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### The Canteen Question

Colonel Viscount Ebrington

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## THE CANTEEN QUESTION.

*By Colonel Viscount EBRINGTON, Royal North Devon Imp. Yeo.*

Thursday, 11th July, 1901.

General Sir REGINALD GIPPS, K.C.B., in the Chair.

The CHAIRMAN :—I rise to say that I am extremely sorry to tell you that Lord Ebrington has been prevented from coming to read the paper which he has prepared on the very interesting subject which comes before us to-day. He is prevented by his doctor's orders from coming. I am sure that nothing short of that would have kept him away. But, however, he has asked his brother to take his place, and I think the matter could not be in more able hands than his. We all know him as a very able writer, and I am sure that in taking Lord Ebrington's place he will acquit himself to your satisfaction.

### LECTURE.

I SUPPOSE there never was a time when greater interest was taken in the Army than the present. Hundreds of men who previously knew little and cared less about the soldier now realise that his well-being is intimately associated with their own; for the stern experiences of war, coupled with the discussions on Army Reform, have brought home to all classes the following facts :—

1. That the present system leaves something to be desired, inasmuch as under it the number of effective soldiers is very much less than that on the muster rolls.
2. That it is indispensable to our national existence to attract to the colours a very large number of recruits yearly.
3. That it is doubtful if the present rate of pay will get the men.
4. That as even threepence a day increase of pay for the Army means a matter of a million, and sixpence would more than swallow up the whole of the Inhabited House Duty, increase of pay should not be resorted to till improvements of barracks and of regimental administration prove insufficient inducements.
5. That the experience of the Natal Field Force canteen, which, by eliminating the middleman, made in a few months £13,400 profit for the soldiers of the force, suggests a method by which the soldiers' emoluments and comforts may be increased without expense to the taxpayer.

This last, of course, is no revelation to the Army itself, which has long been familiar with regimental institutes, and has long enjoyed a portion of the profits arising therefrom; but no one who has studied the canteen question, however slightly, or has been concerned in the administration of one of these institutions, would contend that either

the country or the soldier gets as a rule the maximum of advantage out of them. For the supplying of even the simplest wants to something like a quarter of a million of men means a very large turnover; and however cheaply you sell, a large turnover in retail dealings for ready money must mean a considerable profit. A penny a head a day profit on the dealings with 250,000 men means in round figures £400,000 a year, and if a man buys three half-pints of beer in a day there is a profit of that sum.

I do not venture on estimating what the profits made by supplying the Army with beer, minerals, groceries, and necessities may be, but I think I am justified in saying that in bygone days the contractor and his agents in barracks got the whole of it; that, till late years, they always got the lion's share; and that it is only recently, and that not universally, that the British soldier has got anything like what rightfully belongs to him.

I need not argue whether canteens are necessary or not, for it is admitted on all hands that a well-conducted bar and general shop are indispensable to every barracks, and it stands to reason that a considerable profit is inseparable from trading of that kind which is conducted entirely for ready money. The question is, What is the best way of carrying on the business, and who is to get the profit? Under the present system, as all my hearers are aware, regimental institutes are managed by regimental committees, and, except in special cases where tenancies have been sanctioned, are served by men who are taken away from military duties to act as bar-tenders, waiters, salesmen, and clerks. But not many soldiers, and very few of the public, realise that the equivalent of a brigade is always employed in a fashion which does not increase the fighting efficiency of any one of them, and which disgusts the officers, who are expected to prove themselves successful grocers, and tends to demoralise the non-commissioned officers, who are exposed to the temptations of competing tradesmen.

I know that good results can be got under the present system, notwithstanding the obvious difficulties; but they are only obtained when officers give up to shop-keeping either a great part of their leisure or a great part of the time which the taxpayers pay them to devote to military duties. When the work is done perfunctorily, great abuses ensue. But as the military authorities have practically made up their minds that the present system is a thoroughly bad one if laxly administered, and that it is false economy of officers' and men's time to administer it well, I will leave it and pass on to the alternative.

The alternative usually suggested is the tenancy system, which prevailed in former days, and which then worked so ill that it was superseded by that which is now in turn to be abandoned. The reasons why the tenancy system on the old lines worked ill are not far to seek. No one had an interest in the profits but the tenant; that his profits might be large, he sold inferior goods; that inferior goods might be accepted, he bribed the non-commissioned officers, or subscribed, on a scale that appeared liberal, to regimental funds and clubs; and it never seemed to occur to anyone that breweries are not benevolent institutions, and that if a brewer gives £50 in cash or kind for the privilege of supplying a regi-

ment with beer, he does so with the full intention of recovering the £50 and a good deal more besides from the consumers of his liquor.

