

The Co-operative Movement of Great Britain and its Recent Developments

By

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AFTER a whole century of development, now extending to every European country, to India and Japan, to North and South America, South Africa, Australia, and New Zealand, the co-operative movement is, in my judgment, still largely misunderstood by its adherents as well as by its critics. This misunderstanding extends, in varying degrees, to what is the essential feature of the co-operative movement, and the cause of its success; to the character of its organisation, and the lines along which it is developing; and to its ultimate ideal or aim. In the whole world there were recorded in 1913 no fewer than 126,000 co-operative societies with an aggregate membership estimated at 20,000,000. This compilation omitted many countries from which returns could not be obtained; and it is probable that in 1921 the total co-operative membership of the world is twice that number, representing possibly one-twelfth or even one-tenth of all the families on the face of the globe. In this article I shall use the facts of the recent growth and present position of the co-operative movement in Great Britain—the country in which it has so far attained its greatest development—to illustrate what I believe to be the principal significance of the movement for the future, and to explain its contemporary evolution.

It is both cause and effect of the common misunderstanding that the word “co-operation” has been applied, in its technical sense, to associations of many different kinds—for instance, (1) to groups of handicraftsmen seeking to conduct “self-governing workshops” manufacturing commodities for sale for their own pecuniary profit (Buche, Louis Blanc, Lassalle, the Christian Socialists of the England of 1848-1854); (2) to societies of householders combining in order to obtain supplies for their own consumption without anyone making pecuniary profit out of them (Dr. King of Brighton in 1828-1830, the Rochdale Pioneers, the Co-operative Wholesale Society); (3) to unions of needy individuals who, by joining together in guaranteeing repayment, are in a position to enable anyone of themselves to obtain for productive purposes, without usurious interest or oppression, a loan of an amount

exceeding any security that he could have individually given (co-operative credit banks of Schultze-Delitsch, Raiffeissen, Luzzati, etc.); (4) to groups of agriculturalists, whether small peasants or capitalist farmers, who unite for certain purposes or processes calculated to increase the pecuniary profit of their several individual enterprises (co-operative creameries, joint purchases of seeds, fertilisers, and agricultural machinery, combined marketing of produce); (5) to similar joint enterprises of independent handicraftsmen or small capitalist manufacturers or traders, in order to increase their individual profits (co-operative buying or marketing societies); (6) to more or less stable bodies of workmen who collectively undertake to perform a given task in return for a lump sum payment, to be shared as they choose among themselves (the Russian Artel, the Italian labour contract, the "contract work" of the Cornish tin-miners); and, indeed, also to various other transient or lasting combinations among poor persons in industry or agriculture.

In this wide sense "co-operation" seems to me to be a false category, signifying nothing accurate or precise, and yielding no instruction. If the essential feature of the co-operative movement were to be found in the mere joining together of individuals for some common purpose—even if this were circumscribed by defining it as the joining together of persons of little or no wealth to obtain some material advantage—many other groups, to which the word co-operative has not usually been applied (such as friendly societies, building societies, and even trade unions and professional associations) would need to be included. But what is more important is the fact that the category thus widely extended comprises two fundamentally different kinds of association, having essentially different objects, producing different results, and likely to develop into different states of society.

If we examine the above-mentioned six principal kinds of groups to which the word "co-operation" has been applied, we shall see that five of them have as their basis one or other form of production for exchange; and have for their object the promotion of the pecuniary interest of the members *as producers*—in fact, the making by them, individually, of increased pecuniary profit, by the amount of which the success of the association is tested. Thus there belong to this class the various forms of self-governing workshop, the co-operative credit societies, practically all agricultural co-operation, the buying or selling societies of the independent handicraftsmen or small capitalist manufacturers or traders, and the different varieties of the "labour contract". These, whether agriculturists, manufacturers, or traders, are all associations of producers. The other group has, as its basis, the procuring through concerted distribution (whether in conjunction with actual production or in conjunction with importation) of commodities and services for its own members at the lowest

possible cost—production not for exchange but for use—and has for its object the promotion of the interests of its members *as consumers*.

To organise industry from the consumption end, and to place it, from the start, upon the basis of production for use instead of production for exchange, under the control and direction not of themselves as producers, but of themselves as consumers, was the outstanding discovery and practical achievement of the Rochdale Pioneers⁽¹⁾. Far from seeking to increase pecuniary profit, the Rochdale movement seeks its elimination from all transactions, not merely from the retailing of the common articles of domestic consumption, but, in different degrees, from nearly everything on which personal income is expended; and not only from retailing, but also from wholesale distribution and importing; from manufacture, agriculture, from mining, and from mixing, preparing, packing, and transporting the commodities that have been grown, manufactured, or imported. Even such services as insurance and banking now come within the sphere of the consumers' co-operative movement of Great Britain. Whatsoever the members desire to have, that the co-operative society of this type sets itself to supply, without the toll of profit, at the lowest possible cost. It is emphatically a democracy of consumers for the government of industry.

Now I have no wish to deny the utility of the associations of producers or to minimise their importance. In the various processes of agriculture, in particular, societies of this type have enabled many tens of thousands of small cultivators—notably in Denmark and in Ireland—greatly to improve both their production and their pecuniary position. Nor

(1) In Great Britain it was nearly half a century before the co-operators became aware of their government as not one of workers' control, but a consumers' democracy. Even the Rochdale Pioneers started out with the Owenite ideal of "self-employment". But they were weavers of flannel and what they needed was food; hence unwittingly they became organised as consumers. Throughout all the books of C. J. Holyoake it is assumed that, whilst the mere distribution of products might be left to the consumers' representatives, all production should be the work of self-governing associations of workers as such. In the widely distributed text-book of the movement by A. H. A. (now the Rt. Hon. Sir A. H. D. Acland) and Benjamin Jones, entitled *Working Men Co-operators*, first published in 1883, the note is still that of "artisans' co-operation", enabling the members of the store to "become small capitalists". In the debates of the co-operative congress right down to the end of the xixth century, most of the intellectuals of the movement, as distinguished from the working class administrators, held to the ideal of an association of producers. The theoretical justification for a consumers' co-operative movement organising both manufacture and distribution on the basis of supplying ascertained wants—to be supplemented by an absolutely co-extensive organisation of the workers in trade unions and professional organisations, and both to be completed by a national and municipal organisation of citizens as such for essentially civic functions—was, I think, first promulgated in my book on the *Co-operative Movement of Great Britain* (by Beatrice Potter) published in 1891, and in my paper, entitled *The Relationship between Co-operation and Trade Unionism*, published by the Co-operative Union in 1892.

can anyone ignore the powerful aid afforded not only to the agriculturist, but also to the independent handicraftsman and small manufacturing employer, by the co-operative credit societies, notably in Germany and Austria, India and Japan. Finally, no one can venture to predict what may be the developments of the various forms of the co-operative labour contract in the different countries. I am concerned only to suggest that the democracy of producers is not, in any of its forms, the same thing as the democracy of consumers; and that it would conduce to clearness of thought if the two essentially different kinds of society were neither treated together, nor described by the same term.

The democracy of consumers, in its ubiquitous typical form of the "co-operative store", is almost as invariable and universal in its growth as it is simple and uniform in its theory and practice. In 1913 statistical returns were obtained as to these societies from only fifteen countries; but in these there were recorded no fewer than 12,307 societies, with 6,643,052 members. Statistics for co-operation are still very imperfect, and this total probably represented not more than half the aggregate of the whole world in 1913, whilst the dislocations of the war and the peace have prevented any subsequent compilation. But assuming that the Russian societies are now recovering something like their former autonomous existence, there may well be in 1921 twenty millions or more of members of co-operative associations of consumers of this definite type, nine-tenths of this total being in the various countries of Europe. Speaking generally, the number of separate societies in each country does not increase, or increases at a much smaller rate than the aggregate membership. The tendency is for the large societies in each country (which now often each include tens of thousands of members, and in a few cases even a hundred thousand) to grow more rapidly than the smaller societies; and (especially in Great Britain and France) for numerous societies, large and small, to amalgamate. In Great Britain the number of such societies has remained, for a couple of decades, almost stationary at between 1,300 and 1,400; whilst the aggregate membership was in 1881 547,000; in 1891, 1,044,000; in 1901, 1,793,600; in 1911, 2,640,000; in 1919, 4,131,477, and by the end of 1921 it will probably be in the neighbourhood of 4,500,000. It is impossible to discover how many of these millions of members represent separate families or households, but it is estimated that more than one-third of the whole census population of Great Britain are thus included in co-operative membership. In forty years the aggregate membership in Great Britain has increased eightfold; and the proportion which the co-operative membership bears to the total census population is at least four times as great as in 1881. The growth in magnitude of the business transactions of these societies is even more impressive than their membership. Changes in price levels

prevent any useful comparison with the figures of past years; and it must suffice to say that in 1919 the 1,300 odd retail co-operative societies of Great Britain sold goods to the value of £198,930,437, representing an average annual expenditure per member of more than £48, and (in view of the fact that several members of a family are now often members) an average expenditure per family of an even larger amount. This is far in excess of the corresponding figures for any other country. The figures for 1920 are not yet available; but the indications are that the total retail sales for that year must have amounted to more than £230,000,000 sterling ⁽²⁾. For the current year (1921), the steady fall in prices and the great industrial depression may probably entirely counteract the normal increase.

