

FIFTH CONGRESS
OF THE
International Co-operative Alliance.

REPORT OF PROCEEDINGS

AT THE

FIFTH CONGRESS

OF THE

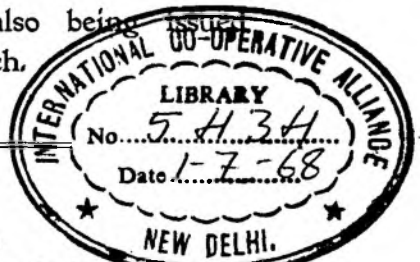
INTERNATIONAL CO-OPERATIVE ALLIANCE,

Held AT

Manchester, 21st to 25th July, 1902.

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ICA

The same Report is also being
in French.



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HENRY W. WOLFF.
Chairman of the Alliance.



E. O. GREENING.



J. C. GRAY.

Joint Honorary Secretaries of the Alliance.
(1895-1902.)

PREFACE.

The Manchester Congress reported upon in this Volume is the fifth general gathering that the International Co-operative Alliance has convened.

The Alliance was formed in 1895, with the object of bringing co-operators of all countries into touch with one another, so as to enable them to afford one another mutual support, to learn from one another, to discuss in common subjects of common interest, to speak in public with a common voice, and to act in common so far as may be judged expedient, without attempting to interfere in the affairs of any individual association or union of societies.

After a preliminary Conference, held at the Crystal Palace in 1893, the International Co-operative Alliance was actually constituted at its first Congress, held in London in 1895. The second Congress was held at Paris in 1896, the third at Delft in 1897, and the fourth once more at Paris in 1900.

The International Alliance has kept steadily increasing in membership and extending its sphere of activity, which now embraces eighteen different countries (counting Germany as one), situated in Europe, Asia, America, and Australia.

Of the five Congresses held, the last, here reported upon, has been the best attended, the one in the proceedings of which most interest and spirit were shown, and also the one which by common consent seems likely to prove the most useful in its results. No fewer than 261 co-operative organisations, associations, or national unions of societies, were represented collectively by 546 delegates, of whom some, here counted singly, acted for several societies. The addition of individual members, members of the Congress only, and invited guests brings up the number of persons entered as attending to 575.

The two main questions discussed were the Housing Problem and Land Settlement. On both of these, papers were contributed dealing with these subjects from various points of view, by men of varied practical experience in different countries.

In all its Congresses the International Co-operative Alliance has made a special feature of reports describing the actual condition of co-operation in various countries, contributed by competent writers in each country. The collection of such reports presented to the Manchester Congress and reproduced in this Volume is more complete than any that has preceded it.

In addition there is this time a series of reports upon the position of Profit-sharing in various countries, the authors of which are well-known authorities upon their subject. As a conspectus of profit-sharing methods and their results this series is probably unique.

For the first time in the history of the Alliance an Exhibition of co-operative products, alike industrial and agricultural, was held in connection with its Congress. The Exhibition, displaying goods contributed by 59 British and 32 foreign co-operative societies, and completely filling the largest covered space available in Manchester, is generally allowed to have been a signal success, as full of interest as it was rich in variety of exhibited articles. It may be taken to have established the fact that Co-operative Production has made good its position in the world as a productive power well able to compete in the open market on equal terms with other forms of production.

Another feature of peculiar interest is to be found in the visits paid to some of the most representative co-operative establishments within easy reach of Manchester. Those visits are allowed to have proved extremely interesting to those who took part in them, and the accounts here given of the several establishments visited may prove interesting to a wider public.

For the first time the Congress Report is issued at the same time in two distinct languages, English and French.

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- 1.—**Election of Members.** (Central Committee Meeting, Monday, 21st July, moved by Prof. C. Gide, seconded by Count de Rocquigny, and M. E. de Boyve). P. 227.

“That every application for election to the Alliance, whether on the part of a Society or of an individual, be made through the intervention of the Bureau of the National Section, or of one of the National Sections, of the country to which the Society or individual belongs.”

- 2.—**Profit-Sharing.** (Profit-sharing Meeting, Monday, 21st July, moved by Mr. G. J. Holyoake, seconded by M. E. de Boyve). P. 235.

“That it is desirable that propaganda in favour of profit-sharing should be undertaken, especially amongst employers, by showing them the advantages which are likely to result to themselves from the practice, and inducing them to adopt it more generally.”

- 3.—**Rules of the Alliance.** (Congress Sitting, Tuesday, 22nd July, moved by Mr. J. C. Gray, seconded by Mr. McInnes). P. 270.

“That the following Clause be substituted in the place of the present Clause 3 of the Rules of the Alliance :—

“The International Co-operative Alliance shall be a Union composed, so far as is possible, of co-operative societies and organisations. In respect of countries in which co-operation is, in the opinion of the Central Committee, still so insufficiently organised as to warrant such course, it shall be within the power of the Central Committee to elect individuals as members of the International

Co-operative Alliance. Such individuals shall have the same rights as members delegated by societies, except that they shall not be entitled to vote singly at Congresses. It shall, however, be within their power to appoint one representative to exercise the right of voting for every ten or an excess fraction of ten members."

4.—**The Housing Question.** (Congress Sitting, Wednesday, 23rd July, moved by Mr. W. Maxwell, seconded by M. A. Micha). P. 341.

"That this Congress, having heard and discussed various reports laid before it upon the methods in use in different countries for providing dwellings for working men and their families by co-operative means, is of opinion that co-operation offers the most useful method for providing such dwellings, urges co-operative societies in all countries to give their early and earnest attention to the matter, and holds that the employment of part of the working men's savings accumulated in savings banks or elsewhere for advances to co-operative societies engaged in such work constitutes a very legitimate method of employing such money."

5.—**Land Settlement.** (Congress Sitting, Thursday, 24th July, moved by Mr. G. J. Holyoake, seconded by M. G. J. D. C. Goedhart). P. 380.

"That this Congress, having heard and considered various reports laid before it upon the methods in use in various countries for settling small cultivators on the land, is of opinion that co-operation affords a very useful method for attaining the said object, and urges upon co-operative societies having substantial funds at their disposal the employment of such funds in such or some similar way towards the end indicated."

6.—**Co-operators and Peace.** (Congress Sitting, Friday, 25th July, moved by Prof. C. Gide, seconded by Dr. Slotemaker). P. 393.

"That this Congress notes with satisfaction the Resolutions passed by the Peace Congress recommending the International Peace Bureau to act in concert with Co-operative Societies, and on the part

of the International Co-operative Alliance declares its readiness to enter into relations, as desired, with the International Peace Bureau, and to co-operate with it for the establishment of universal peace."

- 7.—**Co-operators and Arbitration.** (Congress Sitting, Friday, 25th July, moved by Mr. T. Bland, seconded by M. Romanet). P. 395.

"That this Congress, composed of delegates from a large number of countries, being advised of the proposal made by Mr. Thomas Barclay (late Chairman of the British Chamber of Commerce of Paris), in favour of a permanent Arbitration Treaty between the United Kingdom and France, and being of opinion that the conclusion of such Treaty would constitute an inestimable benefit not only for the two countries concerned, but for the whole world, and would serve as a telling example, endorses most heartily the proposition made, and expresses the wish that it may be carried into effect at as early a date as it is at all possible."

- 8.—**The Alliance as an Industrial Peacemaker.** (Congress Sitting, Friday, July 25th, moved by M. E. de Boyve, seconded by Prof. C. Gide). P. 410.

"That we preach union among all men, whatever may be their class, their religion, or their country, with the object of perfecting commercial and industrial organisation on co-operative lines, in accordance with the principle of the Rochdale Pioneers. This Alliance has its foundation in true brotherhood, which knows of no distinctions between classes."

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(Chairman of the Congress)		

FIRST PART.

THE INTERNATIONAL
CO-OPERATIVE ALLIANCE
AND
CONGRESS ARRANGEMENTS.

The International Co-operative Alliance.

Honorary President :—Right Hon. Earl Grey.
Chairman :—Henry W. Wolff.
Treasurer :—Joseph Greenwood.
Hon. Secretary :—J. C. Gray.
Members of Bureau :—D. McInnes, F. Hardern,
 W. Maxwell.

CENTRAL COMMITTEE.

Austria ...	... Karl Wrabetz.
Belgium ...	... Leon d'Andrimont, A. Micha, V. Serwy.
Denmark ...	... M. P. Blem, S. Högsbro.
France ...	... E. de Boyve, Ladousse, Charles Gide, Comte de Rocquigny, R. Barré, L. Héliès.
Germany ...	... H. Crüger, H. Häntschke, O. Haven- stein, H. Kauffmann.
Holland ...	... A. E. Elias, G. J. D. C. Goedhart.
Hungary ...	... Count A. Károlyi.
Italy ...	... Luigi Luzzatti, A. Maffi, Lorenzo Ponti, F. Guasti.
Russia ...	... J. Gérébiatiff.
Servia ...	... M. Avramovitch.
Spain ...	... J. Salas Anton.
Sweden ...	... G. H. von Koch.
Switzerland ...	... Hans Müller, J. F. Schär.
United Kingdom...	... Henry W. Wolff, Joseph Greenwood, J. C. Gray, W. Maxwell, D. McInnes, F. Hardern.
United States ...	... N. O. Nelson, James Rhodes.

PROFIT-SHARING COMMITTEE.

V. Böhmert, James Deans, E. O. Greening, G. J. Holyoake,
 D. F. Schloss, Henry W. Wolff, L. Reece, Alfred Micha,
 Duc de Monteléon, Rev. N. Paine Gilman, N. O. Nelson,
 Laroche-Joubert, de Boyve, M. Romanet, A. Trombert,
 J. Van Marken, Buffoli, J. F. Schär.

List of Members

OF THE

International Co-operative Alliance.

AUSTRALIA.

INDIVIDUAL MEMBER.

Mr. J. Plummer.

AUSTRIA.

SOCIETIES.

Laibach Gospodarska-Zoeza.
 Prague Verband der böhmischen Vorschusskassen.
 Vienna Allgemeiner Verband deutscher Genossenschaften.

INDIVIDUAL MEMBER.

Herr Karl Wrabetz.

BELGIUM.

NATIONAL SECTION.

MM. Micha, (President); Poffé, (Treasurer); Serwy, (Secretary).

SOCIETIES.

Bruxelles Fédération des Sociétés coopératives du Parti Ouvrier belge.
 Bruxelles Maison du Peuple.
 Bruxelles L'Union Economique.
 Ellezelles Union des Tisserands d'Ellezelles.
 Ghent Vooruit.
 Grandheez Campagnards Socialistes de Grandheez.
 Jolimont Le Progrès.
 Liège Fédération des Banques populaires belges.
 Tournai La Prévoyante.
 Waremme La Justice.
 Zele La Coopérative de Zon de Zele.

INDIVIDUAL MEMBER.

M. Léon d'Andrimont.

DENMARK.

NATIONAL SECTION.

MM. M. P. Blem, Alex. Poulsen, Severin Jørgensen, Svend Høgsbro,
 Niels Pedersen, Niels Rasmussen, Hempel-Syberg, Håns Jensen, Frederic
 Möller, Viggo Ulrik, Anders Nielsen.

SOCIETY.

Copenhagen ... Andelsudvalget.

FRANCE.

NATIONAL SECTION.

MM. Count de Rocquigny (President); Ladousse, (Secretary)

SOCIETIES.

Amiens	L'Union.
Angeac	Syndicat agricole et viticole.
Asnières.....	Société Coopérative La Solidarité.
Belval.....	Syndicat agricole de la Manche.
Clichy	Société Coopérative L'Economie Sociale.
Cherbourg	Société Coopérative La Fraternelle.
Cognac	Société Coopérative des Viticulteurs de Cognac et des Charentes.
Digne.....	Société Coopérative L'Economie.
Grenoble	Fédération des Sociétés coopératives de consommation des Employés des chemins de fer P.L.M.
Grenoble	Société Coopérative de consommation des Employés des chemins de fer P.L.M.
Guisse	Société Coopérative Le Familistère de Guise.
Limoges.....	Société Coopérative L'Union.
Lyons.....	Société Coopérative agricole du Sud-Est.
„ „	Les Viticulteurs du Beaujolais et du Sud-Est.
Marseille	Centre Fédératif du Crédit Populaire en France.
Mentone	Société Coopérative La Banque Populaire.
Montpellier	Société Coopérative Les Equitables Vignerons du Bas-Languedoc.
Nantes	Société Coopérative L'Economie.
Nîmes.....	Société Coopérative L'Abeille Nîmoise et Solidarité.
Paris	Association Coopérative d'ouvriers tailleurs de glaces.
„	Société Coopérative L'Avenir de Plaisance.
„	Banque Coopérative des Associations ouvrières de production.
„	Bourse Nationale des Sociétés Coopératives Socialistes.
„	Chambre Consultative des Associations ouvrières de production.
„	Société Coopérative L'Imprimerie Nouvelle.
„	„ „ La Lithographie Parisienne.
„	„ „ La Participation
„	„ „ Redouly Valmé et Cie., (ancienne maison Leclair.
„	Société Coopérative " Le Travail. "
„	La Bellevilloise.
„	La Prévoyante.
„	La Coopération Socialiste.
„	La Famille Nouvelle.
„	Union Coopérative des Sociétés Françaises de consommation.
„	Société Coopérative L'Utilité Sociale.
„	„ „ de consommation du XVIIIème arrondissement.
Puteaux	Société Coopérative La Revendication.
Ravières	L'Espérance Coopérative.
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Sotteville	Fédération des Sociétés Coopératives de Consommation de la région du Nord-Ouest.
St.-Remy-sur-Avre	Société Coopérative La Philanthropique.
Suresnes.	„ „ L'Abeille Suresnoise.
Roubaix	„ „ L'Union.

INDIVIDUAL MEMBERS.

Messrs. Andry, H.	Messrs. Larnage, Baron de
Bouchemousse, H.	Legrand, A.
Boyve, E. de	Mabilleau, L.
Buisson, H.	Rocquigny, Count de
Clement, H.	Rostand, Eug.
Fitsch, Félix	Rozeray, A.
Gide, Charles	Seilhac, Count L. de
Kergall.	Siegfried, Jules
Ladousse.	Vison de Saint Germain.
Landry.	

GERMANY.

SOCIETIES.

Allgemeiner Verband der deutschen Erwerbs- & Wirtschaftsgenossenschaften.
Verband der Erwerbs- & Wirtschaftsgenossenschaften Schlesiens.
Verband der Erwerbs- & Wirtschaftsgenossenschaften am Mittelrhein.
Verband der Norddeutschen Erwerbs- & Wirtschaftsgenossenschaften.
Verband der Konsumvereine der Provinz Brandenburg.
Verband Thüringer Konsumvereine.
Verband Süddeutscher Konsumvereine.
Verband rheinpreussischer landwirthschaftlicher Genossenschaften.
Verband Ost- und Westpreussischer Genossenschaften.
Verband der Konsumvereine der Provinz Sachsen.
Berlin Kreditverein der Friedrichstadt.
Brandenburg ... Bankverein.
Breslau..... Vorschussverein.
Bockenheim ... Volksbank.
Chemnitz..... Spar- und Kreditverein.
Coblenz Volksbank.
Cosel Vorschussverein.
Gera..... Gewerhebänk.
Gumbinnen Vorschussverein.
Hamburg..... Groseinkaufs-Gesellschaft.
„ Tabakarbeiter-Genossenschaft.
Insterburg Vorschussverein.
Metz..... Syndicat Vinicole du Pays Messin.
„ Crédit Coopératif de Lorraine.
Neustadt a./H. Volksbank.
Rixdorf Vorschussverein.
Speyer Volksbank.
Wiesbaden Vorschussverein.

INDIVIDUAL MEMBERS.

Dr. Alberti.	Dr. Havenstein.
„ Crüger.	„ Wygodzinski.
Herr Häntschke.	

HUNGARY.

INDIVIDUAL MEMBERS.

Dr. S. Bernat, Herr György Endré.

INDIA.

INDIVIDUAL MEMBER.

✓ Mr. Ambika Charan Ukil.

ITALY.

SOCIETIES.

Milan Unione Cooperativa.
 Milan Lega Nazionale delle Cooperative italiane.
 Piacenza Federazione italiana dei consorzi agrari.

NETHERLANDS.

NATIONAL SECTION.

✓ Messrs. Dr. A. Rutgers (President); Th. Cieremans (Secretary); G. W. Zantvoort, A. J. Van Peski, J. K. Jung, C. H. Kouw, A. Groeneveld, C. Eekhout, G. J. Bieleman, F. E. Posthuma, C. M. R. Couquerque.

SOCIETIES.

Akkrum Cooperatieve Stoomzuivelfabriek.
 Akmarijp Cooperatieve Stoomzuivelfabriek.
 Amsterdam Volksbroodbakkerij en Verbruiksvereniging "Vooruit."
 Amsterdam District Amsterdam Vereeniging Eigenhulp.
 Amsterdam Maatschappij voor Kledermakers en Naaisters "de Voorpost."
 Arnhem Cooperatieve Winkelvereniging van Eigenhulp.
 Elfde Cooperatieve Zuivelfabriek.
 Enschede Cooperatieve Melkinrichting en Zuivelfabriek.
 Giekerk Cooperatieve Zuivelfabriek en Trynwalden.
 's Gravenhage ... Nederlandsche Coop. Bond.
 's Gravenhage ... Vereeniging Eigenhulp.
 's Gravenhage ... Coop. Winkelvereniging Eigenhulp.
 's Gravenhage ... Coop. Broodbakkerij en Verbruiksvereniging "de Volharding."
 's Gravenhage ... Coop. Vleeschhouverij Eigenhulp.
 's Gravenhage ... District 's Gravenhage Vereeniging Eigenhulp.
 's Gravenhage ... Coop. Afdeeling Kleedingen uitrusting van Eigenhulp.
 's Gravenhage ... Coop. Vereeniging Aardappelen en Brandstoffenvereen. van Eigenhulp.
 Groningen Coop. Landbouwvereniging.
 Grouw Coop. Zuivelfabriek.
 Haarlem District Haarlem Vereeniging Eigenhulp.
 Hof van Delft ... Gemeenschappelijke Eigendom Agneta Park.
 Hof van Delft ... Van Marken's Drukkerij Agneta Park.
 Leeuwarden Coop. Handelsdrukkerij.
 Leeuwarden Maatschappij tot expl. v. d. Kruidenierswinkel.
 Nijmegen Coop. Winkelvereniging van Eigenhulp.
 Nunspeet Maatschappij "de Veluwe."
 Roermond Zuid-Nederlandsche Zuivelbond.
 Roordahuizum ... Coop. Zuivelfabriek "de Eendracht."
 Rotterdam Rotterdamsche Coop. Verbruiksvereniging.
 Utrecht District Utrecht van Eigenhulp.
 Utrecht ... Utrechtsche Coop. Verbruiksvereniging van Eigenhulp.
 Venlo Coop. Winkelvereniging.
 Vlissingen Coop. Winkelvereniging Eigenhulp.

NETHERLANDS.—Continued.

Vorden Coop. Zuivelfabriek.
 Weidum Bond van Coop. Zuivelfabrieken in Friesland.
 Zutphen... .. Geldersch-Overijselsche Zuivelbond.

INDIVIDUAL MEMBERS.

Belinfante, M. E.	Löhnis, F. B.
Bergh, van den, Z.	Loup, Macalister, R.
Boudewijnse, J. H.	Mansholt, J.
Brinkmann, T. H.	Merlen, ter, Mij. Joh.
Clercy, de, M. P.	Pekelharing, Prof.
Drucker, W.	Peereboom-Voller, F. Th.
Elias, Dr. A. E.	Rengers, von Welderen, Th. Baron
Epenhuizen, van, C. A.	Ruijven, van, H. C.
Escury, d', Baron Collot	Schill, J. F.
Goedhart, G. J. D. C.	Terf, A.
Goot, van der	Traub, Prof. Dr. M. F.
Hansen, L. J.	Tuijtel, J. G.
Hibma, J. G.	Vlekke, J. T.
Hugenholtz, Mij. Meta.	Wierdels, F.
Ising, J. H.	Yitta, Dr. Joseph
Kemper, de Boësch, G.	Yong, de, D. J.
Kerdijk, A.	

RUSSIA.**SOCIETIES.**

Helsingfors Pellervo.
 Kamenetz. Syndicat agricole de Podolie.

INDIVIDUAL MEMBERS.

Messrs. J. Gérébiatiew, N. A. Reitlinger.

SERVIA.**SOCIETY.**

Belgrade Union Générale des Sociétés Coopératives Agricoles Serbes.

SPAIN.**NATIONAL SECTION.**

MM. Conde de San Bernardo (President); J. Piernas y Hurtado, (Vice-President); Pablo de Alzola, Adolfo A. Buylla, Eduardo Saury Eccartin, Vicente Santamarie de Paredes, Juan Salas Anton, Pedro Vines Remon, Salvador Burqueti, Frederico Arriaga, Jose de Urbina, Francisco Rivas Moreno, Jose de Olozaga, (Secretary).

SOCIETY.

Barcelona Camara Regionale de las Sociadadas cooperativas de Cataluna.

INDIVIDUAL MEMBERS.

Messrs. Gorria, Hermenegildo; Hurtado, Piernas y; Monteléon, le Due de.

SWEDEN.**NATIONAL SECTION.**

Messrs. G. H. von Koch, J. Aberg, K. G. Rösling.

SWEDEN.—Continued:

SOCIETIES.

Kooperativa Förbundet.
Kooperativa Partihandels Föreningen.

INDIVIDUAL MEMBERS.

Messrs. G. H. von Koch, Lagerstedt, F. Oscar.

SWITZERLAND.

NATIONAL SECTION.

MM. J. F. Schär, (President); Ch. Gass, (Vice-President); Dr. A. Brunner, G. Heckendorn, Dr. R. Kündig.

SOCIETIES.

Bâle Union Coopérative suisse.
Bâle Verband schweizerischer Konsumvereine.

UNITED KINGDOM.

NATIONAL SECTION.

Messrs. H. W. Wolff, (Chairman); Joseph Greenwood, (Treasurer); J. C. Gray, (Hon. Secretary); E. Booth, W. H. Brown, F. A. Ciapessoni, F. Hardern, W. Maxwell, D. McInnes, J. T. Taylor.

SOCIETIES.

Aberdare	Burslem
Accrington and Church	Carlisle
Airedale Worsted Manufacturing	Carnforth
Alcester	Cefn and District
„ Needlemakers	Central Committee of Women's Co-
Amalgamated Union of Co-operative	operative Guild
Employees (Manchester)	Clayton-le-Moors
Amble	Cleator Moor
Ashington Industrial	Clown
Ashton-under-Lyne	Colchester and East Essex
Bamfurlong	Compstall
Banbury	Co-op. Insurance—Manchester
Basford Wickerworkers	„ Newspaper „
Batley	„ Printing „
Bedlington	„ Productive Federation
Bedminster	„ (Leicester)
Berkhamstead	„ Sundries Mfg., (Droylsden)
Bingley	„ Union—Manchester
Birkenshaw	„ Wholesale Society
Birmingham Industrial	Coventry Perseverance
Birtley	Cramlington
Bishop Auckland	Crewe Friendly
Blackburn—Daisyfield	Cwmtylery
„ Grimshaw Park	Darlington
Blaenavon	Darwen Industrial
Blaina	Delph Industrial
Blaydon-on-Tyne	Derby
Bolton	Desborough
Boston	„ Boot and Shoe
Bradford Cabinet Makers	Doncaster
„ City of	Droyl-den
Bridge End—(Todmorden)	Dudley Bucket and Fender
Brightside and Carbrook	Durham
Brighton	Eccles Manufacturing
Bristol and District	Eccles Provident
Burnley Self-Help Manufacturing	Ecclesall

UNITED KINGDOM.—Continued.

Egremont	London—Canteen and Mess
Ellesmere Port	„ Co-op. Brotherhood Trust
Epsom	„ Co-op. Institute
Exeter	„ General Builders
Failsworth Branch of Women's Co-operative Guild	„ Labour Association
Farnworth and Kearsley	„ National Co-op. Festival
Finedon Boot and Shoe	„ Working Men's Club
Fleetwood	Londonderry
Gainsborough	Longtown
Gateshead	Macclesfield
Glossop Dale	„ Silk Manufacturing
Grantham	Manchester and Salford Equitable
Grays	Maryport
Great Horton	Masborough Branch of Women's Co-operative Guild
Greenfield	Meltham Industrial
Halifax Flour	Mold Junction
„ Industrial	Morley
Halstead	Mossley
Haslingden Industrial	Moulton
Hebden Bridge Fustian Mfg.	Nantwich Boot and Shoe
Heckmondwike	Newcastle-on-Tyne
Heywood	Netherfield
Horbury	New Mills
Horwich	Newport (Mon.)
Hucknall Torkard	Newtown
Huddersfield	North Shields
Hyde	Nuneaton
Ikeston	Oldham Equitable
Irish Agricultural Organisation—	„ Industrial
Dublin	„ Star Corn Millers
Jarrow and Hebburn	Oxford
Keighley Industrial	Pegswood
„ Ironworks	Pendleton
Kettering Boot and Shoe	Peterborough
„ Clothing	Portsea Island
„ Corset	Preston
„ Industrial	Prestwich
„ "Union" Boot and Shoe	Queensbury
Kidderminster	Radcliffe and Pilkington
Kingston-upon-Hull	Rawtenstall Industrial
Lancaster and Skerton	Reigate
Langley Mill and Aldercar	Rhodes
Leeds	Ripley
Leicester "Anchor" Boot and Shoe	River and District
„ Boot and Shoe	Rochdale Equitable Pioneers
„ Hosiery	Rochester and District
„ Industrial	Roe Green, Worsley
„ Printing	Rothwell Boot and Shoe
Leigh Friendly	Runcorn
Lincoln Equitable	Ryhope and Silksworth
„ Land and Building	Selby
Littleborough	Silverdale
Liverpool, City of	Sheffield Cutlery
London—Agricultural and Horticultural Association	Skelmersdale
„ Agricultural Organisation Society	South Shields
	Sperope Boot and Shoe, Barwell
	Sowerby Bridge Flour

UNITED KINGDOM.—Continued.