The questions to be solved appear to be: first, whether the tenancy system is not capable of being administered in a way that shall eliminate the bribery and corruption of old days, and secure to the soldier sound articles, fair prices, and the whole profits on the trading after payment of expenses and a moderate interest on capital; and, secondly, whether what is necessary to this end cannot be done without withdrawing a brigade from military training. It may be suggested that tenancies on the rebate system solve these questions in a simple manner, but the more that system is examined, the less simple it becomes. It is easy to draw up a scheme on paper setting forth that the average strength of a battalion will be so many—that the average expenditure in the wet canteen will be so much a month, and in the dry canteen so much more—that the profits on such a turnover may be expected to be so much per cent., of which so much is to be returned to the battalion, while the tenant shall be allowed the balance for his trouble and risk; but in practice it is very difficult to make, with an ordinary contractor, any arrangement as to rebate which shall be fair to both parties. A bargain that is fair one month may, through fluctuations in the market, or alterations in taxation, become unfair the next; and a spell of hot weather or rain will affect the takings materially, as will an influx of recruits or the departure of a draft, though the numbers may be maintained. I can quote a striking instance of this from the accounts of a canteen where, in two successive months of this year, the takings in the wet canteen fell from £358 to £105, though the diminution in numbers was only 83, and the sale of groceries was hardly altered, falling only by some 5 per cent. In face of such possibilities, a middleman is bound to protect himself against loss; he can only do so by making a contract which will, in favourable months, give him an undue profit, and expose him to be under-bidden by competitors. Or, if his contract is no more than fair to himself in normal times, he is tempted to recoup himself for a spell of bad luck by putting in a lot of inferior goods and taking the usual steps to prevent their inferiority being detected or reported on. And once he has succeeded in getting inferior stuff accepted, he is never likely to revert to better; for though most officers are fair judges of bread and meat, yet they are not, and cannot be, experts in the quality or value of groceries; and none but an expert can say with authority that a sample of tea is in fact worth 10½d. instead of 1s. a pound, or that changes in the American market justify an addition to the price of cheese.

Besides the difficulty of arriving at a fixed rebate that shall be fair all round, and of getting the standard of the goods kept up to sample thereafter, there is an objection to that system which I think is a very weighty one: namely, that under it, it is the contractor's interest to discourage temperance and to encourage the consumption of beer. For very little experience shows that it makes all the difference to the profits whether the money is spent in the dry canteen or the wet. At even 4d. a quart for mild ale the profit is very large; while the King's

Regulations require groceries to be sold as near cost price as may be. Besides, nothing is less trouble to serve than a glass of beer, while a cup of tea has to be made and a rasher of bacon has to be cooked, etc.; so a canteen tenant who is interested in the profits is bound, for his own advantage, to push the sale of liquor. He cannot afford to discourage drink, or his pocket stands in danger; so, human nature being what it is, methods will be found by which, without exposing himself to penalties, his pocket will be safeguarded. In view of the well-established connection between crime and liquor, this is, to my mind, a very grave consideration, and one which, by itself, almost suffices to condemn the ordinary rebate system.

There is only one plan, as it seems to me, by which these objections can be avoided—that is, that the Army should become its own middleman, and, by adopting the co-operative principle, secure for itself the whole of the profits on its trading, whether in food, necessities, luxuries, or drink. Though the universal application of these principles would be a new departure in our Service, it would only be the following of a lead given long ago by the Rochdale pioneers to the working men of England, and the adoption of a system which is in actual operation in the Italian Army and Navy, and is now being strongly advocated as regards public-house trade under a system initiated by the Bishop of Chester and others and generally known as the Gothenburg system.

The last annual report of the Co-operative Union of the United Kingdom gives some striking figures:—

“During the last 30 years, the Co-operative Societies of Great Britain have done trade to the amount of over a thousand million pounds, which has resulted in a profit of 100 millions, which has gone,” *not to shareholders or capitalists*, but “to the members of the Societies, and has been divided among them in proportion to their purchases.”

What wonder that the members now number nearly a million and three-quarters? And as they are mostly heads of families it follows that something like six million people, say one-sixth of the population of Great Britain, are supplied by them; and every one of their number has the satisfaction of knowing that he is dealing with an institution which has no wish to make money out of him, and which will return to him and the other customers all surplus profits that may remain, after providing expenses and for payment of a limited interest on the capital.

It may be argued that a system that works well on this scale would not be equally applicable to our Army, whose numbers at home will not greatly exceed 200,000 men, divided among a great number of garrisons and cantonments. But I am emboldened to doubt this from my knowledge of the working of a Co-operative Association in the West of England, which was started 21 years ago with a subscribed capital of but £6,000, to supply farmers and landowners with the requirements of their business. The first year the turnover was under £20,000, but the association soon got a good name for supplying sound articles and reliable manures, equal to the analysis supplied with them, and by last year the business had grown to all but £370,000.

There are 23 stores scattered over the South and West of England from Southampton to Cardigan and Penzance, and everything required on a farm or estate, from basic slag to a boot-brush, can be bought at them; but the whole concern is run by a committee of ten county gentlemen and farmers with a managing director. The Association is not quite on the same footing as the societies which make up the Co-operative Union, as it is registered under the Joint Stock Companies Act, instead of under the Industrial and Provident Societies Act, but the interest paid on the shares is limited to 5 per cent., and surplus profits are returned to the customers: of late years at the rate of 4d. in the £ on their purchases.

There is also a Society, of which I have the honour to be chairman, which has for six years past been trying to introduce the Rochdale system for the supply of regimental institutes, and I think that its success would fully warrant the extension of that system to the Army as a whole.

I have said enough, I think, to show, if proof were necessary, that there is nothing in the profit-sharing co-operative system that is alien to the tastes or instincts of Englishmen, and the example of the Western Counties Agricultural Co-operative makes it clear that a large concern delivering goods in varying amounts at almost every railway station in the western district, can carry on business successfully at moderate expense under the management of gentlemen who, so far as concerns technical commercial training, are just as much amateurs as officers of the Army. There may be those who will contend that it does not signify what becomes of the profit on the soldier's consumption of beer and groceries, that it is not worth while taking the trouble to secure his getting the benefit of it, and that if the State does not annex it in reduction of the Army Estimates it is not bound to take precautions to prevent its sticking to the fingers of canteen stewards, or swelling the gains of brewers and contractors. The action, however, of the authorities in past years who have laid down the principles that the profit on the soldiers' dealings should belong to himself, that speculation is bad for the tone of the Army, and that the men are not paid by the taxpayers in order to make dividends for those who cater for them, relieves me from the necessity of arguing this point.

