

CO-OPERATION

SEPH·CLAYTON



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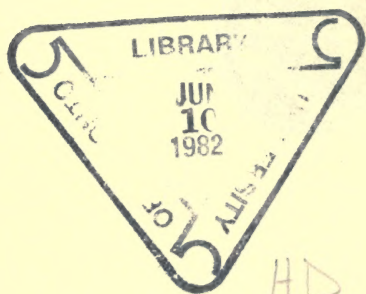


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By JOSEPH CLAYTON



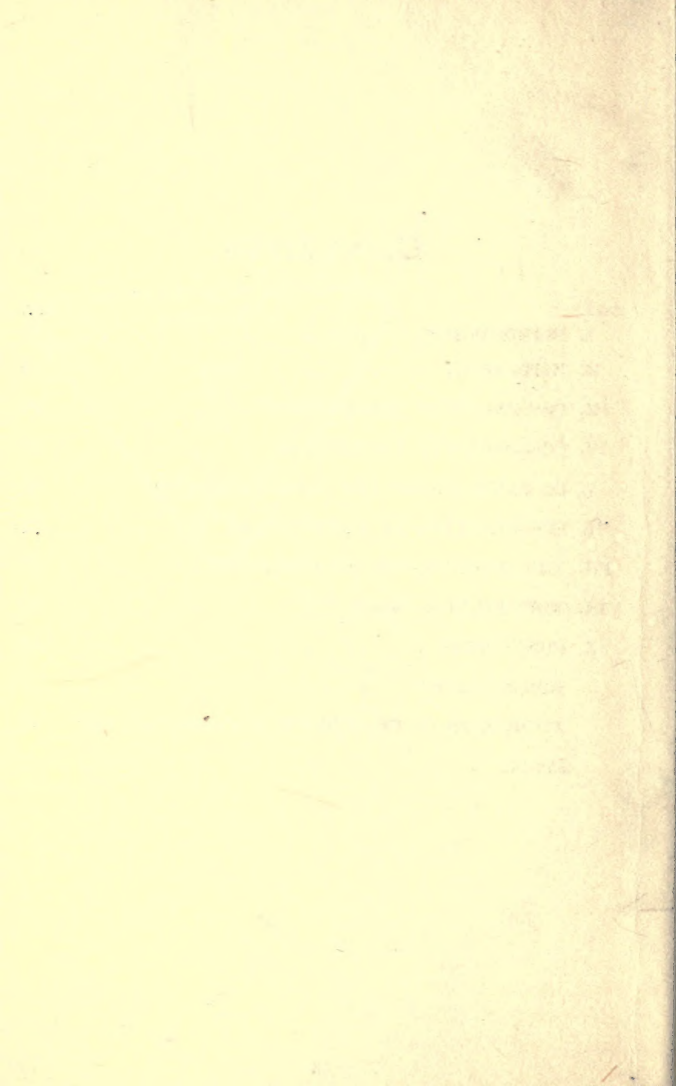
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CO-OPERATION

CHAPTER I

INTRODUCTION

THE Co-operative Store is a recognised institution in every large industrial centre—London excepted—in Great Britain to-day. It is not to be confused with the London West End stores. For these are simply limited liability companies, and though sometimes they are labelled “co-operative” they have no real likeness or affinity to the store of the Industrial Co-operative Society of our manufacturing districts. Here we are not concerned with London’s West End supply stores. It is sufficient to say that while membership in an Industrial Co-operative Society and participation in the society’s “dividend” are open to any normal adult person who cares to take up a £1 share and become a customer at the store, the shareholders in a London “store” are restricted in number as they are in other limited liability companies, and its customers no more expect a half-yearly dividend on the amount of their purchases than they desire to take part in the management of the business.

Our concern, in the main, is with the industrial co-operative movement in Great Britain; to note its birth and growth, tell something of the work it has accomplished, and glance at later co-operative developments and their possibilities.

Incidentally, because within the compass of a "People's Book" necessarily we cannot deal with Co-operation in all its forms throughout the world, there is reference to the remarkable organisation of agriculture in Ireland, and to one or two examples of Co-operative enterprise on the Continent. Some account of profit-sharing and labour co-partnership is also included; for though these things are not recognised by co-operators generally as fully coming within the term "co-operative," yet as they are chiefly informed by the spirit of association, and are a fruit of that spirit, to omit them would be a scrupulous and pedantic refinement, both inconvenient and inappropriate.

It is peculiarly British this co-operation in the distribution of commodities—as British as the belief in representative government; and in both cases other nations have sought, and still seek, to acquire our faith and practice. More than 1400 Distributive Co-operative Societies, with a total membership of 2,640,091 persons, were in existence in Great Britain in 1911, and the trade of these societies on the year amounted to £74,802,469. The report of the last Co-operative Congress is a volume of more than 500 pages. These facts are mentioned that the reader may realise how huge this co-operative movement has become in the last sixty years—and the history of its success is all a matter of sixty years—and how meagre must be our description of it. All but a few indispensable statistics are left out in the pages that follow. Not by any means because they are unimportant. On the contrary the statistics of co-operation are extremely significant, and unfold a tale of human effort that far exceeds in interest the life-stories of successful captains of industry. But these figures can be studied in the year-books and reports of the Co-operative Union and the Productive Federation.

No attempt has been made to enumerate all the Productive Societies, or to give a list of all the Distributive Societies. The Productive Federation's Year-Book and the Congress Report of the Co-operative Union give all these details in full.

Our omissions are many. Nothing is said concerning Co-operative Insurance, Urban Co-operative Banks, or Co-partnership in Housing. Other expressions of Co-operative activity are unrecorded or get but the scantiest acknowledgment.

At the best we can but hope that in the bibliography at the end the reader will learn where all shortcomings may be supplemented, and deficiencies remedied.

It stands out, this co-operative movement, as one of the great accomplishments of the working-class in the nineteenth century. Inspired by men of social ideas and neighbourly feeling, co-operation challenged the hard inhuman doctrines that prevailed in the current world of British commerce sixty years ago. It would have none of John Bright's dictum that adulteration was a legitimate form of competition, and against the teaching that a nation's wealth was built up by each member striving for personal riches it maintained that mutual aid must be the chief factor for common prosperity. (At the same time the co-operators were fully alive to the egotism in human nature, and saw that the powerful motive of self-interest was not to be ignored. Therefore the contention was that the individual would be the happier, and the richer in this world's goods, by association with his fellows, and that unrestricted competition meant misery and discomfort for the mass of people.)

Industrial Co-operation was not sixty years ago, any more than it is to-day, the only expression of social principles. In many other forms of association for mutual aid are these principles seen at work.

But the co-operators have been amongst the foremost exponents of social ideas. Their leaders conspicuously strove to extend co-operative principles beyond the business of store-keeping, and to infuse high standards of citizenship in all who would hear their message. Public-spiritedly they cared more for the success of their social principles than for personal popularity, and were content to be denied the triumphs of the party politician.

Theirs is the triumph that endures. For in this twentieth century we are all filled with the social principle, and mutual service abounds. The men and women of goodwill are in every political party, and have their organisations for social service in every religious denomination. The doctrines of the old Manchester School, the doctrines of unrestricted competition and of each man for himself and the devil take the hindmost, are as dead as the Deism of the eighteenth century.

We reap in abundance the patient sowing of the early co-operators. In obscurity, in the teeth of bitter opposition, despised and ridiculed by the wise ones of the world, those early co-operators laboured, sure in their mission, strong in their social faith.

Glancing back over the travelled road, their successors on the march may note the obstacles overcome, the losses suffered, the mistakes committed, the victories gained. And the knowledge should not be unhelpful. For the progress in co-operation has always depended on knowledge, no less than on faith, and must always so depend. These are the days of faith; it is time, perhaps, to put in a word for knowledge, and to plead for a wisely informed intelligence in social movements.

CHAPTER II

HISTORICAL

Robert Owen—Communitistic Colonies—The Rochdale Pioneers—The Christian Socialists—The Wholesale Society—The Co-operative Union—The *Co-operative News*—Women's Co-operative Guild.

ROBERT OWEN is the recognised founder of the Co-operative Movement in England.¹ All co-operators are agreed upon that point. But the movement has not taken the line predicted and desired by Owen. For that remarkable man, the founder of social ideas in England in the nineteenth century, obsessed by a social creed, never forgot the success of his factory management at New Lanark, and believed till his death that self-governing, self-supporting communities, colonies of simple communists, inspired by an ideal of mutual aid, were the only form of co-operation worth striving for. The store and the labour exchange were trivial and insignificant affairs to the prospect of the "New Moral World." At the same time Owen, for all his stupendous visions of a new Society, was an eminently practical person keenly alive to the misery and destitution around him. His trade unions and co-operative societies, both in the main friendly benefit societies, were experimental and did not survive. But the unsuccessful experiment is often invaluable in its suggestion, and

¹ "The originator of Co-operation was Robert Owen."—Holyoake, *History of Co-operation*.

"Thus two separate and important branches of social reform—the socialistic legislation of the last fifty years on the one hand and the Co-operative Movement on the other—sprang out of the teaching of Robert Owen."—Potter, *The Co-operative Movement in Great Britain*.

the later trade union, co-operative society, and friendly society—each organisation in the form we know it to-day—can make acknowledgments for its success to the educational work of Robert Owen and his immediate disciples.

In 1821, Owen started the *Economist*, the first of a long series of Owenite publications, and in the same year "The Co-operative and Economical Society" was established in London and the word "Co-operative" was added to the English language. The object of this society was to set up a communal life in the very heart of London. Two hundred and fifty families were to occupy a set of dwellings, and as far as possible the communists were to manufacture the goods they needed. The scheme looked reasonable enough, but the two hundred and fifty families were not forthcoming. What happened was that a store was opened, and that for the next ten years societies for the distribution and the co-operative production of goods sprang up in various industrial districts, enjoyed a brief popularity, and expired. The difficulties in the way were enormous. Want of union, lack of education, total inexperience in buying and selling, and the utter absence of all legal protection for the funds of the society—so that any rascal in office could embezzle with impunity—all these things were against the hope of permanent success.

These early co-operative societies—estimated at 250 in 1830—with their stores and workshops dwindled and sank, to be succeeded by annual Congresses, a propaganda of Co-operative "Socialism," and the actual setting up of communistic colonies. At the third Congress held in London in 1832 the following statement of faith was made :

"That it be universally understood that the grand ultimate object of all co-operative societies, whether

HISTORICAL

engaged in trading, manufacturing, or agricultural suits, is community in land."

The communal colonies, whether in England or America, were no more successful than the trading societies. New Harmony in Indiana, which existed from 1825 to 1828, was doomed from the beginning, for its population was "a heterogeneous collection of Radicals, enthusiastic devotees to principle, honest latitudinarians, and lazy theorists, with a sprinkling of unprincipled sharpers thrown in"—the same kind of people, in fact, who have been attracted to every kind of communist colony in our own times.

At Orbiston, near Motherwell in Lanarkshire, three hundred persons joined together under Abram Combe—a man of exceptional courage and considerable ability—in 1825, and for two years faced hardship for the sake of their communistic principles. Then Combe died, and the colony came to ruin for want of capital and good management.

Ralahine in co. Clare, an estate of some 1200 acres, belonging to John Scott Vandeleur, was the scene of another ill-fated colony. Vandeleur, impressed by Owen, started the Ralahine Agricultural and Manufacturing Co-operative Association on his estate in 1831, with E. T. Craig (who lived on till 1894) as secretary, and fifty-two of his tenants as members. The colony was an immediate success. It paid £900 a year rent to Vandeleur, and the co-operators—agricultural labourers—were industrious, comfortable, and happy. At the end of 1833 came the catastrophe. Vandeleur, an inveterate gambler, gambled himself into bankruptcy and fled the country. Ralahine was seized and the farm stock sold, for the co-operative society had no legal existence, and "tenant-right" was not recognised. All that the dispossessed colonists could do was

to acknowledge "the contentment, peace, and happiness they had experienced for two years under the arrangements introduced by Mr. Vandeleur and Mr. Craig, and which, through no fault of the association, was now at an end."

Queenwood, in Hampshire, the last of Owen's attempts at co-operative colonisation, failed directly for want of funds, the initial expenditure on buildings and machinery leaving the necessary capital for maintaining the inhabitants far too small. Fifty-seven persons went to live at Queenwood in 1840, on 500 acres bought by the Home Colonisation Society, and within the year the numbers were reduced to nineteen. By taking pupils, life at Queenwood was prolonged, but the agriculturists were starved for want of ready money to replenish stock, and seeds and tools, and in 1845 the place was given up and sold.

Robert Owen had no personal responsibility for these adventures, and in every case he warned co-operative communists from embarking on their schemes without sufficient capital. But Owen never doubted that co-operative colonies on a basis of communism were *the* cure for all social distress and unrest. At New Lanark he had seen what could be done in a small well-regulated community. There, in the course of a very few years, order, cleanliness, and comfort had superseded lawless savagery, dirt, and general discomfort. Elementary education, a studied consideration of childhood, and a real will to promote the welfare of the factory operatives wrought wonders at New Lanark. Therefore, similar wonders could be wrought elsewhere, and the new moral world ushered into being, Owen argued. But the great factor at New Lanark was Owen's autocratic government. The cotton operatives at New Lanark, men, women, and children, simply had to obey their employer or go; and conscious of their employer's

disinterested aims, and learning to appreciate his wise counsels, they naturally preferred to stay at New Lanark and enjoy the excellent paternal government provided, than to wander abroad or starve in unemployment.

But no such coercion was provided in the co-operative colonies, and hitherto in the world's history only where a strong and common religious faith prevails have communities enjoyed any lasting existence. The Home Colony of Owen's new world was to cover some 2000 acres and number some 2000 persons. It was to be entirely free of all external rule, and of all internal civil or religious authority, and it was to be kept together entirely by mutual service and goodwill. There was not a ghost of a chance of co-operation succeeding on such lines in England in the nineteenth century.

Robert Owen died in 1858, an old man of eighty-seven, outliving by many years his schemes for co-operative colonies. But the seed of his teaching had borne fruit before Owen's death: for the twenty-eight "Equitable Pioneers" of Rochdale started their society and opened their distributive store in 1844, and by so doing dated the beginning of the modern co-operative movement. "These twenty-eight Lancashire workmen successfully grafted certain portions of Robert Owen's co-operative ideal on a vigorous democratic stock, out of which has sprung the modern co-operative movement with its million members, thirty-six millions of annual trade, three millions of yearly 'profits,' and twelve millions of accumulated capital."¹ The story of the Rochdale Pioneers has often been told, and its importance cannot be overestimated. For the great principle of the Rochdale Society was that the trading profits of the Society should be divided amongst the members according to the amount of their

¹ Potter, *The Co-operative Movement*.

purchases, and this principle—strengthened by cash payments on the part of the customer in return for a genuine article supplied by the store—is the very life of the co-operative movement. “The plan of association adopted by the Rochdale Equitable Pioneers, by reason of its equity, its adaptability to co-operative transactions, and its almost immediate success, has become the distinguishing feature in the development of consumers’ co-operation since 1844. A Society following this plan is said to be established under the ‘Rochdale System,’ and is accounted a genuine unit in the British Co-operative Movement only in so far as its rules and practices approximate to its model.”¹

William Cooper, James Smithees, and Charles Howarth—Owenite Socialists, Cooper and Howarth—were the leading spirits amongst the little band of distressed weavers, twenty-eight in all, who subscribed £1 apiece to start the Rochdale Society, and it was Howarth’s idea to apportion the profits on sales according to the amount of goods purchased. (The idea did not originate with Howarth. Several Scottish societies claim to have followed the practice ten years before. It was, however, Howarth and the Rochdale Society who established the system.)

