ii. The liquidation of multiple enterprises initiated and owned by aliens, or for the marketing of foreign products.

iii. The encouragement of the small shopkeeper while at the same time enabling him to serve the consumer in a manner, and at a price, compatible.*

*See Appendix.
with the standards obtaining in the multiple stores.

iv. The strengthening of the Cooperative Movement as an essential part of the means by which the principles of private ownership are spread amongst the community while at the same time sternly discouraging any tendency to use this ownership as a political weapon or for caucus rule.

The Blackshirt Policy is the only one before the people of this country which seeks to achieve these obviously necessary things, and we have therefore subdivided this thesis under the headings dealing with the main interests concerned in order that the full benefits of Corporate-State planning may be fully brought home to all British interests concerned in the industry.

Multiple and Department Stores.

Before the war at least 90% of all retail trading was in the hands of the private trader. It was only after the war that high finance turned its attention to this extremely remunerative field, and placed heavy capital resources at the disposal of retail trading. Millions of money have been subscribed in the City of London to float company after company, combine after combine, all of which have gained their markets at the expense of the private trader.

To-day there is no less than £150,000,000 invested in these great combines, which employ 335,000 persons.

Wherever we go in the British Isles today we find multiple and department stores dominating the principal streets of our towns and cities, from which they have almost driven the private trader. Woolworth, Marks and Spencer, Montague Burton, Boots, Sainsbury and Timothy White, are to be found everywhere. How do we account for this disastrous squeezing out of private trading in favour of the combine? Undoubtedly a number of factors have combined to benefit the multiple shops operating with a huge share capital:—

i. Owing to their immense capital resources they can afford to open a branch in a new locality, and run it at a loss for an indefinite period until it succeeds.

ii. By purchasing in bulk for all their branches, they can eliminate the wholesaler and deal direct with the producer.

iii. By their gigantic orders they can even force the producer to grant large discounts off his normal wholesale prices.

iv. By national coordination of advertising, they can put their name and products before the public as no private shopkeeper can afford to do.

Fascism will not allow this artificial suppression of the private trader by big capital. Many of the combines are either under Jewish or foreign control, and are frequently concerned with the import of foreign products in competition with British interests. For example, Woolworth is American, Marks and Spencer and Montague Burton are Jewish, Unilever mainly Jewish-Dutch, while such a concern as the Vestey Meat Trust, with its many ramifications, is almost wholly concerned with marketing Argentine beef. Combines of this alien nature will be immediately liquidated, their branches being taken over by either private traders or Cooperative Societies, under agreement between themselves and the Distributive Trades Corporation. The Corporation will insist upon the employees being taken over with the premises at standard rates of pay. British investors in these concerns will receive compensation for their holdings subject according to good Fascist rules to review of past dividends, earned at the shopkeepers' expense.

Combines which are British, and do not sell foreign goods to the detriment of home interests, will be dealt with less drastically, but steps will be immediately taken to prevent their further growth, and to bring about their gradual elimination. In this process a distinction will be made between central department stores and multiple shops. The former will be permitted in the larger towns on condition that their number is limited according to the population, and they are not permitted to link up into department-store combines. Any such trusts that already exist will be dissolved into their constituent units.

British multiple shops selling British goods will not be actually closed down, but no further branches will be
permitted to open; and they will all be brought under the control of the Distributive Trades Corporation, which will prevent unfair trading and limit their operations as may be necessary in the interests of retail traders in general.

By these means the ruthless invasion of retail trading by international financial interests will be brought to a close, and the area they have conquered largely restored to private and cooperative trading. Fascism is determined to protect the sturdy independence of the British small trader from the unfair competition of big capital, and bring alien domination of our markets to an end.

Cooperatives.