One thing is very clear: that every 100,000 men in the Army spend, one with another, in canteens, wet and dry, 25s. to 30s. per month apiece—equivalent to something between £1,500,000 and £1,750,000 a year. Careful enquiry shows that, where there is no speculation, and where canteens are carefully managed, the legitimate profit resulting from this is not less than 1d. per man per day, and may often be a trifle more. But it is universally admitted that these results can only be obtained when officers take a great deal of trouble about matters which do not advance their military efficiency or preferment in the slightest degree.

The establishment of a central co-operative organisation would not only secure the full retail profit to the men, but would give them also the benefit of the middleman's profit, amounting to a considerable sum (the

Co-operative Wholesale Society returns 1½ per cent. on its turnover) over and above all that could be made by the most careful management of regimental institutes.

I have suggested some reasons and brought out some facts which go to show that no ordinary tenancy systems of any kind will be free from the objections which the Canteen Regulations are designed to overcome and destroy, and I have indicated a principle (that of co-operation) which is in successful working elsewhere, and which undoubtedly prevents speculation and secures his profit to the consumer; and it seems to me that the burden of showing that any better principles can be adopted for the supplying of the Army lies with those who believe that a system which suits a sixth of the population of Great Britain is unsuited for that fraction of it which is being trained in barracks for military service.

Mr. C. B. HEYGATE (Secretary Canteen and Mess Co-operative Society):—Perhaps the reader of the paper might give us a slight sketch of this co-operative system which his brother, Lord Ebrington, advocates. There is nothing in the paper to go upon. Perhaps he can give us just a short skeleton sketch.

The CHAIRMAN:—Of the co-operative principle?

Mr. HEYGATE:—Yes.

The Hon. J. W. FORTESCUE:—I imagine that there is very little more than is included in the paper—that the dividend to be paid on the subscribed capital should be strictly limited, and that beyond the payment of expenses all profits should go back to the consumer.

Mr. HEYGATE:—But who is to supply in the first place the beer and groceries and so on?

The Hon. J. W. FORTESCUE:—That, of course, would be the central organisation. It would depend upon whether you have a central organisation or not. There is an allusion to a central organisation in the paper, but it was not a matter which my brother cared to put forward or elaborate at very great length. But it would not be very difficult to do so, I think. There is a model. There is the society of which my brother at this moment is chairman. The committee of that society, I dare say, will be very glad to give information. I imagine that their system could be extended indefinitely. The society to which I allude conducts its business strictly according to the Rochdale system, which is a certain safeguard of integrity in its dealings.

Mr. ADAM DEANS (Co-operative Union):—May I be permitted to say a few words? I may say that I am representing the Union here, because Mr. J. C. Gray is prevented from being present. I have listened with much attention to the reading of this paper, and as I heard the remarks on certain phases of military life, I thought that the gentleman who wrote it must have joined the Service very young and devoted very considerable time and attention to studying the peculiarities of the Army. I know that years ago the goods supplied to the soldiers were comparatively of a very inferior quality. I had a friend in a military hospital, and once or twice, in fact several times, in visiting him, I had an opportunity of seeing the food that was supplied to the patients, and, to say the least, it was very inferior. Why was it? Simply because of the system which the writer of this paper complains of. There had been too much bribery and corruption in the supply of the ordinary necessities of life to soldiers, with the result that the soldier, unfortunately, has suffered in the past. Therefore, I am pleased to see that a determined step has been taken by certain officers in the Army who have been in a position to understand the requirements and to study the question, and are trying to do what they can to mitigate the evil. The writer of the paper has stated that there is a certain organisation which has been called into existence for the purpose of stopping or preventing the recurrence of that which I have mentioned. I presume that he