THE NUMBER AND SIZE OF THE CO-OPERATIVE SOCIETIES OF GREAT BRITAIN

There is something very impressive in the yearly totals of co-operative membership, which has for the past sixty years hardly ever failed to increase substantially year by year. The hundred thousand of 1863 became a million by 1888, two millions by 1904, three millions by 1912, and four millions by 1919. The number of separate societies has not increased by any means in like proportion. Between 1862 and 1882 the number of separate consumers' retail societies appears to have risen from about 400 to about 1,200, with an aggregate membership of less than 900,000. The number of such societies in active existence rose slowly to its maximum in 1903, when there seem to have been as many as 1,481 effectively in being; but by that time the aggregate membership had grown to nearly two millions. Since that date, whilst the aggregate membership has more than doubled, the number of separate societies has slowly but steadily fallen, until in 1919 those known to be actively in existence were reckoned at no more than 1,357. During the past fifteen years, in fact, the establishment of separate consumers' retail societies has not kept pace with the absorption of others by amalgamation.

I append two tables showing for each year from 1883 to 1919 the number of societies known to exist, with their aggregate membership, share and loan capital, and sales. The second table has been prepared from the annual reports of the Co-operative Union since 1901. The table of figures for the earlier years, which do not exactly correspond with

(2) According to figures published in the *Co-operative News* for 17 September, while Mrs. Sydney Webb's article was in the press, in 1920 the number of members of co-operative societies was 4,504,852; the share capital £ 76,374,691; the loan capital, almost entirely subscribed by members, £ 10,178,477; and the amount of sales £ 254,158,144. (Ed. *International Labour Review*.)

those for the later years (owing chiefly to the different dates up to which belated returns are included), is taken from *Industrial Co-operation*, by Catherine Webb, 1904, p. 244.

TABLE I

	No. of Societies making returns	No. of members in societies making returns	Capital		Amount of sales
			share	loan	
			£	£	£
1883	1051	627,625	6,398,744	736,605	18,540,004
1884	1128	696,282	6,652,390	840,571	19,569,940
1885	1148	746,772	7,508,900	833,416	19,872,343
1886	1148	774,408	7,916,650	956,293	20,496,433
1887	1153	828,073	8,561,098	908,998	21,358,207
1888	1204	867,223	8,906,662	1,031,823	23,987,206
1889	1297	932,000	9,521,108	1,006,587	25,887,240
1890	1240	961,616	10,310,743	1,132,585	26,887,638
1891	1307	1,044,675	11,312,806	1,194,753	30,599,401
1892	1420	1,126,880	12,208,677	1,327,444	32,344,534
1893	1421	1,169,094	12,529,359	1,388,876	31,925,896
1894	1421	1,212,945	13,183,868	1,350,152	32,242,394
1895	1417	1,274,994	14,123,685	1,654,344	33,900,674
1896	1428	1,355,946	15,386,295	1,515,773	36,673,858
1897	1442	1,465,538	16,318,718	2,035,004	40,128,559
1898	1436	1,535,575	17,426,410	2,252,987	42,581,503
1899	1446	1,613,461	18,934,023	2,519,519	45,047,446
1900	1439	1,707,011	20,566,287	3,019,998	50,053,567
1901	1438	1,793,167	21,965,994	3,326,591	52,761,171
1902	1454	1,892,987	23,167,244	3,541,580	55,319,262

TABLE II

	No. of societies making returns	No. of members in societies making returns	Capital		Amount of sales
			share	loan	
			£	£	£
1901	1462	1,793,770	21,966,628	—	52,761,175
1902	1476	1,893,176	23,167,619	3,541,580	55,319,262
1903	1481	1,987,768	24,217,134	3,764,563	57,512,917
1904	1469	2,078,178	25,139,504	3,971,231	59,311,934
1905	1457	2,153,185	26,077,174	4,170,020	61,086,991
1906	1448	2,222,417	27,350,588	4,317,526	63,353,772
1907	1443	2,323,378	29,038,649	4,345,644	68,147,529
1908	1428	2,404,595	30,037,352	4,558,021	69,783,278
1909	1430	2,469,039	30,804,246	4,779,848	70,315,078
1910	1428	2,542,532	31,614,559	4,851,753	71,861,383
1911	1407	2,640,091	33,253,757	4,935,164	74,802,469
1912	1399	2,750,633	34,742,691	5,070,376	78,856,098
1913	1387	2,878,648	37,275,057	5,326,708	83,615,175
1914	1391	3,054,297	39,573,049	5,744,894	87,964,229
1915	1375	3,265,011	43,141,970	5,706,626	102,557,779
1916	1362	3,520,227	47,153,203	6,169,149	121,688,550
1917	1366	3,788,490	48,574,049	6,362,444	142,003,612
1918	1364	3,846,531	54,039,225	7,355,483	155,161,963
1919	1357	4,131,477	65,644,968	8,766,338	198,930,437

THE GROWING SPHERE OF THE CO-OPERATIVE SOCIETY

The great extension in the range and variety of co-operative enterprise during the present century has taken place principally in the large centres of population, where the membership of the societies runs into tens of thousands, and where the amalgamation of rival stores has enabled the whole purchasing business of great populations to be organised from a centre.

At Leeds and Edinburgh, at Liverpool and Birmingham, at Plymouth and Derby, and now even in London, both north and south of the Thames, we have co-operative societies with memberships exceeding 50,000, capitals of a million sterling or more, and annual sales of several million pounds. Such a society will often own and occupy commanding central premises—in the provinces often actually superior to any other in the city—including a fully developed “departmental store”, dealing in every variety of foodstuffs, clothing, household furniture and utensils, drugs and tobacco, seeds and agricultural implements, jewellery and bicycles; with handsome showrooms resorted to, not only by the members of the society itself, but also by those of the country societies in the vicinity which are affiliated for this purpose to their larger neighbour. From these central premises will be supplied several dozens—occasionally more than a hundred—of branch stores, conveniently dispersed in all the districts of working-class residence, not only throughout the city and its suburbs, but also, in some cases, in the villages within a radius of twenty miles or more. Most of these branches will stock the common foodstuffs and household requisites, some adding drapery and boots. Some of those within the city may specialise in fish, fruit, and fresh vegetables; others in milk (the Lincoln Co-operative Society has ten milk shops); or in bread and confectionery, with a “tea shop”. For the supply of what has often become by far the greatest distributing business of the city, there will be, on appropriate sites, perhaps on the river or canal bank, or with special railway sidings, the society’s gigantic bakery, and perhaps (as at Leeds and Barnsley) the society’s own flour-mill; an equally extensive refrigerating store which occasionally (as at Barnsley) accommodates also the supplies of the local shopkeepers; with a coal wharf and “bagging department”. The society may have had, in the past, its own gas-works; and will today often have its own electricity plant. There will be an extensive “Transport Department”, developed out of the earlier stabling, now sometimes equipped with a shunting locomotive, and usually with railway trucks of its own (in one case, as many as one hundred), canal boats, barges, at Plymouth a fishing-smack or two, and even a sea-going steamer, as well as with motor lorries for delivery, motor-cars for the administrators, and motor charabancs (of which