The distributive store was only one item in the programme of the Rochdale Pioneers. In their first list of “objects,” co-operative house-building, manufactures, the purchase and cultivation of land and a temperance hotel, are all included, with the intimation “that as soon as practicable, this Society shall proceed to arrange the powers of production, distribution, education, and government: or in other words, to establish a self-supporting home colony of united interests, or assist other societies in establishing such colonies.”

¹ C. Webb, *Industrial Co-operation*.

The distributive store, with its modest beginnings in the sale of butter, oatmeal, tea, and similar commodities, on two evenings in the week, was a success from the first. The 28 members had become 4747 in 1864, 11,986 in 1904, and 18,924 in 1911. The funds increased from £28 in 1844 to £62,105 in 1864, £254,000 in 1904, and £368,122 in 1911. The purchase of necessary commodities and their co-operative distribution was plainly a good thing for the working people; the "self-supporting" home colony slowly faded from the vision of British co-operators, never to reappear.

Societies on the basis of profit-sharing with the customer were quickly started in many of the manufacturing towns of the North when the success of Rochdale was assured, and these societies have marched prospering, till to-day the co-operative society is a recognised feature in every town of importance where large bodies of men and women are permanently employed. Leeds Industrial Society dates from 1847; Derby Society from 1850; Oldham Industrial from 1850; Halifax from 1851; Manchester and Salford from 1859; Bolton, Plymouth, and Leicester from 1860. The experiment of the Rochdale Pioneers has been amply justified by time, and the stout-hearted way this handful of resolute men triumphed over difficulties and escaped disaster has won full recognition.

What with the hostility of shop-keepers, the lack of education, and the want of legal protection for co-operators, it was an enterprise that seemed to many to invite ruin, this setting up a store sixty years ago. And it is here that the invaluable help of the Christian Socialists to the co-operative movement must be noted. For these Christian Socialists—so they called themselves—a little group of earnest Church of England men, two of them clergymen, F. D. Maurice and Charles Kingsley, and three of them, Thomas Hughes, J. M.

Ludlow, and E. Vansittart Neale, barristers, laboured and laboured effectively, to destroy prejudice against the co-operative principle, to promote education amongst the working people, and to secure the protection of the law for the funds and other property of co-operative societies.

Vansittart Neale, in after years the secretary of the Co-operative Union, left on record what the Christian Socialists of 1848 aimed at :

“Theoretically, the idea we endeavoured to spread was the conception of workers as brethren—of work coming from a brotherhood of men associated for their common benefit—who therefore rejected any notion of competition with each other as inconsistent with the true form of society and, without formally preaching communism, sought to form industrial establishments communistic in feeling, of which it should be the aim while paying ordinary wages and interest at the rate I have mentioned (4 per cent.) to apply the profits of the business in ways conducive to the common advantage of the body whose work produced them.”

A “Society for Promoting Working Men’s Associations” was formed at the close of 1849, and for a year or two all sorts of self-governing associations of producers—and conspicuously bootmakers and tailors—were before the public, only to die an early death through internal disagreement or to pass into the hands of ordinary men of business. But the principles of these Associations of Producers survived, to bear later fruit in the Co-partnership Societies of our own day. The high character, the literary gifts, and the disinterested enthusiasm of the Christian Socialists were the things that counted in 1850 to establish the reputation of co-operators in the eyes of the nation. And if the self-governing workshops were not exactly a success, the distributive societies in Yorkshire and

Lancashire were certainly the stronger for the advocacy of men like Hughes, Ludlow, and Neale; who with all their zeal for co-operative production were the faithful friends of every branch of industrial co-operation.

Then the service to education rendered by the Working Men's College was also of service to co-operation. Started by F. D. Maurice and his friends in 1854 in Great Ormond Street, Bloomsbury, for fifty years the College carried on its work at that address, only moving in 1904 to larger premises in St. Pancras. Evening classes and popular lectures on every subject under the sun abound nowadays, but it was a vastly different state of affairs in the middle of the nineteenth century. The Working Men's College enlisted the sympathies of many distinguished persons in the cause of education, and its pupils included several men of mark in the co-operative movement.

The third and greatest service of the Christian Socialists was in getting Parliament to give legal recognition to co-operative societies. Before 1852 a co-operative society was, as far as the law was concerned, a private partnership, and every member was responsible for the total liabilities of the society. If it had more than twenty-five members it had no legal existence at all, and no means of defence against embezzlement or robbery, and no power of enforcing its rules. And in spite of these discouraging conditions co-operative societies existed and even made progress. The Industrial and Provident Societies' Acts of 1852 and 1862 were directly the work of the Christian Socialists. The first of these Acts (drafted by Mr. J. M. Ludlow) gave workmen's co-operative associations a legal right to live, and to protect their property against dishonest officers, and to compel obedience by members to their rules. The Act of 1862 consolidated a number of Acts and limited the liability of members of a co-operative

society to the amount of shares held. Mr. Ludlow not only drafted the Act of 1852, he became Chief Registrar of Industrial and Provident Societies in 1874, and then for many years was responsible for the administration of the laws he had so largely helped to make. Another of the Christian Socialist band, Vansittart Neale, drew up the model rules of a co-operative society, wrote the first *Handbook for Co-operators*, and acted as legal adviser to the movement; while Thomas Hughes, with Walter Morrison and John Stuart Mill, championed the co-operative cause in the House of Commons, and both Hughes and Morrison gained an unpopularity thereby with shop-keeping voters that helped them to lose their seats.

Thomas Hughes presided at the first of the present series of Co-operative Congresses, held in London in 1869, and with Walter Morrison, Vansittart Neale, and J. M. Ludlow, was chosen to sit on the first Central Board of Co-operators appointed at that Congress. Three years later, at Bolton, Hughes again presided and Vansittart Neale presided at the Dewsbury Congress in 1888. To the end of their days the group of Christian Socialists remained in active sympathy with the co-operative movement.

The establishment of this annual Congress and the formation of the Central Board mark a great advance in the movement, and were events of first importance in the progress of education in co-operative principles. On the business side the expansion of the movement, the desire for a pure quality of goods, and the difficulties with certain traders had already demanded a wholesale agency for co-operative societies, and this demand had been met in 1864 by the creation at Manchester of the "North of England Co-operative Wholesale Industrial and Provident Society, Limited," and the Scottish Wholesale Society in 1868. The North of England

Wholesale Society became the "Co-operative Wholesale Society" in 1873, and as such it is known to this day.

The share capital of the English Wholesale was raised by existing retail societies, and its membership was (and is) confined to these societies. The Scottish Wholesale, established on a similar basis, also admits its employees to membership. In both cases, from the first, the Wholesale has traded only with co-operative societies and on ready-money terms. The societies trading with the Wholesale receive a dividend according to the amount of their purchases (in other words a share of their profits), in the same way as individual members receive a "dividend" at their local store, and there is a similar obligation on retail societies to deal at the Wholesale as there is on the ordinary member to purchase at the local store.

The development of the Co-operative Wholesale Society, and its steady, but none the less astonishing, increase of trade are a great chapter in the history of co-operation, and can only be studied in full in the publications of the movement. The wholesale agency of 1863 has become a wholesale productive agency with its own factories for clothing and boots, and for food and furniture, its own steamships and foreign depots, its creameries, fruit farms, soap works, Ceylon tea estates, and printing works. In 1871 the Wholesale opened a branch at Newcastle-on-Tyne, and the following year started banking. The Crumpsall Biscuit Factory and the Leicester Boot Factory were purchased in 1873, the London branch established in 1874, a branch at New York was opened in 1876, when the first steamship *Plover* was bought, and in 1879 and 1881 branches were opened at Rouen and Copenhagen respectively. In 1884 the Bristol depot and a branch at Hamburg were opened. In 1887, the Wholesale

began to manufacture its own cocoa and chocolate, in 1894 it opened a branch at Montreal, and in 1895 a branch was opened at Gothenburg, and a printing department and the Islam Soap Works were added to the list of activities.

The Sydney, N.S.W., depot and the Banbury Creamery were opened in 1897, and in 1903 the English and Scottish Wholesale became joint owners of the Ceylon Tea Estates. A fleet of steamers now brings the goods of the Wholesale from America, Australia, Canada, Denmark, France, Germany, Greece, Turkey, Holland, and Sweden, so vast is the trade done.

The record of the Scottish Wholesale is equally remarkable even though the extent of its trade is not so wide. The headquarters are in Glasgow, and there are branches at Leith, opened in 1877, for grocery and provisions; at Kilmarnock, opened in 1878, chiefly for agricultural produce; and at Dundee, opened in 1881.

It was not till 1881 that the Scottish Wholesale started manufactures, and in that year it began modestly, and with native caution, with shirts and tailoring, adding furniture in the following year. Hosiery in 1886, printing in 1887, brushes and clothing in 1890, confectionery and tobacco in 1891, flour in 1894, tweeds and blankets in 1896, soap in 1897, a creamery at Enniskillen in 1898, fish-curing at Aberdeen in 1899, and linen shirts in 1901, mark the progress made in production; but these items by no means exhaust the list of manufactures now carried on by the Scottish Wholesale.

Apart from the productive and distributive activities of the Wholesale Societies, there is a Co-operative Productive Federation with headquarters at Leicester, which was established in 1882 to act as an agency for those Productive Societies conducted rather on the old traditions of the Christian Socialist self-governing work-

shops than on the methods of the Rochdale system. Printers and shoemakers were the chief productive co-operators from 1880 to 1905, but in the last seven years agricultural associations have multiplied. In fact it is only in agriculture and dairy farming that any increase in the number of productive societies is seen, and every year sees the winding up of some working-class productive organisation.

From the commerce of the Wholesale Societies and the Productive Federation let us turn to the progress of purely educational work in the co-operative movement.

The first National Co-operative Congress, held in London in 1869, was responsible for the creation of the Central Board, and from the Central Board twenty years later came the Co-operative Union.

The circular inviting societies to attend the London Congress set forth the reasons for education in co-operative principles :

“Co-operation is spreading everywhere; but its leading principles are not strictly defined, or its higher aims understood. The methods of business, in distribution or production, of the different societies, are not in harmony. Its success in individual cases is doubtful where it might be certain; whilst, where failure and losses occur, they are at once hurtful to those who enter on such experiments, and a grave discouragement to others.

“While the success of the movement is no longer doubtful, there are obstacles to be removed, dangers encountered, and higher objects sought, which render counsel necessary among those who have studied the principles of co-operation, and who have practically engaged themselves in its working.”

Congress has been from the first of great service both in maintaining the principles and “higher objects”

of co-operation and in giving practical help to new and inexperienced societies ; but it has not succeeded in bringing the methods of the Distributive Societies and the English Wholesale into harmony with the methods of the smaller body of co-operators to whom the producer is the person to be considered before the consumer.

At Congress and on the Central Board and in the Co-operative Union both schools meet freely, and the Productive School, represented by such men as Vansittart Neale, J. M. Ludlow, Thomas Hughes, E. O. Greening, and G. J. Holyoake, has always been enthusiastic for the propaganda of co-operation, and for keeping co-operators up to their high calling. The very constitution of the Co-operative Union is a constant reminder that the movement is something more than a device for aiding the wages of working people :

“The Union is founded to promote the practice of truthfulness, justice, and economy in production and exchange.

“1. By the abolition of all false dealings either (a) *direct*, by representing any article produced or sold to be other than what it is known to the producer or vendor to be ; or (b) *indirect*, by concealing from the purchaser any fact known to the vendor material to be known by the purchaser, to enable him to judge of the value of the article purchased.

“2. By conciliating the conflicting interests of the capitalist, the worker, and the purchaser, through the fund commonly known as *Profit*.

“3. By preventing the waste of labour now caused by unregulated competition.”

The Union, in fact, is anxious to be respected as the conscience of the movement, and, after the fashion of erring mortals, its voice, if not always obeyed, is certainly respected.

The governing body of the Union is a Central Board which is made up of sixty-seven representatives from the Sectional Boards of the seven different co-operative areas of Great Britain. These sections are as follows: Midland, Northern, North-Western, Scottish, Southern, South-Western, and Western, and the vast majority of co-operative societies are members of the Union in one or other of these areas, and are the electors to the Central Board.

As the Central Board meets, as a rule, only twice a year, its powers are largely delegated to various Committees—notably the United Board (fourteen representatives of Sectional Boards), the Educational Committee, the Productive Committee, the Joint Parliamentary Committee, the Joint Committee of Trade Unionists and Co-operators, and the Exhibitions Committee. The central office of the Co-operative Union is at Long Millgate, Manchester, and it has branch offices in London, Glasgow, and Newcastle-on-Tyne.

If the Co-operative Union is the conscience of the movement, at the Annual Congress the ultimate expression of the co-operative faith is declared to the world. But again, co-operators, like the rest of mankind, are often perverse of mind and limited in vision, and so it happens that many a fine resolution of Congress remains—a resolution that waits, either fulfilment in the far-off future or, if it lack vitality, to be buried quietly without mourning.

From the Congress of 1870 came the birth of the *Co-operative News*—founded in 1871 by the Co-operative Newspaper Society. Various co-operative periodicals flourished, faded, and expired in the days of the Owenite propaganda, and the *Co-operator* founded in 1860 as the monthly organ of the Manchester Equitable Society, and the *Scottish Co-operator* founded in 1863, endured with difficulty till 1871. The *Co-operative*

News—a weekly penny newspaper—had its share of bad times at the beginning, but has long been a flourishing and highly useful concern. It is the property of various co-operative societies—more than 300 in number—and it is the official organ of the co-operative movement, and the impartial representative of all co-operative opinion. Other co-operative periodicals must be mentioned: the *Scottish Co-operator*, revived in 1894—a weekly paper; the *Wheatsheaf*, a monthly publication of the Co-operative Wholesale Society, 1896, and localised by many societies; the *Irish Homestead*, the weekly organ of the Irish Agricultural Organisation Society; *Co-partnership*, the monthly organ of the Co-partnership and Productive Movement; and the *Millgate Monthly*, a co-operative magazine belonging to the Wholesale Society.

