

events, of rigorous seasons, &c., the civil administrations create temporary workshops," &c.

"The effect of these institutions is said to create a disposition to idleness and debauchery, although a fixed rule governs the distributors, which is, to give as small an amount of relief as possible."—p. 168.

Basses Pyrennees, Bayonne.—There are no public or private establishments or relief afforded to the destitute able-bodied or their families; but this description of pauper is seldom to be met with in this department.

Piedmont.—"No establishment for destitute able-bodied. One attempt of the sort made years ago at Raconis, which failed. Convents still give food, but the practice is said to be deplorable, and most injurious on the Genoese coast, where the mendicant orders are most numerous, and the poverty the greatest. No relief given in kind, or money by government."—p. 182.

Most of the foregoing extracts are taken from replies to queries put by our Government to the various authorities; the answers to which, Mr. Senior thinks, constitute the fullest collection that has ever been made of laws for the relief of the poor. They indicate the necessity of great caution in the enactment and administration of such laws, as the universal tendency of relief without work appears to be the demoralization of the recipients.

The habit of prudence and foresight has descended from the higher to all other classes of society, and has been the main cause of that great accumulation of wealth, which, from the foundation of its independence, and in spite of the severe reverses it has sustained, has made this kingdom so remarkable.

VIII.—*Co-operative Societies.* By Frederic W. Connor, Esq.

[Read Monday-evening, 20th January, 1862.]

IN one of his earliest essays, Lord Macaulay remarks—"This is the age of societies. There is scarcely one Englishman in ten who has not belonged to some association for distributing books or for prosecuting them; for sending invalids to the hospital, or beggars to the treadmill, for giving plate to the rich, or blankets to the poor." Now, in the active associate spirit which meets us on every side for bettering the condition of our social organization, no where do we observe this spirit more energetically at work than in the improvement of the working classes. Special evils have been sought out, and by a commendable division of moral labour specially attacked. That many and great evils, fraught with great danger to general society, exist in the economy of our industrial system, no one ventures to deny; but in the employment of remedial measures we have to confront, as in the general practice of medicine, divers and contradictory modes of treatment. There is no lack of practitioners in this science of moral medicine—no want of zealous volunteers, but who, unfortunately, too often jeopardize healthy systems of treatment by the obtrusion of their own theories and conceits. Of all classes of society, the operative class, from their numbers, and from their being the great producers of wealth, commend themselves primarily to our serious attention. Their losses are our losses—their gains our gains. For general purposes, we might describe the defects of the working man's character in two words—improvidence and intemperance—defects, which as they spring from his own individuality, can only by himself be cured. How is this

to be accomplished? By implanting better habits; by substituting prudence for thoughtlessness—sobriety for intemperance; by teaching him to take thought for the morrow; and by educating him in the principles, instruct him how to practise self-respect and self-dependence.

When men's ideas of life are low, their notions of individual and social duty are weak. When deficient in mutual trust or self-trust, their practice of simple economy becomes irregular, or exists only in name. Hence, to encourage the working man to tread in the paths of foresight and temperance, we must direct his attention to successful and parallel examples, selected from among his fellow-men who have fought the battle of life manfully as well as successfully, and with weapons within easy and common reach—who enjoy the substantial fruits of the strife in improved domestic and industrial happiness. On the principle that union is strength, co-operative or associated labour aims at the production of a greater power, and at the commanding of superior facilities. The clubbing together of pence exercises as much the plan and principle of co-operative labour, as the clubbing together of pounds, although in one case the aggregate savings may not amount to what would build a hut, while in the other they would build a palace. On this principle of associated labour, many no doubt well-meaning, but still very mistaken men, have founded Utopian doctrines, and built fanciful systems for changing the face of society, and, in some respects, even anticipating the millennium. Now the plan of co-operation which I have the honor to bring under your notice, although not very original, is somewhat novel in its features and striking in its results. It is, as Lord Brougham remarks, "a co-operation not only distinct from communism or socialism, but repugnant to it; far more so than to the ordinary course of trade, with which indeed it agrees in giving to every man the benefit of his own industry, skill, and economy."