the Plymouth society owns no fewer than seventeen) for hire by the members. Attached to the Transport Department, or to some other, will be one for undertaking or funeral furnishing in all its branches. The Works Department will not only execute all the structural repairs and extensions that so great an enterprise is always requiring, but will also carry out all the repairs and decoration required by the members, and will from time to time erect out of surplus capital rows of cottages to be let to the members. Further afield will be the huge laundry, equipped with the latest machinery and labour-saving devices, in some cases (as in the Leeds Co-operative Society) washing as many as 90,000 men's collars every week, and developing into "dry cleaning" and renovation of clothes, carpet-beating, and even (in the case of the Plymouth society) dyeing. The society, whilst having at its command the vast manufacturing enterprises of the Co-operative Wholesale Society, to be described in the following section, usually has manufacturing departments of its own, often employing regularly more than a thousand men and women, and producing goods to the value of several hundred thousand pounds annually. Besides its "bespoke" tailoring and dressmaking workshops and its extensive boot-repairing department (in which one society "soles and heels" 200,000 pairs annually), a large society may have its own boot and shoe and shirt factories. It may sell its own jams, pickles, and aerated waters, its own sweets and preserves, its own furniture and trunks, even its own tinware and leather goods, as well as those of the Co-operative Wholesale Society. I have yet to mention the farm or farms (in one case extending to over 3,000 acres), often also nursery and market gardens, purchased and maintained by the society, not so much for profit as for ensuring to the members a constant supply of the best dairy produce, vegetables, and fruit, and for providing, for the extensive butchery department, convenient accommodation land, a ham and bacon curing establishment, and a sausage factory. Not yet common, but now increasingly prevalent, is the maintenance of a country mansion for the use of the members, with extensive gardens and playing fields, a small dark and attractive woodlands, connected with the city by organised charabanc journeys, resorted to by week-end house-parties, and extensively used as a "holiday home" at the Christmas, Easter, Whitsuntide, and summer vacations. To the co-operative convalescent homes of the district members of all the local societies have access on payment of a small weekly fee; "lines" or "recommends" securing admission to the local hospitals can be obtained, and some societies have arrangements by which the members can obtain the services of the best local dentist on advantageous terms. Over and above the organised supply of all these services and commodities, we shall find, revolving round the society's educational committee and, often, its "social institute", all

sorts and kinds of associations and clubs; "guilds" for women, for men, for young persons, for children, usually with branches meeting at the outlying stores; debating societies, literary societies, choral societies, drill and dancing classes, chess societies, photographic societies; football and cricket clubs, field clubs, rambling clubs, cycle clubs; "summer schools" and "holiday fellowships" for home and foreign travel.

CONSTITUTIONAL DEVELOPMENTS WITHIN THE CO-OPERATIVE SOCIETY

The co-operative movement of Great Britain, though it has remained true to its fundamental principle of organising enterprise from the standpoint of the consumers, and has throughout remained a democracy of consumers as distinguished from a democracy of producers, has, during the last two decades, developed new constitutional forms which may become of great significance in the theory and practice of co-operative democracy. I have only space to describe these changes in the briefest way under four heads: (a) the constitution of the committee of management and the development of its powers; (b) the more elaborate organisation of the electorate; (c) the rise of representative bodies intermediate between the committee of management and the membership; and, last but not least, (d) the transformation in the status of the co-operative employees.

The Evolution of the Committee of Management

The transformation of the committee of management, often styled in the larger societies the board of directors, from a committee paid only by fees to a small number of full-time salaried officers, is perhaps the most permanently significant of the changes that are now taking place in the constitutions of the co-operative societies. When we realise the inevitable limitations of the committees of men engaged during the day in earning their own livelihood in manual or minor clerical labour, able to meet only in the evening at the end of exhausting toil, and unaccustomed in their daily lives to any but a narrow range of dealings in small sums, we can only be amazed at the capacity and success with which these co-operators have coped with business running literally into millions of pounds per annum, and have controlled staffs of hundreds of officials: What has been accomplished in scores, and even hundreds of cases, not merely for a year or two but over generation after generation, would be impossible in any other organisation, and incredible if it were not attested by the facts. And what is leading very gradually to a supersession of the unpaid committee by salaried whole-time representatives, is not either bankruptcy or failure—for it is the most flourishing

and enterprising societies that are leading the way—but merely the sheer impossibility of getting through the ever-increasing work even by meeting every evening, coupled with a feeling that there are opportunities for yet greater success and still further expansion which can be embraced only by increasing the executive power. Today there are only two societies, Barnsley in Yorkshire and Woolwich in the London area, that have actually taken this step of establishing a salaried executive; but many of the larger societies, notably the new amalgamations, are at present considering such an alteration of their constitution, and it is believed that in the majority of these cases the change will be accomplished.

The Reorganisation of the Co-operative Electorate

How to secure the more effective control of the committee of management and its staff of salaried officials by the democracy of consumers has been another problem confronting the consumers' co-operative movement. The criticism is often made that the present gigantic membership of the movement, and especially the tens of thousands of members of the larger societies, do not constitute a live democratic community. Judged by the rough and ready standard of the percentage taking part in elections, it must be admitted that the co-operative democracy of society members falls far short of that of the municipal and national democracies of citizens and stands behind even the trade union democracy. It is, however, unfair to assume, as is often done, that because the vast majority of co-operative members habitually absent themselves from the quarterly meetings, and do not trouble to vote, there is no effective democracy in the co-operative movement. The self-government of the co-operators is manifested more in the continuous supervision and criticism maintained over the executive by small bodies of members than by frequent changes in the composition of the executive by spasmodic mass votes. But in spite of these qualifications no co-operator is satisfied with the present low percentage (frequently under 5 per cent.) of members who take part in members' meetings and in the election of officers. Constitutional changes are now taking place in many societies, with a view both to stimulating a wider participation by the rank and file of the members, and to making more effective the influence of the membership upon the administration.

To take first the arrangements for the general meetings. In order to avoid the inconvenience of meetings too large for discussion—sometimes too large even to get into the available halls—and with a view also to bringing them nearer to a widely scattered membership, the plan is being increasingly adopted, even in relatively small societies, of having, either regularly or on special occasions, a series of divisional meetings in the several districts. This is a novel device, hitherto

unknown to political science. For these divisional gatherings are legally all parts of a single members' meeting. No member may take part in more than one of them. The same business is brought before all of them; and only identical resolutions or amendments of which previous notice has been given may be put. All the votes are added together to produce the decision. Another device for increasing the participation of the members in the election of the committee of management and for securing their expression of opinion on vital questions, has been the supersession of the members' meeting by the ballot box, placed for a stated period at the central and branch premises of the co-operative society, for the election of officers and for occasional referenda.

Some of the larger societies, supplying the needs of a dispersed population, have adopted the plan of dividing the area over which they operate into geographical districts. Each candidate for the committee of management must have the qualification of residence in a particular district, and each district has its allotted number of members on the committee. A further development of the same idea is to provide for district election. In the Leeds Society the directors are severally elected by the votes cast in the four geographical districts into which the area of the society is divided. Thus the ward meetings within each of the districts decide upon the directors for the district by their aggregate voting. In the new constitution of the Royal Arsenal Co-operative Society provision has been made for the seven full-time salaried directors to be elected by a ballot vote of the entire membership, but on the system of the single transferable vote. This system of proportional representation has been adopted as an alternative to district election, in the hope that it will combine district representation with a recognition of personal distinction⁽³⁾.

(3) The results of the first election of the seven salaried directors of the Royal Arsenal Co-operative Society are fully recorded in its journal, *Comradeship*, for April 1921. It seems that, in spite of there being no fewer than 34 candidates, and much local advertisement of various kinds, out of nearly 100,000 members, only 6,188 took the trouble to vote. No fewer than 29 counts were made before the seven successful members were ascertained; but the final result only differed from the list of seven polling the highest numbers in the first count by the substitution of one person (who was tenth on the first count) for another, who slipped down from the seventh to the eighth place. Though the membership of the society is very largely female, and women candidates were energetically supported by the local guilds, none were elected. Practically all the successful candidates proved to be associated with the central part of the society's membership, and of those specifically representing the outlying districts none were elected. In fact, five out of the seven seats were retained by members of the former committee of management, whilst the other candidate who was successful on both the first and final counts, was identified with the "Forward" movement in politics. The second new member (the only one brought in by the 28 subsequent transfers of votes) was an employee of the society. The election was exceedingly troublesome, and somewhat costly; and not a few of those concerned doubted whether the advantages claimed for the single transferable vote had been worth the cost and trouble.

