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the **FUTURE** of the **SMALL TRADER**



COMMUNIST
PARTY
POLICY

PRICE 3d

BY SAM BLACKWELL

Small Traders and the Communist Party

It has been stated that probably one-fifth of Britain's 450,000 "single shop" businesses are situated in the Midlands area, and on this basis there are something like 80,000 to 100,000 small shops in the Midlands. This does not include thousands of small manufacturers, builders and other small tradesmen. So it can be seen that small traders are a very numerous section of the population.

Who are these small traders? They can be roughly divided into two sections; the retailers, composed of butchers, bakers, tailors, dairymen, grocers, fruiterers, hairdressers, caterers, newsagents, boot repairers, wireless and radio dealers, coal merchants, fish friers and many others. The other section comprises small manufacturers and those engaged in providing services of one kind or another, such as builders, property repairers, plumbers, decorators, garage proprietors, carpenters, sawyers, nurserymen, jewellers, watchmakers and makers of small manufactured articles.

There is an important difference between this section of the population and what is known as the capitalist class. Every small retailer or tradesman has to work for his living, and can be distinguished from those who live in idleness on the proceeds of their investments and shareholdings. Again, the business of the small manufacturer for the most part depends on his actual presence at the factory and close participation in the job. He cannot, like most industrial magnates, spend a lot of time on holiday, gambling on the Stock Exchange, playing golf or making a hobby of reactionary politics.

There is a world of difference between the small grocer at the corner shop and the great monopolies like Maypole, Meadow Dairies, etc. The small manufacturer with half-a-dozen lathes cannot be compared to the Nuffields, Cadburys, Austins and Patrick Hannon's. Their social interests and conditions of life are poles apart.

In normal peace time the position of the small trader has been hard and precarious. Trade depressions have hit him more severely than they have hit the big men. He is at all times dependent upon the well-being and good employment of the working class. The big

monopolies have, year by year, encroached upon his trading position and crowded him out of business. But since the war a fresh lot of misfortunes have besieged him. One only needs to walk down the main streets of our industrial towns to see the large number of small shops that have closed down due to the call-up of their proprietors, or through blast from bombs, or through the difficulty of getting supplies to ensure sufficient turn-over, and many other similar causes. The big multiple firms, on the other hand, owing to their greater resources, have not only been able to weather this storm, but have been able to obtain an even firmer grip upon the nation's economic life by the elimination and embarrassment of their smaller rivals.

What does the future hold for the small tradesman?

What effect will the post-war operations of the monopolists have upon his existence, and what sort of economic policy, and what type of Government will be needed to give the small trader a fair crack of the whip?

These questions are being asked right and left, but they can only be answered by a serious consideration of the social background and the part which the small trader plays or could play in the life of the nation. It also requires some consideration of post-war conditions and a scrutiny of the various offers which are now being made, in various quarters, to the small traders.

POST WAR CONDITIONS.

Given a Labour and Progressive majority in Parliament, and the maintenance of good relations with other countries, on the basis of the Teheran agreement, there will be enormous markets for the products of British industry. People at home will want to replenish their household goods, their clothing and the smaller luxuries of life, such as radios, bicycles, musical instruments and the like.

A great housing programme will need to be started, providing work and a great stimulus to the whole of industry. The people of occupied Europe and the Soviet Union will have suffered so much at the hands of German Fascism, and will also need the products of British industry on a scale greater than ever before.

For some time after the war food-stuffs will need to be rationed in order to ensure fair distribution and control of prices. This will also pertain to all other articles in short supply. In other words, a great industrial and commercial programme will be started, and side by side with this a continuance of essential war-time control over production and consumption will have to be exerted. In these circumstances, the small man need have no fear of the post-war period, given the right kind of Government in power.

WHAT IS THE POSITION OF THE SMALL TRADER IN SOCIETY?

In considering the set-up under capitalism it is essential to distinguish between the monopoly concerns and the small traders or manufacturers. The first threatens the people with scarcity and economic chaos. The latter are natural allies of the working class in the struggle for a better life.