St. Mary Cray	Walsall Padlock
Stanton Hill	Warrington
Station Town	West Wylam and Prudhoe
Stockport	Whitby
Stratford	Willington Quay and Howdon
Sunderland	Windhill
Tamworth	Windy Nook
Ten Acres and Stirchley	Winnington
Thomson, Wm. & Sons	Wooldale
Todmorden Industrial	Woolwich, Royal Arsenal
Ton Industrial	Worcester New Industrial
Torquay	Workington Bee-Hive
Tow Law	" Industrial
Toxteth (Liverpool)	Worksop
Uppermill	Wrexham
Walkden	Ynysybwll
Walker-on-Tyne	York

SCOTLAND.

Bainsford and Grahamstown	Glasgow—"Scottish Co-operator"
Barrhead	Newspaper
Camelon	" United Baking
Clydebank	Grahamstown and Bainsford
Coatbridge	Hawick
Cowlairs	Kilbarchan
Dalziel	Kilmarnock Equitable
Dunfermline	Larbert
Edinburgh—St. Cuthbert's	Lochgelly
Glasgow—Drapery and Furnishing	Musselburgh and Fisherrow
" Eastern (Educ. Com.)	Paisley Equitable
" Kinning Park	" Manufacturing
" St. George	" Provident
" St. Rollox	" Underwood Coal
" Scottish Co-op. Wholesale Society	Perth, City of
	Stenhousemuir Equitable
	Vale of Leven—(Alexandria).

INDIVIDUAL MEMBERS.

Allsop, Mr. Thomas,	Heyworth, Mrs.
Appleby and Wood, Messrs.	Hole, Mr. E. J.
Brown, Mrs.	Holyoake, Mr. G. J.
Buxton, Mr. F. W.	Kitchin, The Very Rev. Dean
Cameron, Mr. W. N.	Ludlow, Mr. J. M., C.B.
Candy, Mr. F. J.	Madden, Miss H. C.
Carter, Mr. Bonham	Manchester, The Lord Bishop of
Chance, Sir William	Marshall, Professor A.
Chancellor, Mr. C.	Martineau, Miss L. E.
Charleton, Mr. W.	Mason, Mr. Amos
Chitty, Mr. Edward	Mather, Mr. J.
Clarke, Sir John	Pratt, Mr. Hodgson
Clarke, Nicholls & Coombs, Messrs.	Ripon, The Marquis of
Coombs' Eureka Flour Co.	Shadbolt, Mrs.
Corbett, Mr. A. C.	Stamford, Right Hon. Earl
Debenham, Mr. Frank	St. John, Captain A.
Fawcett, Mr. J. W.	St. John, Mrs. A.
Fletcher, Mr. C. E.	Taylor, Messrs. J. T. and J.
Fortescue, Hon. D. F.	Thomasson, Mr. J. P.
Fry, Dr. P. C.	Tubbs, Mrs.
Greenwood, Mr. Joseph	Williams, Mr. Aneurin
Grey, Right Hon. Earl	Wilson, Mr. H. J., M.P.
Grinling, Rev. C. H.	Yerburgh, Mr. Robert, M.P.
Hartley, Mr. J. F.	

Rules of the International Co-operative Alliance.

As Amended at the Manchester Congress.

I.—OBJECTS OF THE INTERNATIONAL CO-OPERATIVE ALLIANCE.

CLAUSE I.—The objects of the International Co-operative Alliance are :—

- (1) To make the co-operators of all countries acquainted with one another.
- (2) To study in common, with a view to improving the condition of the working-classes, and to extend among the co-operative societies of every kind, among different nations and in the public opinion of all the world, the true principles and the best methods (*a*) of co-operation in every form, organised without the interposition of the State, (*b*) of profit-sharing, (*c*) of an association of labour with capital, (*d*) of the remuneration of workmen and other employees, all this while taking for its basis the deliberations of the first Congress of the Alliance, held in London in the days from 19th to 23rd August, 1895, but without presuming to impose upon anyone, as a condition of admission to the Alliance, the acceptance of any uniform type of Rules, of systems, or of regulations.
- (3) To hasten, by all means of propaganda at its disposal—the sharing of profits with the employees being equally admissible in all forms of co-operation—the moment when all societies bearing the name of “co-operative,” whether productive, in agricultural or industry, distributive, or devoted to credit or to house-building, will have organised, for the benefit of labour, a system of profit-sharing extended to their entire staff, without exception, and will have laid down in their Rules the duty of practising such profit-sharing.
- (4) To establish, in the common interest, commercial relations among the co-operators of the several countries.

CLAUSE 2.—The Alliance concerns itself with neither politics nor religion.

Co-operation is neutral ground, on which people holding the most various opinions and professing the most different creeds may meet and act in common. In order that such neutrality, on which the unity of the co-operative movement depends, may be maintained, every individual and every society joining the Alliance accepts the principle that co-operation is sufficient for itself, and should not be turned into an instrument for the benefit of any particular party.

2.—MEMBERSHIP IN THE INTERNATIONAL CO-OPERATIVE ALLIANCE.

CLAUSE 3.—The International Co-operative Alliance shall be a Union composed, so far as is possible, of co-operative societies and organisations. In respect of countries in which co-operation is, in the opinion of the Central Committee, still so insufficiently organised as to warrant such course, it shall be within the power of the Central Committee to elect individuals as members of the International Co-operative Alliance. Such individuals shall have the same rights as members delegated by societies except that they shall not be entitled to vote singly at Congresses. It shall, however, be within their power to appoint one representative, to exercise the right of voting, for every ten or an excess fraction of ten members.

CLAUSE 4.—No group, federation, society or individual person may become a member of the Alliance unless admitted as such, on the recommendation of the majority of those members of the Central Committee who represent the country to which such organisation or person belongs, by resolution of the Executive Committee in London, to be constituted as provided for in Clause 29 of these present Rules.

CLAUSE 5.—Such members of the Alliance, whether societies or individuals, as have not paid their subscription are not to be admitted to the Congress of the Alliance, and if they do not pay within a term of six months from the time at which the subscription had fallen due, their names may be struck off the roll of members by resolution of the Central Committee, to be constituted as is laid down in Clause 27 of these Rules.

CLAUSE 6.—The Congress may, at the instance of the Central Committee, by resolution cause any member, no matter whether it be a society or an individual, to be struck

off the members' roll of the Alliance, who or that is found, instead of working for the attainment of the common aim, to be acting, no matter with what object in view, in such manner as may threaten to prejudice the interests of co-operation and of the Alliance.

CLAUSE 7.—Every group, federation or society, which becomes a member of the Alliance is required to forward to the Executive Committee in London a copy of its Rules and Regulations, to advise the said Committee of any change which may subsequently take place in such Rules and Regulations, and also to forward to the said Committee: all periodicals, reviews, reports and propagandist publications which may be issued on its behalf.

3.—FINANCIAL REVENUES OF THE ALLIANCE.

CLAUSE 8.—The financial revenues of the Alliance are made up as follows :—

- (1) Of the money to be collected in the shape of subscriptions to be mentioned in Clause 9.
- (2) Of gifts or legacies which may be made or left to it, and of such moneys as may be given by well-wishers in the shape of donations.
- (3) Lastly, of any income which it may derive from its own funds and properties of any kind.

CLAUSE 9.—The smallest annual subscription entitling to membership in the Alliance is fixed at 10s. for a society, and 5s. for an individual.

The rate of subscription will be so fixed as to make the proceeds equal to the general expenditure of the Alliance and to special expenses arising in connection with the printing of the Congress reports and of other publications.

4.—THE OFFICE OF THE ALLIANCE.

CLAUSE 10.—The headquarters of the International Co-operative Alliance is in London, where the Executive Committee, still to be spoken of in Clause 29, has its seat and office.

5.—NATIONAL SECTIONS.

CLAUSE 11.—There may be in every country to which the Alliance extends one or several national sections.

CLAUSE 12.—Every national section lays down at its own pleasure the Rules to govern its own internal organisation.

It may adopt a territorial character as including within it all co-operative groups of a certain fixed district or country, or else be formed specially to embrace only one particular kind of co-operation, within the extent of an entire country or of an entire district.

Should there be several national sections in one country, each one of them will be required to add to the name of the country some particular designation to distinguish it from other sections.

CLAUSE 13.—In any case no national section, whether there be one or more in the same country, may be formed or recognised by the Central Committee otherwise than with the expressed approval of such members of that Committee as represent the country to which the said section belongs.

CLAUSE 14.—Every section so formed and recognised appoints from among its own members one who will be expected to take charge of the correspondence to be carried on with the Executive Committee in London, of the collection of subscriptions from members belonging to the section, and of their transmission to the Treasurer of the Executive Committee.

CLAUSE 15.—The Alliance and its national sections shall, so far as is possible, avail themselves, for any action in which they may engage, of the groups, federations and societies already existing in any particular country.

CLAUSE 16.—The task of developing commercial relations among co-operators shall, in every country, be entrusted to the national section of such country.

To accomplish this task each national section is at liberty to add to its members for this specific purpose other persons such as appear peculiarly adapted for the work.

In the event of a country not possessing a national section, the Central Committee of the Alliance may form one *ex-officio*, authorising it to add suitable persons to its members.

6.—THE INTERNATIONAL CO-OPERATIVE CONGRESS.

CLAUSE 17.—The International Co-operative Alliance meets at an International Co-operative Congress at least once every three years.

Such Congress will meet in such country and such locality as either the preceding Congress or the Central Committee may select.

CLAUSE 18.—Congresses are to be organised and held in accordance with the following regulations, to be completed, if it should appear desirable, by special regulations laid down, for each Congress, by the Central Committee, acting in conjunction with the local Organising Committee, to be mentioned in Clause 19 following.

CLAUSE 19.—The Central Committee of the Alliance is at liberty to authorise the formation of a local Organising Committee in the country in which the next Congress is to be held.

The Central Committee and the local Organising Committee shall designate in concert with one another the Honorary Presidents and Vice-Presidents, and the acting President and Vice-Presidents and Secretaries of the next Congress, and shall, likewise in concert with one another, prepare the list of invitations to attend the Congress, to be issued to societies or persons not forming part of the Alliance.

CLAUSE 20.—The Congress shall discuss co-operative questions of a kind calculated generally to interest co-operators of different countries; it shall receive the report on the progress of work since the preceding Congress to be presented by the Central Committee; it shall consider the motions to be brought forward before it with a view to adoption; it shall select the members of the Central Committee appointed in accordance with Clause 27 of these present Rules.

CLAUSE 21.—Every delegate representing a group, a federation, or a society forming part of the Alliance is required to come to the Congress provided with a regular nomination, signed by the President and the Secretary of his society, and sealed with the society's seal. Upon such nomination being found in order, the delegate is to receive a card of admission marked with his name.

CLAUSE 22.—Any group, federation, or society which has joined the Alliance, is entitled to appoint as many delegates to represent it as it may think fit. But only one of these has the right to vote.

Single persons who are members of the Alliance are admitted only with the right of speaking, not voting; however, any ten of them combining for the purpose, shall have the right to appoint one to represent them, with the right of voting.

CLAUSE 23.—One delegate may be appointed by several of the societies to which reference has been made in the preceding clause, to represent them all ; but such delegate must not represent in all more than five societies.

CLAUSE 24.—An official programme setting forth the questions to be submitted to Congress in respect of each form of co-operation shall be printed and issued before the Congress ; however, the Business Committee of the Congress shall determine the order in which such questions shall be considered.

Any motion proposed outside the four corners of such programme shall be handed in at the close of each sitting for reference to an Examining Committee.

Such motions of this kind, as the Examining Committee approve, shall not be discussed until after the official programme has been exhausted, except in cases voted urgent by the Congress.

CLAUSE 25.—The President directs the discussion, in conformity with these present Rules and with any provisions laid down, for each Congress, in Regulations to be framed in common by the Central Committee of the Alliance and the local Organising Committee.

CLAUSE 26.—A full report of the Congress proceedings shall be prepared by the Secretaries of the Congress. It shall be subject to the approval of the Central Committee, which shall issue it and cause a copy to be forwarded to every member who has paid his subscription.

7.—THE CENTRAL COMMITTEE AND THE EXECUTIVE COMMITTEE.

CLAUSE 27.—There shall be a Central Committee, to which shall be entrusted the task of attending to the interests of the International Co-operative Alliance in the interval between two Congresses.

Such Central Committee shall consist of thirty-seven members belonging to the various countries represented in the International Co-operative Alliance.

Such members are to be designated by the Congress of the year 1896.

Of the Central Committee, so constituted, one half the number of members, representing the various countries, shall retire at the end of each Congress. The outgoing members shall be re-eligible.

CLAUSE 28.—The proportion in which the several countries represented in the Alliance are to be represented

on the Central Committee shall be determined by the Congress, which shall above all things, in making such decision, take into account the present importance of the co-operative movement in every particular country.

CLAUSE 29.—The Central Committee shall appoint an Executive Committee from among its own members, which shall include a President, a Vice-President, a Treasurer and one or more Secretaries.

CLAUSE 30.—The Treasurer shall collect the receipts and pay the outgoings ; he alone is entitled to give a valid receipt for money paid ; he shall act for the Alliance in matters of law and otherwise in official acts.

CLAUSE 31.—The Central Committee has charge of the despatch of all current business.

It may consult and vote by correspondence.

The Executive Committee shall, in such manner as shall still be determined upon by the Central Committee, keep all members of that Committee, in their several countries, advised of everything of any importance that may happen.

CLAUSE 32.—In the event of vacancies occurring in the Central Committee in the interval between two Congresses, the Central Committee shall have authority to fill those vacancies without waiting for the meeting of the next Congress. In such case the Executive Committee shall cause a vote to be taken by correspondence for the election of a member belonging to the same country as the late member.

CLAUSE 33.—The resolutions adopted by the Executive or else the Central Committee, on the ground of Clauses 4 and 5 of these Rules, to sanction or refuse the admission of a member into the Alliance or to decide upon the removal of a member's name from the roll, shall be valid only if passed by a two-thirds majority of the members present.

From the decisions taken in accordance with the preceding passage the person interested shall have a right to appeal to the next Congress. However, such appeal shall not delay the effect of any resolution actually passed.

Summary of Subscriptions and Donations.

		1899-1900..	1900-1901.	1901-1902.
		£ s. d.	£ s. d.	£ s. d.
Australia ...	...	0 11 0	1 0 0	1 0 0.
Austria ...	...	3 17 10	3 18 2	1 0 0 (a)
Belgium ...	...	3 9 2	1 0 0	{ 2 12 11 (b)
				{ 3 3 2 (c)
Denmark ...	...	2 3 11	2 3 11	3 5 11
France ...	..	0 9 11	22 2 4 (h)	{ 18 17 11 (d)
				{ 20 2 9 (e)
Germany ...	...	18 19 6	18 5 7	17 14 9
Great Britain—				
Societies	{	150 4 0	{ 111 13 6	{ 241 12 0
Individuals	{	89 3 0	{ 54 12 6	{ 52 0 0
Holland ...	...	30 9 7	28 11 8	26 13 1
India ...	...	1 0 0	—	1 0 0
Italy ...	...	8 0 0	5 0 0	—
Russia ...	...	0 5 0	0 5 0	0 15 0
Servia ...	...	0 15 7	0 15 7	1 11 3 (f)
Spain ...	...	0 15 0	0 10 0	1 0 0
Sweden ...	...	—	0 8 4	1 13 1.
Switzerland ...	...	6 0 0	3 18 4	— (g)
United States ...	...	1 10 0	1 11 0	6 5 0
West Indies ...	...	1 0 0	1 10 0	—
		<hr style="width: 100%;"/>	<hr style="width: 100%;"/>	<hr style="width: 100%;"/>
		£318 13 6	£257 0 11	£400 6 10
		<hr style="width: 100%;"/>	<hr style="width: 100%;"/>	<hr style="width: 100%;"/>
Totals in Arrear...	—	—	75 6 3	26 14 5

(a) £2 18s. 3d. received July 1st, 1902.

(b) For 1900-1901.

(c) For 1901-1902.

(d) For 1900-1901..

(e) For 1901-1902.

(f) Two Years.

(g) £3 19s. 2d. received July 1st, 1902.

(h) Partly for 1899-1900.

Fifth Congress of the International Co-operative Alliance.

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Rochdale Pioneers Wm. Atkins

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**Co-operative Societies, Members of the International
Co-operative Alliance represented at Congress
by Delegates.**

BELGIUM.

Brussels.....	Fédération des Sociétés Coopératives du Parti Ouvrier Belge. Serwy, V.
Brussels.....	La Maison du Peuple. Lévêque.
Ellezelles.....	L'Union des Tisserands d'Ellezelles. Vinck, E.
Ghent.....	Vooruit. Ansele, E.
Grandheez.....	Campagnards Socialistes de Grandheez. Vander- velde, E.
Jolimont.....	Le Progrès. Bertrand, L.
Liège.....	Fédération Belge des Banques Populaires. Micha, A.
Tournai.....	La Prévoyante. Winter, C. de
Wareme.....	La Justice. Wauters, G.
Zele.....	Société Coopérative de Zon de Zele. Berragon, R.

DENMARK.

Copenhagen.....	Andelsudvalget. Blem, M. P. Høgsbro, S.
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FRANCE.

Amiens.....	L'Union. Béguin, A.
Belval.....	Syndicat Agricole de la Manche. Damecourt, E.
Chateaufneuf (Charente).....	Syndicat Agricole d'Angeac-Charente. Rigaud, E.
Cherbourg.....	La Fraternelle. Boyve, E. de.
Cognac.....	Société Coopérative des Viticulteurs de Cognac. Cruon. Gagey, P.
Digne.....	L' "Econome." Boyve, E. de.
Grenoble.....	Fédération des Sociétés Coopératives de Consomma- tion des Employés des Chemins de fer P. L. M. Chioussé, C.
Lyons.....	Société Coopérative Agricole du Sud-Est. Roc- quigny, Comte de.
Lyons.....	Société des Viticulteurs du Beaujolais et du Sud-Est. Aurran, J.
Marseille.....	Centre Fédératif du Crédit Populaire en France. Dufourmantelle, M.
Mentone.....	Banque Populaire de Menton. Dufourmantelle, M.
Montpellier.....	Les Equitables Vignerons du Bas-Languedoc. Abbe- laus, J.
Nîmes.....	Abeille Nîmoise et Solidarité. Boyve, E. de.
Niort.....	Association des Laiteries Coopératives des Charentes et du Poitou. Dornic, P. Beau.
Paris.....	Banque Coopérative des Associations Ouvrières de Production. Barré, R.
Paris.....	"La Bellevilloise." Héliès, L.
Paris.....	Bourse Nationale des Sociétés Coopératives Socialis- tes de Consommation de France. Guillemain, X.
Paris.....	Chambre Consultative des Associations Ouvrières de Production. Barré, R.
Paris.....	La Coopération Socialiste. Béguin, A.
Paris.....	La Famille Nouvelle. Guillemain, X.
Paris.....	"La Lithographie Parisienne." Romanet, A.

FRANCE.—Continued.

Paris	La Maison. Leclair. Rocquigny, Comte de.
Paris	Muséé Social. Seilhac, Comte. Leon de.
Paris	La Participation. Seilhac, Comte. Léon de.
Paris	"La Prévoyante." Béguin, A.
Paris	Société Civile Co-opérative de Consommation du XVIIIème arrondissement. Gide, C.
Paris	Union Coopérative des Sociétés Françaises de Consommation. Gide, C.
Ravières.....	"L'Espérance." Guillemin, X.
Roubaix.....	L'Union. Duquenne, E., Eloy, F.
St-Rémy-sur-Avre	Société Philanthropique Coopérative de St-Rémy-sur-Avre. Boyve, E. de.
Sceaux.....	Le Progrés Social. Guillemin, X.
Sens.....	L'Econome. Boyve, E. de.
Sotteville.....	Fédération des Sociétés Coopératives de Consommation de la région Nord-Ouest. Guillemin, X.

GERMANY.

Hamburg	Grosseinkaufs-Gesellschaft Deutscher Consumvereine. Postelt, R., Kauffmann, H.
Hamburg	Tabakarbeiter-Genossenschaft. Elm, A. von
Metz	Crédit Co-opératif de Lorraine. Prével, V.
Metz	Syndicat Vinicole du Pays Messin. D'Ham, J.

ITALY.

Milan.....	Lega Nazionale delle Cooperative Italiane. Gide, Prof. C., Wolff, H. W.
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NETHERLANDS.

Akkrum.....	Coöperatieve Stoomzuivelfabriek "Utingeradeel." Kuperus, J. R.
Hague (The).....	Coöperatieve Afdeeling der Vereeniging "Eigen Hulp" Kleeding, Uitrusting en Beheer Van Gelden. Slotemaker, Dr. A.
Hague (The).....	Co-opérative Vleeschhouwerij van het District 's Gravenhage der Vereeniging "Eigen Hulp." Slotemaker, Dr. A.
Hague (The).....	Coöperatieve Winkelvereeniging van het District 's Gravenhage der Vereeniging. "Eigen Hulp." Goedhart, G. J. D. C.
Hague (The).....	Hoofdbestuur van "Eigen Hulp." Slotemaker, Dr. A., Dozy, G. J.
Hague (The).....	Nederlandsche Coöperatieve Bond. Goedhart, G. J. D. C.
Leeuwarden.....	Friesche Coöperatieve Zuivel-export Vereeniging. Eriks, K. Azn.

RUSSIA.

Kamenetz.....	Syndicat Agricole de Podolie. Weydlich, C. de
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SPAIN.

Barcelona.....	Camara Regional de las Sociedades Cooperativas de Cataluña y Baleares. Anfen, J. Salas, Radua, E. O., Anglés, J.
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SWEDEN.

- Malmö.....Kooperativa Partihandelsföreningen... Lagerstedt,
Dr. F. O.
Stockholm.....Kooperativa Förbundet. Lagerstedt, Dr. F. O.

SWITZERLAND.

- Bâle.....Schweizer Genossenschaftsbund. Müller, Dr. H.
Bâle.....Verband Schweizerischer Konsumvereine. Pronier, H.

UNITED KINGDOM.

- Aberdare.....Aberdare Industrial Co-operative Society. Little, T.
Accrington and Church...Accrington and Church Industrial Co-operative
Society. Ashton, R. W., Ball, A. Charnock, J.,
Hitchon, J., Holmes, W., Shuttleworth, A., Shuttle-
worth, J. R., Slater, W.
Airedale.....Airedale Co-operative Worsted Manufacturing
Society. Brearley, A.
Alcester.....Alcester Needle-makers' Co-operative Society.
Boswell, W., Harris, G...
Alcester.....Alcester Co-operative Industrial Society. Boswell, W.
Amble.....Amble Co-operative Society.. Arthur, J.
AshingtonAshington Industrial Co-operative Society.. Tetlow, B.
Ashton-under-Lyne.....Ashton-under-Lyne Co-operative Society. Kitchen,
S., Jones, C. F., Thompson, J., Wood, J.
BamfurlongBamfurlong Co-operative Society. Simm, J.
Banbury.....Banbury Co-operative Industrial Society. Turbitt, A.
Bartlett, C., Bolton, G. T., Cooke, H. J.,
Freeman, T. W., Perry, J., Reeves, J., Webb, J.
Barwell.....Sperope Co-operative Boot Manufacturing Society.
Hincks, A., Wade, R.
Basford.....Basford Wickerwork Manufacturing Society. Duke,
G. J.
Batley.....Batley Co-operative Society. Ineson, B.
BedlingtonBedlington Equitable Industrial Co-operative
Society. Lauder, W.
Bedminster.....Bedminster Industrial Co-operative Society. Bul-
lock, A.
Berkhampstead.....Berkhampstead Co-operative Society. Johnson, T.,
King, E., Randall, W.
Bingley.....Bingley Industrial Co-operative Society. Barton, W.
BirkenshawBirkenshaw Industrial Co-operative Society. Outh-
waite, W., Hartley, D.
BirminghamBirmingham Industrial Co-operative Society.
Roberts, T.
Birtley.....Birtley District Co-operative Society. Murphy, J.
Bishop AucklandBishop Auckland Industrial Co-operative Society.
Brown, R., Mansfield, J.
Blackpool.....Blackpool Industrial Co-operative Society. Garside,
D., Parr, J., Robinson, T.
Blaina.....Blaina Industrial Provident Co-operative Society.
Price, J., Allen, T. W., Davies, D.
Blaydon.....Blaydon District Industrial Provident Co-operative
Society. Crooks, W.
Bolton.....Bolton Co-operative Society. Howarth, R., Cross-
ley, T., Fairbrother, S.
Bolton.....Bolton Women's Co-operative Guild. Taylor, Mrs.,
Mason, Mrs., Taylor, Mrs., Casson, Mrs.,
Haworth, Mrs.

UNITED KINGDOM.—Continued.

