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NOTES AND MEMORANDA

BRITISH CO-OPERATIVE CONGRESS, 1896

THE Annual Congress of the Co-operative Union of Great Britain, held at Woolwich last Whitsuntide, was briefly referred to in the last issue of the *ECONOMIC JOURNAL*. To the professed co-operator the matters of interest there dealt with were legion ; but I must content myself here with noticing those larger questions whose immediate importance claims the attention of the general economist. These were mainly the question of profit-sharing with the employees of co-operative societies : the application of co-operative methods to British agriculture : the promotion of distributive co-operation in our great cities : closer relations of co-operators in all countries : the relations of trade unionists and co-operators : the growth of the movement, and a few other matters.

On the first of these, which has agitated and embittered almost every Co-operative Congress for many years past, there is little progress to report. The best that can be said is that bitterness was on this occasion avoided ; the worst, that the whole matter was comfortably shelved for another year, without any substantial prospect of its being a bit nearer a solution at the end of that time. Year after year this controversy has come before Congress, chiefly with reference to those large federations of consumers' societies, and especially the English Co-operative Wholesale Society, which employ many thousand workers, largely non-co-operators, for wages only. Year after year the profit-sharing party have carried their resolution in Congress without any practical result. Two years ago they strove to go further and institute practical steps to have the principle so often ratified carried out, but the Congress on this issue was equally divided. In 1895, at Huddersfield, a fight was avoided by a resolution passed with practical unanimity, and tending towards a conciliation of the two principles. This at first sight might seem impossible, but not on a closer examination. What the consumers' party are contending for is at bottom the right to have their workshops carried on by federations of consumers in the interest of the consumers. This is not inconsistent with giving the actual workers a certain share in the profits, and a certain representa-

tion in the control. On the other hand, the profit-sharing party do not demand for the actual workers the whole of the profit, or the dominant voice in the control. Such a conciliation of the two principles has in fact been adopted by more than one large federation of consumers.

The Huddersfield conciliation resolution was generally taken to indicate a desire on the part of the English Wholesale to follow the example of the Scottish, and end the controversy by adopting some form of profit-sharing and co-partnership with its employees. The Co-operative Union got together a committee representing the chief parties interested and the chief views on the subject; and this committee presented its conclusions to the Congress of this year. To the general disappointment no solution had been arrived at. The majority report, signed by the representatives of the Co-operative Union, the Scottish Wholesale, and the Co-operative Productive Federation (of co-partnership societies) agreed in recommending—

I. That in connection with all co-operative enterprises, whether distributive or productive, there should be set apart some portion of the profits as they arise, for the purpose of making some provision for workers over and above such remuneration as they would receive in ordinary competitive workshops.

II. That such portion of the profits may be used for the benefit of the workers, either (1) by way of increasing their remuneration; (2) by enabling them to become shareholders; (3) by providing superannuation or pensions in old age, under such conditions as the society concerned may fix from time to time.

But the representatives whose concurrence was the really vital matter, those of the English Wholesale, presented a minority report, declaring the present basis of working their society the most equitable and just to the great body of co-operators; and that having tried the payment of 'bonus' to employees, they had not found it produce the advantages claimed for it.

The position therefore was a complete failure to reach any solution. In the regular course the report came up for discussion, but it seemed to be generally felt that nothing could result but a bitter strife, in which no definite issue would be before the delegates. The majority report was a compromise, which the profit-sharing party might have accepted as a means of peace, but which did not in any way satisfy them as an expression of principle. It does indeed acknowledge profit-sharing, but it proceeds to give a choice of three methods of applying it, of which one, the method of old age pensions, raises very grave dangers to the independence of the worker; another, the increasing of remuneration, means a trifle more money for the worker with little or no attempt to raise his status; and only the third embodies what all profit-sharing co-operators in England consider essential, demanded alike by the interests of the worker and by justice to the other factors in co-operation, viz., that as a result of sharing in profit should come.