We have to get rid, once and for all, of the bogey about the Communists wanting to destroy private property. Yes! We intend to stop the exploitation of man by man, and the power which a few wealthy individuals wield over the nation's life, by their exclusive ownership of the land, the railways, the natural resources, and the major industries of the country. But far from ending private property, it is our intention to give back to the people the property which is justly theirs, and to increase it by a constant raising of living and cultural standards of the people.

What is included in the term "private property"?—a thousand acres of land; rows of houses or shops; blocks of offices; a chain of cinemas; a railway system, complete with rolling stock; a fleet of ships, etc. It also includes such things as a suite of furniture; a suit of clothing; a wrist watch, or a bicycle, or a radio set. Here are two examples of two kinds of property. The first kind is used as a means of raising money by the exploitation of labour. The second kind is personal effects—goods and chattels. Our aim is to raise the standard of living by greatly increasing the supply of these latter, and enabling the people to produce them.

Our great monopoly combines, chain stores and syndicates are able to build on the ruins of the private property of the small men, by a ruthless policy of undercutting, cornering of markets, buying up of patents, and monopolising the sources of supply. The banks, trusts and monopolies have swallowed up the livelihood of tens of thousands of small business rivals. Some have gone bankrupt, others have been driven into the ranks of the industrial workers, whilst the luckier ones have found employment as salaried officials of their bigger rivals. Today in Britain the lion's share of the national income goes into the pockets of a handful of wealthy magnates. Out of every hundred pounds of the country's income in 1943, thirty-five pounds was shared between about a hundred thousand people, who each had incomes greater than £2,000 a year, whilst fifty pounds out of the one hundred was shared between about 28 million people who each had an income lower than £500 per year. The 100,000 are the owners of four-fifths of the property of the country. The 28 million and their dependants own only five per cent. of the property.

The wage earners and small traders use up practically the whole of their income in the business of keeping alive. The rent interest and property class spend only a fraction of their income for this purpose. What they have left goes to strengthen their power over the country's resources, and because this is a continuous process, it follows that, as they get more and more into their hands, the majority of the people must get less and less. And it is these wealthy people who dare to raise the bogey about the Communists seeking to destroy private property.

The normal development of modern capitalism leads inevitably to the destruction of the private property of the many for the aggrandisement of the few.

Many of our small traders, of course, are amongst the staunchest supporters of the present order of things. They still hope to rise in a world of capitalism. They like to think that every successful business man reflects the image of their own future, and they are hostile to those who desire to end capitalism. In this way they become the unconscious tools of their worst enemies. The days of the great "industrial romances" are over. It was only a developing capitalism which allowed little Alfred Morris and hard-working Herbert Austin to rise in the world. And for everyone of these successful "captains of industry," there were thousands who failed. As the old saying goes—"There is a marshal's baton in every soldier's knapsack"—only one in millions ultimately finds it. It would be foolish, therefore, for a humble private to put all his store for the future in becoming a marshal.

The desire of many people to have a small business of their own arises, many times, out of their desire for "independence," but the independence of small traders, under the present system, is largely illusory. In such businesses as furniture, radio, electrical, cycles and cars, where hire purchase prevails, it does not exist.

They are engaged in a constant struggle against more favourable terms offered to the public by the big companies. At the same time they cannot afford to finance their own hire purchase businesses, and have to obtain credit from commercial bankers on the most burdensome terms and conditions. Thus a great deal of the effort they put into winning a livelihood is absorbed by big financial concerns, who use them as money-making agents, whilst leaving them with the responsibility and the worry.

In addition to this they are constantly under surveillance through various agencies who act as watch-dogs on behalf of the manufacturers, wholesalers, and financial houses.

It would be wrong, however, to assume that all small traders are completely at one with the capitalist system. There is, on the contrary,

a growing number of small business men who have begun to see that their future is bound up with the winning of power of the working class, and who see that their own existence cannot be safeguarded except by throwing in their lot with the working-class movement.

All of them in one way or another, find themselves in conflict with the trust, big manufacturers, chain stores, and the banks. What are the ways by which the small traders and manufacturers are squeezed and fleeced by the big men?

By the reduction through monopoly control of the purchasing power of the working people, who are the main customers of the small traders.