The Rise of a Representative Assembly

The British co-operative movement has always been distinguished for the existence of organised groups of members, more especially among the women. The Women's Co-operative Guild, established in 1883, with a membership today of 50,000, has done notable work in stimulating the interest in the theory and practice of the co-operative movement among the rank and file of the membership. In many of the larger societies this organisation, together with the more recent and less effective organisation of the male members in a Men's Co-operative Guild, has been accorded representation on the Education Committee or has been permitted to send its own delegates on behalf of its membership to the general assemblies of the two great federal organisations—the quarterly meetings of the Wholesale Societies and the annual congress of the Co-operative Union. But until there grew up in Great Britain societies with memberships running into tens of thousands, there was no demand for any body representing all the members and deriving this authority from the legal constitution of the society. In the Leeds Society, however, which until lately had the largest membership of any in the Kingdom (in 1921 reaching 90,000 members) and has, even today, the largest annual turnover (£5,000,000 sterling), and the largest capital (£1,500,000), there has grown up during the last decade a fully-fledged representative body which is gradually acquiring considerable control over the board of directors. This body of 300 picked men and women is composed of a hundred local committees of three members each, originally devised to supervise, under the board of directors, the hundred branch stores, and also to serve as a channel to explain the directors' policy to the members organised in sixty ward meetings. But from being the servant of the board of directors it has gradually evolved a certain authority over their activities. According to the rules, these 300 men and women, besides meeting as local committees in smaller or larger groups, have to be called together every quarter to consider the report of the committee of management and of the education committee, to ask questions, and to express their opinion on the desirability of new developments. In order to fulfil this purpose these gatherings of local committeemen have elected an executive committee which has become the initiator of new developments and acts as a powerful caucus alike in the election of the board of directors and in supervising their policy. This executive committee of the local committeemen has recently been recognised in the new rules of the Leeds Society.

The Change of Status of the Co-operative Employees

I pass now to the most controversial of all the changes which are taking place within the consumers' co-operative movement of Great Britain, a change in status of its employees. I have not the space to go adequately into this controversy, which has taken different forms at different periods of co-operative history, and which is now involved in the wider controversy raging right through the labour and socialist movements of the world, with regard to the relative spheres of the consumers' democracy represented alike by the co-operative movement, municipal enterprise, and nationalised industry, and of producers' or industrial democracy, represented by the trade union movement and professional organisation (4). Within the co-operative movement this change in the status of the employees today takes two forms: on the one hand, an alteration in the constitution of co-operative societies permitting the election of employees on the committee of management, and, on the other hand, the increased recognition of the trade unions representing the 200,000 employees of co-operative local societies and federal organisations.

Right down to the end of the nineteenth century it was the common practice in all consumers' co-operative societies to disfranchise any member, who was also an employee of the society, not only from sitting on the committee of management, but also from taking part in its election. This clause had been inserted in the rules of the original Rochdale Pioneers and embodied in the rules of other societies in order to prevent what was then regarded as a scandal in co-operative circles, "a society being run by its employees". But any such objection to employees taking part in determining the policy of the society in which they are employed, merely because they are "interested parties", is obviously inconsistent with the current doctrine of workers' control. Hence many societies have abrogated the long-standing explicit disqualification of employees to vote as members in the election of the committee of management, and it looks now as if the co-

(4) In Great Britain there is at present no settled theory of the relative sphere of democracies of consumers and democracies of producers, and the controversy is being carried on with vigour by rival schools of thought within the labour and socialist movement. For the Guild Socialist or "workers' control" point of view see the writings of G. D. H. COLE, in particular *Self-Government of Industry*, and *Guild Socialism Re-stated*. For the consumers' standpoint see the writings of L. S. WOOLF (*Socialism and Co-operation*, 1921) and Percy REDFERN (*The Consumers' Place in Society*, 1920). For the history of the controversy see *The History of Trade Unionism*, S. and B. WEBB (last edition 1920), and for an examination into the current controversy see the same authors' *A Constitution for the Socialist Commonwealth of Great Britain*, particularly the chapter on *The Reorganisation of the Vocational World*.

operative movement would frankly accept the view that there is no more justification for disfranchising a member merely because he happens to be also an employee of the society than for the denial of the parliamentary vote to the citizen who is a postman or a policeman.

The eligibility of employees for election to the committee of management by vote of the members is less widely accepted. A few societies have never had any disqualifying rule, though members who were also employees were not often nominated. But as an outcome of the movement of thought and of the alterations in the rules, employees are being nominated for election in an increasing number of societies, occasionally as many as four at a time for seven places, though they are not always elected. In several scores of societies, at least, an employee, and sometimes two or three, may now (1921) be found on the committee. There are, however, already signs of a reaction, especially where candidatures of employees have been more numerous than has been liked by the members. In a few instances the employees themselves, irrespective of the members, have been permitted to choose one or or two of their own number to sit with the members elected to the committee of management, as an integral part of that governing body, without any limitation of their powers. Alongside of this development there has been an institution of advisory shop committees, chosen by the employees themselves, to consult with the committee of management on questions relating to the amenity of the employees' working life, and even to what is referred to as discipline. In one or two English societies there is now a permanent joint advisory committee of equal numbers of committeemen and employees, the latter being elected annually by the separate sections of the staff; and to this committee are relegated practically all the questions in which the employees are interested, but subject always to final decision by the committee of management. It will be needless to point out that, useful and successful as all this may be, it does not amount to any transfer of the functions of management from the representatives of the whole body of consumer-members either to the employees of a particular establishment or to the whole body of co-operative employees organised in their trade union.

But all these constitutional adjustments between the members and their employees, have been, I think, of less significance than the transformation which has taken place in the relations between the consumers' co-operative movement as a whole and the trade unions representing their employees. Here again, the present state of things is so complicated that it is difficult to describe it in brief, seeing that it is intimately connected with quarrels within the trade union movement itself as to the basis of trade union organisation. The co-operative movement, employing some 200,000 workers of all

sorts and kinds, belonging to craft unions, industrial unions, and general workers' unions, has found itself the cockpit for interminable demarcation disputes between one union and another in the recruitment of members and in the right of particular trade unions to bargain with committees of management about the conditions of employment. For some twenty years an energetic organisation, styled until recently the Amalgamated Union of Co-operative Employees (now the National Union of Distributive and Allied Workers), which claimed to include all employees of the co-operative movement whatever their craft or occupation, held the field against the authoritative decision of the Trades Union Congress in favour of co-operative employees being included in the trade unions catering for a particular craft or occupation in capitalist enterprise. This controversy was embittered by the claim on the part of the shop assistants and warehousemen for higher rates of wages and shorter hours in co-operative employment than those demanded from capitalist enterprise, a claim which was not made by such old-established craft and occupational unions as the National Union of Boot and Shoe Operatives and the Amalgamated Society of Carpenters and Joiners. It is needless to say that this claim was hotly resented by committees of management throughout Great Britain. So long as the co-operative society, they urged, constitutes only one among other forms of production and distribution, experience shows that there is a real, if somewhat intangible, limit to the economic concessions which associations of consumers can make to those who are employed in their service. The co-operative society has to maintain itself in continual rivalry with capitalist enterprise, against which it has perpetually to compete for raw materials, for the services of brain-workers and skilled operatives, for customers and trade. Except in so far as it can effect a genuine improvement or economy in management, every step by which it departs from the competitive standard set by its capitalist rivals results in lowering the margin between cost and price. Any wide departure, whether in the way of higher wages, shorter hours, more favourable conditions of employment, or failure to take advantage of the best terms of obtaining raw materials or of employing the most efficient processes, means failure to serve the customers on the same terms as the capitalist trader. Thus the co-operative society, if it is to continue to exist and to make headway against capitalist enterprise, cannot go far beyond the currently prevailing condition of employment, without having to raise prices to its members to such an extent as to render it positively unprofitable for these members to deal at the store.