co-partnership, a sharing in capital, control and responsibilities also. To have approved the report would have been to set these three ideas on an equality; to have rejected it, to appear irreconcilable. Worse still, the central board, in submitting the report to Congress, added a proposal picking out the old age pensions idea for approval, and appointing a further committee to draw up a suitable scheme. No other resolution was before Congress, and according to the strict interpretation of the new rules no other could be submitted; almost every one, however, seemed to feel that no good could come of expending time and temper in such a hopelessly confused *mêlée* as threatened, and so the whole matter was referred to the sectional conferences for discussion during the coming year. Next year it may be hoped this perennial question will come before us in the form of a square issue. One does not, however, see what prospect there is in any case of a solution. The non-profit-sharing party show no sign of giving way to the repeatedly expressed opinion of Congress, and Congress shows no sign of willingness to enforce the rule of the Union. Perhaps the growth and prosperity of the co-partnership productive societies and the handsome profits they begin to pay to labour may eventually lead the workers in other productive societies to demand like advantages for themselves; and the directors of those bodies to see that what labour gains by profit-sharing no man loses.

The subject to come first and most prominently before the Congress was not, however, profit-sharing, but co-operation in British agriculture. Lord Winchilsea had been invited to deliver the inaugural address, and of course had for his text the subject with which his name is so prominently associated. He attributed agricultural depression in great part to the fact that foreign agriculturists by organising are driving us out of our own markets, whereas our own agriculture, with eight millions of people dependent on it, is totally without organisation. He instanced specially the butter trade, which both in the making and in the marketing is so organised abroad, that Danish, Normandy, and Australian are well-known brands in the London market, while no such brand as British butter exists. Referring to the work of the National Agricultural Union, and the British Produce Supply Association, he was able to show that a beginning at any rate had been made in getting the agricultural producers to combine, and the railways to give facilities, and he appealed to the great co-operative societies to do their part by purchasing British produce.

Besides this address the Central Board's report contained evidence of increased activity in the same direction. Thus an impression was certainly conveyed—and it has been confirmed by subsequent events—that at last our agriculturists are beginning to be stirred up to organise themselves on the lines by which their competitors in most other civilised countries have obtained, for even small producers, advantages scarcely obtainable by the largest under a system of isolation.

Two other matters, which I mentioned in beginning this notice,

were the subjects of the two papers read before the Congress. Mr. George Hawkins, Chairman of the London Branch of the English Wholesale, described a most interesting development of co-operative distribution in London. It is well known that, in spite of two or three brilliant exceptions, co-operative distribution of the working-class type has been a great failure in London, the 'co-operative desert.' Whether this be due to the frivolous nature of Londoners, to the shifting character of the population, to the competition of very large traders working on very small margins, or to a combination of these and many other causes, the fact remains. Moreover it is true not only of London, but in a less degree of several other great centres of population.

Mr. Hawkins entitled his paper 'Are Modifications in the Rochdale System of Co-operation necessary to meet the Needs of Great Centres of Population?' He showed that for many years past co-operative seed had been sown broad-cast throughout London; and local societies had sprung up in numbers, only to perish rapidly. Under these circumstances the 'People's Co-operative Society' had been founded to start stores, not in one, but in many districts of London, and even, he seemed to hint, of other great cities. The constitution of this Society includes a central committee, in whose hands the general management remains, and local committees for each branch to look after local propaganda, supervise the store, and so on. All profits are pooled so that a uniform dividend on purchases is paid at all the branches. Already five of these had been got to work successfully, and others were in preparation. Also in the case of weak existing societies, negotiations were on foot to absorb them. To start this scheme the English Wholesale had voted a credit of £3,000. This new departure, though in the end approved by a very large majority, led to very sharp criticism. First it was maintained that it was not Rochdale co-operation at all, lacking wholly the independence and local initiative of that system, while the equalisation of dividends was denounced as a premium upon mismanagement. It was rather effectively answered to this last point that the Leeds Society with its seventy branches, some of them twenty miles out, pays the same dividend in all of them. The other part of the criticism, however, seemed to me much more damaging. The centralisation of Londoners for co-operative distribution is one thing and may be necessary, but is not this scheme really the establishment and control of stores in London, not by Londoners at all, but by the federated consumers' societies of the rest of England, in fact by the English Wholesale Society? It has been seen that the Wholesale voted the money to establish the scheme. In return it is not only to have the control at first, but so long as it owns one fourth or more of the capital, it is to retain the majority of voices on the committee of management.