.Boston.....	Boston Equitable Industrial Co-operative Society. Stow, C.
Bradford	Bradford Co-operative Cabinet Makers. Hopwood, M.
Bradford	Bradford Provident Industrial Co-operative Society. Bennett, J., Baldwin, J., Guy, J.
Bridge End (Todmorden)	Bridge End Equitable Progressionists Co-operative Society. Bramley, W., Pickles, F., Sutcliffe, J.
Brightside and Carbrook..	Brightside and Carbrook Co-operative Society. Bedford, A. H., Edwards, W., Foulstone, A. J., Hall, T., Poole, H., Senior, H.
Burnley	Burnley Self-Help Cotton Spinning and Manufac- turing Co-operative Society. Wood, T.
Bury	Bury District Co-operative Provision Society. Kay, Kay, Holmes, J., Ball, C. H.
.Bury	Bury Women's Co-operative Guild. Hill, Mrs., Rigby, Mrs. S., Roberts, Mrs., Wood, Mrs.
.Carlisle	Carlisle Co-operative Society. Holt, R.
Carnforth	Carnforth Co-operative Society. Smalley, J., Barrett, J.
Clayton-le-Moors	Clayton-le-Moors Industrial Co-operative Society. Cooper, T. W., Simmons, T., Squires, C.
Cleator Moor	Cleator Moor Co-operative Society. Ciapessoni, F. A.
.Clown	Clown Co-operative Society. Kenyon, B.
.Colne and District.....	Colne and District Co-operative Society. Dewhurst, W.
Compstall.....	Compstall Industrial Co-operative Society. Lowe, R., McLean, J., Swindells, J.
Colchester.....	Colchester and East Essex Co-operative Society. Wolff, H. W.
.Cramlington.....	Cramlington District Co-operative Society. Glasse, P.
.Crewe	Crewe Co-operative Friendly Society. Whitney, sen., W. W., Holdsworth, J.
.Cwmbach	Cwmbach Industrial Co-operative Society. Davies, M. Jones, T.
Daisyfield (Blackburn)....	Daisyfield Industrial Bees Co-operative Society. Sharples, J. C., Almond, W., Birtwistle, R.
Darwen	Darwen Industrial Co-operative Society. Beckett, C. J.
Delph.....	Delph Industrial Co-operative Society. Moorhouse, T. E., Bower, F., Brierley, S., Cottrell, W., Farrand, F., Hinchliffe, W., Schofield, J., Schofield, W., Watson, H., Wrigley, T.
.Derby	Derby Co-operative Provident Society. Farns- worth, J.
Desborough.....	Desborough Industrial Provident Co-operative Society. Marlow, J.
Desborough.....	Desborough Boot and Shoe Manufacturing Co-opera- tive Society. Winsall, R.
.Doncaster.....	Doncaster Mutual Co-operative Industrial Society. Killon, T.
Dover.. ..	River and District Co-operative Society. Ping- stone, H. C.
Droylsden	Droylsden Industrial Co-operative Society. Lord, R. L., Bowden, J.
Droylsden	Co-operative Sundries Manufacturing Society. Jenkins, E. L.
Dublin.....	Irish Agricultural Organisation Society. Hannon, P. J., Roche, D. L.
Dudley.. ..	Dudley Bucket and Fender Co-operative Society Edwards, J.

UNITED KINGDOM.—Continued.

Dunfermline	Dunfermline Co-operative Society. Bardine, J.
Eccles	Eccles Industrial Manufacturing Co-operative Society. Knight, J., Garnett, T., Higgin, A., Leigh, J., Rogerson, J., Shaw, H.
Eccles	Eccles Provident Industrial Co-operative Society. Pollitt, J., Birch, R., Cass, J., Gratrix, T., Guest, T., Kirkland, W. H., Pollitt, Mrs. J., Shawcross, H., Whitworth, J.
Ellesmere Port..	Ellesmere Port Co-operative Society. Shaw, E.
Exeter	Exeter Co-operative Industrial Society. Pearson, J.
Failsforth..	Failsforth Women's Co-operative Guild. Dugdill, Mrs., Dunkerly, Mrs., Hibbert, Mrs., Sudall, Mrs., Whittaker, Mrs.
Farnworth and Kearsley..	Farnworth and Kearsley Industrial Co-operative Society. Paynter, J. O., Barlow, T., Brooks, T., Collier, G., Cooper, B. J., Morgan, J., Rigg, A., Walker, A., Ward, J., Wolstencroft, J.
Fleetwood	Fleetwood Industrial Co-operative Society. Thomason, J., Mitchell, T.
Gainsborough.....	Gainsborough Industrial Co-operative Society. Whitehead, A.
Gateshead	Gateshead Industrial Co-operative Society. Thornton, W., Hunter, G. T., White, A.
Glasgow	Drapery & Furnishing Co-operative Society. Miller, T.
Glasgow	Eastern Co-operative Society. Orr, A.
Glasgow	Kinning Park Co-operative Society. Anderson, J.
Glasgow	St. George's Co-operative Society. Monteith, J. B., Harvie, D., Rae, R., Rodger, A.
Glasgow.....	St. Rollox Co-operative Society. Pringle, G., McLean, L., Stewart, J.
Glasgow.....	"Scottish Co-operator." Welsh, A. M.
Glasgow.....	Scottish Co-operative Wholesale Society. Maxwell, W., Kaye, G. M.
Glasgow.....	United Co-operative Baking Society. McCulloch, D., Bain, J., Niven, R.
Glossop Dale	Glossop Dale New Industrial Co-operative Society. Bates, W.
Grantham.....	Grantham Equitable Co-operative Industrial Society. Heywood, J. T.
Grays	Grays Co-operative Industrial Provident Society. Percival, A.
Greenfield.....	Greenfield Co-operative Society. Priestley, S. Lawton, D.
Grimshaw Pk. (Blackburn)	Grimshaw Park Co-operative Society. Whiteside, G.
Guildford	Guildford and District Industrial Co-operative Society. Aldridge, H. R.
Halifax	Halifax Flour Co-operative Society. Crossley, J., Emsley, U., Kendall, M.
Halifax	Halifax Industrial Co-operative Society. Taylor, A. Carter, A. B., Whittaker, J.
Halstead	Halstead Industrial Co-operative Society. North, A.
Hebden Bridge.....	Hebden Bridge Fustian Manufacturing Co-operative Society. Craven, J., Ainley, A., Harwood, J., Hitchen, A., Morgan, T., Neal, G., Pickles, T. H., Stocks, L., Tootill, J., Whitham, J. F.
Heywood	Heywood Industrial Co-operative Society. Johnson, A., Heywood, J. T., Hopkinson, J., Kay, T., Kershaw, J.

UNITED KINGDOM.—Continued.

Horbury.....	Horbury Industrial Co-operative Society. Brooke, G. H., Brooke, Mrs. G. H., Hanby, J. T., Hanby, Mrs. J. T., Longbottom, H.; Longbottom, Mrs. H.
Horwich.....	Horwich Industrial Co-operative Society. Dale, W. J., Willis, H.
Hucknall Torkard.....	Hucknall Torkard Industrial Provident Co-operative Society. Halfpenny, J. H.
Huddersfield.....	Huddersfield Industrial Co-operative Society. Broadbent, J., Mayo, Miss C. M., Prentis, J. T.
Hyde.....	Hyde Equitable Co-operative Society. Shaw, A.
Ilkeston.....	Ilkeston Co-operative Society. Brodrick, T.
Jarrow and Hebburn.....	Jarrow and Hebburn Co-operative Society. Graham, W. D.
Keighley.....	Keighley Industrial Co-operative Society. Watson, J., Thorn, E.
Keighley.....	Keighley Ironworks Co-operative Society. Burnley, W. F., Mitchell, J., Whalley, H.
Kettering.....	Kettering Industrial Co-operative Society. Ballard, W.
Kettering.....	Kettering Co-operative Boot and Shoe Manufacturing Society. Langley, J., Adams, T.
Kettering.....	Kettering Clothing Manufacturing Co-operative Society. Daniels, H.
Kettering.....	Kettering Union Co-operative Boot and Shoe Society. Coleman, A.
Kidderminster.....	Kidderminster Industrial Co-operative Society. Bland, T.
Kilmarnock.....	Kilmarnock Equitable Co-operative Society. Deans, J.
Kingston-upon-Hull.....	Kingston-upon-Hull Co-operative Society. James, J. M.
Lancaster and Skerton.....	Lancaster and Skerton Equitable and Industrial Co-operative Society. Shillito, J.
Langley Mill & Aldercar.....	Langley Mill and Aldercar Co-operative Society. Wagstaffe, W., Kirk, J., Wyld, A.
Leeds.....	Leeds Industrial Co-operative Society. Gration, J. C., Corker, J., Eyre, G. E., Fawcett, J. W., Wright, J. H.
Leicester.....	Leicester Co-operative Society. Bastard, G.
Leicester.....	Leicester Anchor Boot and Shoe Productive Co-operative Society. Wilford, S.
Leicester.....	Leicester Boot and Shoe Manufacturing Co-operative Society. Potter, J.
Leicester.....	Leicester Hosiery Manufacturing Co-operative Society. Proctor, J., Wakley, E.
Leicester.....	Leicester Co-operative Printing Society. Williams, B., Hubbard, G.
Leicester.....	Leicester Co-operative Productive Federation. Halstead, R.
Leigh.....	Leigh Friendly Co-operative Society. Smith, J.
Levenshulme.....	Levenshulme Co-operative Women's Guild. Pulman, Mrs.
Lincoln.....	Lincoln Equitable Co-operative Industrial Society. Ostick, C.
Lincoln.....	Lincoln Land and Building Co-operative Society. McInnes, D.
Littleborough.....	Littleborough Co-operative Society of Industry. Harston, T., Campbell, J., Holden, B.
Liverpool.....	City of Liverpool Co-operative Society. Sidlow, J., Harris, J. W.

UNITED KINGDOM.—Continued.

Lochgelly.....	Lochgelly Equitable Co-operative Society. Wilson, J.
London.....	Agricultural Organisation Society. Charleton, W. L., Harris, J. Nugent.
London.....	Agricultural and Horticultural Co-operative Association. Greening, E. O.
London.....	Co-operative Brotherhood Trust. Harris, J. T.
London.....	Co-operative Institute Society. Williams, A.
London.....	Labour Association. Vivian, H.
London.....	National Co-operative Festival Society. Holyoake, G. J.
London.....	Working Men's Club and Institute Union. Dent, J. J.
Londonderry.....	Londonderry Equitable Co-operative Society. McCay, J. A.
Macclesfield.....	Macclesfield Equitable Provident Co-operative Society. Thornley, G. H., Addison, C. R., Brown, F., Cope, A., Dickens, W., Earl, T., Hulme, G., Leah, J. E., Leah, R., Proctor, S., Slack, J. W., Smith, E., Sheldon, H., Stafford, F., Swinson, J.
Macclesfield.....	Macclesfield Silk Manufacturing Co-operative Society. Cross, W. E., Bloor, J., Bradley, F., Moss, J., Pimblott, W., Sadler, A. R., Tunnicliffe, W.
Manchester.....	Amalgamated Union of Co-operative Employees. Hewitt, A.
Manchester.....	Co-operative Insurance Society. Barnett, W., Bam- forth, W., Hepworth, B., Odgers, J., Rawlinson, T.
Manchester.....	Co-operative Newspaper Society. Lloyd, J., Brown- bill, G., Fitzgerald, J., Greenwood, A., Hirst, H., Lawson, J. W., Warburton, T., Wood, S.
Manchester.....	Co-operative Printing Society. Crompton, J.
Manchester.....	Co-operative Union. Gray, J. C., Scotton, A.
Manchester.....	Co-operative Wholesale Society. Lord, J.
Manchester.....	Manchester and Salford Equitable Co-operative Society. Johnston, J., Allison, J., Gibson, D., Heys, J., Moss, J., Robinson, E. W., Stansfield, A., Wright, C.
Manchester.....	Manchester and Salford Co-operative Women's Guild Armytage, Mrs., Beaumont, Mrs., Potter, Mrs.
Masborough.....	Masborough Co-operative Women's Guild. Gamble, Mrs., Turner, Mrs.
Morley.....	Morley Industrial Co-operative Society. Rhodes, W. T.
Mossley.....	Mossley Industrial Co-operative Society. Shaw, T., Hall, O., Hoyle, S., Lees, W. A., Platt, L., Wright, R.
Moulton.....	Moulton District Industrial Co-operative Society. James, G. T.
Netherfield.....	Netherfield Co-operative Industrial Society. Christie, G. S.
Newcastle-on-Tyne.....	Newcastle-on-Tyne Co-operative Society. McNab, T. C.
New Mills.....	New Mills Equitable Co-operative Industrial Society. Shaw, A., Pott, D.
Newport (Mon.).....	Newport Co-operative Industrial Society. Brown, W. H.
Newtown.....	Newtown Co-operative Society. Taylor, J. T.
Nuneaton.....	Nuneaton Industrial Provident Co-operative Society. Wright, W., Smith, J.
Oldham.....	Oldham Equitable Co-operative Society. Hadfield, R., Bardsley, E.

UNITED KINGDOM.—Continued.

Oldham	Oldham Industrial Co-operative Society. Brooks, P., Ashworth, R., Beaumont, J., Bradbury, R. P., Brearley, J., Chadwick, J., Fernley, J., Fletcher, J. H., Gartside, W., Grimshaw, S., Harrison, T., Marland, E., Mayall, J. W., Newton, J., Owen, C., Pickard, H., Sim, J. T., Stott, J. W., Sutcliffe, J., Taylor, J., Thompson, R., Watson, T. A.
Oldham	Oldham Industrial Women's Co-operative Guild. Owen, Mrs.
Oldham	Oldham Star Corn Millers' Co-operative Society. Broadbent, L., Clegg, E., Hanfield, S., Lax, G., Marland, J. R., Platt, S., Taylor, T.
Paisley	Paisley Co-operative Manufacturing Society. Gemmell, J.
Paisley	Paisley Provident Co-operative Society. Shield, R.
Pendleton	Pendleton Co-operative Industrial Society. Holt, J., Barlow, J., Barnes, J., Black, J., Clegg, D., Croden, S. J., Hill, J., Hemingway, W., Jones, H. M., Steel, L.
Peterborough	Peterborough Equitable Industrial Co-operative Society. Bonshor, J.
Portsea Island	Portsea Island Mutual Co-operative Society. Frankling, F. J.
Preston	Preston Industrial Co-operative Society. Saxon, W., Cotton, J., Eastham, W., Fowler, R., Gorton, J., Gregory, W., Grimshaw, J., Hamilton, R., Holmes, W., Lever, J., Lingard, W. A., Parker, G., Sanderson, J. C., Turner, J.
Prestwich	Prestwich Co-operative Industrial Society. Hill, T., Ashton, A., Briggs, N., Cleasby, J. R., Greaves, S., Jackson, W. A., Rankine, J. H., Scholfield, J., Shillito, J. H., Wood, A. E.
Queensbury	Queensbury Industrial Co-operative Society. Greenwood, J.
Radcliffe and Pilkington	Radcliffe and Pilkington District Co-operative Industrial Society. Hamer, J., Bridge, J., Fletcher, G., Heywood, J., Kenyon, M., Radcliffe, F., Redford, S., Whitehead, W.
Rawtenstall	Rawtenstall Industrial Co-operative Society. Aspden, A.
Rhodes	Rhodes Industrial Co-operative Society. Clarkson, P., Foxton, H., Horrocks, T., Hulbert, D., Topham, H.
Ripley	Ripley Provident Industrial Co-operative Society. Hardern, F.
Rochdale	Rochdale Equitable Pioneers. Brearley, J.
Rochester	Rochester and District Co-operative Industrial Society. May, H. J.
Roe Green (Worsley)	Roe Green Industrial Co-operative Society. Hayhurst, G.
Rothwell	Rothwell Boot and Shoe Manufacturing Co-operative Society. Tebbut, F., Iliffe, B., Thompson, H., Trimlett, R., York, J. D.
Runcorn	Runcorn Co-operative Industrial Provident Society. Dudley, W. E., Millington, W., Priestley, S. H.
Sheffield	Sheffield Cutlery Co-operative Productive Society. Llewellyn, W.
Skelmersdale	Skelmersdale Industrial Co-operative Society. Ashurst, W., Roscoe, M.

UNITED KINGDOM.—Continued.

Sowerby Bridge.....	Sowerby Bridge United District Flour Society. Hodgson, J. W., Brown, K.
Stanton Hill.....	Stanton Hill Industrial Co-operative Society. Piggford, J., Bowen, W.
Stockport.....	Stockport Industrial Equitable Co-operative Society. Eaton, A. E., Astigton, G., Bevan, S. L., Brooks, A., Hadfield, J., Longworth, E.
Sunderland.....	Sunderland Equitable Industrial Co-operative Society. Coley, P.
Tamworth.....	Tamworth Industrial Co-operative Society. Shaw, T. W., Shaw, Mrs. T. W.
Ten Acres & Stirchley St....	Ten Acres and Stirchley Street Co-operative Society. Fowler, R.
Todmorden.....	Todmorden Industrial Co-operative Society. Jack- son, W., Crossley, J. H.
Ton.....	Ton Industrial Co-operative Society. Bundy, A., Bebb, T., Bundy, W.
Tow Law.....	Tow Law and District Industrial Provident Co- operative Society. Bell, J.
Toxteth.....	Toxteth Co-operative Provident Society. Stuart, T.
Toxteth.....	Toxteth Women's Co-operative Guild. Hard- castle, Mrs.
Uppermill.....	Uppermill Industrial Co-operative Society. Firth, J.
Walkden.....	Walkden Provident Industrial Co-operative Society. Morton, S., Grundy, J., Mather, J., Redford, S., Ruffley, J.
Walsall.....	Walsall Co-operative Padlock Society. Harrison, W. G.
Windhill.....	Windhill Industrial Co-operative Society. Hart, F. J., Nimwick, D. L.
Winnington.....	Winnington Co-operative Society. Horrocks, T.
Women's Co-operative Guild.	Central Committee. Bury, Mrs., Bamford, Miss A., Boothman, Mrs., Butterfield, Mrs., Nightingale, Mrs.
Woodhouse Mills.....	William Thomson and Sons. Thomson, G., Schofield, W.,
Wooldale.....	Wooldale Industrial Equitable Co-operative Society. Booth, E.
Woolwich.....	Woolwich Royal Arsenal Co-operative Society. Foster, G., Harris, J. H.
Worcester.....	Worcester New Co-operative Society. Lamb, G. A., Moody, E., Richardson, C., Saxton, C. A. W.
Workington.....	Workington Beehive Industrial Co-operative Society. Phinn, J.
Workington.....	Workington District Industrial Provident Co- operative Society. Hind, T.
Worksop.....	Worksop Co-operative Society. Box, S., Lowe, H.
Wrexham.....	Wrexham Co-operative Society. Sutcliffe, O. G.
Ynysybwll.....	Ynysybwll Industrial Co-operative Society. Evans, D., Jones, D. D.
York.....	York Equitable Industrial Co-operative Society. Nicholson, J.

UNITED STATES.

Kansas City.....	Western Co-operative Association, U.S.A. Diggs, Mrs. A. L.
Oakland (Cal.).....	Pacific Coast Co-operative Union. Fowler, Prof. D. F.
San Francisco (Cal.).....	Rochdale Wholesale Company. Fowler, Prof. D. F.

Invited Guests Present at the Congress.

BELGIUM.

M. Omer Lepreux, Director General of the National Savings Bank of Belgium.

UNITED KINGDOM.

Sir Robert Edgcumbe, Bart.

Rev. Priestley Prime (representing the International Brotherhood).

Sir Hugh Gilzean Reid.

Mr. D. F. Schloss (representing the Board of Trade).

Mr. R. Winfrey.

UNITED STATES.

Dr. John H. Gray (representing the Commissioner of Labour).

The following Gentlemen were invited, but unable to be present.

M. Arthur Fontaine, Directeur du Travail in the French Ministry of Commerce and Industry; M. Georges Pualet, Directeur de l'Épargne de la Providence, etc., in the French Ministry of Industry and Commerce; M. V. Magaldi, Direttore della Previdenza in the Italian Ministry of Agriculture, Industry, and Commerce; The Hon. W. P. Reeves, Agent General for New Zealand; E. W. Brabrook, Esq., Chief Registrar of Friendly Societies; The Lord Bishop of Manchester; The Right Hon. A. J. Balfour, M.P.; Sir William Houldsworth, Bart., M.P.; C. P. Scott, Esq., M.P.; W. J. Galloway, M.P.; Sir W. Mather, M.P.; A. Hopkinson, Esq., The Owens College, Manchester; J. K. Blythell, Esq., M.P., Chairman of the Manchester Ship Canal Co.; H. Guppy, Esq., of the John Rylands Library, Manchester.

Individual Members of the Alliance present at the Congress.

GREAT BRITAIN.

Brown, Mrs. Cameron, W. N. Grinling, Rev. C. H. Heyworth, Mrs. Mather, J. St. John, Captain A. St. John, Mrs. A.

HUNGARY.

Endre, György.

Members of the Congress only.

FRANCE.

Aurran, J. Laroche-Joubert. Azam, S. Léveillé. Chaize, Ch. Marcillac, Marquis de. Riboud, L.

HUNGARY.

Endre, Mme. G.

NETHERLANDS.

Ketner, Th. J.

RUSSIA.

Borodaewsky, S. Loewinson-Lessing, F.

UNITED KINGDOM.

Letter, L. Smith, J. C. Jeffrey.

UNITED STATES.

Fulton, T. A.

Rules for the Congress.

1.

The Fifth Congress of the International Co-operative Alliance will be held at Manchester, on July 22 to 25, 1902, at a place to be approved by the Bureau Directeur.

2.

In accordance with the rules of the International Co-operative Alliance, passed on 30th October, 1896, the following persons will be entitled to attend :—

- (1) Delegates of Groups, Federations, and Co-operative Societies, who are themselves members of some Co-operative Society, being a member of the International Co-operative Alliance. These will, in accordance with Clause 3 of the Alliance Rules, have a full right both to speak and to vote.
 - Also Delegates appointed, in accordance with Clause 22 of the Alliance Rules, by ten individual members of the Alliance, who are entitled to exercise the same rights.
- (2) Individual members of the International Co-operative Alliance. These, unless nominated as Delegates by nine other individual members, have a right to speak only.
- (3) Persons admitted as members of the Congress only, without being members of the Alliance, on payment of 5/- to the Alliance Funds. Such persons will be entitled to a printed report of the proceedings of the Congress when it is issued, but will not be entitled to vote, not to speak, except by permission of the Chairman.*
- (4) Persons invited by the Central Committee, in accordance with Clause 19 of the Alliance Rules, who will, without exercising the right to vote, be entitled to speak on the invitation of the Chairman.

3.

In accordance with Clause 22 of the Alliance Rules, every Group, Federation, or Society, being a member of the Alli-

* The Minimum Annual Subscriptions for members of the International Co-operative Alliance are :—Societies, 10/-; Individuals, 5/-.

ance, is entitled to send as many Delegates as it pleases. But only one of these, to be so designated, will have a right to vote.

One person, being a member of the International Co-operative Alliance, or of a Group, Federation, or Society, which is a member, is entitled to represent, as Delegate, more Societies than one having a right to send Delegates, but not in any case more than five such Societies.

4.

Delegates of Groups, Federations, or Societies attending the Congress will receive personal tickets of membership on production and verification of a notice of their appointment, signed by the President and the Secretary of their respective Group, Federation, or Society, and sealed, if such body have a seal.

Delegates of any ten individual members will, in like manner, have to produce a nomination signed by nine other members. No individual member is entitled to nominate more than once.

5.

Nominations and credentials are receivable during the Congress. The Central Committee may, in its sitting on 21st July, or in any subsequent sitting, elect applicants, whether Groups, Federations, or Societies, or Individuals, who are properly proposed.

6.

To distinguish the different categories of members of the Congress, personal tickets will be issued in four colours.

- (1) Delegates and Nominees having a right to *vote* will be furnished with red tickets. Voting will be by these tickets, which will have to be shown on a division.
- (2) Delegates appointed by Societies, and entitled to speak, but not to vote, will be furnished with yellow tickets.
- (3) Individual members of the International Co-operative Alliance, who are entitled to speak, but not to vote, will be furnished with blue tickets.
- (4) Members of the Congress only, and invited guests, will be furnished with white tickets, printed in different ink.

All tickets will have to be shown when asked for by any person in authority.

7.

The Chairman of the Congress will be appointed by the Central Committee before the meeting of the Congress.

The Central Committee will, in its sitting of 21st July, appoint any Vice-Presidents, Secretaries, or other officers of the Congress. Such appointment is to be confirmed, and new appointments may subsequently be made by the Congress.

8.

The programme of the Congress will be prepared by the Central Committee, and issued to every one attending the Congress at its opening, or sooner. The Chairman will be entitled to alter the order in which subjects are to be discussed, and, with the consent of the Congress, the hours laid down in the programme. The Chairman's ruling in matters of order is final. New subjects not contained in the programme, and motions relating to the same, may be brought forward, subject to the approval of the Committee, to be specially appointed to examine such subjects, if that course is deemed advisable. In case of a manifest difference of opinion in the Congress the question of bringing forward such subjects or motions is to be put to the Congress by the Chairman, and decided upon by a majority of votes.

9.

The three languages permitted in addressing the Congress are French, English, and German. The substance of what is said will be rendered by translation in the other two languages.

10.

In accordance with the Rules of the International Co-operative Alliance all observations of a political or controversially religious character are strictly forbidden.

With the exception of persons presenting reports nobody is entitled to address the Congress at greater length than ten minutes—which time the Congress may, at its discretion, further reduce—or to speak more than once in the same debate.

11.

Any unforeseen question arising in the course of the Congress may be dealt with in the manner provided for in Clause 8.

12.

A printed report of the proceedings of the Congress will be issued by the Central Committee in due course in French, as provided in the Rules of the International Co-operative Alliance.

Congress Programme.

MONDAY, 21st JULY.

In the Board Room of the Co-operative Wholesale Society,
Balloon Street:

At 11 a.m. Meeting of Central Committee.

At the Office of the Co-operative Union, Long Millgate:

At 3 p.m. Meeting of the Permanent Profit-Sharing
Committee.

In the Hall of the Manchester and Salford Co-operative
Society, Downing Street, Ardwick, Manchester.

At 7 p.m. Preliminary Special Public Meeting on
PROFIT-SHARING. Mr. J. van
Marken will introduce the subject.

TUESDAY, 22nd JULY.

In the large Assembly Hall of the Manchester and Salford Co-
operative Society, Downing Street, Ardwick, Manchester.

At 9.30 a.m. Opening Meeting.

Election of Officers for the Congress.

Presentation of Guests.

Presentation of the Report of the Central
Committee, and of the Balance Sheet.

Presentation of Reports on the Position of
Co-operation in various Countries.

Discussion of the Proposed new Alliance
Rules.

The Congress adjourns at 1 p.m.

At 2.30 p.m. Visit to the productive works of the
Co-operative Wholesale Society at Irlam
and Longsight.

EVENING RECEPTION to Delegates only given by
the Co-operative Wholesale Society, at the Botanical
Gardens, Old Trafford, Manchester..

WEDNESDAY, 23rd JULY.

In the large Assembly Hall of the Manchester and Salford Co-operative Society, Downing Street, Ardwick.

At 9.30 a.m. Congress sitting.

I.—What can Co-operation do to assist in solving the problem of Housing the Working Classes?