In spite of these internecine quarrels either between the trade unions catering for co-operative employees or between the various societies and their employees, considerable progress has been made towards the setting up of machinery for collect-

ive bargaining. As early as 1882 a Joint Committee between the Trades Union Congress and the Co-operative Union was established, and in 1899 and again in 1908 this Joint Committee laid it down (in reports of the two congresses which were unanimously accepted by the assembled delegates) that "co-operative factories, workshops, or stores should pay recognised trade union rates of wages and work the recognised trade union hours prevailing in each particular branch of industry in the district where such factories, workshops, or stores are situated"; and that any "complaints in regard to the conditions of labour" should be "submitted to the arbitration of the Joint Committee before either a strike or a lock-out takes place". But the jurisdiction of this Joint Committee was in fact, though not in theory, restricted to the productive departments of the local societies and the productive works of the two great wholesale societies, and did not apply to the largest section of co-operative employees, the shop assistants and warehousemen, a class which was then unorganised.

Meanwhile the Amalgamated Union of Co-operative Employees (now the National Union of Distributive and Allied Workers) had come into existence, catering in the main for the unorganised shop assistants. In defiance of the Trades Union Congress resolution in favour of co-operative employees joining such unions as cater for the same class in private enterprise, this union had become predominant in all departments of co-operative enterprise. Confronted with the constantly growing demands of the Amalgamated Union of Co-operative Employees and its readiness to use the weapon of the strike, the Co-operative Congress in 1916, on the urgent recommendation of its own Central Board, began, somewhat feverishly, to organise within the co-operative movement an efficient machinery for negotiating with the Amalgamated Union of Co-operative Employees and simultaneously a weapon for resisting its more extravagant demands. These societies in each of the eight geographical sections of the co-operative movement were advised to establish district hours and wages boards, consisting of representatives of the management committees of the local societies. First established in the north-west district in 1916, these district hours and wages boards, with slight variations in constitution, spread during 1917-1918 to nearly all the sixty-two districts of the eight sections of the Co-operative Union, whether in England or Scotland. The boards were, in fact, of the nature of employers' associations of given geographical provinces, formed to deal, each on a uniform plan, with any demands made by the employees, not only by the Amalgamated Union of Co-operative Employees, but also by the unions recognised by the Trades Union Congress. But the boards did not stand alone. During 1916-1917 district and national conciliation boards were established by the Central Board of the Co-operative

Union, the National Board consisting of five representatives appointed by the Amalgamated Union of Co-operative Employees and five from the co-operative movement (two from the United Board and three from the societies), with an independent chairman having a casting vote, who was to be agreed on by both parties, or, in default of agreement, appointed by the Ministry of Labour; whilst the eight district conciliation boards were composed of eight representatives, three from the societies of the district, three from the Sectional Board of the Co-operative Union, and four from the Amalgamated Union of Co-operative Employees, provision being made also for the representation of any other union or unions including 25 per cent. of the employees concerned. This curiously duplicated machinery for collective bargaining is still on its trial, the tendency being for the district conciliation board to disappear, and for all disputes to be referred for negotiation between the district hours and wages boards representing the co-operative societies and the representatives of the Amalgamated Union of Co-operative Employees or other unions concerned. The other unions complain that the condition entitling to representation on these boards, namely, a membership of 25 per cent. of the employees concerned, gives an unfair advantage to the Amalgamated Union of Co-operative Employees over the "craft" unions, none of which may have 25 per cent., though among them all may be a positive majority of the employees. It remains to be added that in some cases disputes have been referred by the Co-operative Wholesale Society and certain retail societies directly to the Industrial Court set up by the Government, and disposed of by the awards of this Court, which, although without coercive authority, have hitherto been accepted by both parties.

Within the last decade this machinery of collective bargaining has been reinforced by the establishment of statutory trade boards under the Trade Boards Acts of 1909 and 1918, enforcing legal minimum wages within particular occupations⁽⁵⁾, and has spread to industries in which the local co-operative societies and the co-operative wholesale societies are engaged. The committeemen and managers of the co-operative societies did not at first welcome the plan of a legal minimum wage applicable to their own societies as well as to other employers; but this hesitation has gradually given way before the obvious advantages of securing the enforcement of a national minimum rate on their rivals in business enterprise. But the representatives of the co-operative movement find themselves in a difficult position. They are themselves already paying more than nearly all the other employers, though possibly not so much as is asked by the Amalgamated Union of Co-operative

(5) Cf. *Minimum Wage Legislation for Low-Paid Industries in Europe* in this Review. (Ed. *International Labour Review*.)

Employees. The Amalgamated Union of Co-operative Employees expects them to vote practically with the employees' representatives for the highest rates claimed, or, at the very least, to vote for making their own high rate the legal minimum wage. To this the other employers retort, not only that the rate involves too drastic an increase, but also that any such enactment would defeat its own object, because so high a rate could not possibly be effectively enforced on the small retail shops or little workshops, which would, by evading the law, undercut both the co-operative societies and the capitalist establishments. In face of this argument, the co-operative representatives have often compromised, as Englishmen will, in order to gain for the whole trade the valuable advantage of an agreed decision. In some cases they seem to have conceded too much ground to the other employers, and they have failed to gain the support of the neutral chairman of the board. With regard to one such case, their conduct was censured by the quarterly delegate meetings of the Co-operative Wholesale Society in January 1921, on the ground, not of injustice to the employees, but of failure to secure by law the levelling up of the conditions of employment in capitalist trading to those which the pressure of the unions had forced on the co-operative societies. My own opinion is that the co-operative representatives on the trade boards should take a bolder line. They would be economically justified in insisting, in disregard of all objections from the other employers, that the rates and conditions actually prevailing in their own establishments, and in those of the very best capitalist employers, should be enforced by law as a minimum upon all establishments in the trade, whether great or small, whether well or badly equipped, and whether advantageously situated or not.

It would be indeed useless to deny that there are some ugly features in the present relation between the consumers' co-operative movement of Great Britain and their organised employees. Strikes and threats of strikes have been, during the last decade, almost more frequent within the co-operative movement than in the analogous profit-making enterprises, a fact which is not creditable either to the co-operative or the trade union movement. One suggestion for the future lies along the lines of the establishment of a strong and authoritative labour department, as part of the federal institutions of the movement, empowered to formulate a policy for the co-operative movement as a whole, in friendly negotiations with an equally strong and authoritative department acting for the whole trade union movement. But better machinery alone will not suffice. The labour and socialist movement of Great Britain, if it is to bring about the supersession of the capitalist system by a co-operative commonwealth, will have, in the near future, to make up its mind as to the relative sphere of democracies of consumers and democracies of producers in

the ownership and administration of the instruments of production.

THE CO-OPERATIVE WHOLESALE SOCIETIES

Let us now return from this digression on the changing status of co-operative employees to the recent developments of the co-operative movement regarded exclusively as a democracy of consumers. Great and varied as is the business of the larger retail societies, by far the most extensive development has been that of the federal institutions of the movement, to which I have, so far, barely alluded. This development has been shown more particularly in the growth of the two Co-operative Wholesale Societies of England and Scotland ⁽⁶⁾. The English Co-operative Wholesale Society sells annually to its membership of twelve hundred societies over a hundred and five millions sterling worth of goods (being nearly three and a half times the value of 1913), of which over thirty-three millions (or more than four times the value of 1913) are the products of its own manufacturing departments. The Scottish Co-operative Wholesale Society sells annually to its membership of two to three hundred societies nearly thirty millions sterling worth of goods, of which over eight millions are the output of its manufacturing departments. Making various necessary allowances it is estimated that the two Wholesales supply the stores with about five-eighths of all the goods that these distribute, and others are obtained from associations of producers, or produced by the local societies themselves, so that it is doubtful whether the societies purchase as much as one-third of their turnover from capitalist traders. The largest items of the English Co-operative Wholesale Society sales are: butter and margarine to the extent of £7,272,897; sugar, £11,975,187; bacon and hams, £5,483,947; and tea, £5,473,516; whilst flour to the value of £9,552,777 is annually