By the agencies of the *Co-operative News* and the Edinburgh Co-operative Congress of 1883, the Women's Co-operative Guild—an invaluable educational society—was brought into being by Mrs. A. D. Acland and Mrs. Lawrenson. It started with seven members in April 1883, and after the Congress its membership rose to fifty. The last annual report (1910-11) of the Guild gives number of branches at 358, shows an increase of membership to the extent of 1004, and gives a total membership of 29,928. The Women's Co-operative Guild has been peculiarly blessed in its officers. Mrs. Acland, the first secretary, was succeeded by Miss Allen (Mrs. Redfearn), Mrs. Lawrenson, and Miss Llewelyn Davies; and Miss Llewelyn Davies has been the devoted secretary to the Guild since 1889. It is an interesting sign of the change in the public activities of women that at the formation of the Guild—only twenty-eight years ago—Mrs. Acland deprecated any "speaking on platforms, or thrusting themselves on to the management committees" by women. Mrs. Lawrenson, Miss

Reddish, Mrs. Benjamin Jones and others quickly proved that "speaking on platforms" was a task that was eminently necessary if women were to be aroused to an active interest in co-operation. Women now sit on many co-operative committees and are elected as delegates to the Co-operative Congress and to the quarterly meetings of the Wholesale Society, and the Women's Guild is not only busy with an agitation for a minimum wage for all co-operative employees, but is actively concerned in the demand for the political enfranchisement of women.

The business side of life is always apt to banish finer considerations of conduct, and the work of the Co-operative Congress, the Co-operative Union, the *Co-operative News*, and the Women's Co-operative Guild is a constant reminder to all co-operators that no great social movement can thrive unless it is rooted in justice and its face is ever set towards the glittering spires of the City of God.

CHAPTER III

CO-OPERATIVE DISTRIBUTION

The Co-operative Society an Object-lesson in Democracy—Manager, Committee, and Members—Increase of Trade and Decrease of Societies—Concentration of Capital—The London Suburbs—The test of Co-operative Health—Educational Work—Overlapping.

THE self-governing Industrial Co-operative Society with its distributive store is an object-lesson in democracy—one of the many object-lessons for students of popular government. In especial it claims attention from those who confess lugubriously a despair of democracy.

By no means an absolute democracy is the Co-operative Distributive Society, for common law and the statutes of Imperial Parliament impose their authority, and co-operators enjoying legal protection against evil-doers must in return submit to the restrictions of the law. The impulse to get rid of an unpopular member cannot be gratified, the hasty or arbitrary dismissal of an employee of the society is not permitted, the very rules and financial arrangements of the co-operative society are subject to the approval of the Board of Trade. Within the co-operative movement itself, too, rests an authority demanding allegiance from all good co-operators. The Central Board exists for the settlement of inter-society disputes, and the Co-operative Congress exercises at least some moral rule over societies. Neither the Central Board nor the Congress can compel a store to put up its shutters or the members of a recalcitrant society to disband, but they can exclude a society that persists in disobedience

to the general will of co-operators from membership in the Congress, from representation on the Central Board, and from any recognition as a genuine co-operative society.

Membership in a local co-operative society is commonly open to all persons of the age of twenty-one who are of decent character. A shilling entrance-fee is required—though mainly through the efforts of the Women's Co-operative Guild this entrance-fee has been reduced to 6*d.* and 3*d.* by some societies, and totally abolished by others—on application for membership, and a £1 share must be taken up. If the dividend on purchases is allowed to accumulate in the society until it totals £1, the share money is thus paid without making any demand on the weekly earnings of the co-operator. Otherwise just as one shilling is a prohibitive entrance-fee to the very poor, so is the £1 share prohibitive to thousands of hard-working people.

The general rule of open admission can be and is restricted by the special rules of certain societies, which forbid more than one member of a household to join, and only allow joint membership to husband and wife and not individual membership. Another form of this restriction declares that either the husband *or* wife may become a member but not both in the same society.

While membership in the co-operative society, these restrictions noted, is practically open to every grown-up person of sane mind and honest life who can pay a shilling, all and sundry may purchase at the store, and many societies pay a dividend on the purchases made by non-members.

Representative government is naturally the instrument of democracy in the co-operative movement, for the political genius of the British people has, from the Middle Ages, fastened on representative government as the ideal thing in the management of affairs, and has

popularised it throughout the world. So that not only do Englishmen invariably elect a committee for every piece of work on hand, but their example is eagerly followed by every nation seeking democracy.

The members of a co-operative society, then, must always elect a committee of management, and will do so by ballot of members, finding this a better way than the earlier custom of making the election at a general meeting of members. Certain persons are disqualified by most societies from election for various reasons : by holding a paid office in the society, or having relatives employed by the society ; by bankruptcy ; by failure to purchase a specified amount of goods at the store, or holding less than a specified number of shares ; by too short a period of membership.

In the hands of the duly elected committee is the control of the society's business, the appointment of the manager of the store, and the engagement of other employees and the decision as to the rate of wages to be paid.

An educational committee is also elected, and the work of this committee is to spend what money is allotted to it on lectures, conferences, and similarly instructive purposes.

The employee of a co-operative society may, as an ordinary member of the society, vote at the election of the committee, otherwise he is as rigorously excluded, and as wisely, from taking part in the government of the society as the civil servant is excluded from imperial politics. For many years past there has been a minimum wage agitation in the co-operative movement, an agitation conducted with steady pertinacity by the leaders of the Women's Co-operative Guild, and a trade union—the Amalgamated Union of Co-operative Employees—exists to secure fair conditions of labour for all in the employment of co-operators.

Dissatisfaction is, of course, expressed at the rates of wages paid by some of the co-operative societies, and occasionally strikes take place. But there is a close connection between trade unionists and co-operators, for the co-operative workman is commonly a trade unionist—and the Joint Committee of Trade Unionists and Co-operators is always in readiness to adjust difficulties and arbitrate on matters in dispute.

On the whole co-operators justly rank themselves amongst the good employers; for they were pioneers of the weekly half-holiday for shop-assistants, and, in spite of the temptation to cut down all working expenses for the sake of the members' dividend, every well-conducted society pays at least the standard rate of wages and is content with a shorter working day than that of the average small shopkeeper.

In the large manufacturing towns of staple industry the co-operative society finds its most fruitful soil and flourishes accordingly. In London and in rural England the co-operator has many difficulties to overcome, difficulties which are now non-existent in the manufacturing districts.

A glance at the reports for 1911 from the various sections reveals the strength and weakness of the co-operative movement.

The Midland Section, covering Northampton, Wellingborough, Kettering, Leicester, Coventry, Birmingham, Stafford, Derby, Nottingham, and Lincoln, has 223 societies and 344,656 members.

The Northern Section—Northumberland, Cumberland, Westmoreland, Durham, and the North Riding—143 societies and 315,670 members.

The North-Western Section—Lancashire, Cheshire, the West and East Ridings of Yorkshire, and North Wales—466 societies and 1,071,217 members.

The Southern Section—London, Kent, Sussex, Hants,

Wilts, Dorset, Oxford, Bucks, Cambridge, Bedford, Norfolk, Essex, and Suffolk—211 societies and 404,968 members, and more than half of these members belong to the 60 societies in the Metropolitan area. The South-Western Section—Cornwall, Devon, and Somerset—has 78 societies and 803,844 members; while the Western Section—Gloucester, Hereford, Monmouth, South and West Wales—has 96 societies and 87,716 members. It is a similar state of things in Scotland. The Scottish Section has 288 societies and 418,047 members, and the Glasgow, Perth, Dundee and Aberdeen districts easily account for more than half the total membership. In Ireland with 26 distributive societies, even in Belfast there are only 9200 members. But Ireland has its own Agricultural Co-operative Movement, which is dealt with elsewhere.

The returns from the sections show increase of membership, increase of trade, and increase in number of persons employed, but they also show a decrease in the number of societies. Not a striking decrease certainly—only a matter of 26 societies in the whole of the United Kingdom—but still there it is, and the fact is significant.

For these 26 defunct societies have not put up their shutters in despair or gone into liquidation; they have either become absorbed into a larger co-operative society, or have amalgamated with some neighbouring society of like estate.

The concentration of capital goes on apace, not only in the commerce of retail shop-keeping, but also in the commerce of the co-operator. The vast general stores of the limited liability companies press with ever-increasing force on the petty retailer and steadily drive him out of the market-place; and the small struggling co-operative society, its existence equally threatened, finds it the better plan to join forces with a strong

society. Indeed it must do so in many places, or else go under.

What chance has the small retail shop against the Universal Stores, Limited? And what chance has the small co-operative store?

The tendency is, then, for a well-established co-operative society to enlarge the area of its trade by opening new branches; and co-operators, fully aware of the competition in retail trade, wisely seek rather to strengthen their position by this proceeding than by challenging destiny by the creation of new societies. In London this development can be seen very plainly, and what is happening in the London district is happening similarly elsewhere. No one attempts to start a new co-operative society in London to-day; but on the east the Stratford Society stretches out with its new branches over Poplar and westward, while the West London Society advances east from Hammersmith, the Edmonton Society looks southward over Tottenham and Stamford Hill, and the Woolwich Arsenal Society is ready to conquer all South-East London.

In each of these districts, Stratford, Hammersmith, Edmonton, and Woolwich, the population is far steadier than in most of the industrial quarters of London, and there is permanent work for mechanics and artisans—the men who are the very backbone of the co-operative movement. The shifty population so conspicuous in London, the people who very often through changed circumstances of employment first started moving, and now seem positively unable to resist a move every few years, or oftener, are not drawn to co-operation. They are too nomadic to be lured by the appeals of economy or thrift. The enormous middle-class population, too, of the suburbs looks coldly on so democratic a thing as a co-operative store. The wealthier of the middle-class of course avail themselves of the advantages of the big

joint-stock company stores, and only deal with local tradesmen when there is nothing to be gained by dealing at the stores. But the clerks of the suburbs are cut off from the economies that richer folk practise, and shrink from the responsibility of a co-operative society in their neighbourhood.

The workmen planned co-operative societies and set them up when their day's work was finished, and gave enthusiastically of their leisure to the co-operative propaganda. It is very difficult to find such initiative or such public-spirited enthusiasm in middle-class families living on a weekly income of something between £2 and £5. The middle-class men and women of the more enlightened type will give their leisure to a local literary society, where the more enlightened of the working people give it to co-operation, and other democratic causes.

Chiefly a want of initiative keeps the London middle-class out of co-operation, but a feeling of class pride is also responsible for the aloofness. A third reason is the existing indebtedness to the tradesmen of the neighbourhood; for the London suburbs are as full of tradesmen's debts as the slums are, and the dwellers in both slums and suburbs have that pronounced aversion from cash payments commonly found amongst debtors.

Though not exclusively peculiar to the London suburbs, this middle-class weakness—a compound of snobbishness, social timidity, and personal indolence—does not afflict the clerks, managers, and elementary school teachers of the northern counties to the same effect, and the co-operative movement has many stout supporters in those counties who do not labour at the bench or in the factory.

Given a congenial neighbourhood the success of the co-operative store will depend largely on the ability of

its managers, and the choice of this manager is in the hands of the committee, who in their turn are elected by all the members of the local society. It is not sufficient that the committee should make a wise choice. The manager must be backed up, and must feel that in the committee he has a sensible and alert body of directors. Loyalty on both sides is essential. A manager being human may err, and with the best faith in the world, bring a society to ruin unless the committee are awake to the needful exercise of discretion. A committee, on the other hand, troubled by doubt, or of mean spirit, may cramp and discourage the activity of a good manager. Loyalty on both sides fully appreciated will prevent disaster. The manager will not resent advice, and the committee will support their manager whole-heartedly without shrinking from dissuading him from what may seem rash courses, when all put the success of co-operation before personal advantage.

But a good sensible committee means plenty of common sense, and public spirit in the members who elect the committee. Indifference and distrust damp the ardour of elected representatives whether in a co-operative society or elsewhere. The policy of a committee is inevitably, and quite properly, influenced by the general opinion of the members. And while it is the function of a committee to act solely for the best interests of the society, braving if need be ill-considered expressions of disapproval, and suffering displacement before consenting to any treachery to co-operative principle, the average committee prefers to remain on good terms with its members, even when those members shake their heads at enterprise and resent generous innovations.

The treatment of employees and expenditure on education are two matters where the general opinion

of members counts for much. A co-operative society whose members make the earning of a dividend for purchasers the beginning and end of co-operation will care little what wages are paid in the store and what hours are worked by the persons employed therein. In such a society wages may even be lower than in a private shop, and the hours of work longer, for all the members care.

It is difficult for a store manager to deal with the Co-operative Wholesale Society to the full extent desirable if members, and in especial committee men, encourage a policy of buying elsewhere cheaper and inferior articles that may give a larger profit on sales, and therefore a bigger dividend to purchasers. The sale of pure and unadulterated goods made under fair conditions of labour is one of the permanent objects of co-operation, and those who call for cheap goods, careless of quality and of the producer, with an eye only on the dividend, are false to the whole co-operative principle.

Moreover, with such un-co-operative co-operators for his committee and his customers, a manager is tempted to become utterly cynical, and in gratifying the base desires of those who employ him, to make friends of the mammon of unrighteousness. The travellers of many firms must get orders or perish, and the store manager finds it worth his while to stock all sorts of shoddy goods when the co-operative society members are of shoddy mind.

It is not to be suggested for a moment that the average co-operative society and its manager are in this parlous state. The Wholesale would not stand where it does, and societies would not flourish, if the movement were not sound at the core. But local societies have been known to despise principle for the sake of apparent gain, and managers have been found

faithless to their trust. Hence the need for timely warning. A committee with the best co-operative will in the world are powerless if the rank and file of the society, for instance, seek only the cheapest goods at the store, and purchase at a rival retail shop every article marked a farthing cheaper than the store price. Many an attempt has been made in the past to ruin a co-operative store by an agreement amongst tradesmen to undersell the store in various commodities. Then the custom having been lured from the store, and the store brought to an end, prices promptly return to their old level.

A society of convinced co-operators will buy all they need at their own store and scorn the temptations of the non-co-operative trader, and their manager will be equally strong on getting all the goods his customers require from the Wholesale Society. A sure test of the health of a co-operative society is the amount of its trade with the Wholesale.

Besides the questions of fair wages for the store employees and the sale of the Wholesale Societies' productions, there is the question of expenditure on education.

On the business side all may be satisfactory, but what is the local committee spending on education? What is it doing for the spread of co-operative principles? For the building up of its own members in the co-operative faith?

The answer to these questions is another test of health.

What if the dividend is 1s. 8d. when it might have been 1s. 9d., or 2s. 3d. when it might have been 2s. 4d. or even half a crown? If the difference is due to expenditure on education, on lectures or conferences, the money has been well spent, and the members may congratulate themselves. The mean and niggardly spirit that decries all missionary effort and despises all

that does not show a profit of gold and silver in the balance-sheet, is as fatal in the co-operative movement as in any other good cause.