* Cicero said nearly two thousand years ago, that in the family, as in the State, the best source of wealth is economy; and by acting on this maxim—by holding together, by acting together, by taking their own affairs into their own hands, by straightforward fearlessness; by a sinking of political motives, by an eschewing of sectarian influences, the working men of Rochdale in Lancashire—cotton spinners and power-loom weavers—a dozen weavers out of employment, and almost out of heart, in 1843, subscribed a few shillings, from which small beginnings these no longer poor men now own ware-houses, mills, and provision stores. The "Equitable Pioneers," as the members of the Rochdale Co-operative Society style themselves, were driven by necessity to practise in 1843, the most rigid economy. They reflected on the fact, that the great bulk of their wages was expended in purchasing the necessaries of life, and that if they could purchase these necessaries in a shop, set up, and managed by themselves, they would save that profit which finds its way into the pockets of ordinary shopkeepers, and, in addition, while conducting their transactions on ready money principles only, be able to purchase in the best and consequently the cheapest markets, receiving the usual discount in favour of cash

payments. No credit was to be asked, and no credit was to be given—the ready-money basis, as in the case of monster houses, was to be their sheet-anchor; quick sales and quick returns their motto. Credit they regarded as a social evil, pregnant with temptation and full of danger, because it gave fatal facilities to the workman, who, once in its meshes, had but a faint prospect of extrication. Speculative purchases were unnecessary, and advertisements equally so. There was to be no puffing—no expensive shops or show. The expense of seeking orders, collecting debts, or conducting law suits was to be avoided. The cost of distribution was diminished, as the customers were to carry away their own purchases, and, finally, each purchaser was to receive all the benefits of which his trading would allow. Having resolutely fixed upon these salutary and fundamental conditions, the originators or rather the adopters of the co-operative scheme commenced canvassing for subscribers. They divided the town into districts, and honorary collectors undertook the task of collecting the weekly subscriptions of two pence. After a little while, the weekly subscription was increased to three pence, and when the funds had amounted to £28, the Lilliputian capitalists commenced operations by renting the ground-floor of a ware-house in an obscure part of the town, laid in a small stock of flour, butter, sugar, and oatmeal, and dispensed their commodities pure in quality, just in weight and measure. There was buying without higgling and selling without fraud. In March, 1845, a licence for the sale of tea and tobacco was taken out. At the close of that year there were upwards of eighty co-operators, representing a capital of £181 12s. 3d., and the weekly receipts for goods sold during the quarter ending December, 1845, averaged £30. So far the ready money principle worked well—the prejudice against it was overcome—and while no member could become a debtor to the society, no person other than a member could become a creditor. As the progress of the society kept pace with its resources, it was determined to raise from amongst its members £1,000, in shares of £1 each; those who could not take a share at once, commenced by paying a first instalment of one shilling, and three pence per week afterwards till the share was paid up. The profits on the member's purchases go to pay up his share, or he may receive each quarter his dividend in cash; so that not only does each member receive interest in proportion to the number of shares held, but also a dividend in proportion to the amount of purchases made. In October, 1846, the store commenced selling butcher's meat, and although sorely tried during this year of public distress, it held its ground, slowly yet steadily progressing. In 1847–8 trade was bad, and many members withdrew as shareholders; still the number of purchases increased. The plan of making collections at the homes of the co-operators was given up, and contributions were paid to the cashier once a week at the store. In 1849 additional accommodation was provided, a committee and a news-room established, and a stall opened for the sale of books, periodicals, and newspapers, the profits being applied to the furnishing of the news-room. Thus early were the intellectual wants of the members cared for, and thus far is a summary of

the early history of the "Equitable Pioneers' Society." It encountered opposition from within and opposition from without, and ridicule was unsparingly showered upon it. The scheme braved all difficulties, and we have the evidence of its progress in the eloquence of its statistics, whereby we perceive, that in 1844, when the society was formed, it had but 28 members and £28 capital; it had in 1860—sixteen years after its foundation—3,450 members, representing £37,710 capital, transacting an annual business of £152,063, and realizing £15,906 profit!