By the buying up of the best business sites.

By the monopoly control of wholesale prices.

By prohibitive rents.

By lavish advertising and special inducement to customers.

By cutting out middlemen's profits, which the smaller men have to deal with.

By the buying up of commodities in short supply.

By the high cost of shop fittings, refrigerators, scales, cash registers, etc., which allows the big manufacturer to skim the cream of the small man's profits.

By the forming of "rings" to cut-out all outsiders and to engage in cut-throat competition.

By organising bankruptcy through the withholding of orders.

By the virtual control of private business by the judicious placing of orders.

By selling direct and on credit terms at cash prices, through outside salesmen working from warehouse premises.

And a hundred other tricks of the trade, all of which destroy "free enterprise" which the monopolists boast they are defending against the encroachment of the working-class movement.

WHAT ABOUT THE CO-OPERATIVE MOVEMENT?

Before any small business man allows himself to be led astray by anti-Co-op propaganda, indulged in by the capitalist monopolists, let him remember that there is a world of difference between the Co-operative movement and the private monopolies. The Co-ops are a movement of the people, organised as consumers against monopoly control of big business. They have arisen out of the need for working-class consumers to defend themselves against those who would profiteer out of the basic necessities of life, and stoop to the adulteration of food.

The Co-operatives observe trade union conditions, are democratically controlled by their members, and operate trade policy which is in the interests of the people.

Were it not for the Co-ops big business would long ago have established a monopoly of trade in the sphere of consumer's goods; dictating prices and conditions of service. They would have grievously harmed both the small men and all working class people.

In regard to two articles of common use alone—soap and flour—the Co-ops prevented Lever Bros. and Ranks and Spillers from having virtual control over supply and prices. By thus preventing the monopolists from establishing a stranglehold over the means of existence, the Co-operatives defend the interests of the people as a whole.

They are able to do this because they are based on the principles of the common good, and make service and mutual help the basis of their work, rather than profit gain. No one can dispute that such principles have been sadly lacking in our commercial and economic life.

It is because the private monopolies see the Co-ops as the chief obstacle to their own exclusive power that they single them out for special attack, and try to rouse prejudice against them from amongst the class of small traders.

As far as the Co-operatives are concerned the greatest bugbear of the small trader is "divi." But it is not sufficiently recognised that the big stores and multiple shops also pay "divi," but to a limited number of shareholders. The difference is that instead of the profits of the trading going into the hands of a small number of private people, they are returned to the general mass of consumers. In this way the "divi." increases the purchasing power of the general public, whilst the profits of the private companies are used as a means for further investments which drive the small traders to the wall, and on luxury goods purchased in the West End.

Would the destruction or curtailment of the Co-operative Movement be to the advantage of the small trader? Certainly not! It would only open the way to the undisputed control of the big combines, a law unto themselves, answering no one but their own urge for profits and more profits.

Modern capitalism has given rise to the need for the common people to unite their ranks against what would otherwise be the power of life and death over them by the owners of capital.

In the industrial field the trade unions have arisen to assert the right of the workers to human dignity, better conditions, higher wages and reasonable hours of labour.

In the political field the Labour and Communist Parties have arisen to challenge the monopoly of political power in the hands of the Tories and big business. And so in the field of domestic trading the workers have combined to secure independence from the business operations of the chain stores and millionaire provision dealers.

Let us not forget that the small trader is also a consumer who enjoys the facilities of the Co-operative Movement if he wishes to become a member. That is probably why hundreds of thousands of small business people are themselves members of the Co-operative Society.

Any one who disputes the right of the Co-operative Society to function and to grow does so at his own peril. He would unwittingly help the laws of the jungle to descend once again into this vital sphere of social existence, which before the Co-operative Movement came of age, was the happy hunting ground of profiteers in the basic necessities of life, even more than it is today.

Don't fall into the error of thinking that the Co-ops prevent the return to the old competitive system. This competitive system, in its old form will never return again. It has been ended by the very process of capitalist development itself, and those who wish it to return are as misguided as the poor Luddites, who, over a hundred years ago, tried to smash the new machinery because it was stealing their livelihood from them.