The stronger the society the more it will spend on education, and the weakness of co-operators is never more clearly revealed than in the blank spot in the annual returns under the "Educational Purposes" column.

Yet society after society may be found admitting a stern refusal to spend a penny on education, and the name of every such society is published in the annual report of the Co-operative Congress.

True, there are often local obstacles to educational work that only those who live in the place can understand. This must be freely admitted. But co-operative literature can always be circulated amongst members and non-members, and every society can make a point of buying and selling the weekly *Co-operative News* or the *Millgate Monthly* or the *Wheatsheaf*. All these three periodicals have a healthy circulation, and the *Wheatsheaf* localised by many societies has an enormous sale. Nevertheless, there are still societies to be found whose members are content to know nothing of the general work of co-operators, and equally content that their neighbours should be as they are.

A good committee will insist on the sale of the official organ of co-operation at the store, and if the committee is too sluggish to see that this is done, then members must arise and teach the committee its duty in the matter.

For when all is said and done, it is the lively principles and good sense of the members that alone guarantee lasting success for a co-operative society.

Mention has been made of the decrease of societies by absorption and amalgamation, and a word must be added on overlapping.

Every year there is friction between societies, and wasteful competition, particularly the custom of a newly developed neighbourhood. Agreements may be made and adhered to, and limits of area imposed. But the real remedy for overlapping is the amalgamation of societies, and when disputes arise as to the rival claims of societies for new territories, it is a sure sign that the time is ripe for amalgamation. The wise in each of the rival societies will lay their heads together and shape terms of agreement before actual friction arises, and they will not rest until the disputants have become one common society, and the scandal of co-operators competing with co-operators in trade is ended.

CHAPTER IV

CO-OPERATIVE PRODUCTION

The Wholesale Societies—Self-governing Productive Societies—Difficulties—The Co-operative Productive Federation—The Ideal of the self-governing Workshop.

THE great bulk of goods produced in the co-operative movement come from the productive departments of the English and Scottish Wholesale Societies; but in the textile trade, in the manufacture of boots and leather, in the building, the printing, and the metal trades, co-operative societies of workmen still exist, and these societies conduct their businesses successfully on the lines of the old self-governing workshops of the Christian Socialists, paying interest on loan capital and portioning their profits not amongst customers but amongst producers.

By comparison both the trade and the number of persons employed are small when the returns of the Wholesale Societies are examined.

For instance, in 1911 the productive societies of England and Wales had 6829 persons employed and a trade of £2,413,423, while the English Wholesale had 16,038 persons employed and a trade of £6,834,354.

In Scotland in 1911 the productive societies employed 2209 persons for a trade of £878,643, and the Scottish Wholesale 5553 persons for a trade of £2,344,995.

But the employees in the productive departments of the Wholesale Societies are really engaged in the manufacture of goods for the distributive market, and have no more responsibility for the management of the

factory they work in than the employees in any ordinary business. They are not required to be members of a co-operative society, and only in the event of such membership or as customers at a retail store do they take any share in the profits.

Membership in the English Co-operative Wholesale, it has been already mentioned, is confined to societies; and in Scotland, where personal as well as society membership is allowed, only 559 employees are shareholders in the Wholesale.

The employee in the Wholesale productive departments, then, by joining a local retail co-operative society can enjoy his dividend on goods purchased, but he possesses no advantage in this respect over his fellows, and comes into the society as an ordinary member of the British public.

Turning to the self-governing productive societies, we find, as in the case of the distributive societies, a decrease in numbers. But the decrease here is larger and more marked. The 125 productive societies existing in 1903 have shrunk to 95 in 1912. In some cases the society has been absorbed into the English Wholesale, and in other cases commonly a small and struggling society has succumbed under economic pressure.

In spite of the many discouraging failures, new productive societies—especially in the printing trade—continue to come into existence, and the trade of many of the well-established societies steadily increases, “so that the volume of production under co-partnership conditions within the co-operative movement is larger year by year. . . . It may be that the future of co-partnership production within the co-operative movement will depend on the growth of the best of the existing societies rather than on the creation of new ones: it may be, on the other hand, that certain classes of societies will multiply and not others. . . . At any

rate it is certain that the totals of our trade and profits, and the number of workers who have the benefit of the co-partnership of labour, do steadily increase both within the co-operative movement and without.”¹

This word “co-partnership” is now generally used to describe a productive co-operative business where interest is paid on capital. A productive society conducted on co-partnership principles can affiliate to the Co-operative Union, and is recognised as being in every way within the co-operative movement.

On the other hand, the title of co-partnership is also given to many and various limited liability companies that pay a bonus on wages and allot shares to workmen employed, and these co-partnership societies are without the co-operative movement.

The distinction can be grasped. A body of workmen engaged in production, appointing their own manager, drawing up their own rules of work, pay willingly for the loan of capital, and their society is a genuine self-governing co-operative society.

In the co-partnership society without the movement the management is not in the hands of the workmen employed, and save for the bonus on wages or the allotment of shares the business is conducted on ordinary commercial lines for the profit of the shareholders.

But this outside co-partnership touches closely in certain cases the co-operative principle, and must be dealt with separately.

Our immediate concern is with those co-partnership productive societies which are recognised as co-operative.

How does such a society come into being ?

“A group of workers in a given trade, let us say they are printers—probably they are also members of the local co-operative distributive society—not satisfied to remain permanently wage-servants, meet together

¹ Aneurin Williams, *Co-partnership in 1910*.

to organise a co-operative workshop for themselves and those whom they may afterwards take in to work with them. They put together a few pounds each towards capital, get sympathisers of their acquaintance to do the like, and perhaps obtain similar support from organisations such as trade unions and workmen's co-operative societies: these are probably also their chief customers. So they work on, every man interested in the profit—if there be one—and those who are shareholders interested also in the loss. Probably they begin in a very small way. By and by, it may be, their trade grows to five, ten, fifty thousand pounds.¹ Still, every new worker has a share in the profit, and an equal chance of becoming a member.”²

But does this “equal chance of becoming a member” always exist in fact? It is essential to a genuine co-partnership society, but in earlier years it too often happened, chiefly through imperfect rules, that the original shareholders became a little group of masters, and newcomers were not admitted to membership. The important thing is to secure the right of membership to every employee by having it firmly stated in the rules of the society.

The difficulties that beset a productive society are many, and are mainly at the outset.

“Discipline must be maintained in every organisation, and it has sometimes proved not easy to maintain discipline where every man has felt himself to be one of the owners of the place, relieved (as he may have foolishly thought) from the obedience of a wage servant. The position of manager over men who, as shareholders, have the ultimate voice in the affairs of the society has

¹ The trade of the Manchester Printers' Society (founded 1869) was £90,123 in 1910, and that of the Leicester Printers (founded 1892) £11,914.

² C. Webb, *Industrial Co-operation*.

not always been easy ; and it is not always easy for working-men to see the necessity for paying a manager liberally and securing a man of special ability for the work. Trouble often arises from a want of business knowledge, from insufficiency of capital, and from the difficulty of obtaining custom. But all these things apply principally to the early days of a society. Once it has become established they are felt less ; business knowledge is acquired as time goes on ; the importance of management is recognised ; capital comes in as soon as it has been shown that its position is safe ; a trade connection is in course of time got together, more especially among the distributive societies ; and workers, if they have not at first realised it, learn the necessity of discipline and subordination. At any rate, if these matters do not work out well, it means that the society does not become established but fails in its infancy. It is the starting of a co-partnership business which presents the real difficulties, but happily in a large and increasing proportion of cases, these difficulties are overcome and success is attained.”¹

The foundation of the Co-operative Productive Federation in 1882 gave valuable assistance to the productive societies. Fifty-nine of these societies are now in the Federation, and each society is required to take up a £1 share for every five of its members. To open up a market for the sale of the goods of productive societies, to secure capital for co-operative production, and to assist productive societies through united action, are the objects of the Federation. Loan capital receives 4 per cent. interest, and the money is invested in one of the productive societies. In the matter of obtaining capital for satisfactory societies the Federation has achieved very considerable success, and

¹ C. Webb, *Industrial Co-operation*.

it has done much to promote unity amongst the productive societies, and to bring before the public the high quality of the goods produced.

But the trouble of competition between the various producing societies has not yet been entirely removed.

On the educational side the Labour Co-partnership Association—formed in 1883 as the Labour Association to “promote co-operative production based on the co-partnership of the workers”—has been steadily at work, enlisting sympathy, arousing attention, and strengthening existing societies. Its work is propaganda, and it is not a trading association.

Co-partnership, a penny monthly, the organ of the Labour Co-partnership Association, deals with co-partnership both within and without the co-operative movement, and has been in existence for many years. The annual festival and exhibition of co-partnership productions at the Crystal Palace has for the past twenty-five years been organised by the Association.

Apart from agriculture, where co-operators must adopt methods suitable to that great industry, the prospect of further advance in co-partnership co-operation seems distinctly limited. Old-established societies may increase their trade and their members, and may amalgamate. Small societies fighting against heavy odds cannot hope, in many cases, to survive, and may surrender themselves into the hands of the Co-operative Wholesales, or seek annexation by a larger productive society engaged in a similar trade. Printers indomitably start new societies, but the days of creation for co-operative tailoring, bootmaking, and baking are over. For a handful of earnest enthusiasts with a few pounds of capital to start a co-operative workshop is, in the year 1912 A.D., to court destruction.

Even the Rochdale Pioneers would have no chance nowadays had they delayed their start till the era of

universal stores, trusts, and combines was upon the world.

But the ideal of the self-governing workshop makes a strong appeal to many minds, and the appeal is not lessened as the years go by. Concentration of capital goes on apace, the centralisation of government grows—within the co-operative movement and without. The consumer finds a greater variety of goods and a better article at the big stores than at the little shop. The fancies and appetites of mankind are whetted by new products which the small shopkeeper cannot supply. The distributive stores federated together in the great Wholesale Societies can go ahead, ever enlarging the borders of their trade and conquering new fields of custom, till they are left to fight it out with a few gigantic private trading companies, and the owner of the last self-governing retail shop has put up his shutters.

In spite of the triumphs of the big industry, obstinate individuals persist in prolonging the life of the small industry.

A federation of self-governing co-operative productive societies with a market for their goods in the distributive store and the warehouse of the Co-operative Wholesale, could put up a good fight for many years to come. Only the ordinary customer at a co-operative store can see no particular reason for supporting co-partnership societies, since they give no share of their profits to the consumer, and their success or failure will not affect the dividend. Business is business, and the dividend is visible as the reward of co-operative business for all to see. Nobody need be an idealist or altruist to be an honest and loyal member of a co-operative store. Public-spirited common sense is the great quality required. Yet it is just because there is an ideal of an industrial democracy in the minds of so many co-operators, and because a vision of self-governing

workshops in a communal state where the capitalist shall be unknown is before their eyes, that co-operative productive societies flourish and endure—despite the centralisation and the concentration of capital.

Of course it is possible that capital might concentrate in the Productive Federation, but the signs of the times encourage no such prophecy.

Whatever the future of the co-partnership productive societies this they have done. They have taught the workmen the advantage of mutual aid and the art of business management. They have further taught him that he is capable of managing his own affairs and the meaning of responsibility.

The ideal of the self-governing workshop makes by no means a universal appeal. Whilst there are thousands of non-workers who strive generously to change the conditions of industry so that the labourer may own all the sources of production and be the sole arbiter of his fortunes, there are tens of thousands of actual workers who do not desire at all to have any responsibility for the management of industrial affairs, or to direct their own labours. A fuller life is desired, better housing, shorter hours, permanent employment, and a decent living wage, and larger share in the good things of this world. Education has made such desires inevitable.

But given kindlier social conditions, the average English workman will leave the self-governing workshop to the idealists and prefer to labour under an employer who can wisely direct and command the services of those he employs.

It was from France the English Christian Socialists got the notion of self-governing productive workshops in 1849, and it is in France, for reasons easily to be discerned, that the self-governing association for production would make an appeal to the working-class with far greater hope of response than in England.

As Robert Owen was the father of co-operation in England, so Buchez was the real founder of French co-operation.

As far back as 1831, Buchez, a man of letters, proposed his "Method of Ameliorating the Condition of the Wage Earners of the Cities" in the *Journal des Sciences Sociales*.

His plan was that skilled artisans of certain trades should unite together and form industrial brotherhoods, each group of workers electing one of themselves as a director of their common labour, and as their official representative in the business world. "All the profits of the business (after paying current rate of wages) should be divided into two equal parts, one portion to be accumulated as an unalienable common fund or capital, the remainder to be divided in proportion to the labour given by each member, or set apart as a benefit or educational fund for wives, widows, and children. Buchez's leading idea was the elimination of the *entrepreneur*. He attempted to realise in industry the triple virtues of fraternity, liberty, and equality—fellowship in work, freedom to elect and depose at their own pleasure the director of their labour, and an absolute equality of right among the associates. Hence he insisted that no man should work for the society for more than a year without becoming a member, and that the capital of the concern should belong equally to all associates, and should neither be divided nor withdrawn. By these means he imagined that he would open the association to all members of a trade and provide for its continuous existence in spite of the backsliding of individuals."¹

An association of jewellers was the first-fruit of Buchez's propaganda. Then other bodies of skilled artisans enrolled themselves under the banner of fraternity, liberty, and equality in industry. For a time all

¹ Potter, *The Co-operative Movement*.

went well. And then came disaffection and collapse. The *Associations Ouvrières*, of 1849, kindled the enthusiasm of J. M. Ludlow, and he, with Thomas Hughes, Maurice, and Vansittart Neale, believed that in the co-operative workman's association was "the solution of the great labour question." But the English "Society for Promoting Working Men's Associations" founded by these high-minded men never had the success of the French Associations. The appeal to the "triple virtues" of fraternity, liberty, and equality fell coldly on the ears of British artisans sixty years ago, and still fails to move our unromantic countrymen.

The first, and last, report of the Society for Promoting Working Men's Associations, published in 1852, has often been quoted. Its heroic founders provided all the funds except £5, and the conclusion arrived at was: "Where the associations are successful the great danger which they and all who are interested in them have to guard against is exclusiveness. The associates find their own position greatly improved, and fear to endanger it by taking new members. They are apt, therefore, to make too stringent rules as to admission, and to require payments from new members proportionate to the capital which the society has gained, and such as few of the most skilful of working-men can pay out of their present wages."

Plainly, no "solution of the great labour question" was here.

But in France the charm of the "triple virtues" still works, and the ideal of direct co-operative ownership in industry is ever sought by multitudes; while in Great Britain the pursuit is rather for the solid and demonstrated advantages of co-operative shop-keeping, and the co-operative self-governing productive society has to justify its existence as a sound business concern if it is to live, and claim respect.