alludes to the Canteen and Mess Association. If so, I can only say, from what little I know of it, that it is a most worthy association, deserving the consideration of every military officer who has the interests of his soldiers at heart. Perhaps it would not be out of place if I were briefly to describe the Rochdale system of co-operation, because I apprehend that it is the system which the writer of this paper had in his mind in advocating the adoption of co-operation for the Army. The Rochdale system, then, is simply the binding together of certain individuals who are determined to do for themselves that which was formerly done for them, and obtain good and pure articles at a fair and reasonable price. The writer of the paper points out that those who make a profit on the turnover of an article have every inducement to perpetrate a fraud in the shape of adulteration for their own benefit, and he is quite correct; for we know that, where a man's pocket is concerned, very frequently his honest scruples are often of a very limited nature indeed. The Rochdale system says:—"We will go into the market where the goods can be bought at first cost, and we will sell them amongst ourselves in a pure state, because we have no interest in adulteration, and then the profit which is made in the transaction will come back to us in the shape of dividends in proportion to the purchases that we make." That is a very fair and reasonable system. It was introduced in 1844, and it has gone on in a most marvellous way. The first step was the establishment of a store for the obtaining of the ordinary necessities of life, and then to expand to meet other requirements. Perhaps, Sir, you will not mind my quoting a few figures to show the great benefit that has resulted, and with the hope of stimulating some of you gentlemen to take the system up and encourage it in the Army. May I be allowed to quote just what took place last year? At the present time there are some 1,631 societies, with 1,827,653 members, representing about 8,000,000 of the population of England and Scotland. They have £23,103,729 capital, which they never would have had if it had not been for co-operation, for they are only working men. The value of their stock is £8,961,768, and their cash in hand is £3,325,181. They have 45,618 men employed by them in distributing the goods alone, and in production they have 37,403 men and women engaged in making articles that they require, such as clothing, boots, etc. Last year their wages bill was £2,902,140. The interest on the capital invested in their business was £933,314, and the trade during the year amounted to no less a sum than £77,276,808, making a profit of £8,573,800. Just another item. They have spent £61,147 on education, because they believe in educating the people in the system of self-government, and teaching them how to behave as reasonable citizens; and they subscribed £39,169 to charities. Now I think that a scheme which has done so much for the ordinary working man will do the same for the ordinary soldier. If it has done so much under the control of working men, how much better will it do when it is taken up by educated men like the officers of the Army? Co-operation has discouraged dishonest trading, and if the co-operative system is more extensively adopted in the canteens the soldier himself will be much better fed, and he will know that the articles that he buys will have cost exactly what he has given for them, plus the amount of profit that will come back to himself after the 5 per cent. interest on the capital has been paid. Surely those officers who have surplus capital will not hesitate to invest it in a good cause at 5 per cent., more especially when they realise that they benefit the soldiers, whom they profess to love so much. This is a brief outline of what co-operation has done. I may just be allowed to conclude what I have to say by a few words on the progress of my own society, of which I have the honour of being chairman. I mean the Royal Arsenal Co-operative Society. No doubt some gentlemen in the room know where the Royal Arsenal is. That society began some 35 years ago with 42 members and a capital of £27. They did a very small trade indeed in the first quarter. I think they did about £66. That was 35 years ago. From that time to the present that society has gone on increasing and multiplying, until now they have just upon 18,000 members, doing a weekly trade of £8,000—£8,000 spent in the purchase of what they require at their own stores. Last year they paid out in the shape of profits £60,000. That was money they never would have had if it had not been for co-operation. They have a capital now to their credit of £230,000

saved through co-operation, and they have bought an estate to carry out the original idea of the Rochdale system, at a cost of £70,000. This estate is being laid out for building purposes, and they have already invested £110,000 upon it. When the scheme is carried out in its entirety, it will mean 4,500 houses — houses built to be inhabited by some 20,000 people. This is all the outcome of co-operation, working hand in hand, encouraging thrift, eliminating the middleman, and stopping adulteration, by doing for themselves what formerly had been done for them. That is just what you should do, I think, for the Army. The writer of the paper has gone into the matter, and if he could only persuade the Army in general to adopt the co-operative system, the Canteen Association, although it has been doing fairly well, will do better in the future. And who will benefit by it? Was it started for the benefit of the officers who invested their money in it? Certainly not. It was started for the benefit of the soldier; and I say advisedly that no class of men ought to study the soldier's interest more than the officers of the Army. That is the whole thing summed up. Personally, I do not think that you could encourage a better system. I am sure that by its adoption you will put a stop to the practice of palming off on the soldiers inferior articles; you will, by displacing the middleman, put a stop to evils which follow temptation; you will encourage the soldier to take an interest in it because of the profit made; you will give him wholesome food, because no one will have an interest in imposing upon him; and you will give the officer an opportunity of showing that by investing his money in co-operation he is supporting a scheme which is calculated to improve the welfare of the ordinary soldier.

Major-General J. McD. MOODY (late R.M.L.I.):—I feel somewhat diffident in speaking this afternoon, as I have been out of the Service some years. I do so, having been invited by the Council of the Institution to be present. I fancy that we should have had a very much larger meeting if more notice had been generally given of this lecture. I only received mine yesterday. Everyone that hears or reads the lecture must be pleased that such a man as Lord Ebrington, from his position and from his business training in various departments of life, should have taken up this subject of canteen management. We hear it discussed in a perfunctory way occasionally, and various suggestions of a more or less practical nature made to improve it. This paper is of a practical character. I think, however, that the lecturer is too modest in his paper, as he only incidentally mentions his own efforts to solve the problem. We must all regret his absence to-day, particularly as it is caused by illness. I am sorry that he has not mentioned the name of the co-operative society to which I suppose he refers, and in which he has taken, I know, a great interest. This, as many of us know, is the Canteen and Mess Co-operative Society.

The Hon. J. W. FORTESCUE:—The idea was to bring forward the system rather than the society.

Major-General MOODY:—Quite so. But as the noble lord has not mentioned the society, I may be permitted to do so, and to say a few words about it as an illustration of the practical working of the co-operative societies in connection with canteens. We have heard a great deal of how co-operation works in civil life from the last speaker. I am sure that under Lord Ebrington's chairmanship there is excellent work now being done by the Canteen Co-operative Society, and it has a great future before it, providing it receives the support it deserves. The inception of it was entirely due to an officer of the Grenadier Guards, Major Crawford, who had the command of the Guards' Recruiting Depot. He drew up the rules under the Friendly Society Acts, taking the idea from the Wholesale Co-operative Society, and worked the Canteen and Mess Co-operative, as it were, as a branch of this great co-operative organisation. The beginning was very humble, the cost of the first office being only six shillings a week. It met with great opposition from interested people. It appears strange that although it has been going on now for six or eight years so little is known, and so little interest taken about it in the Service. I think that if it was made better known by officers going round the garrisons and holding meetings of the men, and of the canteen