The society employs 91 competent workmen in the six distinct departments throughout which the business is distributed. In these departments every article necessary for its complete stocking is provided. The goods are always of the best quality, and can be obtained at wholesale and retail prices. The workshops, for the manufacture of clothing and the execution of repairs, are warm, well-ventilated, and well-lighted. Each department keeps a separate account of its proceedings, and each quarter a general account is rendered of them all. From the sixty-second quarterly report I find that there has been received for goods as follows:—

Grocery department	..	...	...	...	£27,690	10	0
Drapery	..	..	..	..	2,534	10	0
Tailoring	..	..	..	..	383	10	0
Butchering	..	..	..	..	3,889	10	0
Shoemaking	..	..	..	..	883	0	0
Clogging	..	..	..	..	180	0	0
Total for quarter ending 9th June, 1860					£35,561	0	0

In 1860, the butchering department sold 505,532 lbs. of meat—225 tons—represented by 2,485 animals, comprising black cattle, sheep, pigs, and lambs.

An important feature in the society's operations is the wholesale department, commenced in 1855, for supplying any member requiring large quantities, as well as for furnishing the co-operative stores of Lancashire and Yorkshire, whose small capital precludes them from buying in the best markets, and commanding the services of an experienced buyer.

We have seen the aim of the society to be, the purchasing of the necessaries of life at first-cost prices and of best quality, and that the net profits, arising from the trading transactions, after paying expenses of management, interest on loans, depreciation of stock, &c., are divided at stated quarterly periods among the members proportionate to their shares and purchases, subject to a deduction of two-and-a-half per cent. for educational purposes. Thus a member receives profits in two ways—as a capitalist and as a consumer.

A Redemption Fund exists, consisting of the accumulated entrance fees of one shilling per member, and from the nature of the financial arrangements it is calculated that, if the society were broken up, every subscribing member of £1 would receive 25s. dividend.

A new member must hold five £1 shares in the capital of the association; on each share he pays a deposit of one shilling, and three pence per week until the £5 are paid up. These payments

however, are assisted by all the profits and interest accruing to him from connection with the society, which he is not allowed to draw until the full amount of his shares be paid. £200 worth of shares is the maximum number a member can hold, but the directors maintain the original limit of £100. At present there are twenty-four members who own £100 of stock, and a considerable number possess from £60 to £90. The common practice is for members to stop short of £100, and to invest their surplus savings as capitalists in some of the other co-operate undertakings; in this way £22,850 have been withdrawn during the last two years.

To dispense with a multitude of small entries in the shop books, and with a view of verifying the amount of purchases made by each customer, tin tickets are employed, stamped with figures, representing sums of money varying from one halfpenny to one shilling. On the presentation of these rude coupons at each quarter, the dividends of profits are paid. Some societies give the profits to customers who are not members. Any affiliated co-operative society can, through one of its members, purchase to any extent from the Rochdale Society. A member in distress may withdraw any sum he possesses in the funds of the society above £2, at the discretion of the directors according to a certain scale. Thus £2 10s. can be withdrawn at once on application to the board; £2 10s. to £5 at two weeks' notice; £5 to £10 at three weeks' notice. and so on up to £100, every additional £10 necessitating an additional week's notice.

Disputes are settled by the directors, by appeal at a general meeting, or by arbitration. All complaints or suggestions must be made in writing, the directors recording their decision thereupon.

The reading-room and library are much appreciated and are plentifully supplied with the most instructive and elevating literature. Upwards of 5,000 books are in the library, in every sense "standard volumes." The association subscribe handsomely to the local charities; they have established a Provident and a Burial Society, and have erected a Turkish Bath. The rules of the society have been registered in conformity with the provisions of the 15th and 16th Victoria, cap. 31, relating to Industrial and Provident Societies.

About 1850 a District Corn Mill Society was established, in which the "Equitable Pioneers" invested or lent upwards of £600 on account of flour to be supplied. Some mishaps occurred which involved the concern in a debt of £450. A subscription was set on foot, the mill again set working under better auspices, and towards 1852 all liabilities were discharged, and a profit of £100 for one quarter realized. The profits of the mill are divided similarly as those of the "Equitable Pioneers' Society." The progress of the establishment is highly gratifying. Thus, in

	Amount of Funds.	Annual Profits.
1852	£ 2,898 0 4	£ 336 16 8
1860	26,618 14 6	10,164 12 5

The cash account for the quarter ending 18th June, 1861, is £45,586 6s. gd., being at the rate of £182,345 7s. per annum. So great, indeed, has been the demand for the flour, that the directors

had to acknowledge their inability to meet the requirements of customers, pending an enlargement of their mill.