CHAPTER V

CO-PARTNERSHIP AND PROFIT-SHARING

Profit-sharing not Co-operation proper—The case for Labour Co-partnership—Leclaire—Gas Companies—Its Limitations—Trade Union opposition.

THE term Labour Co-partnership is not only used in England to-day to describe the methods of self-governing productive societies, but is also applied to many limited liability companies which have adopted the practice of profit-sharing with employees.

These profit-sharing companies have no place within the co-operative movement proper. They have no representatives on co-operative boards, they are not affiliated to the Co-operative Union, and they send no delegates to the Co-operative Congress. At the same time co-partnership on profit-sharing lines makes such a wide appeal, and is regarded by so considerable a number of persons as a remedy for industrial unrest—and by persons whose opinions are deservedly respected and who are entitled to be heard—that, taking into account, too, its kinship with co-operation, its claims on our attention are not to be disregarded.

A manifesto issued in 1911, and signed by certain captains of industry, trade union leaders, and political economists, and by the officers of the Labour Co-partnership Association, states very clearly what, in the minds of its supporters, co-partnership, in the form of profit-sharing, can achieve in this country.

“The co-partnership of Labour with Capital (so runs

this manifesto) is capable of many modifications according to the needs of varying industries, and in some one of them it is applicable to almost every industry where labour is employed. In its simplest form, taking the case of a man employed by a great limited liability company, it involves :

“ 1. That the worker should receive, in addition to the standard wages of the trade, some share in the final profit of the business, or the economy of production.

“ 2. That the worker should accumulate his share of profit, or part thereof, in the capital of the business employing him, thus gaining the ordinary rights and responsibilities of a shareholder.

“ Where men are so employed they cease to be mere wage-servants and become partners in industry. . . . They do not cease to be interested in maintaining and improving the standard rate of wages, and the standard conditions of labour ; but they do gain also another interest and a wider outlook. They have to look at industry also from the point of view of men who share the ownership and control. Their interest is no longer wholly apart : they meet the other parties to industry on a common footing ; they learn to realise a common interest and all the moral force that arises from common interest and from working together. We believe that in the general application of this principle is the best hope of building up a better industrial system.

“ Co-partnership assumes a standard wage before there can be any talk of profit to divide.

“ Co-partnership is no mere theory. Worked out originally over long years of struggle and in great variety of details, by working-men in their own co-partnership workshops, adopted from time to time by a few large-minded employers in various trades, twenty-

one year ago it was extended in the midst of industrial conflict to one of our greatest gasworks, and only three years ago further extended and, happily, in perfect peace to several more, including the largest, so that now these co-partnership companies control more than half the capital which is invested in gas companies in England.

“We say it is time to extend its application still further. The bulk of the great industries of the country might come under its equitable operations. It can already show excellent results in peace, in better conditions and in prosperity, and as time goes on these results are accumulative. To-day it is a marvel that through co-partnership the workers in the three London gas companies have nearly £600,000 accumulated in the capital of the works in which they work.”

To this declaration Lord Courtney, the Right Hon. Thomas Burt and C. Fenwick, M.P., Sir W. H. Lever, Sir B. C. Brown of Newcastle, Mr. T. C. Taylor, M.P., Mr. George Thomson of Huddersfield, Professor Alfred Marshall, Mr. W. H. Hadow, Principal of Armstrong College, and Mr. Corbet Woodall, Governor of the Gaslight & Coke Co., Ltd., give their signatures. Stalwart co-operators like the late Mr. J. M. Ludlow, Mr. E. O. Greening, and Mr. Aneurin Williams add their names in full assent.

But the vital distinction between co-partnership profit-sharing and co-operative distribution must not be forgotten, because co-partners and co-operators at times join hands.

Profit-sharing is the work of large employers of labour willing and anxious for the welfare of their particular employees.

Co-operation was established and is carried on by working-people for their own advantage.

Profit-sharing must necessarily be confined to the

workmen engaged in the business which has adopted profit-sharing.

All are welcome to the advantages of the co-operative store, because all may purchase at it.

France has shown the world two great and highly successful examples of co-partnership—in Leclaire's glass-works in Paris, and Godin's iron-works at Guise.

Leclaire in 1842, with three hundred men in his employment, found that by greater attention on the part of the workmen, £3000 a year might be saved on working expenses. The inducement of a share in the profits accomplished that saving, and prosperity has remained with the firm. Now, when 5 per cent. has been paid on capital and two managing partners have received quite moderate salaries for the work of superintendence, the rest of the profits are divided as follows: one-fourth to the managing partners, one-fourth to the Mutual Aid Society (for the benefit of the employees), and one-half to the workmen employed.

Leclaire's may be taken as a typical specimen of profit-sharing, and it has endured.

In England the South Metropolitan Gas Company is constantly being quoted in favour of profit-sharing; and as the system here has lasted over twenty years, and workmen hold shares in the company to the extent of £600,000—allotted when their savings on the profits are sufficient to purchase shares—as at a distributive store a customer will let the dividends accumulate till they amount to £1 (or more), and with that sum become a shareholder—there is justification for reference to the Gas Company. Moreover, many other gas companies have followed the example of the South Metropolitan, and profit-sharing is plainly suitable to such undertakings.

In fact where the output of work is quite regular,

and demand and supply are so constant that the competent workman is in no anxiety lest employment come to an end, a system of profit-sharing can be adopted without any difficulty. Security and confidence are essential for profit-sharing, and modern conditions of industry do not allow these things in a great number of cases. The press of competition threatens the existence of many an old-established firm. A change of management, a change of fashion, new inventions in labour-saving machinery, a rash speculation or over-caution—all or any one of these items may cause loss of trade, and drive a firm into bankruptcy.

Given a monopoly such as a gas company commonly enjoys and profit-sharing is an easy matter. Soap, cocoa, and jam production, on a large scale, again, are eminently suitable for profit-sharing, for here the demand is constant.

But in any case it rarely happens that the employees hold enough shares to have any voice in the management of a profit-sharing business. And there is no desire, as a general rule, that employees should have any voice in the management. Profit-sharing attaches employees to a business, and is a deterrent from strikes. When it has been instituted by employers of wide outlook it will develop responsibility in the workman and will not necessarily narrow his sympathies to his fellows or exclude him from trade union association. On the other hand, profit-sharing established with the sole view of advantage to the firm commonly succeeds in its purpose by separating the men who enjoy the bonus on wages from all trade union activity.

Hence the dislike so often expressed by trade union leaders for profit-sharing schemes. The individuals sharing the profits may gain, but there is no advance in the general line. The bonus on wages is regarded with suspicion as a bribe or a gratuity, given to keep

workmen from joining in a common demand for better wages or shorter hours.

Profit-sharing, it is argued, is not possible in all industries. The smaller firms cannot guarantee any bonus on wages, many larger firms will not do so. The efforts to bring every workman into a trade union, and then by a federation of trade unions to compel the payment of a bigger wage, is thwarted by the profit-sharing company.

Co-partnership advocates maintain, on their side, that profit-sharing should be extended, and that the workman stands to gain by its extension, and to gain without the loss and hardships of the strike.

The real difficulty lies in the small number of industries where profit-sharing is the rule.

“The deficiencies of this scheme do not lie in its constitution but in the extent of its actual application. Expressed in the terms of the number of workers, and of the proportion of the community, and capital and trade involved, the extent of its application is small compared to the whole of the workers, the community, and the enterprises of capital throughout the country. Its significance lies, however, in the possibilities of its application, in more or less modified forms, to industries generally. . . .

“Difficult as the introduction of the full principle of Labour Co-partnership may be under the régime of capitalism, it is desirable, from the standpoint of industrial peace and public convenience, not to mention the proved increased efficiency of industry where it has been already adopted, that an extensive application of the principle should be made practicable. The adoption of the scheme by such firms as Messrs. Taylor of Batley, Thomson of Huddersfield, and the application of the principle is more than half the capital employed by the gas companies of the country, shows that where there

is the necessary mutual temper between employers and employed, some approach to heartier co-operation, where so much more co-operation is desirable between Capital and Labour, is possible under co-partnership. Some of these cases prove that, as in the case of the South Metropolitan Gas Company, the workers' interest in the ownership of capital and share of business control may become a growing factor in helping to shape the conditions of labour that escape the large scale influence of Trade Unionism, and the larger scale action of municipal and national enterprise. Of course, there are difficulties in such departures from capitalistic and autocratic industry, but the question all practical people desire answering on this point is: 'Are these difficulties too high a price to pay for stopping the probable paralysing difficulties of the present and the future normal relations of Labour and Capital?' It is probably more palatable for modern capitalism to concentrate its energies in turning all the surplus earnings of industry into its own pocket, and to retain an autocratic grip on the government and machinery of industry, but if Labour, as seems likely, refuses to work smoothly and efficiently with such an arrangement, capitalists will either have to accede to modified relations of themselves to the workers, or the earnings of both Labour and Capital will be curtailed by gigantic deadlocks of industry."¹

There we have the case stated from the co-partnership standpoint, without any blinking at the obstacles, and with the alternative of strikes and industrial war fairly presented.

One or two other facts call for consideration. Many a limited liability company in existence pays no dividend, and many a private firm has its

¹ "Co-partnership and Present-day Labour Troubles," *The Co-operators' Year-Book*, 1912.

years of bad trade, when losses and not profits are the rule.

What can the limited liability company which has not yet begun to pay dividends do in the matter of profit-sharing? And in the case of a bad year of trade the private firm is by no means anxious to proclaim to the world that there are no profits to be shared. If the workman is to share in the profits, will he also be willing to share in the losses by a reduction of wages? it is asked.

The obliteration of the unsuccessful trader and the amalgamation of smaller firms into a huge business doubtless continue, and when these processes have been carried to the point of the total extinction of the small industry, co-partnership and profit-sharing may be offered as the only alternative to State Socialism.

In the meantime profit-sharing acts as a buffer to the opposing forces of capital and labour, and in a certain number of cases is a practical guarantee against strikes. But in any industry where the workmen are powerfully organised in a trade union federation—as the miners are, for instance—it is very doubtful whether profit-sharing by a particular firm in that industry would hinder the men employed from taking part in a national strike.

At the best it would seem that to-day the possibilities of profit-sharing are very strictly limited. And while the advantages to the workman from this scheme may be obvious in the case of gas companies and one or two special industries, its general application is rendered impossible by the conditions of commercial competition and by the growth of trade union federations.

Whether the spirit of association bids workmen join with their employers in co-partnership and stand aloof from united action with other workmen in a campaign that can offer no personal advantage, and from a quarrel

that may be none of their seeking ; or whether it bids them join with their fellow-workmen in seeking an advance all along the line, irrespective of personal gain or comfort, is a question that may fairly be debated.

To some a united working-class is *the* instrument for achieving social progress. To others a union of capitalists and labourers promises social peace in addition to social progress.

- The former, naturally, have a deep distrust of all schemes that may weaken the allegiance of workmen to the demands of their whole class.

The latter honestly rejoice when the workman becomes a shareholder in the ventures of the capitalist.

Profit-sharing then, within its limits, while it makes for good feeling between labourer and capitalist, is antagonistic to united working-class action. It is a proposal from the employer and not from the employed, and while improving the material position of workmen, it has done little as yet to increase his industrial responsibility.

Finally, it is only concerned with employed workmen in particular industries. It offers no help to the unemployed, nor any aid to those outside these industries.

But, in spite of all this, let us again acknowledge that with the growth of trusts and amalgamations of capital, co-partnership and profit-sharing are offered as the alternative to Socialism, and as a guarantee against strikes and labour wars for the peaceful social passage of mankind to a happier commonwealth.

Note.—The following statement in the *Labour Gazette* of the Board of Trade for July 1912 shows how slight, at present, is the connection between responsibility in management and profit-sharing :

“As a rule, to which there are, however, important exceptions, the shares owned by the employees give

them the ordinary voting powers, and as time goes on and their holdings increase, their voting strength should in due course be augmented. At present, the proportion of the total number of votes that might be given at a general meeting of shareholders, which belongs to the employees, hardly ever reaches 5 per cent., and is in nearly all cases a quite insignificant percentage. In only six out of the 100 cases here dealt with are the employees represented on the Board of Directors. There exist, however, under a very large number of profit-sharing schemes, joint committees composed of employers and employed, whose functions, although of a consultative nature only, cannot be considered as other than important."

CHAPTER VI

CO-OPERATION IN AGRICULTURE

The Difficulties in the way—The I. A. O. S.—The A. O. S.—Agricultural Co-operation by the Distributive Societies—Inter-trading—Denmark—The French Agricultural Syndicates—France and England.

CO-OPERATION in agriculture is a modest affair in Great Britain compared with the work of the great distributive societies.

It is a movement of later times, and its progress has been slow. The difficulties must be justly appreciated. Distributive co-operation commenced and has flourished where people are massed together in large numbers, and work side by side in mills and factories. The close daily intercourse of factory life makes for the ready exchange of ideas and opinions and fosters mutual confidence, friendship, and fellowship. Hence the factory districts are ever, in England, the seed-beds of all democratic movements.

But agriculturists—whether landowners, farmers, or labourers—necessarily know nothing of the constant, hourly intimacy of the factory workers. Farmers may meet once a week on market-day, and over their “ordinary” discuss prices and crops. Labourers may come together at the end of the day—tired and dispirited—to pass an hour at the village public. But for the greater part of the agricultural year the day’s work is done alone, and the solitude and isolation are not conducive to the play of that social instinct which is at the very root of industrial co-operation.

And then the industrial revolution which has made a wealthy governing class of factory owners of men whose grandfathers, often enough, were simple workmen, has had no counterpart in rural England. No large landowners can be found whose grandfathers were agricultural labourers or small farmers. The farmer has remained a farmer or has dropped from farming to become a labourer. The labourer remains a labourer still, ending his days in but too many cases in the workhouse; while his sons have sought a living far from their native village. The landowner himself has frequently come to poverty, his estate to be purchased and his place filled by some man grown rich on the profits of trade.

The field of agriculture has been obviously a poor soil for co-operative enterprise. And yet slight as the movement for agricultural co-operation appears, there is a movement, a steady, growing movement. The suspicion of new ideas, the fear and dislike of change, the difficulty of believing that things can mend—all heavy obstacles to the rural co-operator—slowly yield in many places to the co-operative teaching. It has become clear to numbers of country-folk that co-operation is not only desirable but absolutely necessary if there is to be any sort of life for agricultural workers.

Progress and prosperity are noted in connection with agricultural co-operation in Denmark, in France, and in Ireland. Plainly something can be done, and must be done on similar lines in Great Britain. Hence the rise in England of the Agricultural Organisation Society, Limited.

The Irish Agricultural Organisation Society, Limited, dates from 1889; the English A.O.S. from 1901.

Let us consider the work of the older society first.