Papers to be read by the following gentlemen: M. OMER LEPREUX (Director-General of the National Savings Bank of Belgium), Herr LANDRATH BERTHOLD (Chairman of the Union of Co-operative Building Associations in Germany), Sir HUGH GILZEAN REID, Mr. D. MCINNES, Mr. RALPH NEVILLE, K.C., Mr. G. J. D. C. GOEDHART, Mr. G. WHICHELO, and Mr. T. G. ARNOLD.

The Congress adjourns at 1 p.m.

At 2.30 p.m. Visits to the Co-operative Wholesale Society's Premises, and to the Productive Works at Broughton and Crumpsall.



THURSDAY, 24th JULY.

In the large Assembly Hall of the Manchester and Salford Co-operative Society, Downing Street, Ardwick.

At 9.30 a.m. Congress Sitting.

II.—What can Co-operation do to assist in solving the problem of Settling Small Cultivators on the Land?

Papers to be read by MR. R. WINFREY, C.C.; DR. L. A. PERUSSIA; SIR ROBERT EDGCUMBE, Bart.; DR. MICHELI; and MAJOR POORE.

At 2.30 p.m. Visits to the Productive Works at Middleton and to the Rochdale Equitable Pioneers Society.

FRIDAY, 25th JULY.

In the large Assembly Hall of the Manchester and Salford
Co-operative Society, Downing Street, Ardwick.

At 9.30 a.m. Congress Sitting.

III.—The necessity of the Alliance for the purpose of drawing together all those who desire to see Social Questions settled in a peaceful way.

Paper to be read by M. E. DE BOYVE.

IV.—Co-operation and Peace.

Communications from MR. HODGSON PRATT and MR. THOMAS
BARCLAY.

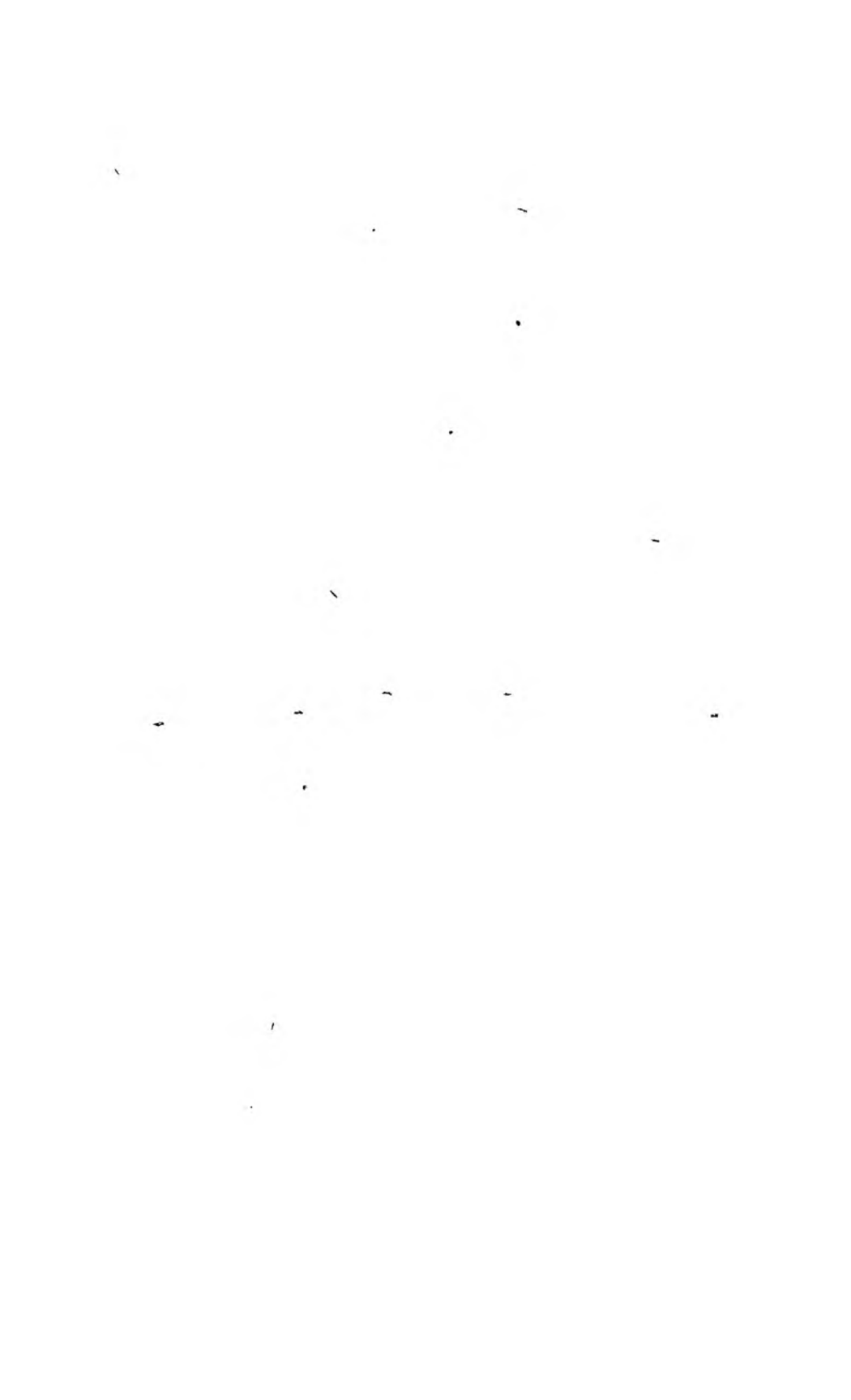
Election of new members of the Central Committee:
Formal Closing of Congress.

At 2.30 p.m. Visit to the Fustian Manufacturing Society
at Hebden Bridge.



SECOND PART.

REPORTS ON CO-OPERATION
AND
PROFIT-SHARING.



A.—Co-operation in Various Countries.

GREAT BRITAIN.

BY

J. C. GRAY, General Secretary of the Co-operative Union.

In reporting to another International Co-operative Congress on the position of the co-operative movement in Great Britain, it is satisfactory to have to record steady and continued progress. We may not, perhaps, be able to point to any particular department of co-operative work in which any marvellous or unprecedented advance has been made, but, taken as a whole and looked at from every point of view, the movement has strengthened its position and has become a still greater force in economic and industrial life.

GENERAL PROGRESS.

The statistics published by the Central Board of the Co-operative Union, and recently submitted to the Congress at Exeter, will give the best idea in regard to general progress.

Number of Societies	1901.
Number of Members	1648
	1,919,555
Shares	£ 24,595,706
Sales	81,782,949
Profits	9,099,412
Investments	15,577,863

By a classification of the various societies we obtain the following results, viz. :—

	Societies.	Members.	Shares.	Sales.	Profits.
			£	£	£
Wholesale Societies 1901	2	1,379	1,223,082	23,342,826	579,054
Retail Societies ... 1901	1,462	1,793,770	21,966,628	52,761,175	8,265,276
*Productive Societies 1901	136	32,434	833,728	2,878,392	186,340
Supply Associations 1901	8	89,285	533,344	2,676,436	63,751
*Special Societies ... 1901	10	1,207	29,079	79,971	4,242
*Agricultural, Dairy, and Farming ... 1901	30	1,480	9,845	44,149	789

WHOLESALE CO-OPERATION.

“Wholesale” co-operation is represented by the two Wholesale Societies of England and Scotland, both of which continue to make rapid progress.

	The English Wholesale.	The Scottish Wholesale.
	1901.	1901.
Members	1,092	617
	£	£
Capital { Share	948,945	274,137
{ Loan	1,537,349	1,284,109
Sales	17,642,083	5,700,743
Interest on Capital	46,352	12,901
Profits	334,467	244,587

* These figures relate only to the Societies of England and Scotland, and do not include any of the Productive, Dairying, Agricultural, or Special Societies in Ireland.

RETAIL CO-OPERATION.

The distributive or retail societies have not increased in number since our last report, but they have grown rapidly as regards membership and trade. It must be noted that the policy of the British Co-operative Union is to discourage the formation of more than one retail society in any particular town or district, hence many societies which formerly existed in the same towns have been induced to amalgamate their forces and become united in one society. The result has been that although the number of societies may show a decrease, the strength of co-operation in these localities has been greatly increased. Further, it has been the policy, whenever it was proposed to establish a co-operative society in a country village where it was likely that co-operators, through their weakness, would have a hard struggle for existence, to approach the nearest strong societies with a request that they would open a branch store in the village—instead of leaving the villagers the arduous task of establishing a new society—and thus give the people of these country districts the benefit of their riper experience. Thus it will be seen how it is that, although co-operation is continually spreading itself from village to village, the number of co-operative societies does not show any great increase. The position of retail co-operation is as follows:—

Societies.	Members.	Shares.	Sales.	Profits.
1462 ...	1,793,770 ...	£ 21,966,628 ...	£ 52,761,175 ...	£ 8,265,276

PRODUCTIVE CO-OPERATION.

Co-operative production is carried on under three distinct methods: (1) by productive societies specially formed for the purpose of carrying on some particular industry; (2) by the co-operative wholesale societies in order to produce the goods required by the co-operative societies in their membership; and (3) by the retail co-operative societies to supply their own members.

Co-operative production on each of the above-named methods is extending every year. The following figures will give some idea of the progress which has been made in this direction. The figures relate only to the productions of the productive societies and the wholesale societies, but in addition to these it is estimated that the retail societies produce for themselves about £3,000,000, thus making the total amount of co-operative production about £10,000,000 a year.

	Number of Societies	Number of Employees	Capital Employed.	Trade during Year.	Profit.	Loss.
			£	£	£	£
England and Wales...1901	117	6393	977937	2321238	118323	777
Scotland.....1901	19	4614	379215	557154	68017	32
English Wholesale...1901	1	9244	944338	2656068	74272	1919
Scottish Wholesale...1901	1	4988	535105	1471806	80109	...
Total.....1901	138	22239	2836595	7006266	340721	2728

CO-OPERATIVE AGRICULTURE AND FARMING.

There is no remarkable progress to record under this head. The statistics obtained show that between eight and nine thousand acres of land are under co-operative cultivation, but the results are not promising. Perhaps the most important development in this direction is the enterprise of the Co-operative Wholesale Society on their Roden Estate to grow fruit, vegetables, etc., for the co-operative market. This has been done with gratifying success up to now, and it is likely that the experiment will be largely extended during the next few years.

On the other hand, although co-operative farming, as such, may not have taken deep root in this country, there is found on the part of the farmers a growing tendency to co-operate with each other for the purchase of their requirements and the sale of their produce. This phase of co-operative propaganda is more particularly carried on by the Agricultural Organisation Society, which also works in harmony with the Co-operative Union. A glance at the report issued by the Organisation Society shows that co-operative ideas and principles are becoming more appreciated by farmers than they have been hitherto.

CO-OPERATIVE BANKS.

It cannot be said that the system of co-operative banking, as understood on the Continent, has established itself in Great Britain. It may be that the circumstances of our country are so different from those in other countries where this system of banking has been such a success, or it may be that we have other institutions and movements at work which go far to fill the place of these banks in our national requirements. Whatever the reason may be, the fact is they do not flourish here, notwithstanding the efforts of enthusiastic propagandists, and of various organisations which from time to time have been formed to promote them.

HOUSE BUILDING.

Our co-operative societies continue to devote their energies to building houses for their members to live in. This is done by means of the surplus capital which the retail co-operative societies have accumulated over and above what is necessary for the carrying on of their ordinary business. Already considerably more than £5,000,000 has been spent in this way, and more than 25,000 houses have been erected; the members thus obtain good and healthy dwellings at a reasonable cost.

CONVALESCENT HOMES.

Another direction in which the benevolent impulse of co-operation has been used is that of establishing convalescent homes, where weak and suffering co-operators may go to reside for a period until their health is restored. Three such convalescent homes are now in full operation, and find accommodation for about 300 patients at a time.

THE WOMEN'S GUILD.

A report on co-operation in Great Britain would not be complete without some reference to the splendid work which is being done by the Women's Co-operative Guild. The Guild has now 14,000 women in its membership, who are banded together in local branches, each working heartily with the co-operative society of the district to make co-operation better understood and appreciated by the people. Especially valuable has been the work of the Guild in educating the members of co-operative societies, and people generally, to purchase only the goods and articles manufactured by co-operative associations, and in some cases where this could not be done, to purchase only such goods as were produced under conditions which were fair and just to the workers. The Guild has also been most active in its efforts to bring the benefits of co-operation within the reach of the very poorest of the population of our large towns. In this and many other ways have the women of the co-operative movement shown themselves helpers and co-workers with the men in the advance of co-operative ideas and principles.

Look for more

FRANCE.

BY

PROFESSOR CHARLES GIDE, President of the Central Committee of the French Co-operative Union of Distributive Societies.

Two years have elapsed since I presented a report on the same subject to the Fourth Congress of the International Alliance. There are no great changes to chronicle in the position of co-operation in France as having taken place in the interval. Nevertheless, there has been continued progress in all quarters. And, in addition, there is the fact to record that co-operation is now occupying from day to day a larger space in the public mind. As in my last report, I once more review French co-operation under six distinct heads, observing at the outset that nothing is more difficult to prepare in France than precise statistics, since Frenchmen have a rooted dislike to the answering of questions, more particularly if they are addressed to them by the Government.

I.—CO-OPERATIVE PRODUCTION.

Among all forms of co-operation this deserves to be assigned the first place, not as being the most largely represented, but as being the form which has always been most distinctively characteristic of France. In truth, not only has it been the first form to take root in our country, and has during a full half century inspired the greatest hopes, but even in the present day it still is the form which within its own narrow sphere succeeds in uniting as by a kind of natural selection the largest number of men of high character. Statistics collected by the *Office du Travail* show that on 1st July, 1899, there were 246 co-operative productive working men's societies in existence, without, of course, counting agricultural productive societies. A similar figure, for this particular form of co-operation, does not appear to have been reached in any other country. And the number goes on increasing. On 1st January, 1897, there were no more than 184 such societies. The two years and a half had accordingly witnessed an increase by a full third. Of the older societies most have lived for twelve years. Four among them date from the "heroic" period of 1848 to 1850.*

*Statistics published by the *Office du Travail*, Report from 1896 in respect of 202 societies: 10,000 members, of whom 5,000 are more or less permanently employed; 13,000,000 francs share capital paid-up; 30,000,000 francs sales; 3,000,000 francs profit, in 143 societies, nearly 1,000,000 francs losses in the others. To make them apply to 1902, all these figures will have to be increased by about a fourth. At the last Congress of these societies, held at Lyons, the total value of sales was returned at 60,000,000 francs.

The assistance which both the State and the town of Paris have given to these societies certainly is one of the causes of the success attained. In connection with the great Exhibition of 1900 contracts worth some millions of francs were placed with them. Moreover, these societies draw an annual subvention at the rate of from 100,000 to 150,000 francs, which the Government apportions at its discretion among those societies which appear to it most deserving of recognition. All the same, the peculiar capabilities of some men, who have succeeded in placing their own particular associations in the front rank among houses of business, and the spirit of common understanding and discipline which has made it possible to group the majority of these societies round their *Chambre Consultative*, must undoubtedly also be counted an element of success. The realisation of a necessity of organisation is scarce in our country; it is almost altogether absent in other branches of co-operation.

The *Chambre Consultative* spoken of acts among these societies as the guardian of the co-operative principle, fixing the conditions on which societies may be admitted, and preventing societies which have joined from degenerating into unions of small masters, as some, unfortunately, have degenerated. Above all things it insists (1) upon the majority of the members of the Committee of Management being working men; (2) upon a certain fixed proportion of the profits being set apart for common use, such as assistance in case of illness, of death, of want of employment, etc. That does not mean that all co-operative productive societies in France are moulded on the same block. On the contrary, the variety of forms adopted among them is particularly striking. Nevertheless, they may, in the main, be classed under four heads.

(1) There is the "self-governing" society, in which all members are required to qualify as being, as far as it is possible, at the same time shareholders, working men, and employees only of their own society, and resolved to go outside their own number, either for money or for labour. That is the old French type of 1848. This is the form in which working men and socialists of that day believed that they could detect the solution of the social problem. It was, to them, "the republic in the workshop." However, this type of association has only rarely, probably never, managed to exist long in its ideal form. Though it have assumed it at starting, it has found itself compelled to deviate from this ideal line. There are some societies, however, which seem to come near the ideal, among them "Les Lanterniers de

Paris," who maintain greatest equality of all among their members.

(2) Next comes the "trade" society, which has, in most cases, been created by and for the benefit of some one particular trade, and which is open to all members of that trade in their turn, or else to those among them who are organised as a trade union. It is opposed by the militant trade unionists, who apprehend that it may weaken the combative spirit among working men. But it is very strongly recommended by co-operators. And a draft measure has been brought into Parliament by M. Waldeck Rousseau, which has the object of facilitating their formation.

(3) There is, after that, the "semi-monarchial" society, which owes its origin to the initiative of some philanthropic employer, and may be looked upon as a final stage in the gradual evolution which begins with profit-sharing and ends with getting rid of the employer altogether. However, even after the employer has been got rid of, this form of society preserves, in the power given to the managing director, and in the large salary allowed him, some features of its older organisation. This type is in France represented by some of the best-known and most powerful productive societies, among which it will be sufficient to mention the Familistère de Guise and the Maison Leclaire.

(4) There remains the "semi-capitalist" society. This type seeks to interest outside capital not only by asking for loans, but also by offering shares to outsiders. In France it is of altogether recent origin. It was first introduced by M. Buisson, managing director of a society of house painters, *Le Travail*, and has been adopted by other societies. Those who first introduced this peculiar form hold that it is the one admitting of co-operative societies being sufficiently strengthened to be able to apply themselves to production on a large scale. And, inasmuch as they associate together labour, capital and talent in one interest, they absolutely realise Fourier's ideal conception of an *Association intégrale*.

In marked contrast with what has happened in England, our co-operative productive societies have up to now found scarcely any support—be it in the shape of loans or of orders—among distributive societies, and, to tell the truth, they have not even sought it. Perhaps the indifference shown may be accounted for by the fact that productive societies have looked for custom, above all things, to the State and the Municipalities. The custom so given is responsible for their having devoted themselves mainly to building, house painting and the making of furniture, to the

neglect of the manufacture of articles of popular use, such as boots and shoes, clothes, hats, soap, biscuits, etc., which distributive societies might have bought.

However, even on this ground the most recent period has witnessed some rather marked progress. Productive societies, like those of the paper bag makers and the glass workers of Albi, have found a good deal of very useful custom among the distributive societies, which, in truth, has saved them from going under.

It is more particularly agricultural productive societies, selling wine, butter, early vegetables, etc., which complain of the want of support afforded by distributive societies. The latter, on their part, protest that the articles in question are offered them at unreasonably high prices, and that the delivery of such goods presents serious difficulties. However, the understanding recently established between these two forms of societies, and the publication of a journal to serve both of them, seem likely to remove some of the obstacles now in the way.

II.—PROFIT-SHARING.

This is only a variety, a reproduction on a smaller scale, of the preceding form, that of co-operative production. And, like its sister form, it is, in a specific sense, peculiar to France, alike by its origin and by the development which it has taken. That development, it is true, has during the past few years met with a check. At the Paris Exhibition of 1889 Charles Robert reported upon 91 profit-sharing firms as then existing. At the Exhibition of 1900 M. Trombert reported the number as only 88. Accordingly, there has been a retrogression. The great examples set by Godin, Boucicaut, Leclair, and others, do not appear to have provoked imitation. It is not easy to account for this. Possibly it is because relations between employers and workmen have, under the influences of trade unions and strikes, grown more strained. It appears that neither employers nor workmen like to be bound by a settled agreement. The former preferring simple bonuses, to be varied according to the merits of the individual employee. The latter would rather have an increase of fixed wages, imposing no duty of gratitude. An inquiry made in 1900, applying to only 39 profit-sharing houses, has shown that the allowance made in the shape of profit-sharing stands on an average at 8.91 per cent. of the wages. In single instances the rate goes up from 1 to 41 per cent. (The latter instance is that of the Suez Canal Company). Generally speaking, in France the share in profits assumes the shape of a deferred payment, a contribu-

tion held back for the receiver's benefit, and paid into a provident fund.

III.—DISTRIBUTIVE CO-OPERATION.

This is the form of co-operation of which the advance has, during the past two years, been most marked. Distributive co-operation had previously been slow to make way in France. It is not, like productive co-operation, of native growth. It did not begin to gain ground till 1885, when a small group of co-operators in Nîmes took the initiative in convoking a National Congress at Paris, and forming a Co-operative Union, after the pattern of the British. Since then the high prices prevailing for articles of food have favoured its extension. Those high prices had three causes, namely, (1) The protectionist system prevailing; (2) More specifically, the duties levied under the form of *octroi*, which people are now trying to get rid of; (3) The excessive number of small shopkeepers, grocers, bakers, butchers, haberdashers, etc., which is altogether out of proportion to genuine requirements, and which, accordingly, leads those who compose it to seek a living not only by fraud in respect of both quantity and quality, but also by exorbitant prices charged in the bargain. Such undue raising of prices has been, perhaps, first of all felt in respect of bread. Accordingly, co-operative bakeries have become numerous in France, making up at present more than a third of the total number of societies. But what has helped, more than anything else, to swell the host of distributive societies, is the adhesion of a considerable number of socialists, collectivists, and even of anarchists, to the movement. These people for a long time showed themselves hostile, considering co-operation a mere middle-class expedient. They have been converted to another way of thinking by the example of the Belgian co-operative societies. It is quite true that they are careful to explain that co-operation is for them not an end in itself, but merely a means to an ulterior end—a preparation, that is, for the triumph of the Social Republic.

The number of distributive societies in France now stands, according to the returns of the *Office du Travail*, at 1559, and according to those of the Central Committee of the Co-operative Union at 1689. Evidently that is a very respectable figure, seeing that it is greater even than that of distributive societies in England. However, our societies are inferior by a good deal, alike in respect of membership and of business. The *Office du Travail* calculates the number of their members to have been about 454,719 on 1st January, 1901. However, that figure applies only to the

1,288 societies which have sent in returns. Altogether therefore, the membership may be assumed to be about 500,000. And, although there are no precise data to quote, the collective business is not likely to exceed 200,000,000 francs per annum.

What the distributive societies in France still for the present mainly lack, is organisation. They are divided, without a settled programme, frequently without so much as knowledge of one another. There are two distinct Unions in existence, namely:—

(1) The *Union Coopérative*, formed in 1885, which has not been able to gather more than 300 societies round it. It has a Central Committee at its registered office (1, rue Christine, Paris), and has done a good deal within the last fifteen years to develop co-operation in France by means of Congresses, of an annual Almanach, of legal advice, etc. The socialists call this Union *bourgeoise*. In truth, it represents what has, in France, been christened the "Nîmes School," which accepts the Rochdale principles almost in their original purity.

(2) The Union of Socialist Distributive Societies, which has for its centre the *Bourse Coopérative*, and consists of a group of about 70 societies, most of them having their registered office in Paris. This Union imposes upon the societies belonging to it the following conditions: (a) They are called upon to accept the three fundamental principles of the socialist programme, that is, the struggle of classes, the nationalisation of the means of production and internationalism for the working classes. (b) They are expected to pay at least 2 per cent. of their profits as a contribution towards socialist propaganda.

There was for a long time a feeling of mutual hostility observable between the two Unions. But, fortunately, it has recently ceased. It has not thus far proved possible to unite the two in an alliance, but, at any rate, there are now friendly relations.

There is, as yet, no Wholesale Society. An attempt to form one was made in 1890. But it did not succeed, and its failure has discouraged not a few co-operators. However, a fresh experiment is to be started again by the Central Committee and the *Bourse Socialiste* combined.

In addition to the two "Unions," there are a number of "regional federations," by which either goods are purchased wholesale for the use of the societies belonging to them, or else orders are simply forwarded for execution to houses with which arrangements have been made. The most im-

portant of such federations is that of the employees of the Paris, Lyons and the Mediterranean Railway Company, which comprises 70 societies. There is also a rather powerful federation of socialist societies "du Nord." Similar federations are now forming in the departments of the Ardennes, the Gard, the Herault, and others.

Since the 1st April of the current year the Central Committee of the Union of Distributive Societies and the *Chambre Consultative* of Productive Societies have an understanding, in pursuance of which they conjointly issue the weekly paper *L'Association Coopérative*. There is reason for hoping that such collaboration may be found to lead to co-operation on a wider basis between the two branches, production and supply. The relations which the productive societies have long entertained with the Government, which, in point of fact, is their best customer, have made them a little suspect in the eyes of the distributive societies. In contrast with the English distributive societies the majority of the distributive societies in France allow to their employees a share in the profits.

IV.—BUILDING ASSOCIATIONS.

This type of society is really only an adapted form of that just spoken of, because whether one joins together to buy bread or to obtain dwellings, the co-operation practised really amounts to supply. This form of society gains ground in France only very slowly. A report quite recently presented to the "Conseil Supérieur des Habitations à bon Marché" by M. Cheysson, it is true, mentions 59 workmen's dwellings societies as in existence. But of that number only 22 are co-operative. All the others are more or less philanthropic joint stock companies. And the co-operative societies are, in the bargain, the least important; for the value of the houses constructed by them does not exceed 1,035,000 francs, as compared with more than 6,000,000 francs to be credited to the un-co-operative societies.

The reason why French working men, differing in this respect so strikingly from their brethren in England and America, are so curiously indifferent in this matter is, in the first place, that they have not the same love of a "home," and in the second that they know that under the French succession law their little home is almost sure to be broken up, upon its owner's death, for an equal division of the estate. A law passed on 30th November, 1894, and known as the "Siegfried" law, has succeeded only in giving very little relief in this respect.

V.—AGRICULTURAL SYNDICATES.

This is rather an indefinite kind of society. According to the legal definition of the term, it is nothing but an association "for the defence of class interests," that is, a society of cultivators formed for the common defence of their agricultural interests. But in point of fact it becomes, in very many instances, a co-operative society for common purchase, sale, or production. And, since of these three classes of work only the first can really enter into account as being of practical importance, it is with the distributive societies that the syndicates should be classed, with this proviso that, in the language of economists, their supply is not unproductive, but productive supply, not, that is, the purchase of articles of food, but the purchase of raw material and implements.