(6) The constitutions of the Co-operative Wholesale Societies of England and Scotland have remained practically unaltered since the establishment of the English Co-operative Wholesale Society in 1863 and the Scottish Wholesale Society in 1868. The management is in both cases vested in a general committee consisting of thirty-two members in England and twelve in Scotland, all of whom now receive salaries and give their whole time to the work. For the English Wholesale Society this committee is elected by the executive committees of the constituent societies, with votes in the main according to the society's aggregate purchases during the preceding year (prior to 1921 according to membership of the society), each member's term of service being two years, four of them retiring each quarter, with an eligibility for re-election which is almost invariably taken advantage of. For the Scottish Wholesale Society the committee is elected at the quarterly meetings of delegates, with votes according to each society's purchases and with canvassing strictly forbidden (including, expressly, circulars, advertisements, letters, and speeches on behalf of candidates). There is also an Irish Agricultural Wholesale Society, established in 1897, with a turnover of one million sterling.

produced in the great Co-operative Wholesale Society mills — making nearly forty millions sterling for these five important food items alone. Drapery, apart from men's woollen cloth and ready-made clothing, amounted to £8,299,397; hosiery to £1,566,316; shirts to £436,432; and plain cotton weaving to £902,718. It is interesting to compare the manufactures of the two forms of co-operation. Among the Co-operative Wholesale Society products are boots, shoes, and leather to a value of £2,138,435, which is more than half as much again as the aggregate output (£1,419,251) of all the little bootmaking factories of the associations of producers; printing and bookbinding to the value of £844,781, which exceeds the output of all the printing and bookbinding societies organised on that basis. Altogether, the manufacturing work of the Co-operative Wholesale Society is six times as great as the aggregate of all the associations of producers. The two wholesale societies employ over 36,000 operatives in what are classed as processes of production. Taking together the stores and the wholesales, with the corn-milling and baking societies, the associations of consumers employ, in manufacturing processes of one sort or another, just upon 47,000 operatives, which is five times as many as are employed by all the associations of producers put together, even including those which are really only dependents of the stores.

I have not space to recount what is really the romantic story of the continuous expansion of the English and Scottish Wholesale Societies during the past half-century. The successive ventures in a hundred different kinds of manufacture, from biscuits to ladies' corsets, from boots to buckets, from cotton cloth to cocoa — each one begun with caution and after painstaking enquiry, and after elaborate consultation with the best available experts — have naturally not been without their ups and downs. Much could be written on what has never been sufficiently described or adequately appreciated — the courageous initiative which both the wholesale boards have displayed in launching out in new directions, the dogged persistence they have shown in holding on through years of losses in particular departments until they had found the way to financial success, and the invention and resourcefulness by which this result has been, in one branch after another, at last obtained. Nor have their ventures been confined to Great Britain. Purchasing dépôts began to be established in Ireland as early as 1866, but an important new departure was made in 1895 when it was decided to set up creameries in Ireland for the direct production of the co-operators' enormous requirements in butter. A great many Co-operative Wholesale Society creameries were established during the next few years, with varying financial success; but this "invasion of Ireland" excited some resentment, and it became gradually more than doubtful whether the form of organisation under a far-distant board was that best suited to the circumstances.

At length, in 1909, the decision was arrived at, in principle, that the Irish creameries should be transferred to local creamery co-operative societies, and the business in the main left to them. The English Co-operative Wholesale Society, however, still runs in Ireland one creamery and two auxiliaries, whilst the Scottish Co-operative Wholesale Society has nine creameries in Ireland.

In another direction an important step was taken in 1877 by the opening of a New York dépôt, to be followed by others at Rouen, Copenhagen, Aarhus, Odense, Denia, Esbjerg, Herning, and Montreal. High hopes of a co-operative shipping fleet accompanied the purchase in 1896 of the first steamship, to be followed by the buying of others and the building of some specially for co-operative trade. But experience taught the directors that, whilst they could economically arrange for imports, they were not yet in a position to make up full export cargoes, and the co-operative fleet has sunk down to four vessels and ten lighters. It was a new development, not reached until the present century, for actual production to be undertaken outside the United Kingdom; but the acquisition of a tallow factory at Sydney (1901) was followed in 1902 by the purchase (jointly with the Scottish Society) of the first of a number of tea estates in Ceylon, later extended to Southern India; in 1917-1920, by the acquisition, similarly on joint account, of oil-yielding properties in West Africa. The Scottish Co-operative Wholesale Society had meanwhile been acquiring, on its own account, besides creameries and piggeries in Ireland, a dépôt at Winnipeg (1906), various wheat elevators in Canada (from 1908), cocoa-yielding properties in West Africa (from 1914), and wheat farms in Canada (1916).

Meanwhile the heterogeneous manufacturing departments were increasing in number and extent, but the agricultural developments of the movement remained small, and the vast mass of food supplies for co-operative consumption were simply purchased in the world market. The desire grew to carry co-operative enterprise further back, even to the land itself. Mention has already been made of the acquisition from 1902 onwards of extensive estates overseas for growing tea, oil kernels, cocoa, and wheat. From 1904 onwards, but particularly since 1912, the English Co-operative Wholesale Society has been buying agricultural estates in England for the production of fruit for its jam factories, milk for its dairies and distributing dépôts, and wheat for its mills and bakeries, until it has come to own and administer no less than 33,232 acres. In 1917, notwithstanding a financially disastrous experience with a coal-mine in 1877-1882, the Shilbottle colliery was purchased; and this is now being worked to supply a small proportion of the very extensive business in coal.

There seems at first sight no limit to the scope and enterprise of the federated co-operators in pursuit of their ideal

of bringing under the control of the democracy of consumers the whole of the processes of industry, right back to the earth itself. The experienced committeemen and managers of the Co-operative Wholesale Society, as of the larger stores, are always yearning to eliminate the last remaining capitalist middleman and to get everything at its very source, executing by their own agents all the processes of growing, harvesting, extracting, transporting, converting, mixing, manufacturing, preparing, and packing that the raw material undergoes on its way to consumption, and performing every kind of personal or professional service. And from first to last the object of the Co-operative Wholesale Societies is not to make profit out of the stores to which they belong — any more than the object of the store is to make profit out of the customers to whom it belongs — but merely to charge such a price for all the varied services that they perform as will just cover the necessary working expenses, provide handsomely for depreciation and reserve, and leave, as far as possible uniformly year after year, a modest "dividend" — in England usually 4d., in Scotland now 5d., in the £ — to be returned to the societies, and so eventually to the individual consumers, in proportion to their purchases.

But perhaps the most important new development of British co-operation is the banking system that has been organised by the (English) Co-operative Wholesale Society. The banking department of the Co-operative Wholesale Society now keeps the current accounts of over a thousand co-operative societies, nearly five thousand trade unions, trade union branches, and friendly societies, and one thousand seven hundred working men's clubs and other mutual organisations (these latter, which have deposits of some four millions, began to be admitted as non-members from 1887), its total deposits and withdrawals now exceeding £645,000,000 a year. This, it is calculated, is about 95 per cent. of the cash turnover of the whole co-operative movement in England and Wales, only eighty-two societies, with the remaining 5 per cent. of the turnover, still keeping their accounts with the capitalist banks. In contrast with the practice of these competitors, the Co-operative Wholesale Society Bank charges a definite commission for keeping each account, according to its volume and amount. But, on the other hand, it allows interest on all balances, whilst overdrafts are permitted at a fixed rate. The commission charged for working current accounts is calculated on a basis to cover approximately the expenses incurred. The surpluses available after making due provision for reserves and depreciation of investments are used for increasing the interest allowance and reducing the charge for overdrafts. Thus the advantages of the operations of the bank go entirely to its

customers, whether lenders or borrowers, and not to shareholders as such (7).