The growth of the Cooperative Movement in this country during the past fifty years has been phenomenal. During this time membership of Cooperative Societies has grown from 547,212 to 6,760,432. Recently, however, this expansion has received a setback. In 1921 no less than 9.5% of distributive workers were employed by the Cooperatives, while in 1933 only 6.8% were so employed. It follows that the Cooperatives are suffering, with the small trader, from the severe competition of the great capitalist combines.

Recent attacks upon the Cooperatives in the National Press were obviously dictated far more by the interests of the big combines than from any philanthropic concern for the small trader. The advertising columns of any great daily show clearly where the incentive for this campaign is to be sought. Actually, the small shopkeeper has far more to fear from the combines than from the Co-ops., who are themselves losing ground in the Distributive Trades.

Let us make it clear once and for all that there is no conflict between Fascism and the principles of Cooperation, as can be shown very clearly from the following quotation from one of Mussolini's speeches.

"... all my sympathy with those forms of Cooperation, which, conscious of their high social mission, holding themselves above the passions of politics and religion, act as an arm of defence against the greed of speculation. Cooperation is a matter of high social value, and as such can ask of the State not financial privileges, but moral support and such protection as will ensure its exercise in an atmosphere of freedom."

How successful this support of Cooperation in Italy has been, may be judged by the fact that there are over eighteen thousand Cooperative Societies in Italy, with a membership of several millions.

Fascism in Britain is equally well disposed towards Cooperation, and reveres the memory of Robert Owen and the Rochdale pioneers; but as in the case of the Trade Unions, Fascism deplores the corrupt political and sectional tendencies which have perverted Cooperation from its original purpose.

But many Cooperators share this view and are distrustful of political entanglements, as for example when Mr. Tomlinson, the Publicity Manager of the Cooperative Wholesale Society issued the following remarkable warning:

"Entry into party politics might do cooperators little good in the long run. In Europe under various dictatorships the cooperative movement had survived largely untouched because it was an entirely economic—a business—concern. Hitler had examined the books in Germany to see whether any subsiding of political societies had been going on, and when he found them pure of the taint had given them state protection. In Italy cooperative associations worked with the full support of Mussolini. There, by right, the movement sits in the seat of the mighty," (Cooperative News, week ending Oct. 19th, 1935).

The Cooperative Movement has done itself great harm by its alliance with Socialism. Actually, as Sir Stafford Cripps has shown only too clearly in his Socialist League literature, Socialist State-ownership is the greatest menace to the eventual attainment of the Cooperative Commonwealth. The following is an actual quotation from a Socialist League pamphlet on the subject:

"A Socialist cannot and does not accept the theory that the Cooperative movement is capable of developing from a trading corporation with limited objectives into a new form of society."

There is an inevitable clash between municipal and Cooperative trading, which has already become evident enough in Socialist-controlled municipalities. Cooperators need only imagine this conflict intensified on a national scale. The capitalist combines are

already undermining Cooperation, how much more so would the immense State trusts of a Socialist regime!

On the other hand Mussolini has shown in Italy that the Fascist Corporate State realizes many of the ideals of Cooperation; encouraging not only occupational representation and self-government, but occupational investment on Cooperative principles as one of the greatest means of attaining social stability and economic liberation. Cooperators will be wise if, as Mr. Tomlinson advises, they renounce political entanglements, and jettison the small group of Social-political economists who have been able, through the apathy of the members, to attach themselves to the movement.

**Fascist Reform of Co-ops.**

Within the Corporate State the Cooperative Movement will find a proud place upon the following conditions:

i. Repudiation of all political associations, and the disbandment of the Cooperative Party, in return for full State recognition and protection of the Cooperative Movement.

ii. Elimination of corrupt office-holdings and nepotism by the introduction of the leadership principle, thus substituting direct responsibility to the members for the irresponsible intrigues of a Committee.

iii. Extension of Cooperative wholesale facilities to small owners, farmers and producers.

iv. Cessation of trading with non-members, but complete freedom of enrolment of new members.

v. Representation of all employees concerned at Cooperative meetings.