The "Leeds Industrial Co-operative Flour and Provision Society" originated in 1847, like that of Rochdale, from the efforts of a few working men, actuated by similar motives. The capital was raised in shares of 2s., subsequently increased to 5s., each member being allotted one share. The society now numbers 4,000 members. They erected a flour mill at a cost of £4,000, a portion of which sum was borrowed, but paid off in 1853 from the accumulated profits. The provision and clothing departments are well supplied with the best goods, and the progress of this society is as striking as that of Rochdale. Thus in

	Capital.	Done Business.	Profits.
1847 ...	£ 1,926 0 7 ...	£ 5,000 2 5 ...	£ 43 15 7
1860 ..	11,551 2 3 ...	49,208 13 6 ...	2,693 3 8

I have selected the Rochdale and Leeds Co-operative Societies, because, if they are not among the earliest established, they are at least the parent and type of similar societies, and represent the principle, largely developed, which governs kindred associations, now numbering upwards of some hundreds, situated in various parts of the United Kingdom.

The success of the working of the corn mill led to the application of the co-operative principle to a new department of associated industry, in the founding of "The Rochdale Co-operative Manufacturing Company," for the spinning and manufacturing of cotton, which commenced operations in 1854, with a paid up capital of £50,000, subscribed by operatives. A second mill was subsequently erected at a cost of £20,000, also paid up. The machinery is everything that can be desired, and employs 300 hands, who exhibit all the characteristics of able, orderly, and talented work people. The profits, after paying a per centage on capital, and the current wages to the workers, are divided equally between the shareholders and the operatives proportionate to their earnings. The true co-operative plan divides the profits equally between shareholders, workers, or purchasers, and must not be confounded with other societies designating themselves co-operative, but resembling the Rochdale factory only in the particular of the capital being subscribed by the working classes, the profits going exclusively into the pockets of the capitalists. Such an association is but a joint stock arrangement. There are also co-operative societies for erecting commodious dwellings for the working classes, or mills, or workshops, in which the occupiers or owners invest their savings, thereby constituting labour the employer of capital, or, in other words, employing the savings of labour which produce all capital. It is evident that the co-operative principle, where applied to the production and distribution of the daily necessaries of life, on ready money terms only, which makes the material progress of the many the basis of social and intellectual advancement, commands the elements of success. The inference, therefore, is justifiable, that where the principle is applied to conditions existing as we find them at Rochdale and Leeds, similar success may be anti-

ipated. But these conditions may exist in kind and yet so vary in degree as to make the safe working of the experiment hazardous. Co-operative associations would appear to be specially adapted to manufacturing districts, or where there are large bodies of workmen permanently employed, possessing kindred aims and sympathies in a common class of labour, and residing within a convenient distance from the central or from a branch co-operative store. More unity of action and more chivalrous support may be thus calculated upon. There must in addition be, on the part of the co-operators, a manly faith and a sturdy confidence in the benefits the society can bestow. There will be at first a period of probation, perhaps to many a long one, of rigid self-denial to be practised, and a cheerful acquiescence in small but certain gains to be demanded. But there must be no blind enthusiasm, no expectations of magic profits. A co-operative society is not to be viewed as the philosopher's stone, still less as the elixir for curing all human ills. Even when the conditions I have enumerated are soberly understood, much will depend upon the men elected as directors. Such men ought to possess sagacity and integrity, an organizing faculty, practical and far-seeing powers. They will, under the constant and vigilant superintendence of a proprietary resident on the spot, have to administer their trust in a spirit of firmness, determined to sink all those petty elements of irritation which bubble up too often from the uneducated masses when they feel themselves the possessors of a modicum of power, and which may react on the minds of men undisciplined in the exercise of the humblest governing authority. It should not be forgotten also, that envy, hatred, malice, and all uncharitableness are confined to no class—that fickleness is a trait of peoples, and that internal dissention is the evil genius which hovers around nearly all associated effort. But these to-be-expected obstacles ought not to deter, but rather to encourage men to proceed in a course of social amelioration which will raise them from a lower to a higher position—from looser to stricter habits—from debt to solvency—from imprudence to frugality—at the same giving them purer food and better clothing.