Sir Horace Plunkett more than any other man is responsible for the establishment and the success of the

Irish society. He it was who saw that the rural side of civilisation lagged behind, that "wealth and power and population" were drawn to the towns, and that if the countryside was to flourish again and the cry of "Back to the Land" made a reality instead of a catch-word, three things were required for the farmer—"better farming, better business, better living." Of these three, in Sir Horace Plunkett's own words, better living, undoubtedly the most important, would be largely the result and fruition of the other things. So while the Irish Agricultural Department, of which Sir Horace Plunkett was for many years Vice-President, was to teach and assist the farmer to better farming, the I.A.O.S. was to organise farmers for better business. "The voluntary society, the I.A.O.S., came first, raised money by appeals to patriotic Irishmen, who responded with an amazing generosity, and got to work organising the farmers." It was neither sectarian nor political; Roman Catholics and Protestants, Nationalists and Unionists have belonged to the I.A.O.S. from the first. Roman Catholic priests and Protestant clergymen, landlords and tenant-farmers all serve on its committee, taking it for granted that "the welfare of Ireland depends mainly upon the welfare of the Irish farmer," and convinced after a careful study of Ireland's depressed condition, that "only by united effort can a better state of things be brought about," and only by agricultural co-operation the farmer's threatened existence improved.

After the formation of the I.A.O.S. the Government Department of Agriculture for Ireland was created, and this Department, instead of undertaking at once the technical instruction of farmers, found the I.A.O.S. already at work and very sensibly subsidised it and asked it to continue this technical instruction. Since Sir Horace Plunkett's retirement the subsidy has been

gradually withdrawn, and the relations of the Department to the I.A.O.S. have undergone a change. While the English A.O.S. received a grant from the Board of Agriculture of £1441 in 1910 and the Scottish A.O.S. a substantial sum, all that the Irish A.O.S. received in 1910 was £350 from the Congested Districts Board. But in spite of Government coldness and positive disfavour, the I.A.O.S. goes steadily ahead. The butter sales—and butter is naturally the chief product of the Irish farm—of the various agricultural societies affiliated to the I.A.O.S. have mounted up in twenty years from £4363 to £1,897,630, and the total turnover to £2,589,559. Starting with one society in 1889, there are now 880 agricultural societies in Ireland. Three hundred and eighty of these are creameries for the sale of butter; 165 are agricultural and are concerned mainly with the purchase and sale of implements, artificial manures, and seeds—aided in this by the Irish Agricultural Wholesale Society; 237 are credit societies, *i.e.* rural banks; and the rest are flax societies, poultry-keepers' societies, and miscellaneous industries. One hundred thousand farmers in Ireland were members of co-operative societies in 1910.

Both the Irish Co-operative Agency Society, Limited, for the sale of agricultural co-operative productions to retailers, and the Irish Agricultural Wholesale Society for the supply of agricultural requirements to agricultural co-operative societies, though of recent formation, show a steady increase of business. They are federations, created and controlled by the Irish agricultural co-operative societies, and while the I.A.O.S. organises, encourages, and instructs, it leaves all trading operations to these federations.

The work of the I.A.O.S. has yet to be appreciated at its full worth. Co-operative creameries, agricultural societies, agricultural banks, poultry societies, and

federations have all sprung from the I.A.O.S., and the change wrought in rural Ireland by co-operation is willingly acknowledged by thousands of Irish farmers. If the Irish agricultural labourer has not profited so considerably by co-operation, it is for the future to see to this weak spot in rural progress.

In England a small local society of agricultural co-operators has been in existence at Assington, Suffolk, since 1829, and another similar society at Coln St. Aldwyns in Gloucester has long enjoyed a certain measure of success. But only since the establishment of the English Agricultural Organisation Society in 1901 has there been any considerable movement towards combination amongst farmers and small-holders. As with the I.A.O.S., the English A.O.S. holds strictly aloof from party politics, does no trade itself, and its purpose is to advocate co-operation amongst agriculturists, to advise and assist in the formation and organisation of registered co-operative agricultural societies throughout England and Wales. (Scotland now has its own A.O.S.) Twenty-five societies with a membership of 517 and a turnover of £9467 were in existence at the end of the first year of the A.O.S. At the close of 1910, 396 societies were affiliated to the A.O.S., and the total membership stood at 24,000, and estimated turnover at £1,100,000. The small-holdings and allotment societies numbered 161, and the agricultural trading societies for the supply of requirements and the sale of produce, 145. The dairy farmers are slow to co-operate, and have only 19 societies in England and Wales.

The A.O.S. is careful to distinguish between the methods of a co-operative society and a joint-stock company. The profits of the latter belong to the shareholder, who may or may not be a purchaser, but the profits of a genuine agricultural society should belong

exclusively to the purchaser according to the extent of his purchases. The joint-stock company may have been started by farmers to secure better prices for the sale of produce, and the advantage of purchasing wholesale for their own agricultural needs. But in course of time as the original members die or dispose of their shares, it becomes merely an association of private merchants trading for profit out of all who deal with it, and is no more a co-operative concern than are large joint-stock supply-stores in London.

The A.O.S. has not been content to start farmers' co-operative societies; it has laboured, and not vainly, to promote sensible relations between the Co-operative Wholesale Society, the larger distributive societies, and the agricultural societies. The fullest inter-trading amongst co-operators is desirable. While the A.O.S. societies can and do purchase from the Co-operative Wholesale Society to a very large extent, the distributive societies have only in quite recent times thought it worth while to purchase the cattle, sheep, and pigs of the A.O.S. societies. On both sides there is now a stronger feeling than ever in favour of inter-trading.

Invaluable as the A.O.S. has been in the work of rural co-operation, the story of its activities by no means completes the tale of co-operative activity in agriculture. Many distributive societies in the Midlands, and in Northumberland, Durham, Lancashire, Yorkshire, Kent, and Devon, now do their own farming on their own land. The C.W.S. has its own farm of 327 acres in Lancashire. Scottish distributive societies in Stirling, Fife, Haddington, and Peebles own (or rent) their own farms.

Broadly, the distinction between the A.O.S. Co-operative Society and the farming of the distributive society, is the distinction between productive and distributive co-operation. The A.O.S. Co-operative Society consists

of farmers and small-holders who work directly on the land and by combination are able to accomplish better business for themselves. Membership in such a society is not for the general public. The Co-operative Wholesale and the distributive societies are simply employing people on the land for agricultural produce as they would employ others in boot factories, cloth mills, or printing offices. Their employees at work on the land by membership in the society will enjoy the profits of the society according to the amount of goods purchased, but they will have no advantage over any member of the public who has joined the society and is a purchaser.

The total number of registered agricultural co-operative societies in Great Britain in 1911 was 619, and the total estimated turnover was £1,617,063. Co-operative trading societies for the supply of agricultural requirements numbered 238; small-holdings and allotments societies, 194; eggs and poultry societies, 77; dairies, 29; co-operative agricultural insurance societies, 23; credit banks (including the Central Agricultural Bank), 45; and miscellaneous societies, 13. The agricultural associations registered as limited liability companies are not included in these figures.

Of course there are inevitable failures in agricultural co-operation, but only eight societies were dissolved last year (1911) against forty-three small-holdings and allotment societies newly registered; and of these unsuccessful eight, three gave up the unequal contest because they could get no land.

Denmark has been conspicuous for thirty years for its co-operative dairies. It has now over a thousand agricultural co-operative societies, and every village has its co-operative dairy. Four-fifths of the milk supply comes from these dairies. But then Denmark is largely a nation of small freeholders, and from the first its Govern-

ment has aided agricultural co-operation. The Agricultural Syndicates of France—*syndicats agricoles*—have grown up in the last sixty years.

It was in 1844 that the French farmers found their prosperity threatened by an extensive foreign competition, and turned to co-operation for the preservation of life. Legislation legalised the agricultural syndicates in that year—freedom of association had been hitherto forbidden—and membership in the syndicate was open to landowner, farmer, bailiff, agent, peasant, and the manufacturer of chemical manures and agricultural implements. Complete neutrality in politics was the rule, and the chief aim of the association at the start was to assist the cultivator in the purchase of chemical manures. But the extension of the movement to wider and greater aims was a quick development, and the whole rural population has gained as the syndicates have grown into Federations and Provincial Unions. The membership fee was small, ranging from 2½ to 3 francs a year, and the returns were obvious. Joining the syndicate the agriculturist had the advantage of better prices, technical assistance, cattle insurance, and credit. The syndicates are the organisation of an industry. They have combined the agricultural employer and employed, the peasant and landowner in a single purpose—the enrichment of the agricultural worker.

In a country where peasant proprietorship is common and the feudal attitude of the landowner to his tenant has long disappeared, success may be guaranteed for an agricultural syndicate. But in Great Britain where vast estates are in the hands of non-agriculturists and every difficulty is placed in the way of a poor man obtaining land, the limits of co-operative action in agriculture are marked. And while a better spirit amongst British landowners, and a larger intelligence

and more generous mind amongst farmers and labourers, may encourage the agricultural co-operative movement in this land, to the general gain of the countryside, it seems doubtful whether agricultural life can again put on the glories that are its due unless legislative changes, vitally affecting land tenure, first take place.

CHAPTER VII

THE CONTINENTAL CO-OPERATOR

Various expressions of the Co-operative spirit—The Raifeisen and Schulze-Delitzch Banks in Germany—"Maisons du Peuple" in Belgium—Societa di Lavoro in Italy—The International Co-operative Alliance.

IN Great Britain the distributive store is the common and obvious sign of co-operation, and British co-operators have, in the main, shown conspicuously an ability for retail commerce and a skill in supplying the necessary goods for the store's customers that co-operators throughout the world can but look upon with wonder.

Plainly the British co-operator has a full share of that national readiness for shop-keeping which, deservedly or otherwise, has been set down to our credit, and has been noted as a chief characteristic of our race.¹

Co-operators in other nations have, with varying success, set up distributive societies, and in nearly every country in Europe the co-operative store is to be found. But as in Great Britain distribution, including manufacture for distribution, is at once the largest, the most important, and the most remarkable expression of the spirit of association, so in other lands are other expressions of this self-same spirit.

In Ireland, in Denmark, and in France the small landed proprietors have co-operated in agricultural work

¹ The word "British" is used "without prejudice" in this connection. Scottish readers can substitute "English" if they prefer to do so.

to an extent that far exceeds the modest efforts of British agricultural co-operators. France, too, can show great experiments in industrial profit-sharing carried out over long periods of time.

In Germany the Co-operative Credit Banks, whether conducted on the Raifeisen or the Schulze-Delitzch principles, have earned a world-wide reputation.

In Belgium the "Maisons du Peuple" are, perhaps, the most striking example in all Western Europe of what can be accomplished by the voluntary association of working people in a social enterprise, rather educational and recreative than commercial. If co-operative banking in Great Britain to-day is as nothing by the side of the German banks, the reading-rooms that are sometimes found in the buildings of our co-operative societies cannot even be compared with the Maisons du Peuple of the Belgian towns and cities.

The principles which govern the two varieties of Credit Bank in Germany are by no means similar. For while the Raifeisen Bank is rather an association of neighbours for mutual aid, the Schulze-Delitzch Bank is more properly described as a co-operative money-lending society.

As far back as 1849, Friedrich Wilhelm Raifeisen started his loan banks in Rhenish Prussia. Raifeisen was a burgomaster, and he was roused to action by the general distress of his rural neighbours. He saw them in the clutches of the money-lender, hopelessly embarrassed by debt, and ever sinking lower and lower in the morass of insolvency. Encumbered by a weight of debt, multiplied beyond recognition by the enormous accumulations of interest, what chance of recovery was there for the small agriculturist once in the grip of the money-lender? To Raifeisen mutual aid was the alternative to this deadly borrowing from professional money-lenders.

The agriculturists must combine, and persons of goodwill must come to their assistance. By the aid of a few socially-minded men and women of substance ready to give the bank a start, by making the shares in the bank as low as possible, and by keeping down the working expenses to a minimum by means of voluntary labour, the loan banks were established and have prospered. As a general rule the liability of every member is limited only by the liability of the whole society, and as this joint responsibility of every shareholder is a security that no individual member could offer, the individual is no longer at the mercy of the private money-lender when in need of financial help. He borrows from the society on the security of his fellow-members, but only when these fellow-members are satisfied that a loan is necessary. In every case the object of the loan must be specified, for the Raifeisen Bank makes no general loans. The rate of interest is 5 per cent.; and at this rate many a small farmer can get the help that pulls him through a bad season without being involved in a debt that chokes its victims.

For all the later success of these co-operative credit banks they won no great measure of approval in their early years. It was not till 1880 that the Raifeisen Bank became a really popular institution in Germany, and these last thirty years have seen that popularity maintained.

It is on the model of the Raifeisen Bank that English agricultural co-operative banks have been formed, and this example of German co-operation has a close and interesting connection with the foundation of the Irish Agricultural Organisation Society.

“About the year 1880 the co-operative movement was very active in Denmark and Germany, and other continental countries. Sir Horace Plunkett was engaged studying it when Father Finlay, a Jesuit priest,

arrived in Dublin on completion of his studies in the German universities. Invited to lecture, he selected for his subject co-operative banking on the Raifeisen system, as worked in Germany. In the audience was Sir Horace. Finding his views on co-operation in complete harmony with Father Finlay, he sought an introduction, and from it grew up a friendship, which culminated in the establishment of the I.A.O.S., and in the development of agricultural co-operation in Ireland." ¹

The Raifeisen Banks are now federated throughout Germany into a union, and a general agency for their transactions has been formed.

The first of the Schulze-Delitzch credit banks was started in 1850 by Franz Hermann Schulze, a judge who lived in South Prussia, and it was called an Advance Union. The plan of these banks is to ensure profit for the lender rather than for the borrower, and for this reason the shares are large—anything between £30 and £50. As in the Raifeisen Banks, unlimited liability is the common rule for shareholders, but the rate of interest to borrowers is often much higher than 5 and may amount to 30 per cent. in the Schulze-Delitzch Banks.

In both cases men have learnt the advantages of co-operation in banking. In the Raifeisen Bank the advantage to the agriculturist has been incalculable. In the Schulze-Delitzch Bank men have combined to supply money or credit, and by so combining have found ample profits in the trade. The borrower is infinitely better off than when he did business with the private firm of money-lenders, for the charges of the

¹ *Agricultural Co-operation*, an address by Rev. Thos. Phelan, P.P. Published by the I.A.O.S. Sir Horace Plunkett and Father Finlay are still president and vice-president respectively of the Irish Agricultural Organisation Society.

Schulze-Delitzsch Bank on loans are moderate and reasonable compared with those of the private firm, and of the profits of the bank the borrower will get his share.

In England the joint-stock banks—now in steady process of amalgamation—have so long held the field that the co-operative credit bank can hardly get a footing; while for those who cannot offer adequate security for an overdraft at the bank the pawnbroker exists.