authorities in the gymnasiums, and explaining the intentions of the society, it would have a much larger trade, large as the trade is now. I saw the annual balance sheet some time ago, which shows a very large business, and there is no doubt that the society has been carried on remarkably well, and so far as it has gone has done excellent work. The profits go to the men after paying a small percentage on capital (5 per cent.), and that percentage on the capital invested cannot be exceeded. This was one of the first rules made when the society was first started. I may say, I took an active interest in the society from the first, not so much as regards the groceries, but I thought, and still think, that good beer was, and is, so important to the Service—crime and bad liquor go hand in hand. I do not know how it is now since I left the Service, but first-class brewers rarely, if ever, had the supply of canteens. Why is that? There must be some reason, because the first-class brewers are very anxious to supply anybody who comes to them. The hands of the first-class brewers are absolutely clean. I do not say that anybody else's hands are anything else; but first-class brewers, we may take it, will not descend to any dirty work with anyone. It was the ambition of the first committee to get the supply in the hands of first-class firms, both not only for beer but all supplies. We all tried our level best to start on these lines. I must say that in the three years I was connected with it we never made any way about the beer. We had a certain number of firms that were picked out very carefully, men of world-wide reputation, and we never got an order for any one of them. The idea was that the orders for the beer should simply come through the Canteen and Mess Society, and that the canteens should pay the Canteen and Mess Society, and the Society should pass the money on. It appeared so very simple, but somehow it never answered. Whether it has answered since I do not know. I hope so. I have noticed recently, to my surprise, in the papers certain straws go up occasionally about canteen tenants. I am old enough to recollect when the corps I belonged to, the Royal Marines, then used to have canteen tenants, and it was as bad a system as you could well introduce. But somehow or other, I cannot tell why, such things are brought round by some influence that is set going, they are written up, and they are advocated, and by and by a *trial* is given to them again. But I hope to goodness that no authority will sanction this system again. I am sure that as long as our present Commander-in-Chief is in his office he would not for a minute allow it to be introduced even experimentally. It is a very bad system, and the lecturer does not say a word too strong about its evils. One great weakness of the canteens, under any system I have seen, is, not paying the canteen stewards liberally. You ought to give the canteen steward first-rate pay. The better you pay him, the better class of man you get in. The system intended to be introduced by the Co-operative Society was to supply canteen stewards at good wages, and they would be more or less—I do not say exactly—the servants of the Canteen and Mess Co-operative Society; but, at any rate, they would work with them, and it would be the business and interest of these stewards to work for the good of the men, and to see that the interests of the Canteen and Mess Co-operative Society were preserved. Another subject which I should like to incidentally mention is, that I think that the canteens would be better managed if officers, or some of them, were educated in book-keeping. I have often thought that in the Army examinations a voluntary subject should be book-keeping. Considering that we are a great commercial nation, and that many officers when they leave the service go into different businesses, how useful it would be if they learned book-keeping when they were young—it would be a great advantage to them both in the Service and out of it. I have known successful officers who have been in business or connected with business as young men, who had to some extent a business training which has always come in well for them either in messes or canteens. I dare say that some of them are in your minds. Why not give marks at the Army examinations for book-keeping as a voluntary subject? We have subjects that are useless enough in examinations; but why not have a useful subject like book-keeping? Book-keeping nowadays is taught in board schools, and perhaps some people know a little too much about it; but, at any rate, I think that for officers, or a percentage of officers, it would

be a great benefit in canteens, and in business connected with the Army, if book-keeping was made a voluntary subject. To manage a business society you must have men of business, men who have learned business or acquired it. I have nothing more to say, and I thank you for the kind attention with which you have listened to my remarks on this valuable lecture. Co-operation is bound to succeed in spite of any amount of interested opposition, if it is run on right lines by capable people.

Colonel E. GRATTAN (late A.S.C.) :—It seems to me an astonishing thing that all this great machinery of co-operation should be required when you have the means already to hand to supply the soldier. He should receive a complete free ration in kind from the Government. This would assist recruiting, as I find, from enquiries amongst working-men, that many of them are under the impression the soldier is insufficiently fed. The scale of rations should be shown on recruiting posters for the enlightenment of the public. There is no reason why the War Department should not issue tenders for groceries and the extra articles required in canteens in the same way that they do for bread and meat. The machinery is already to hand, and there need be no difficulty at all about it. The first speaker mentioned as an inducement, what is, in my opinion, the very strongest objection possible to the proposed Army co-operation, that is, the officers investing their money in it. However pure the intention might be, or however much the soldier might benefit by the system, it would engender discontent, as the men would feel that if they appealed against any article, they would be appealing to the proprietors, who would have disciplinary power over them. As a matter of fact, the men have no faith in the present canteen system, because they believe subordinates make money out of it. We know their suspicion is justified in many cases, and I am afraid this suspicion would be transferred to officers if they subscribed capital to establish stores, at which their men would be bound to deal exclusively. The suspicion would be groundless, but it would be unwise to adopt any system that might give rise to it. With regard to the proposed canteen co-operative society, the soldier cannot be a co-operator in the sense that the ordinary working-man is, because the soldier moves about from place to place, and in a few years he is discharged, and would lose all benefit from the profits made upon his custom. The civilian co-operator is a permanent holder, and cannot be deprived of his interest, but can dispose of it if he thinks fit. The soldier can obviously never be a co-operator of this kind, for the simple reason that his interest must lapse when he quits the Army. Free will is the essence of the co-operative principle, but the proposal before the meeting is to compel the soldier to adopt a system that is devoid of all co-operative essentials, and in the organisation of which he is debarred from having any voice. Would gentlemen who advocate this system like it to be applied to their own messes? The object we should aim at is to let the soldier have full value for his money while he is serving, and not the accumulation of canteen funds. Do this, and you will remove one cause of discontent, and a contented soldier is your best recruiter. I have given as much attention to the subject as most people, and I am certain it can be easily put on right lines by the War Department, and by it alone. The old tenant system was bad—I remember it well—the regimental system is worse; I assisted to start one of the first canteens worked upon it. Co-operation on the lines indicated to the meeting would obviate one class of evil, but would introduce elements that would have a more baneful effect upon the Service than either of the other two systems. The department responsible for the Army should take up the matter seriously, brush theories aside, and settle it on sound business lines.