A great fuss is now being made about the agricultural syndicates, and they are extolled as embodying a movement of incalculable social and economic value. That is saying too much by a good deal. It is true that the number of such syndicates is already considerable, and continues increasing rapidly; it is estimated at present at about 3,000. It is also true that in their 24 "regional" and departmental unions they display an aptitude for organisation which distributive societies might envy them, and that by cheapening the price of artificial manures, and the extension of technical agricultural education, they have rendered very valuable service. But, under an economic aspect, in respect of buying and selling, and more particularly the production of goods, they cannot compare with similar agricultural associations of other countries. Our French co-operative cheese-making dairies are numerous—something like 2,000, to which must be added about 120 other co-operative dairies. But in point of yield and organisation they are distanced by those of Switzerland, and even more by those of Denmark. In France, the very birthplace of wine, we have as yet nothing to show against the co-operative vintries of the Valley of the Rhine or even of Italy. It is thus far mainly the societies for the sale of fruit and early vegetables which have yielded satisfactory results.

VI.—CO-OPERATIVE CREDIT.

This form of co-operation, though better developed in France than it still is in England, is very strikingly less so than it is in Germany and Italy. No satisfactory reason for this has yet been given, though it has repeatedly been

sought. It may be that, on the one hand, French peasants suffer less from usury than their brethren in Germany or in Italy; or, again, that the peculiar organisation of credit established in France, centring round the Bank of France, can only with difficulty lend itself to the use of independent little societies. It also deserves to be pointed out that the tendency to division and separation which I have already had occasion to complain of when speaking of other forms of co-operation in France, is particularly marked on this ground. Credit societies in France are hopelessly split up into two groups, animated in each case by a different spirit. One of them calls itself the *Centre Fédératif*. It was formed in 1889, and has for its founders and leaders M.M. Rayneri and Rostand. Its seat is at Marseilles. It has an altogether secular character. It has succeeded in forming 214 credit associations (whereof 197 are village banks, 9 urban People's Banks, and 8 "regional," that is, central banks, established for a certain district). The figure of business done is known only in respect of 64 of these societies. It amounted to 41,510,720 francs, loans granted in 1900. The other Union has taken the name of *Union des Caisses Rurales*. It was formed in 1893 by M. L. Durand, of Lyons, who is still at its head, and is, indeed, its very soul. It has a distinctly Christian, and even Roman Catholic, character. It embraces 532 credit associations, which have, for the most part, been started by parish priests in their respective villages. There are only 10 urban People's Banks among the entire number. The societies of this group have one and all adopted the Raiffeisen system, and with it, of course, the principle of absolute unlimited solidarity, which the *Centre Fédératif* has not accepted in all cases. The *Caisses Rurales* in 1900 lent out collectively 2,016,086 francs to their members.

Apart from these two groups there are still a number of credit societies unattached, 127 in all, that is to say, 89 agricultural credit societies, 26 "regional" banks, and 12 urban or urban and rural People's Banks. Thus, according to statistics, the amount of business done is known only in respect of 32 of these societies. It is returned as 8,412,236 francs lent out in 1900.

Summing all things accordingly, we arrive at the tolerably respectable figure of 873 co-operative credit associations, most of them agricultural, with business returned at 52,000,000 francs in respect of only half the number.

Legislation is doing all that is possible to encourage this particular form of co-operative society. The law of 5th

November, 1894, gives facilities for the formation of co-operative credit societies, on condition of their being formed by agricultural syndicates. The law of 31st March, 1899, has ordained the creation of a number of central ("regional") banks for the use of federations of credit societies, and placed at their disposal a capital of 40,000,000 francs, with two or three millions more to be paid by way of subvention by the Bank of France every year, as the price of the renewal of its charter. In spite of that large endowment, the results obtained have thus far proved only meagre.

In conclusion, to recapitulate what has been said, the total number of co-operative societies appears to be in round figures as follows :—

Co-operative Distributive Societies	...	...	1,600
Industrial Productive Societies	...	...	250
Profit-sharing Societies	...	...	90
Building Associations	...	...	22
Urban Credit Societies (People's Banks)	...	...	30
Agricultural Credit Societies (Village Banks)	...	...	840
Agricultural Productive Societies (Dairies, Cheese-making Societies, etc.)	...	...	2,200
Agricultural Syndicates	...	...	3,000
			8,032

• GERMANY.

BY

DR. H. CRÜGER, Chairman of the Allgemeiner Verband der auf Selbsthilfe beruhenden deutschen Erwerbs- und Wirtschaftsgenossenschaften.

As I have already taken occasion to explain in my preface to the German Co-operative Yearbook of 1900, there are grounds for concluding that the rapid increase in the number of co-operative societies, which has been observable of late years has reached a climax. The forces which have tended to produce it are no longer active in the same degree. They were to be found, in the main, in external influences, above all in these two: the sanction given by legislation to limited liability, and the countenance accorded by German Governments for the formation of co-operative societies. The following table will show what has been the progress of the movement in the past. (See Table I.)

Table I.

Year.	Credit Societies.	Increase or decrease in per cent.	Distributive Societies.	Increase or decrease in per cent.	Building Societies.	Increase or decrease in per cent.	Agricultural Societies.	Increase or decrease in per cent.	Artizans' Societies.	Increase or decrease in per cent.	Other forms of Co-operative Societies.	Increase or decrease in per cent.	Totals.
1888 ^a	2800	..	712	...	35	...	1450	...	357	...	67	...	4821
1889	2988	+ 7	760	+ 6,7	28	-20	1477	+ 1,08	319	-10,6	78	+16,4	5950
1890	3467	+ 16	868	+ 14,2	38	+ 35,7	2005	+ 35	324	+ 1,5	75	- 4	6777
1891	3910	+ 12,8	984	+ 13,3	50	+ 31,6	2247	+ 12	330	+ 1,7	87	+ 16	7608
1892	4401	+ 12,5	1122	+ 14	55	+ 10	2413	+ 7,4	333	+ 0,1	94	+ 8	8418
1893	4791	+ 8,8	1283	+ 14,3	77	+ 40	2416	...	254,8	-23,7	100	+ 6,4	8921
1894	5489	+ 15	1339	+ 4,4	101	+ 31,1	2630	+ 9	250	- 1,5	125	+ 25	9934
1895	6417	+ 17	1412	+ 5,4	124	+ 22,7	2769	+ 5	259	+ 3,6	160	+ 28	11141
1896	8069	+ 25,6	1400	- 0,8	132	+ 6,4	2956	+ 6,7	264	+ 1,9	184	+ 15	13005
1897	9417	+ 16,7	1409	+ 0,6	165	+ 25	3315	+ 12,1	329	+ 25	207	+ 12,5	14842
1898	10259	+ 9	1396	- 0,9	192	+ 16,3	3637	+ 9,7	352	+ 7	237	+ 14,5	16069
1899 ^b	10850	+ 6	1372	- 1,7	244	+ 27	3798	+ 4,4	376	+ 6,8	272	+ 14,7	16912
1900	11477	+ 5,8	1403	+ 2,3	322	+ 31,9	4051	+ 6,6	421	+ 12	314	+ 15,3	17988
1901	12140	+ 5,8	1527	+ 8,8	385	+ 19,5	4602	+ 13,6	545	+ 29,4	358	+ 14	19557

Position on 30th April. (b) From 1899 to 1901, position on 31st March. (c) 143 dissolved, 133 formed. (d) 94 dissolved, 81 formed. (e) 112 dissolved, 88 formed. (f) A special inquiry showed that a large number of unregistered societies had ceased to exist.

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The future will show if co-operative societies have at the same time grown in strength in the same proportion that they have in numbers.

The effect, which the action of the Prussian Government in encouraging the formation of co-operative societies by votes of State funds, was likely to produce, was distinctly foretold at the Co-operative Congress held at Augsburg in 1895. The prediction then made has been amply verified. The efforts made by some State institutions, most notably the Central Co-operative Bank of Prussia, to guide the co-operative societies which claim credit from them into the paths of sound economic principles, deserve all acknowledgment. The annual report of the Bank just named for 1900-1901 says:—"The accumulation of sufficient working capital of their own by co-operative societies is a matter of unquestionable importance, as bearing upon their economic independence and upon their ability to pursue an independent policy in respect of rates of interest, adapted to local circumstances. The Central Co-operative Bank of Prussia was not established to provide a *substitute*, to replace self-help, which has proved its value in practice, but rather to render action by, and the fullest development of, self-help, possible and to stimulate them. Keeping these points in view, we shall, in fixing the amount of credit to be granted to co-operative organisations, have in future to take into consideration the presence of a capital of their own, the proper proportion maintained between the share and the amount of liability which attaches to it, unless, indeed, there is a very considerable reserve fund."

Correct as this argument no doubt is, it does not in any way tally with what was said at the time of the formation of the Bank. However, it is satisfactory to find that now, at any rate, matters are looked at in this business-like way, and one may well hope that the Governments of the other German States will make the same principle their own. However, it is difficult to step aside from the beaten track. As it is, not a little dissatisfaction already prevails among those for whose specific benefit Government aid was resorted to, on the supposed ground that either the institutions subsidised do not obtain sufficient credit, or else that they have to pay too dearly for it.

Interference by the State has led to this further disadvantage, that certain classes, which believe themselves prejudiced in their business interests by the *particular kind* of co-operation generated under the stimulus of State favour, have become declared adversaries to co-operation *in general*.

Agitation on their part is now as much directed against artisans' co-operative societies, co-operative societies of traders, agricultural co-operative societies and co-operative building societies as against stores.

Thus we are brought to this position of affairs:—The false judgments formed with regard to co-operative stores are justified by reference to co-operative societies formed on the ground of State subsidies. In this way an anti-co-operative agitation has been produced.

Co-operation has in Germany experienced a further extension in its application to agriculture. I cannot here inquire whether it has improved in the same degree. I cannot help thinking that, however substantial a benefit co-operation undoubtedly is to economic life, there are limits to its proper application. And I fear that agriculture is trying to benefit by it beyond what is legitimate. It is difficult, indeed, to draw a precise line. But it appears to me that co-operation ceases to be legitimate where it begins to have the effect of interfering with the proper division of labour and improperly increasing risk.

It is gratifying to find traders and artisans inclining more and more to co-operative organisation. The obstacles standing in the way of the increase of such co-operative societies are to be found, not in co-operation in itself, but in the persons whom it affects. Trade jealousy and want of confidence hinder the development of these societies. Therefore it is a mistake on the part of the State to try to encourage the growth of such societies by financial aid, inasmuch as financial aid so given is likely to lead to the formation of organisations which offer no guarantee whatever of healthy development.

It is furthermore gratifying to find that working men derive increased benefit every year from co-operation as applied in distributive and building societies. More especially the last few decades have brought about a curious revision of feeling. Decades ago a hope was entertained that it might prove possible to transform the economic world by means of productive societies. Lassalle would have it, however, that only the State should carry on such productive co-operation, taking the risk of the undertaking upon itself. To-day the socialists and congenerous parties propose to regenerate the economic order of things by means of organised consumers.

To show how co-operation has developed in Germany I give the following figures, applying to March 31st, 1901:—
(See Table II.)

Table II.

FORMS OF CO-OPERATIVE SOCIETIES.	NUMBER OF SOCIETIES ON		FORM OF LIABILITY.							
			UNLIMITED.		LIMITED.		HAVING PARTIAL LIMITATION.		UNREGISTERED.	
	March 31, 1900.	March 31, 1901.	March 31, 1900.	March 31, 1901.	March 31, 1900.	March 31, 1901.	March 31, 1900.	March 31, 1901.	March 31, 1900.	March 31, 1901.
Credit Societies.....	11477	12140	10297	10877	1032	1115	45	46	103	102
Common Purchase Societies—										
Industrial.....	95	145	26	24	54	106	3	3	12	12
Agricultural.....	1237	1394	874	929	235	335	5	6	123	124
Work Societies—										
Industrial.....	53	66	17	16	34	48	2	2	..	..
Agricultural.....	501	547	90	104	214	246	..	..	197	197
Common Sale Societies—										
Industrial.....	73	79	26	25	39	46	1	1	7	7
Agricultural.....	127	154	52	30	98	117	..	..	7	7
Productive Societies—										
Industrial.....	203	255	51	60	145	188	3	3	4	4
Agricultural.....	2186	2507	1442	1543	602	822	67	67	75	75
Various forms of Societies.....	310	357	71	71	231	278	5	5	3	3
Distributive Societies.....	1404	1528	263	249	1040	1178	6	6	95	95
Building Societies.....	322	385	13	12	309	373	..	..	..	..
TOTAL.....	17988	19557	13192	13940	4033	4852	137	139	626	626

In respect of intrinsic worth these societies differ. More especially among credit societies there are not a few which exist only in form. Such are the societies formed by itinerant organisers backed by State subventions. We are still without fully comprehensive statistics. Therefore I must content myself with reporting the figures as the various unions give them. (See Table III).

The results here recorded are considerable, and probably entitle Germany to the first place among nations practising co-operation as regards both the number of societies and the work done.

A considerable number of societies have united for the purposes of obtaining credit, of purchasing goods, or else of selling them in common. The following list will show what have been the business results:— (See Table IV.)

The Deutsche Genossenschaftsbank of Messrs. Soergel, Parisius & Co. may rank as an additional Central Bank. Here are some figures to illustrate what it has accomplished by means of its "Giro Union" established in 1867 with a view to creating banking centres at which effects may be cashed and accounts balanced:— (See Tables V, VI, VII.)

In addition to the "Giro Union," and working in conjunction with it, is a "cheque union," having at present 132 societies as members.

These figures, as well as the others given, cannot be guaranteed as absolutely correct.

I add some few remarks upon the position of the co-operative movement in the domain of general economics.

The position of the co-operative credit societies is a result of present economic conditions. Their object is to satisfy the demand for credit prevailing among their members, who are almost exclusively artisans, tradesmen and small manufacturers. It is quite true that there are credit societies which have developed into something like genuine banks. But even their custom lies mainly among persons engaged in small industry and in agriculture. The aim pursued in the work of co-operative credit associations is the maintenance of an industrial middle class. They provide the industrial middle class with sufficient and cheap credit. In other words, they have democratised credit.

The co-operative building societies in the same way make it their object to provide cheap dwellings for their members, or, so far as they keep a higher aim in view, to convert their members into owners of their own small houses. Looking at them from a social-political point of view, they appear of the highest importance. But they cannot aspire

Table III. A—CREDIT SOCIETIES.

UNION.	NUMBER.		Annual Turnover.	Value of Credit Granted.	Amount of Credit Outstanding at the end of the year.	Total Assets.	Share Capital.	Reserve Fund.	Loan Capital.	Year.
	Of Societies in the Union.	Of Societies making returns.									Of Members.
			Marks.	Marks.	Marks.	Marks.	Marks.	Marks.	Marks.	
1 Allgem. Verband der deutschen Erwerbs- u. Wirtschaftsgenossenschaften, Kreditgenossenschaften	936	870	511,061	2,276,855.86	4,672,231.13	805,843,108	133,264,449	44,987,176	609,926,058	1900
2 Allgem. Verband der deutschen landwirtschaftlichen Genossenschaften, Spar- und Darlehnskassen.* (See also B 9.)	4440	4077	290,367	142,329,333	256,956,562	292,449,690	8,083,008	6,136,589	276,625,828	1899
3 Generalverband ländlich. Genossenschaften für Deutschland in Neuwed, Darlehnskassen.* (See also B 10)	3288	2739	236,721	?	138,589,231	175,294,077	1,847,765	4,099,418†	168,181,536	1899
4 Verband rheinischer Genossenschaften in Klein.	?	237	15,758	?	12,209,265	15,802,723	?	198,034	?	1899
5 Verband landwirtschaftlicher Genossenschaften i. Württemberg, Darlehnskassenvereine.* (See also B 13)	882	860	82,310	?	?	42,333,817	1,288,699	1,252,373	?	1900
6 Verband schlesischer ländlicher Genossenschaften in Neisse.	...	134	15,229	?	12,037,843	14,250,454	?	306,703	11,525,305	1900
7 Revisionsverband schlesischer Genossenschaften in Breslau	8	8	6,342	17,788,135	3,873,915	4,191,356	997,662	148,186	2,906,905	1900
8 Tyrischer Revisionsverband	?	117	9,372	4,448,965	7,065,494	8,761,476	66,575	129,423	6,590,050	1900
9 Kreditgenossenschaften in Württemberg	...	99	39,377	40,750,654	52,239,609	60,026,636	15,086,716	4,015,582	40,267,640	1900

* Also obtains raw materials for its members.
† 3,215,473 marks, endowment fund.—883,945 marks, reserve fund.

Table IV.

B.—Distributive, Building, Sale, Productive, Dairy, Vintry, and Common Purchase Societies, both Industrial and Agricultural, ergo, Societies to procure necessities of life, dwellings, and raw materials.

	UNION.		Number of Societies in the Union.	Number of Societies making returns.	of Members.	MILK PURCHASED.		Value of Goods Sold by Societies.	Value of Food-stuffs sold.	Year.
	Litres.	Money Paid.								
						Marks.	Marks.			
1	Allgem. Verband der deutschen Erwerbs- u. Wirtschaftsgenossenschaftlichen Konsumvereine.....	618	568	522,516	..	..	..	126,970.187	1900
2	— — Rohstoffgenossenschaften.....	17	17	991	..	..	..	..	1900
3	— — Baugenossenschaften.....	79	100	27,880	..	..	..	..	1900
4	— — Magazingenossenschaften.....	5	4	163	..	..	210,917	..	1900
5	— — Produktivgenossenschaften.....	18	14	1,990	..	..	2,071,000	..	1900
6	Allgem. Verband der deutschen landwirtschaftlichen Genossenschaften, Bezugs-genossenschaften.....	1379	1055	83,442	..	78,031.780	..	..	1899
7	— — Molkeereigenossenschaften.....	1034	859	74,304	..	1,039,424.269	..	..	1899
8	— — Winzergenossenschaften.....	20	18	949	..	..	369,692	..	1899
9	— — Spar- und Darlehnskassen.....	4440	1579	?	..	..	..	..	1892
10	Generalverband ländlicher Genossenschaften für Deutschland in Neuwied, Darlehnskassen.....	3288	?	?	..	..	..	..	1899
11	Verband rheinischer Genossenschaften in Köln, Molkeereigenossenschaften.....	?	45	4,638	56,994.150	4,456.464	..	?	1899	
12	Verband landwirtschaftlicher Genossenschaften in Württemberg, Molkeereigenossenschaften.....	54	49	4,348	?	1,115,664	..	?	1900	
13	— — Darlehnskassenvereine.....	882	465	?	..	..	..	..	1900
14	Molkerie—Revisionsverband für die Provinzen Brandenburg, Pommern, Sachsen- u. die Grossherzogth. Mecklenburg in Preussen.....	?	69	3,317	118,147.405	10,169,893	..	?	1900	

Table IV.—continued.

	Value of Raw Materials bought or sold.	HOUSES BUILT by the Societies.		Total Assets.	Share Capital.	Reserve Fund.	Loan Capital.	Year.
		Number.	Cost.					
1 Allgem. Verband der deutschen Erwerbs- u. Wirthschaftsgenossenschaften Konsumvereine	Marks.	...	Marks.	43,536,368	10,842,265	4,856,624	12,335,707	1900
2 — — Rohstoffgenossenschaften	2,009,882	...	...	1,668,828	516,338	153,440	768,234	1900
3 — — Baugenossenschaften .....	...	8817	33,719,444	37,100,208	5,499,122	995,068	30,375,719	1900
4 — — Magazingenossenschaften	2,019	...	...	499,442	83,674	79,376	272,557	1900
5 — — Produktgenossenschaften	51,583	...	...	2,457,384	488,557	221,346	1,301,540	1900
6 Allgem. Verband der deutschen landwirthschaftlichen Genossenschaften, Bezugsgenossenschaften.....	24,035,352	...	...	12,066,356	974,269	1,147,076	9,610,507	1899
7 — — Molkereigenossenschaften .....	...	...	...	38,711,431	4,257,973	5,262,238	27,400,461	1899
8 — — Winzergenossenschaften .....	...	...	...	1,427,402	30,411	152,271	?	1899
9 — — Spar- und Darlehnskassen.....	9,022,904	...	...	?	?	?	?	1899
10 Generalverband ländlicher Genossenschaften für Deutschland in Newted, Darlehnskassen	14,321,097	...	...	?	?	?	?	1899
11 Verband rheinischer Genossenschaften in Köln, Molkereigenossenschaften .....	...	...	...	3,050,799	33,372	129,200	?	1899
12 Verband landwirthschaftlicher Genossenschaften in Württemberg, Molkereigenossenschaften.....	?	...	...	?	19,818	40,046	?	1900
13 — — Darlehnskassenvereine	950,177	...	...	?	?	?	?	1900
14 Molkerei—Revisionsverband für die Provinzen Brandenburg, Pommern, Sachsen- u. die Grossherzogth. Mecklenburg in Preussen.....	...	...	...	3,007,204	133,511	313,288	?	1900

Table V. BUSINESS OF THE GIRO UNION SINCE 1874.

Year.	1		2		3		4		5		6		7		8		9		10		11		12		13		14				
	Berlin.	Frankfort.	Number of Members at close of year.		Total for both	Berlin.	Frankfort.	Number of Bills of Exchange presented.		Total for 4 and 5.	Berlin.	Frankfort.	Value of Bills of Exchange cashed.		Total for 7 and 8.	Berlin.	Frankfort.	Average Value of a Bill of Exchange.		Total Turnover on Giro Account.	Berlin.	Frankfort.	Total Turnover on Giro Account.		Marks.	Marks.	Total for 12 and 13.				
1874	212	113	270	39,251	28,005	67,256	12,601.175	9,771.363	22,372.238	321	359	18,844.272	15,584.625	34,428.897	18,844.272	15,584.625	34,428.897	321	359	18,844.272	15,584.625	34,428.897	321	359	18,844.272	15,584.625	34,428.897	321	359	18,844.272	15,584.625
1879	336	307	554	71,113	63,810	134,923	16,681.094	14,676.912	31,358.007	234	230	24,342.100	22,007.837	46,349.938	24,342.100	22,007.837	46,349.938	234	230	24,342.100	22,007.837	46,349.938	234	230	24,342.100	22,007.837	46,349.938	234	230	24,342.100	22,007.837
1884	317	397	629	106,068	104,198	210,266	28,082.596	25,306.631	53,389.228	264	242	41,453.793	40,109.764	81,513.557	41,453.793	40,109.764	81,513.557	264	242	41,453.793	40,109.764	81,513.557	264	242	41,453.793	40,109.764	81,513.557	264	242	41,453.793	40,109.764
1889	397	555	839	156,402	156,295	312,697	44,456.227	38,380.362	82,836.589	284	245	65,829.819	59,263.762	124,093.581	65,829.819	59,263.762	124,093.581	284	245	65,829.819	59,263.762	124,093.581	284	245	65,829.819	59,263.762	124,093.581	284	245	65,829.819	59,263.762
1894	411	491	814	189,140	173,413	362,553	49,160.161	41,177.065	90,337.227	259	238	73,098.752	63,862.635	136,961.387	73,098.752	63,862.635	136,961.387	259	238	73,098.752	63,862.635	136,961.387	259	238	73,098.752	63,862.635	136,961.387	259	238	73,098.752	63,862.635
1895	414	505	837	191,936	183,098	375,034	52,019.743	43,580.440	95,600.183	271	238	81,001.522	69,588.937	150,590.459	81,001.522	69,588.937	150,590.459	271	238	81,001.522	69,588.937	150,590.459	271	238	81,001.522	69,588.937	150,590.459	271	238	81,001.522	69,588.937
1896	405	504	825	194,621	191,278	385,899	51,072.235	45,549.289	96,621.524	263	238	81,676.452	72,181.204	153,857.656	81,676.452	72,181.204	153,857.656	263	238	81,676.452	72,181.204	153,857.656	263	238	81,676.452	72,181.204	153,857.656	263	238	81,676.452	72,181.204
1897	421	493	814	212,782	201,802	414,584	55,121.160	52,346.912	107,468.072	259	259	89,049.115	86,600.223	175,649.338	89,049.115	86,600.223	175,649.338	259	259	89,049.115	86,600.223	175,649.338	259	259	89,049.115	86,600.223	175,649.338	259	259	89,049.115	86,600.223
1898	437	510	845	228,271	198,955	427,226	61,817.659	55,523.811	117,341.470	271	279	103,177.005	95,421.485	198,598.490	103,177.005	95,421.485	198,598.490	271	279	103,177.005	95,421.485	198,598.490	271	279	103,177.005	95,421.485	198,598.490	271	279	103,177.005	95,421.485
1899	470	725	1088	235,210	200,844	436,054	69,740.724	58,102.553	127,843.277	297	289	121,541.948	103,635.706	225,177.655	121,541.948	103,635.706	225,177.655	297	289	121,541.948	103,635.706	225,177.655	297	289	121,541.948	103,635.706	225,177.655	297	289	121,541.948	103,635.706
1900	485	721	1093	260,405	216,448	476,853	81,207.966	68,436.190	149,644.156	312	316	141,719.227	117,948.231	259,667.458	141,719.227	117,948.231	259,667.458	312	316	141,719.227	117,948.231	259,667.458	312	316	141,719.227	117,948.231	259,667.458	312	316	141,719.227	117,948.231

Table Vi.

CREDITS GRANTED.