Their great mistake was that they stood in the way of progress and social needs. For this reason they achieved nothing. Neither will those who wish to stand in the way of social progress today, by barking at the heels of a great movement, which has brought a new spirit of human co-operation and higher aims into the sphere of the distribution.

Who is shouting loudest against the Co-operative Movement? The paid hacks and scribblers of Lord Beaverbrook. Since when has this press millionaire and Empire monopolist been interested in the prosperity of the small trader? He never has been. By attacking the Co-ops he hopes to kill two birds with one stone. To win the political support of the small traders and to use them for the suppression of the Co-operative Movement.

It is well worth while studying still further the claims, set out against their real aims, of these self-styled champions of the small man.

THE REAL AIMS OF THE MONOPOLISTS.

What is, in a nutshell, the basic line of the monopolists for the post-war period? Undoubtedly their first aim is the re-establishment of British industrial supremacy. "More and More Exports" is the cry, and in order to make this possible, according to their theories, much lower wages will be necessary throughout industry.

This is the policy which has time and time again led to mass unemployment on a world scale, and an intensifying of world competition leading to war. One would hope that the bitter experience of the past would have cured these "orthodox economists." One would think that the natural and obvious thing to do would be to guarantee a standard of living which would enable the people to enjoy the fruits of their labour. In other words, the fullest development of the whole market. Again by international agreement, instead of international conflict, it would be possible to combine mutual exports and imports on a higher scale than ever before, whilst developing the home market in every country to satisfy the full requirements of the people. This, of course, would mean making deep inroads into the capitalist system by the nationalisation of the land, transport, coal, iron and steel and other monopoly industries.

But what seems perfectly logical to ordinary people, and particularly to the small trader, dependant as he is upon the home market, is just "economic insanity" to the big business chiefs. There is a story told of a dear old lady who was instructing the young mother how to bring up her children, and she based her authority on the fact that she had already buried six of her own. It is the same with our economic experts. Their claim to have the last word is based on the undisputed fact that they have failed to prevent several world economic crises; have already provided the world with several millions of unemployed, and created all the conditions for the present world war.

We have just stated that the interests of the small trader require a prosperous home market, in other words a high purchasing power on the part of the ordinary people. Can this fact be denied? Any one who has kept a shop in a working class area during a trade depression will have no doubts about the answer.

The prospect of the small man is dependant upon the well-being of the industrial worker and the working class generally. The interests of both, therefore, have a common bond. But there will be no prosperity if the Tory monopolists are allowed to inflict, once again, their will upon our economic and political life.

As the Liberal financial weekly, "The Economist," puts it: "The dominant slogan of the monopolists is 'High Profits and Restricted Turn-over'—a minimum service for the maximum profit. The deliberate engineering of scarcity to secure the maximum prices. The destruction of goods rather than a reduction of price levels."

The Monopolies cannot allow our productive machinery to work to full capacity. If they did so the efficiency of modern technique is such that plenty could be produced for everybody. "But isn't this what we are after?" it might be asked. Of course it is, but not what the monopolists are after. If they put enough goods on the market to meet everybody's needs the prices of these goods would have to come down to the level of the purchasing power of the people. And if prices came down in this way the rate of profit would also have to come down.

In view of this the monopolists have two alternatives to choose from, until capitalism is abolished altogether:—

1. To produce to the full extent of the people's needs, at low prices and shrinking profits, or,
2. To restrict production, close down the "less economic" plants, and destroy all goods which cannot be sold at the high prices they demand.

Ever since they came into existence the monopolies have chosen the second alternative, to the great detriment and suffering of the masses of the people. The social results of their evil work are written large in the tragic history of the last twenty-five years. In August, 1933, one and a half million oranges were thrown into the sea between Britain and Spain. In 1934 thousands of gallons of full-cream Irish milk were poured into the Clyde at an order from the Ministry of Agriculture, to keep up the prices. In 1936 forty million bags of coffee beans were thrown on to a huge bonfire in Brazil. At the same time five thousand head of cattle were being destroyed, and their carcasses burned every week in the public abattoirs of Denmark, while the Government of Chile was burning the carcasses of half a million sheep.

