

Workmen Have Made Co-operative Stores Pay Well in England

By HUGH WOODSTOCK

WORKMEN in England and Continental Europe have really made a success in buying goods collectively—in running their own stores. These stores now number into the thousands with a business going into hundreds of millions of dollars. They began in a small way many years ago and have become prosperous out of this saving. This article deals with England alone. Next week, a similar article will tell of operations in Continental Europe.

IN GREAT BRITAIN alone the co-operative stores, if taken together, contain more capital and do a larger turnover than any other enterprise, with the possible exception of the liquor industry; in Russia it is the one stable thing which has stood fast through fire and torment, and promises an avenue for a resumption of international business.

Co-operation does not get often into the newspapers, seldom at all into American newspapers. Co-operative stores do not advertise; they do not need to. Advertisers, of course, do not welcome co-operative stores. Those may not be the reasons for the silence regarding a remarkable plan.

The birth of modern co-operative stores is romantic enough. In 1844, twenty-four poor men of Rochdale, in the north of England, most of them flannel weavers, stared haggardly into the desperate poverty of the times—for them—and decided to make an experiment. They appointed from their number a treasurer, and brought to him their subscriptions, two cents one day, three cents another; in similar amounts they brought these tiny sums from a few others. They scraped together a capital of \$140.

Think of it! Twenty-four poor flannel weavers and \$140, and a plan to revolutionize the business methods of two continents. There is a thrill at the thought of that meager capital—what would it do for you today!—and the little store they opened with it in Toad Lane, Rochdale.

Yet by 1906 there were 1,400 such stores in the United Kingdom, and their sales for the year exceeded \$315,000,000.

The little Lancashire shop at first sought only to supply its members with their wants—bacon, candles, shoes and so forth; what they actually did, as the idea spread, was to improve vastly the position of millions of the working class by enabling them to obtain their provisions cheap and pure, to avoid the millstone of debt, to save money, to pass from retail to wholesale trading, and from distribution to manufacturing, building and house-owning and banking.

The membership today is nearly 3,000,000. That means 3,000,000 families in the United Kingdom—upward of 15,000,000 souls, buy as a unit, on the co-operative plan, get their little metal checks with their purchases, and cash these in at stated intervals for their "dividends" or else build up their bank account, with the knowledge that their money is conservatively used in extending yet further the reach of the idea.

Co-operative societies, in the technical sense—as used here—does not cover associations which are primarily for social, provident or religious purposes—such as the Communist experiments in the United States, but does cover societies for the production of wealth, such as agriculture, manufacturing, retail or wholesale distribution, building or house-owning, raising capital, etc.

These workmen's co-operative stores, or distributive societies (referred to as the "Co-Op") flourish all over the country; practically all of them are registered under the Industrial and Provident Societies Act, which constitutes them corporate bodies, with limited liability, and fixes \$1,000 as the maximum any member may hold in the share capital.

Their government is democratic, based on one vote each, for man or woman, their members or shareholders, and the committee-men or directors are almost exclusively the more provident of the working class.

They Share in Profits

THEIR method is modeled on the original Rochdale plan, with modifications. It varies slightly in different societies, but the following is a general working basis.

Membership is open to anyone who pays a small entrance fee (25 cents) and signs a pledge for a \$5 share, which can be paid for out of the profits. For years it has been possible for any member to withdraw his shares in cash at par. With each purchase the member is given metal discs (sometimes paper) equivalent to the amount spent, and at the end of each quarter this stack of metal discs, or book of paper coupons, exactly represents the member's expenditure with the co-operative society during that period. At the end of the quarter, a limited interest (never more than 5 per cent, and frequently less) on shares and, in some societies, paying a proportion of profit to the employees, the surplus is divided to the members in proportion to their purchases. In some societies non-members can cash in their discs also, but for half-dividends.

Thus there is every incentive for the member to do all the purchasing at the "Co-Op," since the money spent becomes a sort of capital, which draws interest

in proportion to its size; and also there is the incentive to bring others there to purchase also, since the more members, the bigger the operation of the store, the better the wholesaling facilities, and the larger profits—which, analyzed down, means the cheaper the cost of living. Stripped, it means the member is getting the goods at cost; and the cost is low in proportion as the purchasing or manufacturing is large.

And this dividend on members' purchases is a real thing; it averages 12 cents on the dollar, thus the dividend on three months' purchases is sizeable. If you could purchase the necessities of life, food and clothing at a price that met any other fair store in town, and could count on a 12 per cent rebate on all you spent, would it interest you?

Occasionally the prices of the co-operative stores have been slightly higher than those of private stores, but the effect was merely that the member saved what before was the retailer's profit, and every time he made a purchase put a few cents in his bank account, since he had just that much more coming to him on settling day.