The fourth condition in particular is aimed against the present pernicious practice of trading for profit with non-members, which is a complete breach with the original Rochdale principles. Carried to excess, this practice is indistinguishable from that of an ordinary joint-stock company, of which the original members are shareholders—a fate to which a number of more prosperous Cooperatives have already succumbed.

The last condition is obviously necessary to protect Cooperative employees from the petty capitalist greed for dividends shown by many cooperators. We have unfortunately, from time to time, found it necessary to reveal the scandalous treatment of their fellow-workers by Cooperative Committees all over the country. Under Fascism the cooperative employee will not only gain full representation at Cooperative meetings, but the generous protection from exploitation through his direct representation on the Distributive Trades Corporation.

Subject to these safeguards, Fascism in Britain is prepared to give its active support to cooperative trading not only in distribution but in production, and especially in agriculture.

Indeed, Fascists believe that it is through cooperation that the worker may join hands with the small owner, producer and farmer, in mutual protection against the big capitalist interests that menace their welfare.

**Private Traders.**

During the depression, all retail trading has suffered severely from the acute lack of purchasing power of the people, which has been greatly intensified by the "economania" of the National Government. This in itself would be serious enough for the British shopkeeper, even were he not faced with the inroads upon his customers by the multiple combines. As it is, he finds it almost impossible to stand up to the aggravated competition of big rationalized competitors, who are able to undercut him in all lines of business.

Many thousands of small shopkeepers have already been smashed. There have been no less than 20,000 bankruptcies among retailers since the depression began. All these independent traders have gone with their families to swell the number of the unofficial unemployed, who are never counted in the National Government returns.

The small trader can only be saved, as a stabilizing factor in the economic and social life of the nation, by the drastic measures of liquidation and control of the combines which we have already outlined. Side by side with this elimination of unfair competition, the Fascist State will provide means, through the section of the
Distributive Trades Corporation, by which the small shopkeepers may organize a system of bulk purchase, to enable them to compete with the prices now charged by the multiple stores.

For this purpose, Fascism will encourage the development of a Cooperative Central Buying organization amongst small shopkeepers.

By these means the small trader will enjoy cooperative powers of bulk purchase through his own organization, and thus be enabled to give his customers good value, without cutting his own profits below the poverty line.

This organization of the small trader through the Distributive Corporation will meet the natural objection of the consumer to the liquidation and restriction of the multiple combines, which have given him rapid and cheap service. We shall be able to assure equally efficient service through the small trader backed by a nation-wide bulk system of purchase and distribution. Yet we will retain all the inestimable qualities of independence and personal responsibility which are so characteristic of the British people.

The Distributive Corporation.

There has been more chaos and disorder in the retail trade than in any other section of economic life. No attempt has been made to plan the opening of new shops. Nowhere indeed has the liberal precept of "each for himself and the devil take the hindmost" come more thoroughly into operation. The weight of money power has been decisive, and multiple shops and department stores have driven the small trader from the main streets of our cities.

Rectification of this will be the immediate task of the Distributive Corporation. It will be composed of representatives of employers, employees, and consumers, as in the case of the other Corporations, but in this case there will be some special features. The consumers' representatives will be appointed in consultation with the Domestic Corporation, so that housewives will have an effective voice in determining retail prices. Cooperators will also appear in a dual role as employers and consumers.

All employees, whether of private traders, combines or cooperatives, will also be represented, and will be able to protect their own interests as well as to assist in the general business of the Corporation.

One of the most important duties of the Corporation will be the local planning of distributive services. For this purpose local branches of the Corporation will be empowered to license distributors, under the joint control of employers, employees, and consumers. No new shop or cooperative branch will be permitted to open without a licence which will only be granted after a full consideration of the case. All factors of existing establishments in the locality, growth of population, distance of delivery, etc., will be taken into account; and all interested parties, including the consumer, will be allowed to put their case before a decision is arrived at by the authorities.