	MEMBER-SHIP.		Annual Turnover.	Amount of Credits granted.	Credits outstanding at end of year.	Total Assets.	Paid-up Share Capital.	Reserve Fund.	Loan Capital.	Year.
	Societies	Individuals								
1 Landwirtschaftliche Central Darlehnskasse für Deutschland zu Neuwied, Act. Ges.	323	...	460,000.000	...	637,539,528	1,181,989	5,236,750	301,824	35,343,811	1900
2 Ländliche Zentralkasse, e. G. m. b. H., Wormditt.	60	...	8,059,348	?	1,142,411	1,354,617	35,500	60,635	1,316,999	1899
3 Landwirtschaftliche Genossenschaftskasse für Westpreussen, e. G. m. b. H., Neumark	21	...	10,440,364	?	340,685	342,142	8,750	1,371	329,803	"
4 Landwirtschaftliche Provinzialgenossenschaftskasse für die Mark Brandenburg und die Niederlausitz, e. G. m. b. H., Berlin	210	8	21,533,338	...	3,025,581	3,025,981	127,393	21,000	2,861,835	"
5 Pommerse Landgenossenschaftskasse, e. G. m. b. H., Stettin	152	2	30,321,531	...	2,401,835	2,415,576	136,400	11,530	2,260,110	"
6 Provinzialgenossenschaftskasse für Posen, e. G. m. b. H., Posen	249	4	30,937,658	...	3,393,544	3,412,187	236,740	8,859	3,159,241	"
7 Provinzialgenossenschaftskasse für Schlesien, e. G. m. b. H., Breslau	463	6	32,323,328	...	4,042,973	4,097,442	187,320	26,363	3,864,582	"
8 Genossenschaftsbank zu Halle am S., e. G. m. b. H., Halle a. S.	324	12	100,761,654	...	5,731,352	5,806,132	148,770	27,122	5,604,502	"
9 Schleswig-Holsteinische Landgenossenschaftskasse, e. G. m. b. H., Kiel	110	27	50,190,228	...	1,620,870	2,002,899	74,435	146	1,922,470	"
10 Landgenossenschaftskasse, e. G. m. b. H., Hannover	267	24	33,692,997	...	2,648,812	3,784,237	45,168	...	3,775,470	"
11 Zentralgenossenschaftskasse für den Reg. Bez. Cassel und angrenzende Gebiete, e. G. m. b. H., Cassel	54	10	9,477,704	...	802,053	858,703	26,240	361	833,347	"
12 Nassauische Hauptgenossenschaftskasse, e. G. m. b. H., Wiesbaden	144	3	4,528,462	...	665,401	718,655	33,320	2,466	681,488	"
13 Hauptgenossenschaftskasse für Rheinpreussen, e. G. m. b. H., Bonn	143	6	19,342,684	...	-1,381,674	1,476,992	60,898	10,000	1,398,004	"
14 Bayerische Zentraldarlehnskasse, e. G. m. b. H., München	1459	8	123,189,544	...	5,993,642	9,122,347	127,720	18	9,022,383	"
15 Mitteleifränkische Kreisdarlehnskasse, e. G. m. b. H., Dittenheim	201	8	38,355,898	...	2,401,636	6,341,814	27,000	4,030	6,308,299	"
16 Landgenossenschaftskasse für das Kgr. Sachsen, Dresden	114	5	12,738,230	...	2,017,520	2,049,402	81,670	2,364	1,957,598	"
17 Landwirtschaftliche Genossenschaftsbank, A. G., Darmstadt	410	141	85,539,740	...	2,768,839	3,555,814	500,000	49,171	2,979,855	"

Table VII.

CENTRAL SOCIETIES FOR THE PURCHASE OR SALE OF GOODS.	NUMBER OF MEMBERS.		Value of Raw Materials sold (industrial and agricultural).	Total Assets.	Paid-up Share Capital.	Reserve Fund.	Loan Capital.	Feeding-stuffs and Produce sold.	Year.
	Societies.	Individuals.							
1 Landwirthschaftliche Central Darlehnskasse für Deutschland zu Neuwied Waarenabtheilung Act. Ges. ....	...	...	28,190,000	...	...	...	...	...	1900
2 Ländlicher Wirtschaftsverein zu Instertburg, Centralgenossenschaft, ostpreussischer landw. Genossenschaften, e. G. m. b. H., Instertburg.	15	347	1,193,704	880,134	190,121	60,071	605,078	...	1899
3 Landw. Kreisverein Neumark, Westpr., e. G. m. b. H., Neumark. ....	...	618	280,000	257,526	12,652	28,842	209,196	...	"
4 Verband der landw. Genossenschaften der Mark m. b. H., Stettin.	224	...	410,850	?	?	?	?	...	"
5 Pommersche landw. Hauptgenossenschaft, e. G. m. b. H., Stettin.	24	3	4,672,130	1,382,559	28,050	59,561	1,210,618	...	"
6 Landw. Central Ein- und Verkaufsgenossenschaft, e. G. m. b. H., Posen.	7	88	1,433,486	216,669	63,865	43,084	73,197	...	"
7 Landw. Ein- u. Verkaufsgenossenschaft für Schlesien, e. G. m. b. H., Breslau.	2	101	2,301,181	991,136	177,500	53,740	695,553	...	"
8 Zentralgenossenschaft, Bezüge landw. Bedarfsartikel, e. G. m. b. H., Halle a. S.	292	3	4,163,510	1,001,277	4,711	54,185	922,718	...	"
9 Schleswig-Holstein. landw. Hauptgenossenschaft, e. G. m. b. H., Kiel.	59	7	840,245	67,836	8,400	7,866	23,559	...	"
10 Zentralgenossenschaft d. osnabr. landw. Konsumvereine, e. G. m. b. H., Osabrück.	53	...	485,000	226,155	530	67,128	145,890	...	"
11 Hauptgenossenschaft, e. G. m. b. H., Hannover.	48	196	1,472,676	386,068	8,940	35,000	320,481	...	"
12 Landw. Hauptgenossenschaft für Westfalen e. G. m. b. H., Münster i. W.	15	3	42,000	21,764	480	501	19,894	...	"

Table VI.—continued.

18	Mecklenburgische Landesgenossenschaftskasse, e. G. m. b. H., Güstrow.....	38	16	1,513,886	...	255,272	261,341	11,180	752	247,797	"
19	Landesgenossenschaftskasse, e. G. m. b. H., Oldenberg i. Gr.....	31	6	1,612,225	...	136,212	164,599	2,275	...	162,098	"
20	Bayerische Centraldarlehnskasse, Filiale Pfalz, e. G. m. b. H., Landau.....	266	...	36,770,642	...	2,416,666	3,200,841	26,040	...	3,174,684	"
21	Geldausgleichstelle des Verbandes der landw. Kreditgenossenschaften im Grossherzogthum Baden, Mannheim.....	208	...	15,891,328	...	1,926,627	1,926,627	...	...	1,926,627	"
22	Centralkasse des schlesischen Genossenschaftsverbandes, e. G. m. b. H., Breslau.....	32	...	1,815,500	...	122,411	122,463	32,000	3,029	87,434	1900
23	Ost- und Westpreussische Verbandskasse, e. G. m. b. H., Allenstein.....	24	...	?	1,149,501	216,584	368,988	59,613	2,360	298,245	1900-01
24	Nordwestdeutsche Verbandskasse, e. G. m. b. H., Heide.....	19	...	?	...	236,896	237,196	24,180	1,862	268,449	"
25	Landwirtschaftliche Genossenschafts-Centralkasse, e. G. m. b. H., Baden, Mannheim Stuttgart.....	820	5	25,279,880	...	982,345	3,425,839	86,294	83,227	3,256,317	1900
26	Centralkasse Württembergischer Genossenschaften, e. G. m. b. H., Ulm.....	49	...	24,058,424	...	51,878	713,459	167,000	3,766	533,558	1900-01
27	Verbandskasse der Innungs Spar u. Darlehns-Genossenschaften zu Berlin, e. G. m. b. H.....	24	...	?	...	490,997	506,653	267,456	670	231,220	1901
28	Provinzial Handwerker-Genossenschaft für Bank und Grosshandelsgehefte, e. G. m. b. H., Posen.....	24	...	?	...	131,265	131,688	16,651	128	113,846	1900
29	Centralgenossenschaftskasse für Niedersachsen zu Hannover, e. G. m. b. H.....	41	...	?	...	233,658	1,153,928	39,379	25,770	1,074,363	1900-01
30	Ostpreussische Provinzialgenossenschaftskasse, e. G. m. b. H., Königsberg.....	12	...	4,173,000	...	171,367	190,135	?	3,095	185,224	1899
31	Westpreussische Provinzialgenossenschaftsbank, e. G. m. b. H., Danzig.....	39	...	12,494,000	...	371,423	381,228	58,200	4,403	316,131	"
32	Verband schlesischer ländlicher Genossenschaften, e. G. m. b. H., Neisse.....	139	...	?	...	2,315,196	2,315,196	308,000	24,468	1,980,900	1900
33	Leändliche Centralkasse A. G., Münster i. W.....	?	...	58,765,616	...	4,219,768	7,935,335	200,000	8,419	7,721,011	1899
34	Rheinische Bauern-Genossenschaftskasse, e. G. m. b. H., Köln.....	460	?	32,418,390	...	6,176,688	6,203,682	752,600	52,466	5,357,557	1901
35	Pfälzischer Genossenschaftsverband für Geld- und Waarenverkehr, e. G. m. b. H., Wachenheim.....	42	...	10,307,570	...	410,546	458,057	9,630	2,000	443,720	1899
36	Genossenschaftliche Centralkasse des Bundes der Landwirthe, e. G. m. b. H., Berlin.....	138	6	13,336,683	...	1,152,725	1,154,075	78,660	3,726	1,064,614	"

Nos. 2-21 are Central Banks belonging to the Union of Agricultural Co-operative Societies. Nos. 22, 23 and 24 are Central Banks belonging to the Union of Industrial Co-operative Societies. Nos. 1 and 36 are Central Banks for all Germany. Nos. 25-35 are independent Central Banks formed for certain Provinces or States.

(a) Total turnover in respect of transactions both in money and in goods. The turnover in money alone amounted to 495,000,000 marks. The proceeds of goods sold were 28,190,000 marks. (b) This includes 2,986,668 marks for goods. (c) This includes 701,941 marks for goods.

Table VII.—continued.

13	Central Ein- u. Verkaufsgenossenschaft für den Reg. Bez. Wiesbaden, e. G. m. b. H., Wiesbaden.	57	...	293,209	41,512	3,700	6	34,862	...	..
14	Haupt-Bezugs- u. Absatzgenossenschaft für Rheinpreussen e. G. m. b. H., Bonn.	41	13	1,688,616	185,363	3,850	...	127,105	...	..
15	Bayerischer Landesverband landw. Darlehnskassenvereine, München	1762	...	1,226,715	?	?	?	...	...	..
16	Mittelrheinische Kreisdarlehnskasse, e. G. m. b. H., Dittlenheim	196	8	351,195	6,341,811	27,000	15,108	6,293,191	...	..
17	Zentralgenossenschaft d. pflanzl. landw. Konsumvereine, e. G. m. b. H., Neustadt a. H.	124	5	1,166,177	490,199	34,000	35,480	410,987	...	..
18	Landw. Centralgenossenschaft, e. G. m. b. H., Dresden	60	11	794,735	112,739	14,200	4,100	91,381	...	..
19	Verband der badischen landw. Konsumvereine, Karlsruhe	470	...	1,575,000	250,163	1,511	59,825	183,756	...	..
20	Zentralgenossenschaft der hess. landw. Konsumvereine, e. G. m. b. H., Darmstadt	91	5	1,075,606	188,902	14,407	55,500	75,207	...	..
21	Centralgenossenschaft oldenb. landw. Konsumvereine, e. G. m. b. H., Oldenburg i. Gr.	44	3	489,018	226,489	1,980	13,500	208,935	...	..
22	Wirtschaftsgenossenschaft des schlesischen Bauernvereins, e. G. m. b. H., Neisse	2216	...	151,599	43,023	12,603	1,166	27,052	...	..
23	Pflanzl. Genossenschaftsverb. für Geld und Waarenverk., e. G. m. b. H., Wachenheim	42	...	707,621	458,057	9,630	2,000	443,720	...	..
24	Ostpreussische Tafelbutter Productiv-Genossenschaft, e. G. m. b. H., Königsberg	2	48	...	13,224	8,419	4,509	450	582,728	..
25	Westpreussischer Butterverkaufsverband, e. G. m. b. H., Graudenz	15	58	...	9,103	3,800	3,535	200	716,031	..
26	Grossenkaufsgenossenschaft Deutscher Konsumvereine, e. G. m. b. H., zu Hamburg 6	104	...	...	994,647	200,000	19,500	695,265	...	1900

Nos. 2-21 are Central Purchase Societies. Nos. 24 and 25 are Central Sale Societies of Co-operative Dairies within the General Union of German Agricultural Co-operative Societies. (Dr. Haas.)

(e) The Credit and Purchase Sections have a common account. (f) Value of Food-stuffs sold.—7,956,334 marks.

to replacing to any large extent the private building speculator. Their work is supplementary to his and equalising. Employers of labour are beginning to see more and more that it is a moral duty for them to help in providing their employees with dwellings. With a view to doing this they frequently join in the formation of co-operative societies for erecting dwellings. Since some years the German Empire and Federal States do the same for the benefit of families of working men in State employment, and of the civil servants of humbler rank. The results obtained by the co-operative building societies ought to fill every philanthropist with satisfaction.

The co-operative productive societies occupy at present altogether a subordinate position. For the whole tendency of economic life at present is to render the formation of new co-operative productive societies and the development of such as already exist more difficult. It is quite true that there are in Germany rather a considerable number of co-operative productive societies. But co-operation is only the outward form that they bear. The true co-operative character and spirit are wanting in them.

In proportion to the entire economic life of the nation the number of co-operative societies composed of small tradesmen and independent artisans, is still small. Artisans' societies, as a rule, take the form of common purchase, common sale, or else common work societies. However, the co-operative spirit is now stirring among these classes to the extent that it has already given rise to a counter-agitation among those whose economic interests appear threatened. The aim and tendency of that counter-agitation may be gathered from an article which appeared recently in one of our leading reviews. It reflects the view of the larger dealers. I will quote the article in full.

"Our era has entered the (zodiacal) 'sign' of organisation on economic ground. Trusts, 'Cartels,' 'rings' of wholesale producers, conventions, protective combinations among manufacturers and merchants, guilds and co-operative societies among artisans and small manufacturers, distributive stores among consumers—all of these have the one and self-same object in view, of safeguarding the real or supposed rights of their members and of promoting the latter's well-being. The mere fact that bodies of this sort are formed, and, as a rule, develop satisfactorily, at all points and in all economic provinces, surely may be taken to serve as conclusive proof that they are really wanted. The old adage which says that a man alone is nothing, but a man in

union with others is everything, has never before been so fully verified as it is to-day, when the struggle for existence has become incomparably more keen than in bygone times, in which people did not live so very close together. Very well; such unions, which make it their object to champion the interests of their members, and of persons of one particular calling, may naturally provoke among others, who pursue opposite ends, very hostile and bitter sentiments. The owl of one becomes the nightingale of the other. Manifestly it is the object of all these organisations to benefit for themselves by the evident advantages of a concentration of capital for common purchase, in order to make the original producers tributary to them as a source of supply, while eliminating the middleman. No wonder that the branches of trade affected eye such undertakings with apprehension. The retail dealer can scarcely be expected to approve of the action of the supply store whose object it is to make him superfluous. The wholesale dealer and the small manufacturer in their turn are threatened by the combinations daily multiplying of retail dealers. The keen competition to which stores and supply societies expose the small and medium retailer compel him as a matter of self-defence to walk in their footsteps, and to secure for himself, by means of purchase in common, the same advantages of direct wholesale supply, direct from the producer. To this end he is led to combine with other firms which, under existing circumstances, happen not to be his immediate competitors. There have been combinations of this sort, enjoying general respect on the ground of their loyal and straightforward manner of carrying on their business, for a long time past. But no doubt, even when conducted in the most judicious and moderate manner, such combinations for common purchase form a danger to the wholesale dealer and the small manufacturer. How then are these to meet the danger threatening them? By calling upon the legislature to pass laws prohibiting common purchase by retail dealers? We cannot advise this. Retail dealers do not combine simply because it pleases them to do so or from deliberate hostility to the wholesalers. They are simply compelled to do as others have done before them, if they are not prepared to succumb in the struggle with co-operative societies on the one hand and monster stores on the other. All that wholesale dealers can do in order to avert the danger threatening themselves from these proceedings, is not to wait till their own house is on fire, but to take steps, while yet there is time, for preventing damage by common action."

Co-operation has the effect of eliminating labour ; for its endeavour is to transfer from third persons to its own members work which the former have previously done. Therefore co-operation to some extent puts an end to division of labour. And competing interests accordingly do their best to place obstacles in the way of the formation and development of co-operative organisations. The article just quoted seems to suggest that co-operation is destined sooner or later to take the place of and crowd out ordinary trade. That can never happen—unless, indeed, the legislature were to employ compulsion for that purpose. Co-operation is a form of carrying on business perfectly in harmony with present economic conditions. It makes the advantages of wholesale purchase acceptable to all, and therefore constitutes a public benefit. And I cannot help thinking that combination practised between credit co-operation and other forms of co-operation tends further to increase that benefit.

Supply stores form one branch of such co-operation as has just been spoken of. Their influence upon economic life is all the greater the more closely they combine among themselves for the common purchase of goods.

Here and there distributive societies and combinations of small traders have advanced to the point of embarking in production on their own account ; the two forms of co-operation have, indeed, recently joined to establish common factories of their own as a means of defeating powerful " rings."

The influence which all the forms of co-operation just referred to exercise upon economic life is far exceeded by that of which agricultural co-operation can now boast. I cannot in this report descend into particulars. I must content myself with enumerating some of the powerful combinations which exist. There is, first, the General Union for common purchase of German agriculturalists, which includes the Allgemeiner Verband der deutschen landwirtschaftlichen Genossenschaften, the Generalanwaltschaftsverband ländlicher Genossenschaften in Neuwied, the deutsche landwirtschaft Gesellschaft in Berlin, the Bund der Landwirthe in Berlin. There is, next, the Grosshandels-gesellschaft der deutschen landwirtschaftlichen Ein- und Verkaufsgenossenschaften of Hamburg for importation, a co-operative society for the sale of cattle, the Central Society for the sale of cattle at Berlin. Dairy societies have combined to powerful unions, in order to carry on a common trade in dairy produce, wholesale and retail. Agricultural co-operative

societies have even undertaken the exploitation of nitrate mines in foreign countries. Certainly the spirit of enterprise exhibited in all these ventures is worthy of all acknowledgment. But the question may well be asked: whether the proper limit, the natural bound of co-operative activity has not in some instances been overstepped, if not, more particularly, the centralisation of different forms of business and the common conduct of business do not involve serious danger. For an enquiry into this, however, a report upon the actual condition of co-operation is not the proper place.

BELGIUM.—I.

BY

M. ALFRED MICHA, Chairman of the Belgian National Section, Secretary of the Belgian Federation of People's Banks.

It would be difficult, not to say impossible, to prepare a complete and detailed statistical report on co-operation in Belgium pretending to any claim to accuracy. For, although the Agricultural Ministry publishes, under this head, very valuable information concerning co-operative associations connected with agriculture, the Ministry of Industry, Commerce and Labour, on the other hand, still takes into account only the co-operative societies the formation of which had, during the preceding year, been chronicled in the *Moniteur Officiel*, without even taking the trouble to group them together under distinct specific heads. And the figures so given are really only of very questionable trustworthiness, seeing that in respect of co-operative societies liquidated they take note only of those of which a notice of liquidation has likewise been inserted in the *Moniteur Officiel*. Now, it is well known that among the societies established on an insecure footing, and destined to prove short-lived, there are a very considerable number which take good care not to have their failure officially recorded.

With these reserves made, let me say that the number of co-operative societies of every kind existing in Belgium was in 1894 311, and has gradually grown since to 394 in 1895, 564 in 1896, 873 in 1897, 1,128 in 1898, 1,297 in 1899, 1,522 in 1900, attaining on 31st December, 1901, the figure of 1,706.

It is our provinces in which industry is most developed which occupy the leading place, by a good bit, in the co-operative movement. Thus, in the last return published, Liège is shown to have 307 societies, Hainault 289, and

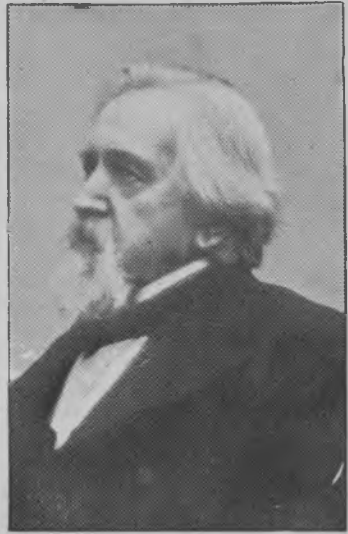
Brabant 276. Nevertheless, the advance has been general throughout the entire country. The province of Luxembourg, which in 1894 did not possess a single co-operative society, could boast eight in 1895, 40 in 1896, 86 in 1897, 104 in 1898, 124 in 1899, 147 in 1900, and 166 on 31st December, 1901.

One thing that one cannot help deploring is, that in our country co-operation becomes steadily more and more "catholic" in the rural districts, and "socialist" in the industrial centres. For, as M. Eugène Rostand rightly remarked at the ninth Congress of Popular Credit held at Lille in April, 1897, "the truth with regard to the co-operative doctrine, I do not say simply as we have affirmed it to be at our own Congresses, but as the leaders of the co-operative movement in the entire world have accepted it, is, that co-operation should be practised with a view to its own economic objects only, and not to other objects, foreign, though it may be superior, to its own." We have made this way of looking at co-operation our own in the Rules of the Alliance, in which we proclaim that co-operation should suffice for itself, and not serve as a mere instrument to any party.

Now, accepting the position of affairs such as we find it, we shall, in the brief inquiry here to be instituted, necessarily have to make certain distinctions. Socialist working men's co-operation, which has produced a rather powerful Federation, now numbers close upon 250 affiliated societies, either productive or distributive. Among the largest I should name *La Maison du Peuple*, of Brussels, the *Vooruit*, of Ghent, *Le Progrès*, of Jolimont, *La Concorde*, of Roux, and *La Populaire*, of Liège. As it happens, the Central Committee of this Federation has not yet been able to obtain, even from the confederated societies, all the data which it requires to prepare complete and detailed statistics with respect to their doings and position. Many of these societies, so the Secretary, M. V. Serwy, tells me, fail to reply altogether to the interrogatives repeatedly issued to them, evidently failing to appreciate the importance of statistics and the value of complete and precise data having reference to co-operative societies. They do not even send in at all regularly their rules, or their balance sheets, or their half-yearly or annual reports, or any printed matter which they may publish. He has, accordingly, quite recently addressed, once more, very urgent appeals to these societies, enclosing a questions sheet which is to enable him, by the replies



COUNT ROCQUIGNY.
Chairman of the French National Section.



G. J. HOLYOAKE.



ALFRED MICHA.
Chairman of the Belgian National Section.



E. DE BOYVE.
General Secretary of the Congress.

received, to prepare a statistical report on socialist co-operation in Belgium for our very Congress of Manchester. Should M. Serwy obtain the particulars which he asks for, he will certainly be able to show from facts, figures and documents, that socialist co-operation has attained a very considerable development in the towns and industrial centres of our country.

In the Report which I presented to the Fourth Congress of the International Co-operative Alliance, held at Paris in 1900, I have dwelt at sufficient length upon our co-operative societies dealing specifically with agricultural interests, to permit me, on the present occasion, simply to summarise, in a few figures, the growth and development of these same co-operative institutions since that date. Well, the number of syndicates for the purchase of seeds, manures, etc., established as co-operative societies stood in 1898 at 602. At the end of December, 1900, it had risen to 731, with close upon 52,000 members. Their collective purchases in the preceding twelve months amounted to 11,192,393 francs, which is at the rate of 215 francs per member. The number of co-operative dairies in active work, which in 1898 stood at 237, with 24,519 members, had risen up to 1900 to 356, with 40,706 members. The average number of cows owned by the members of a co-operative dairy, which in 1898 stood at 2.91, has decreased to 2.71 in 1900, which shows that it is more and more the very small peasantry who resort to this kind of co-operation. The value of the produce sold by our co-operative dairies in 1900 is estimated at 20,772,920 francs, which is at the rate of 510 francs per member. This collective amount is made up of the following items:—

Cheese	24,937	francs
Milk	98,570	"
Butter	20,506,917	"
Other Produce	142,496	"
	<hr/>	
	20,772,920	francs
	<hr/>	

It is a little surprising to find that cheese is so sparingly represented in the collective figure, by a sum of scarcely 25,000 francs—all the more since statistical returns of the entire trade of Belgium with foreign countries show that on a balance of trade, specifically in cheese, the difference between exports and imports amounts to no less than 8,320,047 kilogrammes, valued at 11,648,066 francs, whereas the excess exportation in respect of butter figures at only

1,012,788 kilogrammes, valued at 2,805,422 francs. It may not be amiss here to call the attention of our co-operative dairies to this fact, because it appears that they might do well to extend their activity in a new direction, and seek a new outlet for their production in cheese, unless they are prepared to see the remarkably steady advance of their trade arrested before long.

On the 31st December, 1898, Belgium possessed 199 co-operative agricultural credit societies, organised on the Raiffeisen principle. By the 31st December, 1900, that figure had increased to 264. These 264 Raiffeisen societies among them had in 1900 lent out in all 1,544,909 francs in 2,269 distinct loans, that is, 8.59 loans per society, and 680 francs per loan.

Apart from these credit societies, there were on 31st December, 1900, just the same as on 31st December, 1898, two agricultural credit societies in existence organised on the Schulze-Delitzsch system. Of these, one had in 1900 lent out 206,236 francs in 672 loans, which is at the rate of 307 francs per loan; and the other 60,490 francs in 45 loans, which is at the rate of 1,344 francs per loan.

The amount of deposits paid in to the Raiffeisen societies continues, as heretofore, to stand at about twice the amount of money lent out.