Colonel H. S. E. REEVES, C.B. (late A.S.C.) :—I should like to say a word following my friend Colonel Grattan. He takes exception to the co-operative principle as explained by the secretary of the Co-operative Union, by saying that the machinery already exists for the soldier to get everything that he wants. Does he include beer?

Colonel GRATTAN :—Certainly.

Colonel REEVES :—Whenever he wants it!

Colonel GRATTAN :—Yes. The present system will lend itself entirely to that.

Colonel REEVES :—Then Colonel Grattan instances the bread and meat supplied to the soldier, and also the grocery ration ; but he must be aware, surely, that there is no profit on that, or if there is, Tommy Atkins does not get the profit on the supply of rations. That is not a real co-operation." Colonel Grattan also took a point with regard to the officers putting in their money, or lending money and finding capital, for particular co-operative societies. We are not here to discuss any particular society at all. We are here to discuss the co-operative principle in the Army as applicable to canteens, and whether it can be applied to the Army as well as it has been applied to civil life. In co-operation all men who associate themselves together to do a certain work must get a certain amount of money. They must borrow money from a bank or from somewhere, and if those officers who are blessed with this world's goods choose to advance some of the money for what they consider a very laudable object, I think that it is not fair to accuse those men in any way, or to make the slightest inference against those men, of making a good thing out of it. Colonel Grattan ought to know the British soldier as well as most people. He will know that many men will always grumble ; but I say that there is no body of men in the world more honourable than the officers of the British Army, or who take more interest in the men to make the best of their position. With regard to soldiers moving from one place to another, of course a number of people in those co-operative towns might go, we will say, from York to Bristol or to any other place, wherever it may be. A man who moves from one place to another will not lose his advantage. He gets his share of the profits from the institution he deals with. So I do not see how that argument applies to the soldier. I cannot sit down without saying how very sorry we are that Lord Ebrington himself has not been here to give us the lecture, and I must thank Mr. Fortescue for the very able way in which he has put the matter forward.

Colonel H. H. A. STEWART (late Donegal Artillery, S. Div. R. A.) :—I should like to make one brief observation on a remark of the lecturer. He says :—"Not many soldiers, and very few of the public, realise that the equivalent of a brigade is always employed in a fashion which does not increase the fighting efficiency of any one of them." That is in the canteen ; but the lecturer does not suggest what the alternative should be. I believe this to be a very improper system, and I have had very considerable experience of canteens both among the Regulars and in the Militia at home and abroad. I think that it is very wrong that a brigade should be taken away to attend to canteens, and I submit that the proper course might be to employ soldiers of the reserve and pensioners in looking after them, instead of young soldiers, who should be learning their duties. In making this observation I wish—*à propos* of a remark from you, Sir, that the question is one of "co-operation."—to submit that it is the "canteen" question that we are discussing, and not the question of co-operation only.

Colonel GRATTAN :—May I just say, with regard to what Colonel Reeves said some time ago, that one of my strong points is that the soldier gets his rations free, and there is no profit made upon them, and there is no taxing a man at the present time to accumulate a fund to benefit his successors afterwards.

Colonel F. J. GRAVES (late Commanding 83rd Regimental District) :—May I just say a word upon this, taking up the last point that Colonel Grattan brought out? I do not think that it is a question at all of accumulating a fund for the men's successors. No commanding officer ought to be allowed to do so. I got rather into hot water when I was in a regiment at Aldershot, because I insisted that the canteen profits which were thus obtained were actually the property of the private soldier—not of the officers, but the rank and file—and I refused to be any party to dispensing those profits, which I considered belonged to the men, among some of the military charities. I found that I was within the four corners of the regulation. I gave the money back at the time to the men who brought that

profit. The grocery charge was reduced under that system from 3d. to 1d., and my successor, Lord Beaumont, carried it out still further, and used to get something like a ton of fish a week all the way from Grimsby in order to give the men a good breakfast. There are three principles put before us in this lecture—two actually and one by inference. First of all, the old system of the regimental officers. Well, as the lecturer says, they are not born shopkeepers. They do not know the difference between tea at 10d. a pound and tea at 1s. a pound; and I think that their intellect and energies might be much better directed than in that sort of petty shopkeeping. Then there is this much-abused contract system. Just at this moment, it is not so generally known as it ought to be, there is a tendency to revert to it, and there is no question that if we could get the first-class brewers of the day to undertake the contracts, it might be worked with advantage to the soldier. Under these two systems the soldier surely—not his successor, but the soldier serving—does get a share of the profits of the canteen. But the point that was brought out by the lecture is to my mind that these profits are not sufficient—that the soldier does not get a sufficient return, and that he would get a very much better return were a different system adopted, namely, co-operation. I am quite *in nubibus* as to how co-operation might be applied to the Service. I ask simply as a learner. I want to know this: Under the system of co-operation, is it suggested that the Government, as such, should establish a large organisation on the principle of co-operation? Are there to be central stores—we will say two or three in England, one or two in Scotland, one or two in Ireland, and so on? Who are to administer those stores—what are they to be? And, as numberless regiments will deal with this, that, and the other store, how are the profits to be distributed amongst those regiments if co-operation is to be carried on? I think that at the present time, at any rate, the Government have got a good many other very large fish to fry.