A similar arrangement actually exists in one narrow field of retail trading. The National Federation of Newsagents, backed by the Newspaper Proprietors Association, have an arrangement by which they plan distribution by distance, refusing a supply of papers to redundant agents in localities already adequately covered by existing suppliers. Actually during 1933 and 1934 only 25% of applicants were granted supplies—a fairly drastic if unofficial licensing system. If this system can be made to work by mutual agreement even within the chaotic conditions of present retail trading, it is obvious that the Distributive Corporation, within the planned economy of the Corporate State, will be able to effect even more beneficial control, and eliminate mutually destructive competition.

A closer direct control of retail dealing by the Corporation will also make it possible to do away with the exasperating restrictions of D.O.R.A. When the hours of work of shop assistants are regulated by their own trade union, backed by State authority, then it will be possible to permit shops to remain open as long as they like, on condition that a shift system is introduced and no employee works more than the specified number of hours. It is disgraceful that the general public should be penalized for the failure of retailers
to put their own house in order. Under the Corporate State service to the consumer will be the ultimate criterion of retail trading, and the Distributive Corporation will be required to organize the industry without disturbing the paramount interests of the consumers.

**Fascism and the Home Market.**

The most essential principle of Fascist economic policy is the creation of a greatly increased home market. Instead of beating down workers' standards in a vain endeavour to recover foreign markets lost to Oriental competition, Fascism calls for higher standards of life at home, which are easily made possible by the immense potentialities of modern science.

The Distributive trades have everything to gain by this. Shopkeepers, especially in the distressed areas, have suffered terribly from the deflationary financial policy of the National Government. Cuts in dole, wages and salaries have had a direct effect upon purchasers, which was in no way compensated for by cuts in the wages of employees, as so many small shops are family concerns in which wage rates do not enter into expenses. On the other hand, rates and taxes were raised, which further undermined the small shopkeepers' resistance to unfair competition by great capitalist combines.

The immediate effect of Fascist Government will be the exact reverse: its first economic measures will be devoted to increasing purchasing power, both by great public works and increased wage-rates. This new money, put into circulation among the impoverished masses of the people, will restore the prosperity of shopkeepers in the distressed areas, who have suffered most from the suicidal policy of restriction.

Those small shopkeepers, who demand the elimination of both combines and Co-ops., in the interests of their own survival, should realize that their present troubles arise in very large measure from the economic evils of the whole system. Given a rational solution of the problem of poverty in the midst of plenty, there will be more than enough room for all honest British
Appendix

A full account of the inroads upon the private trader made by the multiple stores would fill every page of the Quarterly, but some idea of the gigantic forces private traders are up against may be derived from the fact that the following 15 concerns possess over 10,000 branches and have a working capital of £93,831,000*:

- United Dairies
- Montague Burton
- Prices
- Home and Colonial
- Lipton's
- J. Lyons
- Woolworth
- Masons
- Maypole
- Sears
- Marks and Spencer
- Boots
- International Tea
- Meadow Dairy
- Unilever

These 15 firms, wielding this tremendous distributive power and enormous capital, invade nearly every branch of the retail trade, and during the past ten years have nearly doubled their number of branches. It would be an under-estimate to say that at least 5000 British traders have been driven out of business by their operations during the past decade.

WHERE THE CAPITAL COMES FROM

The largest firm in the business is Unilever Ltd. Together with its allies Lever Bros., Mac Fisheries, etc., it has a combined capital of nearly £200,000,000. In addition to this it controls Maypole, Meadow Dairies, Lipton's and Home and Colonial on the distributive side, and has a chain of wholesale and manufacturing grocery interests and practically a monopoly of European margarine. The Stock Exchange Year Book says "This company and Unilever N.V. control the greater part of the margarine industry of Europe, and are interested in oil crushing, oil refining and hardening factories and allied industries; they have subsidiaries owning and controlling factories and distributing organizations in Great Britain, Holland, France, Belgium, Germany, Norway, Sweden, Denmark, Italy and the Dutch East Indies."