Our urban People's Banks, numbering twenty, all of them on the Schulze-Delitzsch system, also frequently lend to agriculturists, but they do not publish a return of their business, as credit institutions, regularly every year. The return which I communicated to the Paris Congress, in the shape of a synoptical table, is, as it happens, still the best that has appeared. These urban People's Banks, I ought to add, have, in contrast with the other co-operative institutions in Belgium, continued as open to anyone without distinction of party or creed, as they were on their first introduction, 38 years ago, holding altogether aloof from politics, whereas the majority of working men's co-operative societies in this Belgium may be said, under this point of view, to correspond exactly to the description of it given by M. Emile Vanderelde in *Les Coopérateurs belges* on 1st February, 1901, in which he says: "If the urban co-operative societies are the backbone of the Labour party, the agricultural leagues, with country are the creations of political parties, the one Catholic, the other socialist. Thus the position of co-operation in their institutions really or professedly co-operative, constitute since some years the most powerful economic organisa-

tion of the clerical party. From the moment when socialist propaganda began in the towns, the Catholics have set resolutely to work, and, thanks to the power which the influence of the clergy confers upon them, thanks to the recruiting officers which they possess in every village, in the shape of the parish priest, they have succeeded in placing with a truly astounding rapidity the whole formidable army of the peasantry upon a war footing. Also the vast majority of associations in the rural districts of Belgium, being directed by priests and squires, have an altogether denominational complexion. To face them, on the other side, there are only about two dozen of agricultural groups quite recently formed by the Labour Party. There is no need to insist upon the striking disproportion between the two forces pitted against one another. On the one hand, a few feeble unions of agricultural labourers, some stray supply societies, only two co-operative dairies, outposts of the federations in towns; in brief, a few advance guard detachments only, one or two 'blockhouses,' so to speak, lost in the immense expanse of the country, with a base of operations situated in the towns, at a great distance from the battlefield! On the other hand, a base of operations in the country districts themselves, agricultural leagues distributed so as to occupy nearly every village, faithful battalions of the believing, whose defection is guarded against by the real advantages offered, and by a bond of dependence attaching them securely to the great clerical army!"

Is this position—quite peculiar, as it must be owned to be—of co-operation in our country, which has been effectively seized upon by political parties employing it as a weapon for the realisation of their political or social ideals, likely to last?

I cannot believe it.

A time will come, and may be it is nearer at hand than a good many imagine, when, under the teaching of economic education, it will be generally recognised among the population that co-operation wants to be practised for its own sake only, and purely with the object of ameliorating the social condition of the largest number. Its momentary subjection, which I have to record to-day as a fact, will not then be so much a subject of regret, since it will have served to open a path, more particularly in the country, and to pave the way for the abiding success of the work which we have taken in hand.

BELGIUM.—II.*

BY

M. VICTOR SERWY, Secretary of the Federation of Belgian
Co-operative Societies.

Socialist co-operation in Belgium does not date, as has often been alleged, from the time of the formation of the *Vooruit*. Co-operative institutions, alike distributive and productive, have been organised, under socialist influence, even before 1880. But it is quite true that in the year named the *Vooruit* of Ghent appeared on the scene, being destined to become to Belgian co-operation what the Rochdale pioneers have been to English. The formation of the *Vooruit* distinctly marks the advent of a new type of co-operation, which is the modern one. The *Maison du Peuple* of Brussels, which is of the same type, was created about the same period.

Both societies were formed under circumstances of extreme poverty; both are to-day, no less in a moral sense than in a material, very powerful. They have exercised a considerable influence on the growth of socialist co-operation, not only in Belgium, since 1885, but within the past four or five years equally so in foreign parts. It is more particularly since the year 1885, in which the Belgian Labour Party was formed, that the *Vooruit* and the *Maison du Peuple* of Brussels have found imitators. At the time when the Labour Party constituted itself there were scarcely half-a-dozen societies in existence. However, since then the movement has not ceased to grow and to extend. By the end of 1885 the following societies were in full swing: *Le Progrès*, of Jolimont, which really dates back to the time of the "International Association of Working-men," the *Vrije Bakkers*, of Antwerp, and about ten more co-operative distributive societies, at Malines, at Liège, at Louvain, in the Charleroi country, and at Verviers. At the present time socialist co-operation embraces in all 238 societies, distributive and productive. Their sales amount at present to about 38,000,000 francs per annum.

The progress made is clearly attributable to the action of the Socialist party, which looks upon co-operation as a means of economic amelioration and an instrument for political and social emancipation.

The co-operative distributive societies of the socialist type—which are in Belgium taken, wrongly, to include

* Containing the data spoken of as forthcoming in the preceding Report.

bakeries—number at present 203. They are to be found in largest number in the Walloon country, which is a manufacturing district *par excellence*. In the Flemish districts, which are mainly agricultural, there are as yet only 23. In the Walloon country there are 180. The districts of Liège and Charleroi really are answerable for the largest number; but the proportion of co-operators to population is most considerable in the districts of Huy and Soignies, amounting severally to 57 and 43 per cent.

It may be worthy of notice that all electoral divisions in which Labour co-operation is powerful, return Socialist Deputies to Parliament.

In Belgian Luxembourg, which is an agricultural country, socialist co-operation is at present beginning to make headway. Within the last two years eight societies have been formed there, and in Flanders as many as ten, in less than two years. Our co-operative distributive societies may be classed under three heads. There are (1) the societies which sell nothing but bread; these predominate in the country called Le Borinage; (2) the societies which sell groceries, piece goods, boots and shoes, etc., like *La Fraternelle*, of Seilles, *La Prévoyance*, of Haufays, and others; and (3) the societies which sell every variety of articles required for nourishment and clothing, and also make their own bread, such as the *Maison du Peuple*, of Brussels. The number of societies of the first type is now daily decreasing. Societies of the second type are at present the most numerous. Those of the third type are continually increasing in number. Some of our mechanical bakeries turn out annually more than 10,000,000 kilogrammes (20,000,000lbs.) of bread, for instance, the *Maison du Peuple*, of Brussels. *Le Progrès*, of Jolimont, the *Vooruit*, of Ghent, *La Concorde*, of Roux, *La Populaire*, of Liège, *La Maison du Peuple*, of Auvélais, and some others produce annually from one to six millions of kilogrammes of bread each. The collective annual sales of the *Maison du Peuple*, of Brussels, reach 5,000,000 francs; those of the *Vooruit* 3,000,000 francs; those of the *Progrès*, of Jolimont, 2,500,000 francs. The annual takings amount in the majority of our societies to from 100,000 to 150,000 francs.

By the side of these co-operative societies there are also about twenty associations formed by employees of railways, in the Post Office, the Telegraph Department, and in the Government marine service, the majority of which have for purposes of common purchase joined together to form the *Fédérale des chemins de fer* (Railway Federation),

There are also some co-operative societies for the construction of working-men's dwellings, formed to take advantage of the special law of 1889.

In conclusion, there are several co-operative productive societies, of which the large number are enrolled as belonging to the Labour Party. I note, under this head, five printing works, four breweries, a spinning mill, three factories for the manufacture of clogs, one stone quarry, one confectionery works, three tobacco factories and cigar and cigarette works, one clothing society, one society of carriage builders, one basket-makers' society, one society of hatters, one hosiery society, two boot and shoe works, two gingerbread bakeries, one cabinet-makers' society. This does not exhaust the list. All these societies are still in their earliest infancy, but all have distinctly advanced within the last year, showing an increase in sales, and a reduction, steadily progressing, in the mortgage debts upon their buildings, and other liabilities.

Within a few years from this, when the Federation of Belgian Co-operative Societies, our "Wholesale," may be expected to have acquired sufficient importance and power, the time will probably have come when our distributive co-operation all over the country may consider it expedient to take over these societies, improving their organisation, but still allowing them a certain amount of self government.

Since 1st January, 1901, there is a Federation of Belgian Co-operative Societies in existence which co-operators had tried to form during the preceding two years. It numbers at present 71 societies, but it does business already with no less than 159, all of which are sure to become members sooner or later. In the course of its first year this Federation disposed of goods to the value of 768,000,000 francs, and its profits rose to about 10,000 francs. Since the 1st January of the present year the amount of sales per month has doubled; and we hope that by the end of the year we may have sales of more than 1,000,000 francs to report. However, already we see private commerce and industry rousing themselves for active opposition. Actual hostilities have, indeed, begun. In the struggle thus foreshown as coming we should be glad to have the feeling of common interest among our British brethren to rely upon. British societies, being commercially better equipped than ourselves, might, through their Wholesale Society and their steamer service, supply us with coffee, rice, spices and plenty of other exotic goods, obtained from the countries of their growth.

The Belgian Co-operative Federation is not purely a

commercial organisation ; it is also an organisation for co-operative and social education. It possesses for this purpose a Consultative Chamber, upon whose work large demands are made every day.

Socialist co-operation in Belgium is now making sensible progress, not only as regards business, but also as regards administrative education. Formerly people showed themselves loth to adopt a proper system of book-keeping. Now such institution is in demand everywhere, and everybody has learnt to value it. Formerly people made light of the value of directing work ; now they have learnt to judge better. In all our societies there have been persistent efforts made, since about ten years, to adopt in practice the economic reforms which enter into the socialist programme, such as the eight hours day, a minimum rate of wages, a voice allowed to Labour in the Council of Management, compensation for accidents, sick insurance, organisation among workmen employed in the co-operative societies, Sunday rest, etc. There is not a co-operative society among our connection which has not carried out at any rate one or other of these reforms ; in several the adoption of the whole programme has become an accomplished fact. Apart from this, our societies have provided rooms for working-men to meet in and discuss their common interests as working-men and citizens, to seek recreation and instruction. They have organised for the benefit of labour certain common services, such as bread supplied gratuitously to sick members ; free, or else very cheap, medical advice and medicine or treatment ; old age pensions ; financial assistance in cases of disablement or of want of employment, etc. They have formed popular libraries. They have subsidised the Labour press, voted considerable sums of money in aid of working-men on strike or locked out. They have spent thousands of francs in the struggle for equal electoral rights for all, and in support of the temperance cause. It may, indeed, be said without exaggeration, that there is not a form of human suffering which has not found an echo in the *Maisons du Peuple* ; there is not a popular hope in which we have not shared. The *Maisons du Peuple* have raised their voice freely against wrong, from whatever quarter it may have come, in favour of every appeal to justice and to common interest. In truth, co-operation would for us Socialists be an empty word if it were not employed as an apprenticeship for human solidarity. On this road we intend to persevere.

THE NETHERLANDS.

BY

G. J. D. C. GOEDHART.

In April, 1900, I mentioned in my report on Co-operation in Holland, prepared for the Paris Congress, that the co-operative movement was then making only slow progress in the Netherlands. Since then progress has slackened even more, as may be gathered from the following figures:—

NUMBER OF DISTRIBUTIVE SOCIETIES.

	1897.	1900.	1902.
Co-operative Stores	55	72	78
Co-operative Butcheries	3	3	2
Co-operative Bakeries	22	34	48
Co-operative Fuel Societies	12	14	12
Agricultural Societies for common purchase of fertilizers	122	166	189
Miscellaneous	4	10	27
TOTAL ...	213	299	356

NUMBER OF PRODUCTIVE SOCIETIES.

Agricultural Societies for the sale of produce	10	16	20
Co-operative Dairies	266	416	498
Co-operative Dressmaking Societies	2	2	5
Co-operative Printing Societies	2	4	5
Miscellaneous	10	19	37
People's Credit and Savings Banks	28	87	140
Building Associations	59	81	91
GENERAL TOTAL ...	595	924	1152

There are over and besides two co-operative Insurance Societies

As was shown in my report of 1900, the want of progress made may possibly prove a blessing in disguise. We have a proverb which says:—"Slow, but sure." Nevertheless, we shall have to take care that slackening the pace is not carried to the point of absolute stagnation. There are times when to Dutch co-operators it appears to be slowing down to that.

There are, of course, reasons for this want of movement. In addition to the ordinary obstacles encountered by all co-operative movements, such as the hostility of traders, the

indifference of the press and of the public, and eagerness for large dividends among co-operators, co-operation has in the Netherlands two specific difficulties to battle with. These consist in a dangerously complex organisation and an absence of active propaganda. The consequence is that there is a lack of capable persons taking up the cause, and that accordingly many mistakes are made through want of clear perception of the underlying principles. Thus, in several towns, we have co-operative societies competing with one another. At the same time, only a very few deal in more classes of articles than one. A distributive store, for instance, is, as a rule, only a grocer's shop, having no butchery or bakery attached to it. And both co-operative butcheries and co-operative bakeries are in many instances distinct institutions. And members of one society of this sort often will not join the other society.

And yet, owing to sheer impatience—felt simply because members wanting particular articles did not care to wait till the first society formed should be strong enough to extend its trade to new articles—if a person would supply all his ordinary wants, he must, under such circumstances, join, not one, but four or five different societies. Each of these societies must, as a matter of course, have its own committee or committees, and in this way administrative power is wasted and the work becomes complicated. It is not at all uncommon to find persons elected on a committee who have no idea whatever of what co-operative ideals really mean.

Another special difficulty has become very apparent during recent years. For a long time working men remained in Holland indifferent to co-operation. They looked upon it as a mere middle-class expedient, and more specifically as intended for civil servants and officers in the army and navy. The social democratic league did not favour co-operation, because it apprehended from its triumph a loss of members to itself. This way of looking at things has been abandoned of late. It is not, indeed, the co-operative principles which attract our socialist comrades, but the dividend which co-operative societies are in a position to earn for their members. That has opened the eyes of these men, and they have come to understand that co-operation might be turned to account to fill their money chests and provide them with the sinews of war to be waged against capitalists. They have, accordingly, now taken their place in the co-operative movement, bringing into it ideas foreign to its genuine aims. Members of co-operative societies are, of course, free to use their dividends as they please; and if

socialist members elect to use them for political purposes, nobody can forbid them. But the co-operative movement cannot gain by having its societies converted into bodies that aim only at the support of socialist propaganda out of the funds earned by co-operation. That would tell against societies making less than the ordinary profits, and would, moreover, constitute co-operation a movement of only one political party, that is, of avowed socialists. The consequence would be that the movement would have to be divided into socialist and non-socialist societies. This is, of course, not the way to create a sound co-operative organisation in a country where the movement suffers, as it is, by reason of the complex organisations which I have already spoken of.

Here are serious dangers for Dutch co-operation—dangers which are well understood by the Dutch co-operators themselves, but which they, nevertheless, have not the power to remove at once, though better organisation has been their aim for some time back. Their labours promise, after all, to be crowned with success. But those who believe in good co-operation seem still content to wait. Once the advantages of a better organisation are understood, the future of co-operation in the Netherlands promises to be bright. For the practice of co-operation has nearly everywhere made its good influence felt, wherever it has been tried, in engendering the sentiments and aspirations which lead to its success.

Practice makes perfect, so says an English proverb, and that proverb is coming true in Dutch co-operation. One proof of this is that the number of members of societies keeps growing, slowly, but steadily. This fact leads me to believe that the fundamental idea of co-operation, namely, that distribution must be organised first of all, has taken root in our working men's minds.

Another proof is this, that the national organisation of co-operation and the wholesale movement begin to interest economists and writers in the public press. And I may further add that the interest shown in lectures on co-operative topics is scarcely less remarkable than the success which has, at length, crowned the efforts made by Mrs. Treub and the Misses Hingot and van Asperen van de Velde to form a Dutch Co-operative Women's Guild.

When I ask myself what are the results obtained by the societies during these last few years, I think I may say that, taking circumstances as they are, they appear to me certainly encouraging. Only a hundred of the thousand co-

operative societies existing has thus far joined the Netherlands Co-operative Union. But that Union has remodelled its commercial section in such a manner as to make it more useful to the societies which are members of the Union. It has also begun to make its own soap, and is thinking of enlarging the sphere of its activity.

The co-operative dairies, though they were established merely with the object of increasing farmers' profits, have led their members to understand and appreciate more and more the value of co-operative principles. They feel it their duty to aim more at the improvement of their butter and of the position of their employees than at mere dividends. Add to this that co-operative stores are beginning to be a little embarrassed with the plethora of money earned, and are seeking for new means to employ it. That is bound to lead them into new undertakings.

Some co-operative societies have also been obliged, by reason of their growth, to form branches in different parts of their town, for instance, those of the Hague. Co-operative building is so much appreciated, that in several of our towns hundreds of good houses have been set up for members of building societies. A co-operative kitchen is spoken of, and there are people who are ambitious enough to dream of a co-operative bank. Of course the realisation of much of what is in this manner being dreamt of is still, in truth, a long way off. But only a short time ago no one was bold enough even to talk of such schemes, for fear of making himself a laughing stock among even the best co-operators. From the idea to its execution the way may still be long. The difficulties of a very bad organisation retard our movement. But the advance of co-operative ideas will help us to overcome them, and once we find ourselves in the right path, we hope to win the battle as certainly as have done the co-operators of England, Germany, Italy and Switzerland.

AUSTRIA.

BY

CARL WRABETZ, Chairman of the Union of German Co-operative Societies in Austria and Member of the Reichsrath.

Co-operation keeps extending in Austria, and every year witnesses a fresh increase in the number of co-operative societies. Above all, it is the Village Banks, Agricultural Purchase and Sale Societies, Dairies, Warehousing Societies and Vinegrowers' Associations of the Raiffeisen type which

have multiplied remarkably owing to the countenance and financial assistance given them both by the Imperial and by local governments. They receive from both these classes of authorities grants in money for forming, further subventions, and loans, either free of interest or charged at a nominal interest only. Such societies among the peasantry show only little of that strict spirit of self-help, which characterises the co-operative credit associations and other co-operative societies which have accepted the principles of Schulze-Delitzsch.

The total number of co-operative societies known to be in existence in Austria at the close of 1900 was 7,616, showing an increase in comparison with the preceding year of no less than 843. Among the number stated there were probably about 1,800 German societies of the Schulze-Delitzsch type. The 7,616 societies include 5,098 credit societies, 758 distributive, and 1,760 other societies.

No precise statement can, unfortunately, be made with regard to the work of the societies and its results in 1900, because the only authority collecting and issuing official returns is the Imperial Central Committee on Statistics, which rarely issues them less than about three years after the event. This is to be accounted for by the fact that it does not itself receive reports and the balance sheets till about a year after date, and, in view of the large amount of matter to be dealt with, the Statistical Committée, overburdened with other work, appears to require another two years to put things into shape. However, the private statistics of the German, Czech, Polish and Slavonian Co-operative Unions (all of them formed on Schulze-Delitzsch principles), and the returns collected by the Imperial Land Bank in Bohemia, provide some figures which I here quote, leaving out of account altogether all societies of the Raiffeisen type.

There were in 1900 1,513 credit associations of the Schulze-Delitzsch type furnishing returns, numbering collectively 923,967 members, and lending out in the twelvemonth 780,600,000 kronen.* The net profits obtained on this business are reported as 8,775,000 kr. The total assets of the societies stood at the close of 1900 at 928,392,000 kr. Of this sum 4,200,000 kr. was cash in hand, 15,000,000 kr. money deposited with other banks, 18,600,000 kr. securities, 477,900,000 kr. claims against borrowers secured by promissory notes, pledges or in current accounts, 400,600,000 kr. money invested in mortgages, 6,300,000 kr. real estate, 5,700,000 kr. other assets. Liabilities were made up of

*A krone is half a florin, equal to about a franc.

123,100,000 kr., capital belonging to the societies, viz. :— 69,200,000 kr. share capital and 53,900,000 kr. reserve funds ; moreover, 1624,600,000 kr. loan capital—933,100,000 kr. being savings deposits, 691,500,000 kr. loans, money on current account and re-discounted bills, and 5,300,000 kr. other liabilities, including balance of profits.

Only very scanty figures are available in respect of distributive societies. Only the German and Polish Unions of co-operative societies collect statistics. And of these two the Polish Union does not deal with the distributive societies under a separate head. There accordingly remains only the German Union, which has collected the following figures relating to its own societies. Of the 758 distributive societies of all nationalities reported as in existence at the close of 1900, 170 were German. Of these only 162 sent in their reports and balance sheets. These papers show the collective membership to have been 91,555 at the close of 1900, sales in the year 28,600,000 kr., and gross profits obtained 3,970,000 kr. Of that sum 1,800,000 kr. is charged to management expenses, 110,000 kr. to interest due on credit obtained, and 259,000 kr. to rates and taxes. Thus net profits left were 1,820,000 kr., of which sum 100,000 kr. was carried to reserve and 1,500,000 kr. was paid in dividends. The collective assets of the 162 societies consisted at the close of 1900 of 323,000 kr. cash in hand, 4,629,000 kr. stock of goods, 730,000 kr. money due from purchasers, 2,741,000 kr. real estate, and 887,000 kr. plant and other assets, totaling up to 9,310,000 kr. The collective liabilities were :— 2,315,000 kr. share capital, 1,334,000 kr. reserve funds (3,649,000 kr. in all), 2,865,000 kr. savings deposits and other loan capital, 950,000 kr. money owing for goods, and 1,850,000 kr. otherwise, including net profits.

Distributive societies advance much less rapidly than all other forms of co-operative association, in the main because Government authorities, more particularly licensing and revenue authorities, make things unpleasant and hard for them. Notwithstanding that our distributive societies sell goods only to their own members, they are compelled to obtain licenses for the sale of certain articles, and subjected to other restrictive provisions under the law on trade, which hinders them seriously in their work.

There is very little, indeed, to say in respect of co-operative societies of other forms—such as productive, work societies, building associations, societies for common purchase of raw material and warehousing and sale of finished articles, as also agricultural co-operative societies. All that is,

perhaps, worth stating is, that during late years the Imperial and local governments have given distinct countenance and financial support to the various forms of societies intended to benefit specifically the artizan class, such as societies for the purchase of raw material or the warehousing and sale of goods. The results obtained are, taken as a whole, not altogether in proportion to the assistance given. But there are some notable exceptions to this. However, looking at the new departure in its collective aspect, here is a new illustration furnished of the old truth that in co-operation self-help alone can be relied on to produce durable results, and that coddling with State help only produces bastard co-operation, which cannot be trusted to stand the test of time.

HUNGARY.

BY

DR. BERNAT, Secretary of the Hungarian Union of Co-operative Societies.

The advance of the co-operative movement in Hungary has been steady, and may be said to have been in some respects really astonishing. The formation of *Credit Societies* (of the Raiffeisen system) by Count Karolyi, which was begun about fifteen years ago, gave the movement the elevated character which until then it lacked; and the propaganda taken up in the press helped to attract attention to it, not only among the wealthier classes, but also among the great masses of the people, and to make them understand the beneficent effect inherent in co-operation. During the first few years, since that time, it is true, only little could be done. For money was wanting in sufficient quantity to emancipate the peasantry from oppressive usury, and, in addition, there were only few men fitted and willing to undertake the work. Both these obstacles may now be said to have been happily overcome. The Central Credit Society, created by a special law of 1898, has perfectly adequate funds at its command, and men are offering from all quarters, ready to undertake the necessary work and qualified to do it.

The Central Credit Society (for the last Report of which see Appendix 1), does not confine itself purely to organising work, but supplies and supervises agricultural co-operative societies as well.

Apart from this Society, with its host of local associations, there are from 500 to 600 independent credit societies in existence, uncontrolled by any central institution. Among these, likewise, during the past few years, a disposition has

become observable to unite; and they have succeeded in forming their own independent central institution, which is, however, for the moment, still wanting in strength. Generally speaking, these independent societies are, in truth, mere ordinary banks, without any of the higher objects of co-operation.

The distributive movement has for its focus the Central Society *Hangya* (Ant), which was likewise formed by Count Karolyi, or, perhaps, I should more correctly say, by the Federation of Hungarian Agriculturists, in 1898. (For its Report see Appendix 2). The increase of distributive societies is a matter of the greatest importance to this country, because the village tradesmen are in many cases usurers as well, and bring about the ruin of the peasantry in a two-fold way, first, by dealing out inferior goods, and, next, by charging usurious interest in respect of loans—which are sometimes purely imaginary.

In addition to the *Hangya* there is a central distributive association, the “Christian Co-operative Societies,” which have habitually attacks to sustain alike from the Jewish dealers and from the press. This Central Association has from 100 to 150 distributive societies attached to it.

Furthermore, there is at Budapest a Civil Service Supply Society, which numbered in 1893 1,534 members, and in 1901 2,332, and sold in 1900 1,924,284 kr. worth of goods, and in 1901 2,146,740 kr. The goods in which it deals are mainly butcher’s meat, milk, groceries, etc. In addition, it has a tailors’ and shoemakers’ shop, which yield satisfactory results. Its share capital now stands at 125,849 kr., its ordinary reserve fund at 55,219 kr., its special reserve fund, for members, at 275,126 kr., and its net profits were in 1901 6,665 kr.

The employees of the Royal Hungarian State Railways have also, since some years, a distributive society of their own, which answers well.

Co-operative dairies, favoured by the Ministry of Agriculture, are making very satisfactory progress. Here are the main results obtained:—

	Member-ship.	Shares taken up.	Milk delivered by Members. Litres.	Butter Kilogrammes.
1897 ...	2,767 ...	5,937 ...	4,790,132 ...	191,254
1898 ...	10,402 ...	19,701 ...	10,531,408 ...	429,838
1899 ...	15,357 ...	26,917 ...	22,147,144 ...	878,175
1900 ...	26,952 ...	45,934 ...	49,436,794 ...	1,195,634
1901 ..	40,673 ...	69,507 ...	66,718,036 ...	1,705,001

There are some co-operative egg societies formed quite recently by the distributive societies, acting in concert with credit societies. These societies have done well in their first year (1901), and already export considerable quantities of eggs into Germany and England.

The co-operative insurance societies previously formed have all of them come to grief, in consequence of unbusiness-like management. However, a new "Co-operative Insurance Society for Agriculturists" has recently been formed under the auspices of the most competent economists and statesmen. The principle upon which it proceeds is that of meeting the raised premiums charged by the associated "ring" of ordinary insurance companies by lower premiums rendered possible by economy in the management. The Co-operative Agricultural Insurance Society took up insurance against fire in July, 1900, insurance against hail in 1901.

The first balance sheet, published in 1902, has shown that the society is proceeding upon the right lines. The economies effected even in the very first year, which generally involves very heavy expenditure, were considerable. The society has a share capital of 1,200,000 kr., to which has to be added 400,000 kr. contributed by the Hungarian Government, thus bringing the total up to 1,600,000 kr. The first balance sheet shows a surplus of 90,349 kr., after providing duly for reserve. This has been appropriated by paying 5 per cent. to capital and 4 per cent. of the annual premium to custom.

There is, lastly, since about four years, a mutual Cattle Insurance Society, which has insured cattle to the value of 5,000,000 kr. The Society has thus far paid 195,000 kr. in compensation.