The co-operative principle is expansive ; there is nothing to prevent the workman from investing his earnings in a flour mill, where he may receive a higher dividend for his money than in a Savings' Bank, and where the flour has a certain market secured for itself, as well as a current price guaranteed. As the workers in the mill have a direct interest in its management with such an advantage the wonder is, not that it has succeeded, but rather that it could fail. The extension of the co-operative principle to the erection of a cotton factory, owned chiefly by cotton spinners and power-loom weavers, and where the shareholders are protected by the provisions of the Limited Liability Act, marks the advanced stage of the question, and is regarded as the *experimentum crucis*.

If A manufactures flour and bakes it into loaves, and sells them all to a class B, who are combined from interested motives to deal with him exclusively, paying him in ready cash for his goods, of course A will succeed, and may be able to undersell ordinary competitors, as was the case in the Leeds flour mill, where flour was sold at two

pence a stone cheaper than at other mills, which had, consequently, to lower their price to that of their competitor. But if A, inspired by success in the milling and baking trade, sets up a cotton factory, and produces more fabrics than his patrons can consume, he must seek for the distribution of his manufactures in the general market, and this brings him into competition with a class of capitalists, who, from commanding greater capital, and possibly superior machinery, may not unlikely undersell him in the market. "It appears to be the growing experience of our time that manufactories on an extensive scale are more economical than small ones—as is seen in those marvels of enterprise in the West of England; and that small capitalists and small producers find it somewhat difficult to hold their own against large undertakings. True, there is a likelihood that where there is an equal division of profits between labour and capital, a greater interest will be taken in the work, and greater skill and greater care displayed. A large employer cannot expect his labourers will spontaneously put forth their greatest energies; they must be watched, and there will be a constant changing of workmen from one mill to another where wages happen to fluctuate more in their favour—because the relations between employer and employed are not sympathetic but commercial, and apparently no relation grows up between the capitalist and the labourer, except that springing from an identity of pecuniary interests." The workman sells his labour; he may or may not have any further interest than doing as little for his wages as possible. If he is engaged on piece-work, quantity, not quality of work, may be his object. In the case of a co-operative factory, these attributes of labour would seem to be reversed. "Here all the workers are identified with the capitalists—the interest of each is the interest of all—the union of capital and labour, employer and employed, being complete, so that we have the strongest motive for the workman neither to slacken in diligence nor to suffer anything, as far as may be in his power, to go to waste. In a factory owned by a single capitalist, no diversity of individual opinions, divided councils, wants, desires, or interests interpose." If an injudicious appointment be made, it certainly will be easier to remove such an officer, where only *one* exercises the power, than where that power is exercised by many. But can we calculate upon a continued harmonious existence in the case of an association subject to different wills? Can we depend on a fair, candid, and self-denying submission, a humbleness, or at least a clear-sighted and just estimate of their own respective merits, a patience under privation, in a word, a degree of moral and mental development, which—though not perhaps rarer among the working classes than among other ranks—is still rare? Already a spirit of undue selfishness has exhibited itself, so that the capitalist may get richer, the poor be kept poor—tending to make the mass cease to have an interest in the results of their association, and which must deprive it of united action and economic support. In September last, at Rochdale, a meeting was held to abolish or disallow profits to workers in the cotton factory, when 571 members voted for the abolition and 277 against it. The principle was only saved by a legal form—the fifty-third rule of the society requiring that no

repeal or alteration shall be made in the rules, unless by a vote of three-fourths of the members present at a special general meeting called for that purpose. I regret to say that this is not an exceptional instance. In the case of the co-operative society of arm-chair workers in Paris, the discontented workmen separated from the parent society, and set up a rival establishment of their own. Now until men sink either a portion or the whole of their individual wants or desires for the common good, we cannot reckon upon any *durability* for co-operative cotton factories. "How long will each workman be content with the kind and nature of the work allotted to him, without accusing the manager of favouritism? How long will the tailor who conceits himself to be a good cutter-out be satisfied with the judgment of the manager who delegates him to the work and the wages of a sewer? How long will the man who imagines himself to be clean, industrious, and accurate, submit to the decision of those who decide that he is slovenly, idle, and careless? How long will he bear to pay fines which he will not admit to have incurred, and to receive lower remuneration than his fellow-workman whom he deems to be no abler than himself?"