But it may happen yet that British co-operators both in urban and rural districts will give their attention to banking. Whether mutual confidence could be so fostered amongst British agriculturists that a farmer would acknowledge his need for a loan to a committee of brother farmers is a question not easily answered. At present it is pretty clear that while an embarrassed agriculturist will confess his plight to a bank manager, and a penniless clerk or workman will creep into the pawnbroker's secret chamber to bargain for a loan, there is a very strong and positive dislike on the part of all such impecunious persons to make acknowledgment of poverty to their neighbours. Yet without such acknowledgment the co-operative bank can hardly exist, and the need of the bank is as great here as in Germany. The co-operative spirit informing and working through men and women of goodwill seems the only possible instrument in this country for getting co-operative credit banks started. These banks cannot save the weak in will, the idler, the sluggard, or the foolish from ruin. Neither can they save the distrustful and suspicious, the unneighbourly and the prideful, or generally all those who would rather be ruined than ask a favour or receive a kindness from strangers. Before the fool who cannot be saved and the wise man who is too proud to be saved (comforting himself when the waters of

tribulation go over his head that at least he has "kept himself to himself") the co-operator with his credit bank is equally powerless. Amongst neighbourly and industrious folk he may do business. Hence the future of co-operative credit banks in Great Britain, it would seem, depends upon the growth of feelings of mutual trust, the removal of that stumbling-block of pride which hates a friendly service, and the rooting out of that anti-social rivalry between kinsfolk and acquaintances which shows itself in "keeping up appearances," often to the concealment and denial of positive needs.

The Maisons du Peuple in Belgium are the distinctive co-operative feature in that industrious and thickly populated land. These popular club-houses are in some parts of the country the property of the Socialist organisations, in other places they have been erected and are owned by Catholic societies. Attached to the Maisons du Peuple are co-operative bakeries and distributive societies, and the common rule is that the workmen employed enjoy full membership, an equal share in the profits with the consumer, and representation on the committee. In the fullest sense of the word these "Houses" with their lecture-halls, concert-rooms, and restaurants are places of recreation and education. Co-operative action on the part of the working-people built them, and on co-operative principles are they managed and maintained. At Ghent, the great "Vooruit" for instance was built by the Co-operative Bakery, a bakery which started in quite a small way in 1880 and is now an extremely flourishing business. In addition to reading-rooms, libraries, and restaurant, the Vooruit also includes grocery and shirt-making departments, and medical service.

The "Maison du Peuple" at Brussels also emerged from a very modest co-operative bakery established in 1882. In 1899 the present building was erected at a

cost of £40,000. It was built by trade union workmen, and with its café, its retail shops, its medical consulting-rooms, and its theatre and concert-hall is the headquarters of the Socialist movement.

In Italy another co-operative development can be seen in the "Societa di Lavoro," an industrial organisation for carrying out labour contracts. Road repairs and construction and the general work of the navy are undertaken by the Societa di Lavoro, and its members see to the fulfilment of the work, conduct the management of the society, and share the profits of the business. Another Italian feature to be noted is the Co-operative Alliance at Turin, which has not only arranged a medical service for its members, but has also a special dispensary for the children of co-operators.

Although the knowledge of all that co-operators are doing throughout the world is far from adequate, and the intercourse between co-operators in different countries is still inevitably restricted, the work of the International Co-operative Alliance widens our knowledge and encourages greater intercourse. The International Alliance has its offices in St. Stephen's House, Westminster, and the United Kingdom is by far its largest subscriber. Germany comes next, and Austria third. Then follow Switzerland, France, Hungary, Belgium, Finland, Denmark, Russia, Italy, Holland, Sweden, Norway, Roumania, Servia, India, and the United States. Finally come Spain, Canada, Argentina, Cyprus, Japan, and Bulgaria.

The minimum subscription to the Alliance for a small society is 10s. a year, and though the International Co-operative Alliance has been in existence a comparatively short time, it claims, and with justice, to have done much in that time to bring together co-operators of all countries and nationalities in close and friendly relations.

Economic conditions, and habits of life determined by these conditions and by religious faith and social customs, will naturally direct co-operative impulse in diverse channels, and the more we get to know of co-operative work in other lands the better.

Large as British co-operative distribution looms in the co-operative world, our insularity is apt to make it appear still larger and to crowd all other co-operative activities out of the picture. It is only by examination of what co-operators are doing in other fields—especially in Denmark, France, Belgium, Germany, and Italy—that we can hope to wake up to our shortcomings. Our respect for the really great business of co-operative distribution established in Great Britain will not be lessened by the desire for further outlets for co-operative energy, or weakened by the perception that mutual aid has wrought wonders for mankind, and is a vastly bigger thing in life than a factor for the improved supply of necessary commodities.

“Co-operators must be protected against themselves—against a mistaken idea of the aim of their movement, against the results of an inflated sense of the value of commercial success, against the greed and unscrupulousity that follow, against the temptation to grow at any cost—and this protection must be constructive.”

Thus Mr. W. R. Rae, of the Committee of Education, admonished his fellow co-operators at the annual Congress in 1911, and thus have co-operators ever warned one another against the dangers of a fatal self-sufficiency.

CHAPTER VIII

EDUCATIONAL WORK

Expenditure by Co-operators on Education—Rochdale Pioneers—Arnold Toynbee—Professor Stuart—The Co-operative Union—Education Committees—The Women's Co-operative Guild.

FROM the first co-operators have been alive to the importance of educational work, and have striven to inform themselves and enlighten the public concerning the co-operative faith. They have done more than this. They have steadily aimed at the making of good citizens, and, wisely advised by their leaders, they have contributed, in substantial fashion, to the intelligence of our democracy.

The success of co-operation on the business side has, perhaps, somewhat obscured this educational work; especially in these later days when public libraries, County Councils, and University extension lecturers provide a thousand opportunities for acquiring knowledge undreamed of by the mass of working people in this land sixty years ago.

The Rochdale Pioneers began right away by deciding that 2½ per cent. of their net profits should go to education, and they spent the money thus obtained on a reading-room and the purchase of newspapers—the newspapers of that time costing, commonly, from 4*d.* to 6*d.* each. A room for social intercourse and the discussion of public questions was also established, and from 1850 to 1855 these excellent Pioneers kept a school for the instruction of young persons in reading,

writing, and arithmetic, making a charge of 2*d.* per month for each pupil. Scientific and technical journals came to be taken in at the Pioneers' Co-operative Library as the profits of the society increased, and John Bright was heard to say at Rochdale in 1862, on the authority of a member of the Athenæum Club in London, that the selection of periodicals to be found in the reading-room of the library was "better and more extensive than that provided by the Athenæum Club itself."

But a check was given to the educational work of co-operators by the Industrial and Provident Societies Act of 1855, which made expenditure on education out of society funds illegal. True, this prohibition was withdrawn seven years later by the Act of 1862, but in the meantime the 2½ per cent. for educational purposes had been dropped, and "societies got out of the way of thinking it an essential matter."¹ And to this day quite a large number of co-operative societies still refuse to regard expenditure on education as "an essential matter."

A specially appointed Committee of Inquiry found that in 1896 there were 586 societies spending money on education to the extent of £46,752. In 1902, 746 societies spent £73,608. In 1911, 832 societies spent £99,694.

When all allowance is made for the fact that national and municipal responsibility for education has increased and is increasing in the United Kingdom, it must still be urged that the education of co-operators in co-operative faith and practice cannot be left to the State, but remains the special business of the societies. And in this connection a passage from the *Wholesale Almanack* of 1883 may be quoted for the benefit of the 600 societies which made no educational grant in 1911:

"We regret to find that educational grants do not

¹ Acland and Jones, *Working-Men Co-operators*.

keep pace with the general growth of societies. Necessity led many of the old co-operators to study co-operation; but the growth of profits which has resulted from that study appears to make many young ones care less for it than the old ones. Now, unless the young ones are taught what co-operation means, and what it is calculated to do, how are we to prepare our future directors, managers, and other officers? Our opinion is that *it will pay every society* to devote at least 2½ per cent. of its net profits to education, and that, though societies may and do succeed without this, yet it is because the older generation still lives and guides them.”

A good co-operator must be instructed in the co-operative faith, that is the first point. And the second point is that co-operative propaganda is necessary for the general public.

Arnold Toynbee thirty years ago at the Co-operative Congress called upon co-operators to take up the task of education in citizenship, since the State had made elementary and technical education a national duty.

“What part of education then is left for co-operators to appropriate? The answer I would give is, the education of the citizen. By this I mean the education of each member of the community as regards the relation in which he stands to other individual citizens and to the community as a whole. But why should co-operators more than anyone else take up this part of education? Because co-operators, if they would carry out their avowed aims, are more absolutely in need of such an education than any other persons, and because if we look at the origin of the co-operative movement we shall see that this is the work in education most thoroughly in harmony with its ideal purpose.”

Vansittart Neale, J. M. Ludlow, G. J. Holyoake, Thomas Hughes, Hodgson Pratt, Thomas Blandford,

and all whose names are honoured in the annals of co-operation contended strenuously for education. Professor Stuart in his presidential address to the Co-operative Congress of 1879 called attention to the dangers of ignorance amongst co-operators, and his words, though not unheeded, are to be pondered to-day as they were when they were delivered :

“If the mass of your members are not sufficiently instructed in economic science, in the facts of commerce, in the state of this and other countries, in the history of trade, in general knowledge, and in particular knowledge of what you aim at and how you seek it—I say, if the mass of your members are not sufficiently instructed in these things, there arises a real danger to the co-operative movement; your numbers become a hindrance, and your possessions become a peril. . . . Your movement is a democratic movement, if ever there was one. It, therefore, cannot repose on the good sense of a few; its success will depend on the good sense of the masses of your people. . . . First you must educate your members in your own principles, and in those of economic science, and in the history of endeavours like your own; and in the second place, you must educate them generally. Education is desirable for all mankind, it is the life’s necessity for co-operators.”

Mindful of these things a Central Committee on Education was established within the Co-operative Union in 1886, “primarily (for) the formation of co-operative character and opinions; and secondarily, though not necessarily of less import, (for) the training of men and women to take part in industrial and social reforms and municipal life generally.”

This Central Committee on Education assists the societies in educational work, arranges classes of instruction, conducts examinations, awards prizes and scholar-

ships, grants certificates to students, issues text-books, sends representatives to sit on University joint-committees at Oxford, Manchester, Leeds, London, Birmingham, Durham, Liverpool, and Belfast, and makes its annual report to the Co-operative Congress.

The training of co-operative secretaries and co-operative employees is also undertaken by the Committee on Education, and under its auspices a Co-operative Students' Fellowship, a National Co-operative Men's Guild, and Co-operative Circles for Young People have come into existence.

A scholarship of £100 a year for four years at Oriel College, Oxford—the Neale Scholarship in memory of Edward Vansittart Neale—and two travelling scholarships of £10 each awarded annually—the Blandford Scholarships in memory of Thomas Blandford—must be mentioned in any account of the educational work of co-operators. The Co-operative Union also awards a number of scholarships every year to enable students to attend the Summer Extension Schools at Oxford, and these scholarship funds are administered by the Education Committee.

For the past ten years Mr. W. R. Rae, of Sunderland, has been the chairman of this Committee on Education, and he, the staunchest of co-operators, expounds the faith in co-operative education as zealously as Neale and the earlier men expounded it. For instance, this passage from Mr. Rae's paper at last year's Co-operative Congress is quite in the spirit of the best leaders of the movement :

“ We are out for the development of morality in commerce and industry, and to make this possible we should have a common economic ideal. We have too long permitted the wrong people to teach us political economy. Do we not begin to see that this science, falsely so called, is but a clever exposition of the things

men do to get wealth? It may show how certain forms of wealth are to be gathered together in certain barns, but it will not teach what men ought to do towards each other. A real sense of the solidarity of the human race will not spread through the political economy of to-day. We know that life and living are more important than money and 'getting on,' but we shall have to get clearer ideas of the conditions and economics of industry. The distribution of wealth troubles us, but we have not *data* on which to evolve new conditions. Land and its holding give us anxious hours, but we have no alternative to suggest."

The moral of this is, according to Mr. Rae, that co-operators must "rekindle the old faith in collective action and common interest." And for this rekindling the forward work must be "constructive."

"The concert, the library and news-room, the meeting, with a speech endured in the middle of it, have had a long innings. . . . Ought we not to concentrate on the development of co-operative opinion among ourselves, our children, and our employees?"

In the meantime local societies continue to hold their lectures, and concerts, and social gatherings—with the inevitable speech "endured in the middle."

And District Conferences are held by the different sections for the discussion of the internal questions of "High Dividends," "The Minimum Wage," and "The Training of Employees."

Mr. Rae, and there are many who agree with him, would have the Co-operative Union and its Central Education Committee the recognised agencies for some unification of the educational work, the District Conference Associations working to supply material for a common economic policy.

As loyalty on the business side of co-operation is determined in each society by the measure of custom

with the Wholesale, so loyalty on the educational side, it is maintained, is determined not only by the local expenditure on education, but also by the measure of support given to the Co-operative Union.

That prominent co-operators are anxiously concerned with the educational work of the societies and can find much that calls for improvement in this work, is a sign of healthy life in the co-operative movement. There is no danger of co-operative principles being forgotten in the success of business, or the ideals of co-operators becoming despised, as long as men and women are ready at congresses and conferences to call attention to weakness in the movement, and to insist that all is not as well as it might be.

It is only when co-operators begin to assure themselves that all is entirely well with the movement, and to resent the suggestion that reform is needed, or that faith is cold, that danger can be scented. For the spirit of self-satisfaction is as fatal to co-operators as to others; while the receptive intelligence, the consciousness that being human and mortal occasional failure and mistakes are to be expected, the willingness to do battle with foes within no less stoutly than with foes without, are the things that make for strength in every good cause. And no assurance of success can make up for the absence of these things; for they are at the very root of all progress in the affairs of mankind.

Reference has already been made to the work of the Women's Co-operative Guild, and no account of the co-operative movement would be complete which left this work unmentioned. The Guild, in its own words, is "a self-governing organisation of women, who work through Co-operation for the welfare of the people, seeking freedom for their own progress, and the equal fellowship of men and women in the home, the store, the workshop, and the State." In the main the mission

of the Guild has been to stir up women to an active interest in the co-operative store, and in the social questions that affect women no less than men. Women are the housekeepers and the purchasers. It is for them to understand the difference between pure goods made under fair conditions and cheap and nasty articles produced under quite other conditions. If the local store is stocked with, let us say, the soaps, cocoas, and jams of private firms instead of the soaps, cocoas, and jams produced by the Wholesale, it is chiefly because customers will have it so.

Women are not only customers, they are also shareholders in co-operative societies. They sit on educational and management committees, and on the Central Educational Committee. They have an equal responsibility with men for the wages paid to and the hours worked by co-operative employees.