THE CO-OPERATIVE UNION

The magnitude and continuous development of the federal institutions which the co-operative movement has created for trading purposes, and which we have had to describe at some length, might easily lead to the assumption that we had here the real centre of gravity. Such an assumption would be erroneous. Parallel with the co-operative wholesale societies there exists in the co-operative movement another agglomeration of federal institutions, entirely distinct from those concerned with the manufacturing, importing, buying, or selling of commodities, wider in scope than any of the trading federations, and designed to discover and stimulate, to focus and execute what may be called the spiritual side of the movement. This is the function of the Co-operative Union (8), with its imposing annual "Congress Week", its almost continuous sessions throughout the year of district conferences and sectional boards, its innumerable committees and deputations, culminating in a complicated joint executive of Central Board and United Board, which exercises from the "Co-operative Headquarters" at Holyoake House, Manchester, an all-pervading intangible influence on every coil and every eddy of the four million co-operators of the United Kingdom. With the growth of the local societies in membership and in the magnitude and variety of their business and other interests, the work of the Co-operative Union has steadily increased, without much development of its constitutional structure and without any corresponding expansion of its powers or financial resources. Meanwhile, as we have seen, the two

(7) Besides banking, co-operative insurance was started in 1867, when a Co-operative Insurance Society was established to undertake the fire insurance of the different societies. In 1913 this concern was taken over jointly by the English and Scottish Wholesale Societies and now provides for all types of insurance: life, fire, accident insurance, workmen's compensation, employers' liability, and fidelity guarantee insurance, with an aggregate premium income of 1 1/4 million sterling. Other developments are the so-called industrial life insurance by weekly premiums and the collective life assurance, by which all the members of a co-operative society, without selection or medical examination, become automatically insured, by the silent operation of dividend on purchase. Down to the end of 1920 co-operative societies to the number of 890, with an aggregate of more than two and a half million members, had adopted the insurance scheme, the premium income at a penny in the £ reaching £600,000,000 and the number of claims paid reaching 42,838.

(8) The Union extends, unlike the business federations which remain separate and distinct for England (including Wales), Scotland, and Ireland respectively, to the whole of the United Kingdom, the Irish societies, which were at one time included in its Scottish section, now again being organised as an Irish section.

great wholesale societies have developed enormously, and the reorganisation of the federal activities of the movement — especially the adjustment of the relations between the Co-operative Union and the Wholesales — has become a matter of internal controversy. Among the idealists of the movement there is an uneasy consciousness that the growing weight of the Wholesales may result in a lowering of the influence and output of the Union, much in the same way as, in the retail societies, the work of the boards of directors has overshadowed that of the educational committees. The critics of the Union, on the other hand, feel that its leadership is confused and that its constitution is unnecessarily complicated by its continued inclusion of elements hostile to, and incompatible with, the consumers' co-operative movement, with the result of divided counsels and exaggerated pretensions, owing to which its admirable educational, propagandist, and parliamentary activities are unfairly discounted. Hence the constitution of the Co-operative Union is in the melting pot. The proposals made by an important committee of the Union (the General Survey Committee) in favour of a complete transformation of its constitution and the establishment of a small salaried executive have been considered by two annual congresses and will probably be accepted by the congress of 1922. Besides the establishment of a salaried executive, provision is made for a series of joint committees between the Co-operative Union and the two Co-operative Wholesale Societies for press and publications, propaganda and education, and for the better organisation of parliamentary work.

THE POLITICAL TRANSFORMATION OF THE CO-OPERATIVE MOVEMENT

Perhaps the most momentous effect of the war on the British co-operative movement has been the quickening of its political self-consciousness. Down to 1914 the movement had remained, so far as any corporate manifestation was concerned, strictly non-political. Co-operators were, individually, Conservative, Liberal, or Labour in their political sympathies or affiliations, but the co-operative society, as such, abstained from political partisanship. Now and again, when some action of Parliament or a government Department was objected to, or when some alteration in law or administration was desired in the interest of the movement itself, representations, public or private, would be made in the name of co-operation; and in these representations co-operators of all political sympathies would join. Probably a majority of the active co-operators were attached to the Liberal Party, to which most of the leading members belonged. There were among them many Conservatives and a growing number of adherents of the Labour Party. Within the movement

itself there was, however, by common consent the very minimum of "party politics". By the end of the war a great change had occurred. The demand for representation of the movement in the House of Commons had become widespread. What had moved co-operators from their acquiescence in political neutrality was, in the main, a feeling of resentment, not against Liberalism or Conservatism as such, but against the Government on account of what was believed its persistent unfairness to co-operators. The fact that the Cabinet whose action was resented was from 1915 onward a Coalition Cabinet and that no difference between Liberal and Conservative Ministers could be detected, so far as Departmental administration was concerned, facilitated the task of those who advocated independent political action and the formation of a "Co-operative Party".

Speaking broadly, we may ascribe this clash with the Government less to any deliberate purpose of the Cabinet to press harshly upon the co-operative movement than to the amazing ignorance in which Ministers and civil servants, the corps of army officers which swelled from ten to three hundred thousand, and generally the whole "governing class", alike among the gentry and in the city, had remained as to the magnitude and social importance of the co-operative movement — an ignorance naturally most conspicuous in Whitehall itself. The effect on the whole co-operative movement during the past five years of successive manifestations of governmental hostility, alike as regards military service, as regards food control, and as regards taxation, has been potent and far-reaching. Coming one after another, they have removed the greater part of the reluctance entertained by a large proportion of the co-operative membership to any entrance of the movement into politics. The necessity for the return to the House of Commons of formally accredited representatives of the movement is now almost universally acknowledged. It has been found more difficult to secure unanimity as to the manner in which this can be done. When in 1917 the leading co-operators were moved to indignation by the persistent ill-treatment of their societies at the hands of the military service tribunals and at those of the government Departments dealing with sugar and other foodstuffs, and by the neglect of the Prime Minister even to hear their complaints, a specially summoned congress of delegates from all co-operative societies unanimously agreed to seek representation in Parliament, with a general political programme of an advanced character, and determined to raise an election fund with which to run independent Co-operative candidates in parliamentary contests. It soon became apparent that, to achieve success at the polls, it would be necessary to act in concert with the Labour Party, with the official programme of which the newly formed Co-operative programme was in almost exact accord. The Labour Party welcomed the proposal, and

readily conferred as to what seats might be left for co-operators to contest. The difficulties that arose on the co-operative side then became apparent. Any formal union with the Labour Party, which had from its very foundation continuously sought the affiliation of the co-operative societies, was strongly objected to, even by those who had come to see the necessity for energetic political action. Co-operators who had been Liberals could not bear to see their societies enlisted to oppose Liberal candidates, whilst even where this difficulty was surmounted, the selection from among a crowd of aspirants from different localities of a dozen or a score of co-operators to be put forward, in conjunction with local Labour Parties of which they hitherto fought shy, for selected constituencies with which they had often had previously no connection, proved no easy task.

Notwithstanding these difficulties, considerable progress was made. A separate Co-operative Parliamentary Representative Committee was formed, to which the Central Board and the Central Education Committee of the Co-operative Union, the English and Scottish Wholesale Societies, the Men's and Women's Guilds, and the Productive Federation all nominated members, and to which nine representatives of the separately subscribing local societies were added. In the year 1918 no fewer than 563 societies, or more than a third of the whole, became affiliated, subscribing at the rate of a halfpenny per member per year £7,139 (including £1,000 and £500 respectively from the English and Scottish Wholesale Societies). Local councils were established in many constituencies. A parliamentary bye-election at Prestwich in May 1918 was utilised to run a Co-operative candidate, rather with a view to advertise the new Party than with any hope of success. Indeed, before the organisation could be adequately dealt with, the General Election was sprung upon the nation. In ten constituencies a Co-operative candidate was nominated and went to the poll. But the circumstances of the dissolution of Parliament were extremely unfavourable to a new political party. In no case was any candidate of the Labour Party run against the Co-operative candidate. In all cases, however, he had to fight a Coalition candidate; in six of these cases both Coalition and Independent Liberals were put up against him; in one case both Coalition and National Party candidates went to the poll against him; whilst in three cases he had to fight the Coalition candidate only. In the whole ten constituencies the Co-operative candidate polled 57,676 votes out of an aggregate poll of 197,902; but only one Co-operative member was returned, namely, Mr. A. E. Waterson, for the Kettering Division of Northamptonshire. In all the other constituencies save one the Co-operative candidate took second place. In the spring of 1920 two by-elections were, amid exceptional political excitement, contested by Co-operative Party candidates, with the cordial co-operation of the Labour Party, at Paisley and Stockport respectively, but without success.