Purchasing Depots in Many Cities

HERE is a typical example of a co-operative business. The North of England Wholesale Society began business in Manchester in 1864, and in 1871 became the English Wholesale Society.

This organization has purchasing and forwarding depots not only in England and Ireland, but in New York, Hamburg, Rouen, Copenhagen and Calais. It is the wholesale arm for a large group of societies.

The societies make bread, butter, clothes, boots, furniture, millinery, flour; often farm land; and invest increasing sums in building cottages to rent or sell to their members; also loans much money to members desiring to build.

Another remarkable development of the Labor Co-partnership idea produced the famous South Metropolitan Gas Company, of London, which before the war had more than \$2,000,000 invested in it, by nearly 7,000 employees.

The number of societies today is 1,560, many of them with many stores called "branches," and with nearly 150,000 employees, of which total 80,000 are engaged in the distribution end of the business, and the balance in the productive end. The year's business

transacted by all the societies runs over \$500,000,000, with profits of \$60,000,000.

The difference between the English and the Continental co-operative systems is simply the interpretation of the word "credit." The Rochdale idea, and all its followers to this day, oppose the "credit" system; in other words, no member could spend against his future income. On the Continent, co-operation seeks by collective credit to put into the hands of working peasants, craftsmen and traders, the stock and tools with which to labor. The credit opposed by the English is the "credit for consumption"—the road to poverty; the credit sought by the Continent is the "credit for production"—the road to well-being.

Another form of co-operation, developed almost everywhere except in Great Britain, is agricultural.

The co-operation affects production, marketing, ownership of expensive machinery in common, and insurance against risks. Thus the small farmer obtains the same advantages as the big farmer.

Denmark has developed it to a point of great success, the farmers practicing it in every form except for raising capital, which has seemed to be unnecessary. The Danish farmer, a century or so ago a serf, today is almost always a freeholder. The great educational movement of the middle nineteenth century in Denmark had remarkable results, and the regeneration of agriculture was one of them. The Rochdale plan, that is, the British co-operative store plan, entered the country about the same time, and in 1882 co-operation in agriculture began.

Almost every Danish village has its co-operative dairy, which can handle milk from 200 to 1,400, and even 2,000 cows. These dairies are productive societies in which the cow-owners are the shareholders, and all shareholders have equal rights and equal voting power, whether owning one cow or one hundred. They handle more than four-fifths of all the milk used in Denmark, and produce about \$50,000,000 worth of butter a year.

Similar co-operative organizations handle other phases of agriculture—collective buying of fodder, fertilizers and agricultural and household requisites, collecting and exporting eggs, bacon-curing, bee-keeping, fruit-growing and so forth. The bacon-curing societies are of great size. Certainly, whether through co-operation or not, farming in Denmark has transformed the country from one of the poorest to one of the richest in Europe.

In my next article, to be published next week, I shall tell of other co-operative plans for buying and distributing goods and making loans in Continental Europe, and their success.

Mr. Burleson Has Carried an Umbrella 38 Years



POSTMASTER-GENERAL BURLESON

IN AT least three ways, Postmaster-General Albert Sidney Burleson is different from every other man in public life. There has not been a day—rain or shine—during the past 38 years that he has not carried an umbrella with him, no matter whether he was calling at the White House, going to a social function, inspecting a field of cotton on his Texas farm, or attending to his duties of running the Post Office Department for the people of the United States, and taking the blame whenever your mail is late or misdirected.

A few years ago Mr. Burleson was visiting Texas during the worst drouth that had been experienced in more than 20 years. There had been no rain for over two years and the sky was as clear as a country girl's complexion. The whole state was sizzlingly hot and annoyingly dusty. One of the old-timers kept looking at the umbrella clutched tightly in the grip of the cabinet member, and finally blurted out, "Say, Mr. Burleson, are you expecting the drouth to be broken right soon or are you aiming to hook up with the Baptists?"

This brought forth a broad smile on the sedate features of the head of the mail service, and this explanation: "I've been carrying an umbrella ever since I was nineteen. At that time I had an attack of white swelling, necessitating the use of some aid in walking. I knew that if I used a cane all the boys would gibe me, so I quietly resorted to the use of an umbrella for that purpose, thus avoiding all debate and comment. That's how the habit started and I guess I'll stick to it the remainder of my days."

The second distinctive feature about the Postmaster-General is his peculiar style of headgear. You will note by his picture that he sports a hat of the vintage of long, long ago. It is claimed that a little store at San Antonio, Texas, is the only place that still keeps that remote style in stock. His friends claim he adopted that particular brand at the time he first regaled himself in long pants.

There are men heartless enough to compare the mail service with his headgear.

The third peculiarity is his shoes. He has never worn a pair of ready-made shoes in his life. An old cobbler at Austin, Texas, has made his shoes for the last 40 years. They are comfortably ample as to style of architecture.