Lieut.-General Lord W. F. SEYMOUR (late Coldstream Guards).—I think, Sir, that, as Colonel Graves said, the question is narrowed into three parts. I am old enough, like General Moody, to recollect all the iniquities of the old tenant system. It was superseded very efficiently by the regimental system of canteens. That system has continued more or less for the last twenty-five years, and I do not think that I shall be contradicted when I say that the system succeeded in a most marvellous manner. But at what cost? At the cost of commanding officers having to dive into the ranks of officers to find men who are shop-keepers, who have not been educated exactly as such, although it was proposed just now that they should have a shopkeeper's education. However, that was tried, and up to the present very few people have found fault with it, except the unfortunate volunteers themselves, who, I know by experience, have worked two or three days and nights in the week in order to render the canteen returns correct.

The CHAIRMAN:—By "volunteers" I presume you mean the officers who volunteer to look after it.

Lord W. SEYMOUR:—Yes, the officers who volunteer to look after it. There is no doubt that the military training of the men for the future will be entirely in the hands of their officers, and that we shall not be able to spare an officer of any kind in the regiment for the purpose of keeping the shop. Therefore, as the lecturer says, the days of regimental canteens are numbered. Now, Sir, we must come to an alternative. We cannot go back to the old tenant canteen. We cannot continue the regimental system; and therefore, what are we to do? Seven or eight years ago this Co-operative Society, of which, I am afraid, I know very little, except from having seen it working away in a quiet and unobtrusive manner in Westminster, came forward to the assistance of the British soldier. There was no question, as Colonel Grattan put it, of officers making 5 per cent. on it. The officers—I believe, most of them retired—came forward simply as co-operative men to represent the soldier. As the gentleman who spoke on co-operation said, the co-operative societies in Yorkshire and Lancashire, and elsewhere, are managed by companies of men who can give their spare time for it. As has been said by a previous speaker, it is impossible for the British soldier to form himself into committees;

besides which I think myself that our experience is, even in small societies like regimental societies, that the English soldier, N.C.O., or private, does not lend himself as a good committee man. Therefore, this society of co-operation has come forward, as a third party, to represent the soldier in committees of co-operation. Great returns are not demanded, and the returns, as I understand, and as I hoped would have been better explained by a member of the society, show that the surplus profits after paying rigidly the expenses of the institution, return to the pockets of the men themselves, instead of into the hands of contractors and middlemen.

Colonel H. GUNTER (late Norfolk Regiment) :—I should just like to say a few words as to what has been said by the last speaker. I do not see how in any way this co-operation gets rid of the regimental canteen. I cannot see how you get rid of your regimental committee. Unless you do away with the whole system altogether, you have still to send in your canteen returns. I do not think that we have enough before us to be able clearly to see how this co-operative system is to affect the regimental officer. That is the point that, as it seems to me, has to be worked out. We have heard a great deal about co-operation. It sounds very well. There is no doubt that it has worked perfectly in certain societies, but whether it can work perfectly in a regiment moving about is another matter. Unless it is entirely a station system, in which case the regimental officer would have nothing to do with the management, or unless there is something of that kind, I do not see how we are in any way better by co-operation than by the present regimental system. I have lately had something to do with canteens. Where I was serving every thing connected with the canteen contracts was taken entirely out of the hands of the regimental officer. It was open to tenders, and the tenders were sent in to the staff officer, so that really and truly the regimental officer, as it appeared to me, had a great deal of the responsibility, but none of the power of regulating the supplies for the canteen. It might turn out to be a good system. I can only answer for it in one thing, and that is, that it was a very expensive one, for I am perfectly certain that any profits that might come were entirely discounted by what we had to pay for advertisements for tenders. But there is a point I should like to bring out. I should like very much to have something said to show how the regimental system is got rid of by this system of co-operation.

Mr. C. B. HEYGATE (Secretary of the Canteen and Mess Co-operative Society) :—Perhaps I might explain, Sir, the difficulty which was raised by the last speaker—that he did not see quite how co-operation could be applied to the regimental institution, or how it would relieve the regimental officers of the work which they are now doing. I suggest that the lines on which the organisation should try to start might be something like this: Regard the regiment as a village, and the regimental institute as being like a village shop. That shop, instead of buying as it does now from different people, would buy from a central organisation. The central organisation would not only provide goods, but it would provide the working staff. It would also be responsible for the working of the accounts; and in that way the regimental officer gets rid of the details, and at the same time retains the central responsibility or necessary authority, because each regiment would have its own members at the central board. I do not say whether there should be district boards or one universal board, but the principle should be that every regiment is represented on the board, and if its own regimental shop is not run properly it would see to it, and would represent what was going on. I hope, Sir, that this may throw some light on the last speaker's question.