Besides this wanton destruction of food at a time when the greater part of the population of the world was suffering from chronic under-nourishment, the industrial magnates of Britain were dismantling shipyards, scrapping woollen mills in Yorkshire, smashing ten million cotton spindles in Lancashire, cutting down the output of our coalfields, and allowing good blast furnaces in South Wales and the North-East coast to go to rust. In peace time the monopolists were proved incapable of organising the resources at their command for the benefit of the people. In war their criminal failures have had to be made good by the rigours of National control.

One of the biggest "red herrings" hawked before the small trader is the cry "Where are we going to get the money from?" With this slogan the Tory has time and time again won his support for reactionary policies.

It has been inferred that if social reformers had their way taxation would be very high. With the excuse that they are keeping taxation down the Tories have bludgeoned the unemployed, starved the children, enlarged the slums and harassed the old folks with the infamous Means Test.

They will use this excuse again to block any social progress after this war. We shall be asked once again to tighten our belts because otherwise—"where will we get the money from?" There is plenty of money, and will be after the war. The question is who is going to control it and for what purpose—the monopolists or the people? This is the only question that matters.

It has never been taxation as such that has ruined the small trader. Taxes are not needed to keep men in work. Taxes are needed largely to allow a bankrupt social system to keep men idle. A country which can organise productive employment need never fear taxation.

There has never yet been a social reform that has put a burden upon the small trader or anybody else. The only thing we need fear is great wealth at one end of the scale and great poverty at the other.

Give the people their birthright—better homes, more democratic education, full employment and a good standard of living—and the prosperity of the small trader will be assured.

On the other hand, let the monopolists have their way in the name of "sound finance" and the small trader will share a common misery with the working class.

THE ART OF DECEPTION AND FLATTERY.

First of all—flattery. Mr. Walter Higgs, M.P.: "Let it be remembered that the small trader is the backbone and goodwill of British industry." ("Birmingham Post" 4.4.44).

Mr. L. D. Gammons, M.P., says: "The retail trader has always been the backbone of the country" ("Birmingham Post" 5.5.44), and Major Basil Peto, M.P., tells us that "—small business and individual initiative and enterprise have been the backbone of the country for a 1,000 years and still is." ("Birmingham Post" 5.5.44).

So much for England's backbone. But here comes the deception. Mr. Higgs goes on to say—"Controls of the order we are experiencing today are repugnant to the British mind; they must be done away with at the earliest possible moment." Again Mr. Higgs is here opposing the control of business of any kind—that is, opposition to control of the monopolists as well.

It should be obvious that without State intervention, which Mr. Higgs is against, the small trader is at the mercy of the millionaire concerns. It is this desire of the monopolists to return to their undisputed sway which leads them to agitate against State controls. Of course, there are very bad aspects to the present methods of controls, but these do not arise from control itself, but from the kind of people and interests who man the controls. When Mr. Higgs says, "The small trader has probably been more harshly treated during the war than any other trading section of the community," he does not mention that this arises from the fact that the controllers in each sphere of commercial life is at the same time the principal monopolist business man in his own particular sphere.

The Communist Party has consistently demanded that the controls should be operated by democratic representatives of the people and not big business men, who inevitably distribute supplies and operate policies which are favourable to the big combines with which they are associated.

It is not controls, as controls, therefore, which are at fault, but the actual controllers. Our demand is therefore for a change in the personnel of the controls and not the ending of controls as such.

Tory members of Parliament like to paint pretty pictures of British trade being largely run by small firms, arising out of sturdy individual initiative and concerned primarily with the goodwill of his customers, etc. But this picture cannot be said to be typical of British industry today, as the "Times" 29.11.41 points out:

"The typical British industry today is privately owned but centrally controlled. It is not often realised to what an extent combination, in its various forms, such as price-fixing arrangements, market-sharing agreements, rings, cartels, trusts, pools, combines, and plain monopolies, has spread over British industry. The trade in which prices are determined by competition and in which the newcomer can enter on terms of approximate equality is now a distinct rarity In a wide range of industries prices in the British market have been kept above the world level. There have been several public demonstrations of the art of excluding the newcomer and of hamstringing the firm that is ill-advised enough to try to increase its technical efficiency and thereby its competitive power."