That women, coming much later than men into public work in this country, and often discouraged by the foolish jealousy of men from taking a larger part in co-operative affairs, have in so many places proved their capacity as good co-operators, must be placed to the credit of the Women's Guild. So valuable indeed has been the educational work of the Guild that in the last few years co-operative guilds for men have sprung up, and are now federated in a National Co-operative Men's Guild.

To-day when women are engaged so widely in commercial, professional, and political work, when they are chosen to sit on city councils and public education committees, and are, in fact, becoming as important in public life as they were in Anglo-Saxon times and in the later Middle Ages, their place in the co-operative movement must affect enormously the future of that movement.

Any lingering taint of male jealousy or survival of

sex dominance that would exclude women from the fullest share in co-operative management is bound to damage the co-operative cause. On the other hand, the cordial welcoming of women to the various committees and boards within the co-operative movement gives an assurance of confidence in the future. And as, on the whole, co-operators have hitherto, in the matter of justice to women as in other matters, kept well in advance of public opinion, often leaving Parliament far behind—as in the case of the property of married women—there is every reason to anticipate that in the immediate future women will share far more fully with men than they have yet done the management of co-operative stores and the direction of co-operative enterprise.

The future has its own secrets, but it is hardly to be supposed that with non-co-operative commerce engaging more and more the services of women, the vast businesses—distributive and productive—of co-operators will not require the aid of women as co-directors with men. As these days approach, the educational work of the Women's Co-operative Guild begins to be discerned at its true value.

CHAPTER IX

CONCLUSION

Summary of advantages, of hostile criticisms, of limits, and of dangers within.

LET us briefly sum up the case for co-operation and the arguments of opponent critics, define the apparent limits of co-operative enterprise, and glance at the obvious dangers within the movement.

First, to state the advantages.

“Co-operation does away with the grave evils of debt, especially in connection with little shops.”¹ The curse of house-keeping on credit is the irresponsibility it breeds, and in checking this irresponsibility co-operation has strengthened self-reliance and self-control in a thousand homes. But it has done far more than check reckless domestic expenditure. The co-operative store trains men and women to act with prudence, and educates them in the business of conducting wisely their own affairs. A positive sense of responsibility is fostered by co-operation, and in learning to manage the store co-operators gain an experience that is invaluable for good citizens. Through the store, the Sectional and Central Boards, the Women’s Co-operative Guild, the Wholesale Society, the Co-operative Union, and other co-operative agencies, men and women come to the questions of local self-government and imperial politics with quickened intelligence and with public spirit—qualities of highest value in a democratic state.

¹ Acland and Jones, *Working-Men Co-operators*.

Co-operation, then, develops responsibility in private and no less in public life, and is an education in citizenship.

By setting their faces from the first against adulteration, and by seeking to supply only goods made under fair conditions of employment, co-operators have helped to improve the quality of food enjoyed by the mass of working people, and to raise the standard of living.

By getting rid of multitudes of non-productive middlemen, they have kept prices down ; and by saving both on the cost of production and on the cost of distribution co-operators have, in a large number of cases, raised themselves above the fear of pauperism to a comparative independence.

It makes for civilisation this co-operative movement, for courtesy, and for neighbourly feeling. It gives character to its adherents, a character of self-respect and of mutual respect. For, respecting themselves they each respect one another ; or, at least, that is what they ought to be doing, if they are really co-operative in mind.

Finally, co-operation is a steady influence for social peace. Set up as an alternative to competition, its propaganda is against strikes and labour wars, as it is against the low wages and long hours that commonly provoke strikes. Between trade unionists and co-operators there are many ties, and the sympathies of co-operators are generally with the trade unions when any big strike takes place.¹ But to the co-operator a strike is a state of war, a thing to be prevented if possible, and in any case to be deplored. For the ways of progress, according to the co-operator, are paths of peace, and mankind by adopting co-operative principles turns to those paths, henceforth to seek peace.

Nevertheless, so perverse is human nature that strikes

¹ The Co-operative Wholesale Society has just given £1000 to the relief funds of the London dockers on strike, July 1912.

do occur from time to time even in the factories and workshops of Wholesale Co-operative Societies.

Against the co-operator's articles of faith hostile critics make various charges.

Some allege openly that the cultivation of thrift tends to meanness of mind; that economy is a wise expenditure rather than a careful saving; and that co-operation commonly begins and ends with niggardly purchases at the store. Of course there is no disputing with people who genuinely admire the Richard Swivellers and Harold Skimpoles of life, and see in every co-operator a would-be Bounderby or Gradgrind. If it be a vice to live within one's income and pay one's way, then is the co-operator a vicious person. (As a matter of fact, for all our admiration for the casual, happy-go-lucky hero of the Swiveller type we find him a great nuisance, and as far as possible avoid him, so tired are we of his endless borrowings.)

The orderly co-operative mind is no more given to meanness than the disorderly non-co-operative. Only when this very orderliness of outlook and conduct is an offence, no common ground is left for discussion.

That co-operators often enough take little interest in matters not connected with their store is not denied. It is merely to say that they are no better and no worse than the bulk of their neighbours, and are lacking in genuine whole-hearted co-operative faith.

Other critics flatly deny that the gains achieved at the store, and the half-yearly dividend on purchases, bring any real advantage to the working-class. They insist that if the necessaries of life are cheapened wages fall, because wages tend always to sink to the level of mere subsistence.

The only answer to this is that as the standard of comfort steadily rises so the "level of mere subsistence" for the wage-earner rises too. Education has raised

and is still raising that level, and co-operators with their travel parties on the Continent, their social entertainments, their lectures and conferences, are helping to make it impossible for working people to live the bare unadorned lives that sufficed for their grandparents.

Then we come to those objectors who fear the growth of every industry and lament the disappearance of the small shop and the small business. To such we can only say that as long as men and women find there is considerable advantage to be gained by co-operative action in industry they will continue to co-operate. While membership in the co-operative society is open to all who care to join, there can be no danger to the public of a co-operative monopoly. The open membership, it must be noted, is at the very root of distributive co-operation, and has been a chief factor in the prosperity of co-operative societies since their formation. If the trade of a co-operative store is becoming so large that private traders in the neighbourhood are undone, co-operators are but reaping an advantage which all may share. There is no menace of capital in the growth of a co-operative society, because the number of shares in the society is strictly unlimited, and no probability exists that co-operators wish to have it otherwise.

That co-operation is of little benefit to the destitute, or to the worst paid of wage-earners—to the very persons who stand in direct need of help and of the strength that comes of combination—is, of course, lamentably true, and has never been denied by co-operators. And this brings us within sight of the limits of co-operation.

“The first barrier to an indefinite extension of the co-operative movement under the present social system are the conditions of life of certain classes. Men living below a certain standard of life, or in isolation, populations continually shifting their abode and changing their occupation, are incapable of voluntary association,

whether as consumers or producers. The hand-to-mouth existence of the casual labourer, the physical inertia of the sweater's victim, the vagrant habits and irregular desires of the street hawker and of the inhabitants of the common lodging-house—in short, the restlessness or mortal weariness arising from lack of nourishment, tempered by idleness or intensified by physical exhaustion, do not permit the development, in the individual or the class, of the qualities of democratic association and democratic self-government. We need no demonstration of the truth of this fact; it is the burden of complaint at trade union and co-operative congresses.”¹

These words, written more than twenty years ago, can unfortunately be repeated to-day without qualification. Their writer points to another social barrier still standing in the way of the co-operator.

“Poverty and irregular habits form a lower limit to the growth of Co-operation. Fastidiousness and the indifference bred of luxury constitute a higher limit to the desire or capacity for democratic self-government. . . . The caprices of fashion, the vagaries of personal vanity and over-indulged appetites can find no satisfaction in an organisation of industry based on the supply of rational and persistent wants. Moreover, the severe mental strain consequent on the conscientious expenditure of a large income, or the apathy of a mechanical satisfaction of every want, disinclines the wealthy customer for the responsibilities of association. Physical nausea and mental exhaustion are the common ailments of the rich, as well as the complaints of the very poor; while the love of personal possessions, and the spirit of rivalry engendered by social ambition, effectually withdraw the surplus energies of the well-to-do classes from any form of democratic association.”

¹ Potter, *The Co-operative Movement*.

These social limits are frankly recognised. There are other boundaries to co-operative progress that must be as frankly acknowledged. Railways and tramways, docks and shipping can hardly come under co-operative management with any advantage to the community. Such public services may be nationalised or placed under municipal control, but no general body of consumers can claim their direction, for the whole nation are customers in these cases.

Profit-sharing may be introduced in a private gas company or a colliery, but neither gas company nor colliery can be administered by a co-operative society, for here again the customers are necessarily the general public. And where the general public is compelled to deal, as in the case of gas, coal, railways, and shipping, the only alternative to private ownership is public ownership. A democratic self-governing co-operative society does not trade for profit but for the convenience of its members, and its membership (as we pointed out before) must be open to all who will join. It cannot compel people to trade with it or refuse to allow them to become shareholders. In the cases mentioned above it would compel custom without giving any privileges of membership. A co-operative railway, for instance, would have for its customers not only passengers but all whose goods it conveyed ; and on co-operative principles every passenger and every parcel sender should have a share in the dividend. Which is obviously not a practicable scheme of things.

A co-operative gas company, similarly, should give a dividend on the amount of gas consumed, and this would involve extraordinary difficulties. A municipal gas supply is the simplest form of co-operation, for the "profits" in this case are distributed over the whole body of ratepayers.

"The limits of the probable domain of the Co-opera-

tive State are now all within sight. Voluntary associations of consumers are practically restricted to the provision of certain articles of personal use, the production of which is not necessarily a monopoly, the consumption of which is not absolutely compulsory, and for which the demand is large and constant. Under the present social system a restricted portion only of the nation is within reach of a social democracy—that intermediate class neither too poor nor too wealthy for democratic self-government.”¹

One self-imposed restriction remains to be mentioned. From the day when the Rochdale Pioneers declared that “the promotion of sobriety” was one of their objects, co-operators have consistently refused to have anything to do with the sale or the production of alcoholic liquors. They have not opened the temperance hotels which the Pioneers desired to open “as soon as convenient,” but co-operative cafés on temperance lines have been established in some towns, and co-operators generally are active in “the promotion of sobriety.”

The dangers within the co-operative movement may be quickly pointed out.

The over-eagerness for a big “dividend” (sometimes called “Divi.-Hunting”), whereby consumers are drawn after cheap goods, and become indifferent to the conditions of labour in the production of commodities, and averse from all expenditure on education, is always a source of weakness amongst co-operators.

Rivalry between two different co-operative societies in the same neighbourhood and competition between two productive societies in the same line of business are dangers that crop up over and over again. The rivalry between different stores leads to overlapping and all the wastefulness of private trade, besides creating a spirit of ill-will quite contrary to the fellowship of co-operation.

¹ Potter, *The Co-operative Movement*.

The cure for "Divi.-Hunting" is in the education of members. Rivalry and overlapping can best be remedied by arbitration and by loyal acceptance of the umpire's award. But the health of the whole co-operative movement depends upon the faithful following of co-operative principles and the keeping untarnished the co-operative ideal of society.

We finish on a note of warning.

"The pressing need of the movement to-day is that every individual co-operator should arrive at a clear understanding of the principles upon which Co-operation is based, and acquire some knowledge of its business methods. The movement is justly proud of its great organisation; but the tendency—to which all successful undertakings are liable—to exalt commercial prosperity at the expense of principle is a weakness of which co-operators should beware. The trite axiom that 'the strength of the chain is its weakest link' holds good in Co-operation as in any other organisation. Whether the 'weakest link' is found in the apathy of individual co-operators; in illiberal treatment of employees; in the growth of a commercial spirit; or in ignorance of economic tendencies, it is this link which should be most closely watched, lest the fair chain of democratic brotherhood which binds co-operators into one complete whole break at this point.

"Whatever the future may hold, the present is not the time in which co-operators can rest content with their achievements. It is not enough that the leaders of thought in the movement should be imbued with the high ideals that have come to them from the past: Co-operation is essentially a democratic movement, and its ultimate success depends upon the membership as a whole—their knowledge of its principles, their devotion to its cause."¹

¹ C. Webb, *Industrial Co-operation*.

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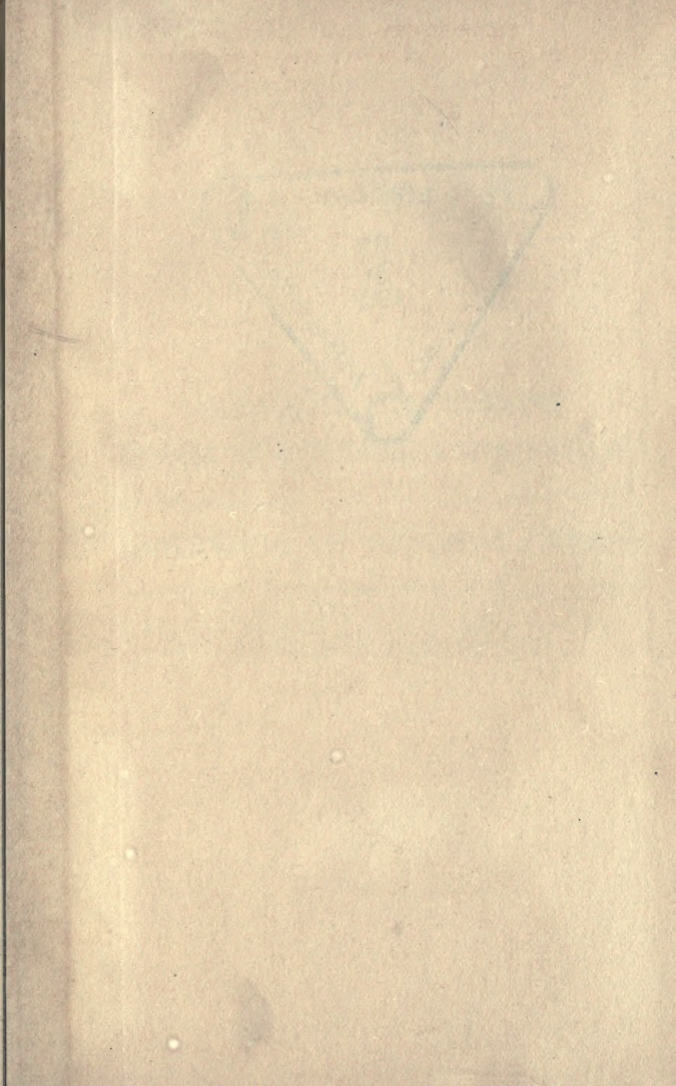
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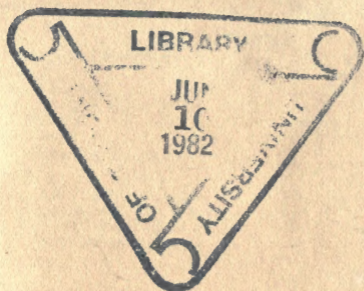
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