Assuredly the Wholesale would be doing an admirable work by helping the People's Society in its early years, with a firm determination, however, that eventually, either as one society spreading all over

London, or as several, London distributive co-operation should learn to walk entirely of its own strength, with as much independence as in the north and the midlands. If, on the other hand, it is intended to set up a large number of retail branches of the Wholesale Society—under another name, and with a small measure of local approval—great commercial success may doubtless be attained, but it cannot be called co-operation.

The only other paper read was my own on the relation of the Co-operative Movement to International Commerce, in which, in view of the recent formation of the International Co-operative Alliance, I tried to give in brief summary the present position of co-operation in the various civilised countries, and then to deal with the possibility and results of commercial relations between the co-operators of different countries.

A few other matters ought to be very briefly touched on. The Irish Section was suppressed, and the Irish Societies tacked on to Scotland, thus completing the severance between the general British co-operative movement and the young and lusty agricultural co-operative movement of Ireland. This very regrettable result has come about partly through last year's Congress having supported the English Wholesale in establishing creameries of its own in Ireland, against the protest of the Irish Section: partly through the refusal of the Irish leaders to push forward a store movement.

An excellent committee on the educational work of co-operative societies was appointed and great hopes are entertained that the result of their labours may put this important matter on more systematic and enlightened lines than ever before. The more systematic promotion of co-operative production was also discussed, but the sole result was to refer the matter to the sections for another year's consideration. For some years past there has existed a joint committee of trade unionists and co-operators to settle labour disputes in co-operative societies. The appeal to this body has not been obligatory and in the past year some friction had arisen. A serious dispute caused a stoppage of work for many weeks, without the joint committee's services being accepted by the co-operative society affected. It was now proposed to make such acceptance obligatory, but the proposal never actually came before Congress; it was found unacceptable and withdrawn. It is notable that great organisations of working men should thus find it hard to settle their disputes by conciliation and arbitration.

Forcible notice was taken of the attempt of certain Scottish traders to boycott co-operation in that country; and an enthusiastic determination to resist was shown, which has since been abundantly justified by events.

The statistics for 1895 were presented to Congress and showed that, as compared with the previous year, taking co-operation in all its forms and throughout the United Kingdom, there had been a small

increase in the number of societies, but only of productive societies; substantial increases in members and capital; and large increases in trade, profits, and especially in investments. The figures are:

	Societies.	Members.	Shares. £	Sales. £	Profits. £	Investments. £
1894	1674	1,343,518	15,006,663	49,985,065	4,911,299	7,780,452
1895	1711	1,414,158	16,164,667	52,512,126	5,397,582	9,661,420

Taking productive societies only, but including the productive departments of the two Wholesales, we have:

	Societies.	Members.	Capital.	Trade.	Profit.	Loss.
1894	171	24,868	1,643,585	3,173,705	146,559	8,493
1895	210	25,805	1,914,920	3,820,257	161,823	1,565

Further, taking, to compare with these figures of co-operative productive societies as a whole, the figures published by *Labour Co-partnership*, for those productive societies which accept the co-partnership principle, we find:

	Societies.	Capital.	Trade.	Profit.	Losses.
1894	120	799,460	1,371,424	61,987	3,135
1895	155	915,302	1,859,876	94,305	2,296 ¹

We thus see that the recent growth of British Co-operation has been much more rapid on the productive side, and especially where the co-partnership principle is carried out. A further examination would show that the new societies in 1895 were almost all in Ireland, though Scotland and England show large growth of the existing societies. Lastly, the rate of mortality among productive societies has now become so small that the old cry 'co-operative production a failure' ought soon to become obsolete.

ANEURIN WILLIAMS

INTERNATIONAL SOCIALIST CONGRESS.

THE International Socialist Workers and Trade Union Congress held in London from July 26th to August 1st, is the fifth Congress of the kind since the collapse of the historic 'International' at the Hague in 1872. The others met in London in 1888, Paris 1889, Brussels 1891, and Zurich 1893. The present Congress was convened under the joint auspices of a special committee appointed by the Zurich Congress, and the Parliamentary Committee of the British Trades Union Congress. The basis of representation was that laid down at Zurich:—

'All trade Unions shall be admitted to the Congress, also those Socialist Parties and Organisations which recognise the necessity of the

¹ These figures of Loss are clearly inconsistent with those given above, which are the result of a more complete enumeration.