In face of facts such as these, what is the use of Major Basil Peto uttering this pious sentiment: "If monopolies, whether political or private, were allowed to crush the individualism of England, we should be heading for disaster and the Fascist state." What is the use of saying "if" when this process has been proceeding without interruption, through the operations of Tory big business men for many years—except to deceive the small trader.

THE ISSUE OF NATIONALISATION.

By "political monopoly" Major Peto no doubt refers to State Ownership or Nationalisation. In this way nationalisation and monopoly are presented as twin evils, instead of as opposites, and it is inferred that both can be avoided and a return made to non-monopoly, private trade.

What is the truth of this? Huge private monopolies of today, in the sphere of iron and steel, chemicals, food, clothing, radio, electrical equipment, etc., can never return to small private enterprise.

Even if it were possible, which it is not, it would be a most wasteful uneconomic way of doing things.

These giant businesses, which can only be operated by enormous amounts of capital, expert salaried personnel, and take on the character of semi-public undertakings, could not return to individual ownership.

The only step forward, which is dictated both by the interests of the people, and the efficient running of industry for the maximum production, is by Nationalisation. This means elimination of the profit motive from industry, increasing the producing power of the people and providing better conditions for the workers by hand and by brain.

It is interesting to note that at the annual meetings of our large companies in recent years there has been a strong attack made upon the Labour Movement's demand for Nationalisation. It would be completely misleading for the small trader to gather from this that by opposing Nationalisation the big business men are fighting for their interests as well. For instance, in a speech made by the Director General of Supply Services, Major-General Gilbert Szlumper, who was formerly General Manager of the Southern Railway, he makes a most forthright attack upon Nationalisation and argues for the continuance of private enterprise, but on a more centralised scale (i.e., more powerful monopolists).

Again, whilst demanding the continuance of private enterprise in transport General Szlumper nevertheless argues against free and unrestricted competition. He says, "My reasons for this view (i.e., support for central monopoly) are that in pre-war days inland transport had arrived at a state of competition that had become a menace to the prosperity of the main contestants—rail and road—a state which may be much intensified after this war by the fabulous number of army vehicles that may become available, and the flood of sentiment that may make road haulage licences easily available to the ex-serviceman." (our italics)

In this statement you see the outlook of the monopolists in its purest form—opposition to public interference, contempt and hostility to the small man, who, on “sentimental” grounds may be allowed to set up a small business in competition with the transport monopolies. We thus see that in their more public utterances our big business chiefs are full of sympathy, admiration and human kindness for the small business man, but amongst themselves are determined in the post-war world to ruthlessly eliminate all competition by ex-Service men, small men, and the State.

In short, monopolists who are today endeavouring to win the small traders to their side are the main opponents of “free enterprise.”

It would be absolutely wrong, therefore, to discuss this whole matter as an issue between free enterprise versus Nationalisation, since the strongest opponents of Nationalisation are also opposed to free competition of the smaller businesses. We have attempted to show that, from the standpoint of social progress and the people’s interests, the real battle must be between unrestricted monopoly on the one side, and the nationalisation of the basic means of wealth production on the other.

COMMUNIST POLICY.

Does this mean that there is no place in the future for the small business man? On the contrary, a Labour and Progressive Government in the post-war world would provide an adequate place for the small trader.

Without going into our whole policy which can be read elsewhere, the Communist Party’s post-war plans include the following:—

1. Protection against stranglehold of monopoly by the provision of public tribunals to which appeal can be made against unfair practices and discrimination.

2. Relief from excessive rents and rating burdens which constitute one of the main forms of exploitation of small businesses. This can be done through the nationalisation of the land, with the consequent lowering of rents through the elimination of vested interests in the land, and by a reform of local Government finances which tend to discriminate against the small man to the advantage of large factories and big business undertakings.

3. We propose the extending of State credits at low rates to small manufacturers in order to assist the extension of, and technical improvements to, their plants, in this way achieving maximum production capacity to satisfy the enormous needs of the people, which will arise out of the greater producing power of people who have been freed from the exploitation of large-scale capitalism.