The international nature of the company may be gathered from the fact that Lord Leverhulme (the Chairman) presides over 22 directors; amongst the names of his colleagues are:

- A. Jurgens
- R. J. H. Patyn
- R. Jurgens
- H. Jurgens
- A. Van den Berg
- S. J. Van den Bergh
- H. Schicht
- G. Schicht
- F. Schicht
- P. Rijkens
- J. Hartog
- C. E. Davies, M.P.

* (Figures taken from the Returns at Somerset House on November 28th, 1935).

Jones the grocer may realize the forces arrayed against him from the following brief list of a few of the main shareholders:

- Prudential Trust Corp.
- British Widows Assurance
- Midland Bank
- Mutual Insurance Co.
- U.S. Investment Trust
- Scottish Life Assurance
- Barclays Bank
- Sir Strati Ralli
- G. I. Wein
- Refuge Assurance Co.
- Alliance Insurance Co.

(closely related to the Prudential and controlled by Rothschild)

MARKS AND SPENCER

This firm has now 212 stores and is steadily opening more. Their property was valued at £635,521 in 1927 and £5,888,233 in 1935. The fortunate directors are:

- Israel Moses Sieff
- Alexander Isaacs
- Luther Green
- Sir Henry Verney
- Simon Marks
- R. F. Norland (né Nauheim)
- Norman Laski
- of whom the last two are nominated to the Board by the Industrial Finance & Investment Corporation Limited, whose board of directors includes P. Lindenber, A. I. Belisha, M. Luebeck, E. Spiegelberg and Lord Melchett.

Among the chief shareholders are:

- Prudential Insurance Co.
- Theo. Gluckenhheim
- S. Japhet & Co.*
- Swiss Bank Corp.
- Scottish Nat. Trust.
- B. Isaacs
- Mrs. E. Laski
- Sara Laski
- Paul Loewi
- Ephraim Marks
- Ephraim Sieff
- B. Weizman
- Mrs. Sacher

- P. Linberg
- Sir Max Michaelis
- Gaston Mendel
- Julius Stern
- A. S. Cohen
- Alex. Isaacs
- Nathan Laski
- Herman Loewi
- Simon Marks
- Lena Marks
- I. M. Sieff
- Rebecca Sieff

- B. I. Werzman
- Marcus, Harris & Lewis
- Nat. Bank of Scotland
- J. A. Cohen
- Noah Laski
- Otto Loewi
- Miriam Marks
- Mathilda Marks
- Mrs. Emily Isaacs
- Alec Cohen

Bankers to the I.F. & I.C., Ltd. **Japanese Merchants.
WOOLWORTH'S.

This firm has 628 branches. Their capital is £10,000,000. They paid 80% dividend last year.

They started in Great Britain in 1909 with a Board, consisting except for two members of American or Jewish directors. In 1931 N. M. Rothschild and Sons acquired 4,800,000 6% cumulative Preference Shares and 2,250,000 ordinary shares.

The present Board contains three British subjects and six American.

The following is a short list of the chief shareholders:

H. V. Bevington (for N. M. Rothschild) Sebag Montefiore.
Barings Nominees. Lady Baron.
Bankers Trust Nominees. I. M. Sieff.

MONTAGUE BURTON.

This Company has doubled the number of their tailors' shops since 1926. In addition to 500 branches they control or own 364 other retail shops through their holdings in Key Estates Ltd. They have a capital of £5,000,000 and have regularly paid large dividends and frequent capital bonuses. The directors are:

Lord Greenwood. Maurice Burton (Russian).
David Olinsky. Wm. Mansborough.
Ellis Hurvitz. Bernard Burton (Russian).
Constance Benson. Beddington Behrens.

END OR MEND.