The Hon. J. W. FORTESCUE, in reply, said :—There seems to be tolerable unanimity as to the acceptance of the system; perhaps I cannot say positive unanimity. The principal defect which appears to be noticed is, the lack of a comprehensive scheme for supplying the co-operative system ready-made to the Army. Well, that of course is a very large question. I did not come down here with such a scheme cut and dried; and it is plain that it must be dependent, in respect of many details, upon matters of military organisation, which are still unsettled. A gentleman was asking just now whether there should be a central establishment, and who will administer it, and how would the

profits be distributed, and so forth. That is an important question. I think, for my own part, that if such a matter were committed to me, I should certainly endeavour to have a central organisation. First of all, I should go to the Co-operative Union and find out all I could as to their system. Then I should endeavour, I think, to have a central office, which should buy all goods in bulk in large quantities, and so obtain them more cheaply. That would be a large central store, which would have subsidiary district stores for distribution. Then arises the question of capital. One gentleman raised very strong objections to officers (as I suppose he would say) selling goods to men. Well, no doubt there are very great objections to officers selling goods to men. There was a time when officers sold clothing to men; and the results were not satisfactory. But you cannot prevent officers investing their money in any business for supply of goods to soldiers. I imagine that officers might still have their money invested in the cloth business. There are railway companies which convey men, and there are shipping companies which take men to South Africa, and I imagine that plenty of officers invest their money in such companies as these. Recently a large canteen-supplying firm put its business into the market with a fine prospectus of the profits to be made out of the British soldier, but I have heard of no order from Headquarters prohibiting officers from investing their money in the shares of this business; and certainly there was nothing in the prospectus about limiting the interest on their money to 5 per cent. That is the value of the co-operative system. The officers can invest their money, and the profits being limited by statute to 5 per cent., there can, humanly speaking, be no doubt of the integrity of their intentions.<sup>1</sup> As to management, my brother, in his paper, speaks of the Western Counties Co-operative Society having an expert manager. That would be the system I should like to apply as far as possible—a board of directors or a board of superintendents, call them what you please—with no particular expert training, but men of honour, and a man of business as an expert manager who should be extremely well paid. And I should apply that system, I think, to all the subsidiary districts so as to relieve the officers as far as possible. They have not got time for trade. They must simply have a check upon their expert managers. One gentleman put forward a very valuable suggestion as to the employment of reserve and pensioned soldiers to attend to the canteen. But that is a detail. I did not come here prepared to put any general scheme forward, but that such a scheme could be worked is beyond any doubt. These would be very roughly the main lines of it. Of course we are at the mercy of the War Office entirely on the question whether the board of superintendence shall be composed of officers on full pay or on half pay. But the export trading business should be entrusted to experts, and it would be worth while to pay these experts very highly. Once more, I do not attach much importance to the cry against officers investing their money in business concerned with the supply of soldiers. As I have already said, there is nothing to prevent them from being largely interested in such business; and not a word is said. But when officers have taken the trouble to put money into a business simply for the good of the soldiers, and with their profits expressly limited by statute—well, then it seems hard that they should be looked upon as swindlers.

The CHAIRMAN (General Sir Reginald Gipps, K.C.B.):—I think that we have heard a great deal which is very interesting this afternoon. There are just a few points which have struck me during this discussion that I think I will in conclusion say a few words upon. One is that I think we cannot fail to be very much struck with what we have heard of the management of co-operation as carried out by the Rochdale system and at the Royal Arsenal, which Mr. Deans described to us in his very interesting speech. The result there seems to be very satisfactory. Lord William Seymour, I think, also very much hit the nail on the head, if I may say so, when he said that we had already tried both

<sup>1</sup> But in all businesses conducted on the Rochdale system the shareholders who supply the original capital can be, and generally are, bought out at par from the profits, so that the members practically come to supply their own capital.—J. W. F.



the tenant and the regimental systems for canteens, and that neither was successful. I also remember the tenant system many years ago, and more recently the regimental system. I think that the tenant system, as carried out then, no doubt resulted in absolute failure. The regimental system was an immense improvement upon it, but it had the objection which Lord William Seymour and many others have mentioned. It occupied the time and brains of a large number of officers of the Army and also of the rank and file, who were employed in the canteens, and therefore were kept away from what I must call their legitimate work. The question we have come here to consider is this: The systems of canteen management up to the present having been more or less failures: what is to be done now? Well, when one hears the results of co-operation, I must say that they cannot fail to impress one. At all events, the co-operative system, might be tried, and we all know that it has been worked in many ways of late years and has proved an enormous success. We need not go further than the Army and Navy Stores to see that. But the Army and Navy Stores are not an absolutely co-operative society. The notion of co-operation is that the consumers should share the profits—that, in fact, the profit is to come back to the consumer, and not go entirely into the pockets of the shareholders. It seems to me that, if we do not go into co-operation, we shall get on the horns of a dilemma. The canteen that is managed by any other system must be an inducement to the owner of it to make a large profit. The object of co-operation would be, I take it, to make as small a profit as possible. The ordinary proprietor of a canteen will make a profit. He must do it in one of two ways; either by charging high prices, or by selling inferior articles. An institution like the Co-operative Society, that would undertake the canteen system, would not have either of those temptations. The only profit it wishes to make is the return of a small amount of interest. Whether it should be 5 per cent., or 4 per cent., or 3 per cent., or 2 per cent., I do not think matters two straws, because they are all, what I may call, legitimate rates of interest. You must, however, remember that canteens have to be stocked, and that there must be an outlay of money, requiring capital, and that capital must be got in one way or another. It must either be got from a certain number of shareholders or by borrowing the money. Surely there are objections to borrowing the money; but let the money be borrowed if that be thought to be the best plan. However, we are not here to discuss that. We are here to discuss whether any system for canteens that has been brought forward is more likely to answer than the co-operative system. We are very much indebted to Lord Elbrington for having drawn up this paper, and to his brother for having read it, and I think, gentlemen that concludes the business of the meeting.