4. The placing of State orders to small manufacturers to ensure the full utilisation of plant, together with a system of price fixing from the manufacturer to the retail customer, which would eliminate excessive monopoly profits, unnecessary middlemen's charges, and ensure a fair margin to the retailer.

5. The full operation of a Social Security Scheme on the lines of the Beveridge Plan. The slowly growing Social Insurance Schemes of this century have so far catered only for the working class. This was inevitable as the working class by its stronger organisation and political consciousness has been able to force progressive measures upon each succeeding Government. The rich do not need these schemes, and the small traders have been left to fend for themselves. At long last in the Beveridge Plan, we have proposals which cater for the small traders, putting them on a level of security with the organised workers. It is interesting to note that the most bitter opponents of the Beveridge Plan are precisely the people who are at this moment pretending to fight for the interests of the small trader.

In the plans of the Communist Party and the Labour Movement for post-war progress there will continue to be wide scope for the small shopkeeper and the small manufacturers. Today, owing to the restricted consumption by the people, there are **too many** shops for the **present** level of consumption. But the great increase in consumption of all kinds of goods which we are aiming for, will mean full use of these shops and a greatly increased turn-over.

There is a story, carefully pedalled around by persons interested in monopoly, that all small plants are necessarily inefficient. This is very far from the case, and in many sections of industry, the small plant is not less efficient, and is able, from a purely economic standpoint, to maintain its position in spite of the large economic units.

Many of our small factories are perfectly adapted to the most economical and efficient production of special parts and appliances, which give them a legitimate place in our industrial life.

Our proposal, therefore, of finding a place for the small manufacturers does not in any way involve keeping alive inefficient firms which should be put out of existence. On the contrary, the issue today is whether the smaller firms are to be placed at the mercy of the big monopolists, or whether they are to be State aided on the lines set out above, and are enabled to work in collusion with the Co-operative Movement. The Co-operatives will certainly be in the position to place orders with smaller firms to the mutual benefit of both.

Whilst it is true that there is a traditional hostility between the Co-operative Movement and these small firms—hostility which is taken advantage of by the monopolists and the big chain stores—we consider

that from an economic standpoint, both small manufacturers and the Co-operative Movement will benefit by closer economic ties.

The Co-operative Movement through both the wholesale and the distributive societies could establish permanent links with the manufacturers of different lines of goods in such a way that their factories would be continuously employed on Co-operative goods.

This would assure the small manufacturers of a regular sale of their products such as clothing, fashion goods, furniture, household equipment, radios, etc., and would also enable the Co-operative Societies to break through any attempted restriction of supplies or boycott on the part of the larger manufacturers and combines.

CONCLUSION.

This pamphlet would not be complete unless we came to political conclusions. It has been shown, how the Tories have sought to woo the small traders by flattery and deception about the return to a golden age of "free enterprise" and "individual initiative." They will no doubt put out many more attractive watchwords in a bid to capture the small trader's vote at the next election.

On whose side then—the monopoly capitalists or the working class movement—must he throw in his weight?

In capitalist industrial countries there are only two main sources of political power—the capitalists, with the power of money and tradition, and the working class, with the power of organisation, solidarity and progressive ideals. History has shown that all other classes have to choose between these two. In Germany the small traders supported the nominee of big business—Adolph Hitler, and thus paved the way to their own destruction. In France they were betrayed and sold to the enemy by their industrial millionaires and financiers led by Petain.

We are not saying here that the small trader has to choose between two evils. It is a choice of partnership in the task of building a better and happier world. And a better world cannot be built by those who look only to the past, and who wish to stop the wheel of social progress in order to maintain a social set-up which gave them exclusive privilege, wealth and status, to the detriment of the masses of the people. Partnership can only be sought with those who wish to go forward to the destruction of poverty, wars and all social ills, and who wish to use the great discoveries of science and the hidden riches of our mother earth to bring comfort, light and happiness to this and later generations.

A Labour and Progressive Government, a proposed policy for which has already been published by the Communist Party, is the real solution to the problems of the small trader. If this pamphlet does no more than to persuade a study of this programme amongst them it will have served its purpose well.

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