In June 1919 the Co-operative Congress at Carlisle definitely instructed the Co-operative Parliamentary Representation Committee, which was then given the title of the Co-operative Party, to enter into negotiations with the Labour Party and the Trades Union Congress Parliamentary Committee with a view to a closer federation for electoral purposes, and the ultimate object of forming a united people's or Democratic Party. Acting upon this authority, the National Committee of the Co-operative Party entered into negotiations with the two other bodies, and as a result of these negotiations it was jointly agreed to recommend the formation of a 'Labour and Co-operative Political Alliance'. A scheme for such an alliance was prepared, and at the Co-operative Congress held at Bristol in May 1920 the National Committee of the Co-operative Party asked co-operators to accept this scheme and make it the basis of co-operative policy in politics. Co-operators were at the same time invited by the Coventry Perseverance Society to adopt a proposal that the Co-operative Party, both nationally and locally, should affiliate to the Labour Party and become a part of that political organisation. Both of these proposals were included in the agenda of business to be transacted at Bristol; but, as there had been no adequate discussion of the terms of the proposed alliance by co-operators generally, it was decided that both questions should be adjourned for twelve months in order that they might be fully considered by rank and file co-operators in all parts of the country. In September 1920, at the quarterly delegate meeting of the Co-operative Wholesale Society, the directors of which had refused to lend motor-cars to the Co-operative and Labour candidates at the Stockport Election, a resolution was carried by a majority directing them to confer with the Co-operative Party in order to consider how best in future to bring the great resources of the Co-operative Wholesale Society to the aid of co-operators at the poll. At the Scarborough congress in May 1921 the whole subject was elaborately discussed after considerable agitation in the local societies. To the resolution in favour of a definite alliance with the Labour Party an amendment was moved on behalf of 47 societies mainly belonging to the north of England, deprecating any such alliance with any political party organisation. This was rejected by a majority of 1953 to 1199. The substantive resolution in favour of an alliance was then defeated by the narrow majority of four votes (1686 to 1682). The issue accordingly remains for decisions at a subsequent congress.

Not less important than the central organisation of the Co-operative Party has been its influence in the retail co-operative societies themselves, often starting among the members a new and potent ferment. By the end of 1920 among the 506 co-operative societies affiliated to the Party

there had been organised 180 local co-operative parties, principally in the larger societies, with separate committees and officers, and funds of their own, principally derived from grants made by the societies themselves. These local co-operative parties hold meetings, organise discussions and debates, and arrange for lectures, and in many towns they have thrown themselves energetically into the municipal contests, in nearly all cases in the closest alliance with the local labour parties. On the resumption of the English and Welsh municipal elections in November 1919 after five years' interval, 224 distinctively Co-operative candidates were run, of whom 151 were returned, and 287 "Labour and Co-operative" candidates, of whom 165 were returned, whilst many other Labour Party candidates received the official support of the local co-operative parties. In the following year, when the municipal elections were less keenly contested, 72 Co-operative candidates were run, of whom 29 were returned, together with 137 Labour and Co-operative candidates, of whom 59 were returned, thus giving the co-operative movement, for the first time, a substantial representation on a large number of local governing bodies. Out of this representation has come the demand that the co-operative societies should be invited to tender for municipal contracts, and a renewal of the suggestion that the societies should undertake certain services, such as milk and coal distribution, on behalf of the local authority.

The entry of the co-operative societies into politics is already influencing their own organisations. Contests for seats on the managing committees are arousing greater interest. The meagre staff for educational and propagandist purposes has been, in some cases, strengthened by the addition of a salaried, full-time, political organiser, working in close connection with the educational committee. Those who had hitherto confined themselves to co-operative administration have found themselves compelled to think out the relation of the consumers' co-operative movement to municipal enterprise and also to the wider issues of national finance and foreign relations.

It will be realised that the development of the political strength of the co-operative movement is at present hindered by a certain divergence of opinion as to methods. There are those who, recognising that success at elections can be won only by close alliance with the Labour Party, which is already organised in practically every constituency and includes within its ranks probably a majority of all the co-operators, advocate almost an amalgamation for political purposes with the Labour Party, or at least that simple affiliation of the co-operative societies which the Labour Party has from its very establishment invited. For such a step, however, it is clear that the majority of co-operative

societies are not at present prepared, and the suggestion is strongly resented by leading co-operators who still adhere to the Liberal Party. On the other hand, it is rapidly being borne in even on such co-operators that the Liberal leaders refuse, equally with the Conservatives, to contemplate any supersession of the capitalist system in industry, which it is avowedly the aim of the co-operative movement in its own way to bring about; and, so far as concerns particular proposals and particular grievances of the Co-operative Party, not only do the Liberal leaders avoid any frank adhesion to the co-operative position, but the Liberal candidate, with the shopkeeping vote in his mind, is habitually as void of enthusiasm, and even as evasive, as the Conservative. More than ever does it become plain that, whether individual co-operators relish it or not, it is only by the power and influence of the Labour Party and in virtual alliance with it, that the aims of the co-operative movement can be achieved and that its future expansion can be safeguarded.

SOURCES

The foregoing study is based on personal investigation during the past few years, the full results of which will appear in *The Consumers' Co-operative Movement* by S. and B. WEBB, to be published shortly by Longmans, Green and Co. Some reference to the bibliography of the subject may be usefully appended.

The materials for a study of the co-operative movement are to be found, for the most part, not in descriptive books or economic treatises, neither of which deal adequately, nor, in our opinion, even accurately, with the development and the problems of the movement, but in its voluminous internal literature, which is scarcely ever collected and preserved by public libraries. The largest collection of reports, proceedings, and accounts of co-operative societies, their Jubilee Histories, and their conferences and congresses, together with the extensive pamphlet literature (including unpublished Owenite manuscripts), is probably that at the office of the Co-operative Union, Holyoake House, Manchester. For the period prior to 1850 much is to be found in the Goldsmiths' Library at the University of London, South Kensington. An extensive but chiefly modern collection, including many co-operative reports and much else that is neither in the Goldsmiths' Library nor in the British Museum, is at the London School of Economics and Political Science.

A very elaborate *International Co-operative Bibliography* was published by the International Co-operative Alliance in 1906. The best introductory accounts of the movement are:—

- Sir Arthur ACLAND and Benjamin JONES : *Working Men Co-operators*, 1818.
 J. P. MADAMS : *The Story Retold*, 1920.
 James LUCAS : *Co-operation in Scotland*, 1920.
 Lionel SMITH-GORDON : *Co-operation in Ireland*, 1920.
 Leonard S. WOOLF : *Co-operation and the Future of Industry*, 1918; and *Socialism and Co-operation*, 1921.
 Beatrice POTTER (Mrs. Sidney WEBB) : *The Co-operative Movement in Great Britain*, 1914.
 C. R. FAX : *Co-operation at Home and Abroad*, 1920.
 Catherine WEBB : *Industrial Co-operation*, 1904, latest edition 1917.

E. AVES : *Co-operative Industry*, 1907.

G. J. HOLYOAKE : *The Co-operative Movement Today*, 1906.

J. CLAYTON : *Co-operation*, 1912.

P. REDFERN : *Co-operation for All*, 1912; and *The Consumers' Place in Society*, 1920.

Albert SONNICHSEN : *Consumers' Co-operation*, N. Y., 1919.

See also :

T. O. CASSAN : *Die Konsumvereinsbewegung in Grossbritannien*, 1915.

V. TOTOMIANTZ : *Theorie, Geschichte, und Praxis der Konsumentenorganisation*, 1914.

Charles GIDE : *Les sociétés coopératives de consommation*, 1910; translated as *Consumers' Co-operative Societies*, 1921.

Ernest POISSON : *La République coopérative*, 1920.

For the early history of co-operation in Great Britain the reader should consult the various works of George Jacob HOLYOAKE, and the biographies and writings of Robert OWEN, Rev. F. D. MAURICE, Thomas HUGHES, J. M. LUDLOW, and Rev. C. KINGSLEY (see *Christian Socialism*, by Rev. C. E. RAVEN, 1920); *Co-operative Production*, by Benjamin JONES, 2 vols. 1894; and for an account of that almost forgotten prophet, Dr. George KING, the *Year Book* of the International Co-operative Alliance for 1910. More detailed annals, written "from inside", will be found in *The Story of the C. W. S.*, by Percy REDFERN, 1914; *History of Co-operation in Scotland*, by William MAXWELL, 1910; and *Wholesale Co-operation in Scotland*, by James A. FLANAGAN, 1919.