In a co-operative cotton manufactory competition must be carried on with a class of men who at once avail themselves of the smallest advantage which is to be obtained either by purchasing the raw material at a particular time, from knowledge possibly acquired from their greater social influence and commercial standing, or by the introduction of the slightest improvement in machinery. As yet this competition has been carried on with a success which could not have been anticipated. The question as to the ultimate extension of such co-operative undertakings is as yet only partially determined. "The fluctuations in the cotton business are great. For several years back it has been extraordinarily prosperous. Will a body of workmen combined in a cotton manufactory be able to keep together during two or three years of low profits, of stagnant or glutted markets, and withstand the difficulties of a financial crisis?" How will they bear up against the working of their mills only half time, or when they must be closed altogether? This is a problem which yet remains to be solved.

Political economy is not opposed to co-operative associations, but has much to say in their favour. It points out to the advocates of the principle many of the shoals and quicksands that must wreck their hopes when sound economic laws are overlooked or misunderstood. There must be no levelling spirit exhibited—no desire of self-aggrandizement—no feeling that in raising themselves and, thereby the class to which they belong, they can depress or injure any other class. Political economy would teach them, for example, the fallacy of expecting what many co-operatives do expect, that these associations will ultimately destroy competition, which they allege to be the prolific source of low wages, overproduction, undue increase of machinery, and want of employment. But even supposing that this co operation could altogether supersede the promptness of decision, unity of feeling, and singleness of purpose which mark private and individual enterprise, it could only exist by a competition amongst the co-operators themselves. Co-operative socie-

ties possess many advantages, but they do not possess all ; they can compete with but they cannot displace individual enterprise—just as the monster houses have not been able to extinguish less pretentious establishments. To act up to a belief other than this, would be as melancholy a waste of respectable intentions, as the well-meant efforts of Dame Partington to tranquillize the surges of the Atlantic.

Socially, the spread of co-operative societies must tend, if prudently conducted, to the spread of healthy and intelligent ideas, and the allaying of unreasonable suspicions amongst the operatives in reference to their relations with capitalists, as well as a juster comprehension of those politic laws to which capital itself must bow. It would show to men so associated that wages are not reduced by the tyrannical fiat of the capitalist—that it is the capitalist who sustains the labourer until the results of his labour become available for consumption—that so long as the labourer will not save, he must look to another, the capitalist, to do so, and that a large portion of the produce of his labour must necessarily go to compensate the capitalist for his accumulation, for his risk, and for his superintendence. True co-operation, therefore, can have no hostile feeling against capital.

Undoubtedly, co-operation tends to develop many of the highest qualities of man's intellectual and moral nature, and to impart a confidence in, and a true appreciation of, the character of others. It is the universal experience of associated labour in France, that the trustworthy associate is he who joins for the sake of the principle and not from the greed of gain. Co-operative societies, cautiously conducted, might act perhaps as indices of the normal rate of wages and the normal condition of labour throughout the various trades ; if they are compelled to lower wages or to curtail a privilege, the workman knows that it must be, and the whole trade accordingly submits to the reduction or curtailment. While pointing out the difficulties that beset the path of co-operative manufactories, we extend to them the truest help. We heartily wish them success, hoping that wisdom will be gained, if not wealth, from the industry, self-control, and mutual forbearance needed to conduct them ; at the same time trusting that they may reap the full reward of that energy which springs from freedom, and participate in that progress which waits on self-reliance ; trusting still more strongly that such associated workshops may become the sanctuaries of honest work, upright fellowship, and manly independence, which by infusing individual sympathy into united action may create around them an atmosphere of Christian love.