The facts and lists quoted do not pretend to be an exhaustive list of the quaint figures and great interests who are monopolizing the distributive trade in this country. We hope in a later number to publish some interesting graphs showing in much more detail the manner in which the great international financial interests are connected with the multiple-store concerns. For this purpose it is necessary to show not only the immediate shareholders as we have done here but also the connexion between these shareholders and other companies not directly connected. For instance amongst the greatest figures in the interweaving of distributive interests are Sir Edgar Horne, F.A. Szarvasy and the Rothschild interests. The great Banks, Insurance Companies and financial houses are all arrayed in the battle.

The problem to be faced is whether a great and worthy class of British citizens are to be smashed and ruined by the encroachment of international financial giants to whom the cost of ruining them is hardly chicken-feed for their directors.

We have sought to show in this article that in Fascism alone lies hope for the British citizen who desires to retain his independence. There can be no compromise: we must either bow the neck to the invader or reconcile ourselves to becoming a financial colony of international finance.

 Extract from Advertisers' Weekly, Jan. 9th, 1936:

"The authorised capital of Searsint, Ltd., British affiliate of Sears, Roebuck & Co., is being increased to £100,000.

"It will be equally divided between Sears, Roebuck and a British group. Among the English directors representing this group are Mr. Isaac Wolfson, managing director, Great Universal Stores, Ltd., Mr. Neville Laski, and Mr. Alphonse Nahum. These moves follow the visit to the country of Mr. E. J. Pollock, vice-president of Sears, Roebuck.

"Mr. Pollock will be appointed chairman of Searsint, Ltd.

"As exclusively announced in the Weekly, Searsint are to launch an intensive advertising campaign this year through S. H. Benson, Ltd.

"The main products to be dealt with immediately are electric refrigerators, vacuum cleaners and washing machines. Other specialities are to be added to this list.

"Sears, Roebuck have a buying office in London, which handles British-made goods for the organization."
IF YOU SYMPATHIZE

With the outlook expressed in this Pamphlet

You should

Join the British Union of Fascists

You may join as a Blackshirt member to do active work in a Blackshirt Unit, or you may join as an ordinary member with no obligation of service.

Northern Headquarters
26 Corporation Street, Manchester,

Southern Headquarters:
Sanctuary Buildings, Gt. Smith Street, Westminster.

Or any District Headquarters
'ACTION' CONTAINS
SPECIAL FEATURES ON:
- THEATRES
- BOOKS
- AGRICULTURE
- FILMS
- INDUSTRY
- SPORT
- FOREIGN AFFAIRS
- POLITICS
- ETC.

A COMPLETE PAPER

ACTION
FOR BRITISH MEN AND WOMEN

This is what one of London's premier journalists says of a preliminary copy of "Action":

"Heartiest congratulations. "Action" is brilliantly designed and executed in magnificent liveness, apparent throughout; all pages remarkably good. Real Originality. It does you credit."

RATES INCLUDING POSTAGE

<table>
<thead>
<tr>
<th></th>
<th>U.K. and Canada</th>
<th>Foreign</th>
</tr>
</thead>
<tbody>
<tr>
<td>3 MONTHS</td>
<td>3/3</td>
<td>3/10</td>
</tr>
<tr>
<td>6 MONTHS</td>
<td>6/6</td>
<td>7/7</td>
</tr>
<tr>
<td>12 MONTHS</td>
<td>13/-</td>
<td>15/2</td>
</tr>
<tr>
<td>(13 issues)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(26 issues)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(52 issues)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

From all newsagents

From all newsagents.

2 EVERY FRIDAY

Also Read THE BLACKSHIRT. 1d. every Friday

To "Action" Circulation Dept.,
Sanctuary Buildings, London, S.W.1
Enclosed please find remittance for subscription for ....... issues. Please forward to:

Name ..............................................
(Block Capitals)
Address ...........................................

To Your Newsagent.
Please deliver weekly until further notice, ....... copies of "Action" to:

Name ..............................................
Address ...........................................

2 - 10 - 01