The facts quoted show that, apart from the Credit Societies, the whole co-operative movement is still of very recent origin. There is no reason to doubt that it will spread and grow rapidly, and that even after a few years from now there will be very satisfactory results to report.

APPENDIX I.

THE NATIONAL CENTRAL CREDIT CO-OPERATIVE ASSOCIATION.

In Hungary the organisation and activity of co-operative associations is regulated by the Commercial law of 1875 and by the new Co-operative Association Law passed in 1898.

The Commercial Law of 1875 leaves a wide field for the activity of co-operative associations, and does not limit their dealings to their own members alone.

The new Co-operative Association Law of 1898 prescribes narrow limits both with respect to the field of activity and to the circle of dealing similarly to the principles existing in these regards in Germany; on the other hand, it assures to the co-operative associations based on this new law extensive privileges, which consist of exemption from certain taxes and stamp duty, and facilities for proving claims; and, finally, it establishes a capitalising centre exercising decisive control over the co-operative associations. This centre is called the "National Central Credit Co-operative Association," formed under Law XXIII. of 1898.

Only such co-operative associations can unite with this centre as are based upon the new co-operative association law.

The foundation capital of the National Central Association is raised by the founders, and by the co-operative associations associated with it as regular members.

The founders brought as their share of the foundation capital 4,182,000 crowns, and the associations as regular members 785,000 crowns. The State entered the list of founders with one million crowns, and by reserving to itself the right of appointing the president, the two vice-presidents and two of the directors, and also a voice in the election of the managing director, and by means of the control which, as Government, it exercises over the institution, it has become the ruling power in the Association.

Up to now (during three years) 1,328 co-operative associations have united with the National Central Credit Co-operative Association. They have, collectively, 270,000 members, who have taken up 560,000 shares of a value of 27,500,000 crowns.

The members in their several co-operative associations make use of the credit by means of promissory notes or bonds, and so far as the co-operative associations are unable to meet the demands for credit from their own capital and from the deposits, they obtain the necessary funds by handing on such notes or bonds endorsed by themselves to the said National Central Association for discount.

The money resources of the National Central Association are the following: the aforementioned foundation capital of about five million crowns, savings deposits to the value of about eleven million crowns, interest-bearing bonds issuable

under legal authority (to-day about 11½ million crowns in value), and, finally, re-discount of notes.

The small co-operative associations have granted their members credit up to now of about 56 million crowns, of which about 19 millions was supplied by instalments paid upon the shares, and from the savings deposits of the wealthier members, while the remaining 37 millions were borrowed from the National Central Association.

The 1,328 co-operative associations attached to the National Central Credit Co-operative Association are, with few exceptions, credit associations, 1,250 of them being distinctively agricultural, and about 70 industrial.

Of the industrial associations about one-half are co-operative associations for the purchase and production of raw materials.

Among the agricultural are associations for the sale of grain, wine, and other products.

APPENDIX II.

THE "HANGYA" UNION OF DISTRIBUTIVE CO-OPERATIVE SOCIETIES IN HUNGARY.

Here are some figures relating to the "Hangya" Union of Co-operative Societies for 1901:—

Number of subordinate co-operative societies ...	232
Branches	35
Total	267
Members	30,254
Shares	61,380
Capital	1,019,232 crowns
Liability of Members	3,957,240 "
Fund of shares already paid-up	374,080.68 "
Amount of reserve fund	63,490.73 "
Stock invested in goods	1,212,721.73 "
Profit	110,073.08 "
Loss	16,370.78 "
Sales of one year	4,296,925.23 "

SALES OF THE WHOLESALE SOCIETY.

1898		1899		1900		1901	
K.	f.	K.	f.	K.	f.	K.	f.
49,457	02	462,838	52	1,225,440	79	2,803,785	08

RUSSIA.—I.

BY

COLONEL J. GEREBIATEFF.

There are three distinct types of co-operative societies known in Russia, namely :—

- (1) Distributive Societies (Wholesale or Retail).
- (2) Co-operative Credit Societies or banks.
- (3) Productive Societies, generally spoken of as "artels."

In the following remarks I propose to deal only with the societies existing under the first two heads.

I.—DISTRIBUTIVE SOCIETIES.

The distributive societies existing in Russia are of six different kinds, distinguishable alike in respect of object, constitution and accepted method of working, namely :—(a) Special military co-operative societies ; (b) Civil Service co-operative societies ; (c) Railway employees' co-operative societies ; (d) Working men's co-operative societies ; (e) Rural distributive societies ; and (f) Societies established both in town and country with a mixed membership. All these societies are based exclusively upon limited liability.

The military co-operative societies are placed under the authority of the Minister of War, without whose particular sanction no rules may be adopted. The other societies, generally speaking—with the exception only of the older ones and some special formations—are subordinated to the Minister of the Interior, and are required to frame their rules in accordance with the model rules prescribed by the Department in an ordinance issued on 13/25th May, 1897. Having so framed their rules, they are required to submit them for examination and approval to the governor of their particular town or district. In societies so formed membership is, generally speaking, open to any one, of either sex, who has attained his or her 21st year. Whatever his or her holding may be, the membership of one person entitles only to one vote at the general meeting. To administer the business of the society a managing committee is elected at the general meeting. Of its members a certain number as a rule retire every year, but are eligible for re-election. In some societies committee work may be remunerated out of available profits. As a general rule, however, it is given gratuitously, and even the secretary mostly works for nothing. In such cases the members of the committee discharge their duties in their leisure hours. For the actual shop work a staff of paid employees is retained. But in small societies committee-men will often take charge even of this mechanical work.

down to the carrying out of the goods sold to the purchasers.

To supervise and check what is done by the managing committee the ordinance of May, 1897, provides that there shall be a second supervising committee, which is likewise elected by members at the general meeting.

In military societies and societies of railway men a second committee of supervision is insisted upon, whose special office it is to see that all that is done is done in conformity with the rules and with the resolutions passed at general meetings.

Taking all distributive retail societies together, returns collected show that on January 1st, 1901, there were 587 such in existence. But of these only 205 sent in returns of particulars to the Permanent Committee on Co-operative Societies, a body to be still spoken of: The 205 societies collectively reported a membership of 117,645, which makes an average of 573 per society. The largest among them was the society of officers of the Imperial Guard, at St. Petersburg, having 5,469 members and 480 employees.* Next to it stood the co-operative society of M. Putiloff's Rail and Ironworks at St. Petersburg, having 11,756 members and 402 employees. The total number of employees returned for the 205 societies at the date named was 3,255, giving on an average 16 per society. With the exception of the military co-operative societies, in which employees are not kept at work more than 60 hours per week, an inquiry instituted in 1899 by the Permanent Commission shows the hours of work to be heavy, namely, from 72 to 90 hours per week, not reckoning holidays, during which the stores are kept open from four to ten hours a day. Thus a total per week of from 76 to 100 hours in all is arrived at. A second inquiry instituted by the Permanent Commission in 1900, shows that in the said 205 distributive societies 3,255 employees collectively received 1,130,425 roubles in wages, that is, on an average 5,514 roubles per society, 4.26 per cent. of the value of annual sales, about 345 roubles per employee.† In addition to such fixed wages, societies often vote gratuities at general meetings as extra remuneration for their servants. The sum so voted in 1900 was 34,946 roubles, that is to say, about 10.8 roubles per employee. Regular profit-sharing is unknown among Russian co-operative societies.

The collective capital of the 205 societies referred to stood at the end of 1900 at 5,579,059 roubles, of which sum 3,687,635 roubles was share capital, 649,873 roubles loan

* See Appendix VI.

† 94.50 roubles are equal to £10.

money, 852,093 roubles reserve fund, and 389,458 roubles was held in several special funds. Thus, the average of share capital per society was 17,988 roubles, which corresponds to 31.4 roubles per member, or 13.9 per cent. of the annual sales. The average figure for loan capital was 3,170 roubles per society, or 5.53 roubles per member, and 2.45 per cent. of the annual sales. The corresponding figures for reserve funds were 4,156 roubles per society, 7.25 roubles per member, and 3.20 per cent. of the annual sales. Shares are, as a rule, of the value of 10 roubles, which sum is payable at the member's option, at once or by instalments. Under the ordinance of 13/25th May, 1897, there is no limit to a member's holding in shares, subject to such resolutions as the society may pass at general meetings. In societies to which the ordinance of 1897 does not apply, the maximum holding is, as a rule, limited to 25 shares. With the exception of one share per member, which is inalienable, such shares are withdrawable upon notice given, but not until after the annual balance sheet of the society has been approved by the general meeting. Interest on shares is under the standard rules of 13/25th May, 1897, limited to 10 per cent. as maximum, and may be paid only out of realised profits. No loan capital may be raised exceeding the amount of share capital held by the society. And a society may, by resolution of the general meeting, limit the maximum sum allowable still further. No power is given to co-operative distributive societies to take deposits from their members. Entrance fees are generally carried to reserve, and the reserve fund is further increased out of profits to the extent of at most 10 per cent. of the available profits per annum. Under the ordinance of 1897, societies subject to the model rules are permitted to invest their reserve fund only in Government securities or real property. Any excess-funds in share or other capital, other than reserve, may be invested in other securities approved by the Government. The total investments of co-operative societies under these provisions amounted at the end of 1900 to 45,476 roubles, at the rate of 2,118 roubles per society, or 3.82 roubles per member. The real property, buildings and plant owned by the 205 societies collectively at the same date is returned as 694,004 roubles, that is, 3,385 roubles per society, or 5.01 roubles per member.

The above figures show the working capital possessed by co-operative societies in Russia to be only small. Accordingly, in carrying on their trade the societies have to resort pretty freely to credit. This, as a matter of course, involves

paying heavier prices for the articles purchased. The collective liabilities of the 205 societies referred to on their trading account amounted at the end of 1900 to 3,997,188 roubles, that is, 19,600 roubles per society, or 34.1 roubles per member. On the other hand, although such system is persistently denounced, and its vicious effects have been frequently pointed out, the societies give credit pretty freely to members, allowing them, very often, as a matter of course, to draw upon a specified proportion of their holding in shares, or to the extent of the amount of wages due to them, if servants. The danger of such method of dealing has been exemplified in Russia by heavy losses sustained by some societies, and the complete ruin of some others. Nevertheless, the practice is continued. Thus, at the end of 1900, there was as much as 2,659,495 roubles owing to societies from their customers, that is, 14,238 roubles per society, and 24.9 roubles per member. Notwithstanding the gratuitousness of committee-men's services, 56,650 roubles was in 1900 paid to such officers, chiefly in respect of disbursements made, at the rate of 276 roubles per society, or 22 per cent. of the sales.

Apart from wages and disbursements, the trade expenses of the 205 societies amounted in 1900 to 962,921 roubles, that is, 4,597 roubles per society, or 3.63 per cent. of the sales. Thus, in all 2,225,521 roubles were expended in trade outlay, being at the rate of 10,855 roubles per society, and 8.39 per cent. of the annual sales.

The collective purchases of the 205 societies amounted in the year 1900 to 24,865,430 roubles, goods in respect of 24,665,128 roubles being purchased in the open market, and 200,302 roubles from co-operative sources. This corresponds to 121,295 roubles per society, and 212 roubles per member. The goods purchased from co-operative sources stand for only 8 per cent. of the whole. But that is exclusive of bread and some other articles which societies obtain from their own bakeries or workshops. The smallness of the proportion of purchases from co-operative sources is accounted for by the fact that there is as yet as good as no wholesale co-operative trading in Russia.

The collective sales of 205 societies sending returns amounted in 1900 to 26,498,093 roubles, which is at the rate of 129,259 roubles per society, and 226 roubles per member. The gross profits realised on such sales were 3,495,561 roubles, that is, at the rate of 17,049 roubles per society, and of 13.17 per cent. on the sales. The net profit (after deduction of all trade expenses, but not of the interest on shares),

was 1,270,040 roubles in all, that is, 6,194 roubles per society, and at the rate of 4.78 per cent. on the sales.

In most societies goods are sold at current market rates, or a trifle below. Some societies, however, sell at cost price, adding a percentage for trade expenses.

The profits resulting are appropriated as the members may decide in general meeting, a certain interest being allowed on capital, a portion being carried to reserve, other portions being allotted to the members of the committee and to the society's employees, and the balance being apportioned to purchasers in proportion to purchases. Thus, in 1900, the 1,270,040 roubles net profits available were appropriated as follows:—256,190 roubles to interest on capital at the rate of 7.4 per cent.; 590,325 roubles to dividend at the rate of 2.23 roubles per 100; 61,386 roubles as remuneration to the committee of management; 34,946 roubles as gratuities to employees; 101,683 roubles to reserve fund; and 68,130 roubles to the payment of the "supplementary tax" payable by societies having a capital of more than 10,000 roubles under the Russian law.* In addition to this, 644 roubles were subscribed towards the expenses of the "Permanent Commission on Co-operative Distributive Societies"; 4,836 roubles were allotted for educational, and 7,916 roubles for charitable purposes.

II.—WHOLESALE CO-OPERATION IN RUSSIA.

Since 1898 we have co-operative wholesale trading in Russia. On the 3rd of November of that year the Union of Co-operative Distributive Societies was formed, having its seat in the Arsenal Buildings, Kremlin, at Moscow. The object of this Union is to act as a central organ and propagandist body, but also to deal in goods for the benefit of co-operative societies which are its members, and which depend for their supply upon the industrial districts in the Government of Moscow.

At the outset it was proposed that the Union should carry on such joint trading without any share capital of its

* Distributive Societies having a share capital which does not exceed 10,000 roubles, pay no tax whatever. Larger societies are taxed like joint-stock companies, being required to pay the ordinary "Fundamental" tax and "supplementary" taxes at the rate of .15 roubles on every 100 roubles of share capital, and of from 3 to 6 per cent. upon net profits, if such do not exceed from 3 to 10 per cent. on total sales; otherwise, if they are more than 10 per cent., 6 per cent. on sales; and in addition, 5 per cent. of the difference between share capital and net profits. The 68,130 roubles paid in "supplementary" tax in 1900, at the rate of 332 roubles per society, correspond to 5.4 per cent. of the net profits, or 1.9 per cent. of the share capital, or 26.6 per cent. of the interest paid on share capital.

own, acting simply as broker. However, at the very first meeting of delegates, it was decided to create a working capital by the issue of shares of the value of 50 roubles each. Only societies are eligible as members of the Union; and such societies are called upon to take shares to the amount of at least 3 per cent. of their own share capital, and in no case less than one share of 50 roubles. At the end of 1900 the Union numbered 68 members, being societies, composed, in their turn, collectively of 36,105 members (individuals), with 1,224,104 roubles of share capital, 240,188 roubles of reserve funds, and 14,194 roubles of special funds. These 68 societies ought, according to the rules of the Union, to have held collectively at the end of 1900 37,750 roubles in shares of the Union. But the amount actually held was only 5,150 roubles. Under these circumstances the Union had, notwithstanding the resolution of its delegates, to act in 1900 only as broker. In that year it negotiated the sale of goods to the value of 496,622 roubles, netting on such business 1,880 roubles of brokerage. Its trade expenses amounted to 3,349.8 roubles. The 68 societies themselves had done a trade with their members of 9,032,474 roubles.

In the past year the Executive Committee of this Union has organised a systematic wholesale purchase of goods at the famous fair of Nijni Novgorod, for the benefit of co-operative societies in Eastern Russia. The value of goods purchased amounted to about 1,200,000 roubles. In consequence of this it was decided at a private meeting of delegates to form a special committee, which is to meet every year at Nijni Novgorod, during the fair, to effect the requisite wholesale purchases for the benefit of societies which agree to pay 20 roubles apiece towards the expenses of the said committee.

A second co-operative wholesale society was formed at St. Petersburg on the 16/29th October, 1901. It has its office at 16, Admiralty Quay, St. Petersburg. This society is formed altogether after the example of the two British co-operative wholesale societies. Its object is the same, and it has modelled its rules upon those in force in Great Britain.

It permits any co-operative distributive society, or union of such societies, to become a member. Its shares are of the value of 100 roubles. Every co-operative society making application for membership is required to state the number of its own members, and subscribe shares at the rate of one to every 20 members. Societies elected have the right of nominating one delegate to represent them in respect of every 500 members on their rolls. Up to the present time-

the requisite share capital (of 15,000 roubles) not yet having been paid up, the new wholesale society has not been able to begin practical business. It proposes as soon as it finds that it can enter upon such, to cultivate relations for the supply of goods with the wholesale societies both of Great Britain and of Germany.

A third attempt at organising co-operative wholesale trading was resolved upon in July, 1901, at Perm. Delegates of various co-operative distributive societies in the Oural district then held a Congress at the said place, and resolved to form a Union of societies, similar to that of Moscow, and pursuing the same aims, for their own district. The rules were promptly drafted and sent up to St. Petersburg for the approval of the Minister of the Interior.

III.—THE PERMANENT COMMITTEE ON CO-OPERATIVE SOCIETIES IN RUSSIA.

There is in Russia no organising and propagandist body formed by co-operative societies themselves, such as exist in other countries. "The St. Petersburg Branch of the Committee on Co-operative Rural Credit and Industrial Associations" of the Imperial Agricultural Society of Moscow, a learned society, appreciating the great value of the work to be done in diffusing a knowledge of co-operative institutions, has stepped into the breach, to discharge the duties of such an institution, forming for the purpose, about the end of 1896, a "Permanent Committee" to take charge of this particular kind of work. The "Permanent Committee on Co-operative Societies" has its office at 8, Admiralty Quay, St. Petersburg. It consists of seven members elected from among the members of the above-named "St. Petersburg Branch." Its distinctive objects are these:—

- (1) To issue a periodical for the use of co-operative distributive societies.
- (2) To collect and publish statistics of co-operative distributive societies in Russia and elsewhere.
- (3) To publish abstracts of annual returns received from co-operative distributive societies.
- (4) To supervise and direct, upon application, business transactions among co-operative distributive societies.
- (5) To mediate in case of differences occurring among co-operative distributive societies, and to seek solutions for difficult points arising.
- (6) To issue rules for the keeping of accounts for the use of co-operative distributive societies.

(7) To prepare model rules and business regulations for the use of officers of co-operative distributive societies.

(8) To organise and promote schemes of mutual insurance for the benefit of co-operative distributive societies and their members.

(9) To assist in the organisation of common purchases of goods by co-operative distributive societies.

The funds required to enable the "Permanent Committee" to carry on its work are provided in part out of the funds of the "St. Petersburg Branch," which in 1901 subscribed 675 roubles, and in part by voluntary subscriptions raised among co-operative distributive societies. These amounted in 1901 to only 7,426 roubles, being the offerings of only 32 societies. Obviously with such meagre resources to rely upon, the "Permanent Committee" cannot accomplish half the work that it would wish to do for the benefit of co-operation.

All its members work purely from devotion to the cause, giving up to it their leisure hours. However, it can do something. Thus it sends out gratuitously to every known co-operative distributive society abstracts of statistics of co-operative societies in Russia and other publications. This is of great importance, since there are not otherwise any periodical publications dealing specifically with co-operative subjects in Russia. The largest military co-operative society, it is true, issues a periodical sheet. But this can scarcely come into account, inasmuch as its circulation is restricted to the army only, and it contains little more than price lists of goods dealt in, the text of resolutions passed, and returns relating to the issuing society. No reference whatever is made to the co-operative movement generally.

IV.—SOME STATISTICS.

Some further particulars are given in the six appendices appearing at the end of this paper. Appendix I. shows the progress made between 1866 and 1885 in the formation of co-operative distributive societies in Russia. Appendix II. shows the number of co-operative distributive societies existing in 1900, their capital, trade and other items. Appendix III. gives particulars of the transactions of four such distributive societies. Appendix IV. gives the particulars relating to the movement of rural credit and savings banks (agricultural banks) since its inception in 1865. Appendix V. shows the position and transactions of those credit societies collectively. Appendix VI. gives the par-

ticulars relating to the Society of Officers of the Imperial Guard in St. Petersburg.

It may be interesting to add that the first step has recently been taken for federating rural credit and savings banks in local unions. The credit banks of the Berdiansk district have actually associated themselves in a federation, and the rules of that federation have been formally approved, as the law requires, by the Ministry of Finance as long ago as July, 1901.

V.—GENERAL REVIEW OF THE CO-OPERATIVE MOVEMENT IN RUSSIA.

It will have to be admitted that, taking the co-operative movement as a whole in Russia, the progress thus far made has not been excessive. Up to the year 1897, indeed, very little was done at all. In that year the issue of Model Rules for co-operative distributive societies by the Ministry of the Interior doubtless gave something of a fillip to the movement, the result of which is to be seen in the formation, since that date, of more than 300 new co-operative societies.

But against this gain, unfortunately, must be set a loss by the dissolution of about 20 societies in every one of the five years. The reasons of such tardy development are, in my opinion, these:—

(1) The geographical, social and political conditions prevailing in Russia are unfavourable to a rapid extension of co-operative action. The large rural populations are scattered over an immensely wide area, living in small clusters in little villages separated by distances of five, ten and more miles from other villages, and not numerous enough in each place to support a strong co-operative institution. In addition to this, the peasantry are for the most part poor, and lamentably wanting in education and the practice of self-reliance. A large proportion can neither read nor write, and nearly all look habitually to some one else to guide them.

(2) The migratory habits of what may be called the industrial population render useful and sustained co-operative action difficult. Our great industrial and commercial establishments, carried on with considerable capital, are situated in the larger towns only of certain districts. The workmen employed there are to a large extent recruited from the peasantry settled in their little houses and farms in distant villages, to which they repair regularly every Spring, in order to till their land, returning to the factory towns in the Autumn to live and work there only during the Winter. Let alone that these people are thus periodically

changing their domicile, they are, in addition, for the most part wholly ignorant of the principles and the benefits of co-operation, and therefore unable to practise it.

(3) There is thus far no central popular educating and propagandist body in Russia to extend a knowledge of co-operation and make known its advantages.

(4) I am afraid I must add that even among such Russians as do practise co-operation, the true principles of that movement are very little understood and appreciated. They have become accustomed to acting together, but it is, as a rule, with a view to the attainment only of immediate small advantages, in a "hand-to-mouth" way, without any idea of creating something which may endure and develop and permanently improve the condition of the poorer classes.

Let us hope that there are better things in store for my country in the future!

APPENDIX I.

Progress made between 1866 and 1901, in the formation of Co-operative Distributive Societies in Russia.

Date of the approval of Rules.	Societies existing.	Date of the approval of Rules.	Societies existing.	Societies dissolved.
1866	2	1886	7	—
1868	1	1887	4	—
1869	1	1888	11	—
1870	2	1889	8	—
1871	1	1890	20	—
1872	2	1891	9	—
1873	2	1892	38	—
1874	1	1893	45	—
1875	1	1894	40	—
1876	4	1895	38	—
1877	2	1896	44	—
1878	2	1897	55	—
1879	3	1898	72	—
1880	5	1899	84	24
1881	8	1900	90	19
1882	3	1901	81	20
1883	2	—	—	—
1884	5	—	—	—
1885	7	—	—	—

On the 1st January, 1902, there were in Russia: 654 Retail Distributive Societies, and 2 Wholesale Distributive Societies.

APPENDIX II.

Particulars relating to the Co-operative Distributive Societies
in Russia, in the year 1900.

No. of Societies in existence at the end of 1900 ...	587
No. of Societies having furnished returns	205
Total number of members	117,645
Total number of employees	3,255
Collective Share Capital	*roubles 3,687,635
Collective Loan Capital	649,873
Reserve Funds	852,093
Land, Buildings, Machinery owned by the 205 Societies	694,004
Fixed Stock of Furniture	298,896
Investments in Securities	434,231
Total Trade Expenses... ..	2,225,521
Purchases during the year	24,865,430
Sales during the year	26,498,093
Net Profits	1,270,040
Interest paid on Shares	256,190*
Dividend upon Purchases	590,325

AVERAGE FIGURES.

	Per Society.	Per Member.	Per cent. upon Sales.
No. of Members... ..	573	—	—
No. of Employees	16	0,028	—
Share Capital roubles	17988	31,4	13,9
Loan „	3170	5,53	2,45
Reserve Funds	4156	7,25	3,21
Liabilities of Societies	19500	34,1	15,1
Value of Land, Buildings, Machinery „	3385	5,91	2,61
Value of Stock of Furniture	1458	2,55	1,13
Investments in State and other Securities	2118	3,82	1,69
Owing to the Societies for goods „	14238	24,91	10,98
Cash in hand and in banks	4919	8,59	3,8
Value of Stock-in-Trade... ..	27712	48,4	21,4
Permanent Salaries of the Committees „	276	0,49	0,22
Salaries and wages of Employees „	5514	9,63	4,26
Other Trade Expenses	4697	8,21	3,63
Depreciation	368	0,64	0,28
Total Trade Expenses	10855	18,97	8,39
Goods purchased from Co-operative Societies	977	1,7	—
Goods purchased elsewhere	120318	210,0	—
Sales during the year	129259	226,0	—
Net profits	6194	10,79	4,78
Interest on Shares	1249	2,18	—
Dividend upon purchases	2880	5,03	—

* £10=94,5 roubles.

APPENDIX II.—CONTINUED.

	Per Society.	Per Member.	Per cent. upon Sales.
Remuneration of Committee from net profits	299	0,52	—
Remuneration of Employees from net profits	171	0,3	—
Carried to Reserve	496	0,87	—
Subscriptions paid :—			
To Permanent Commission...	3,24	0,006	—
,, Educational purposes ...	23,6	0,067	—
,, Charitable purposes ...	38,6	0,07	—

APPENDIX III.

NAME OF THE SOCIETY.	Societies formed.	Number of Members.	Number of Employees.	LIABILITIES IN ROUBLES.				
				Share Capital.	Loan Capital.	Reserve Funds.	Special Capital.	Accounts owing by the Society.
Navy Supply Stores, St. Petersburg ...	1880	571	12	41301	—	18127	504	227
Retail Distributive Society of Putiloff's Rail and Iron Works, St. Petersburg	1880	11756	402	226047	—	44747	21922	577052
Retail Distributive Society in the village of Boleslav, Govern. of Keletz	1890	194	5	7087	2064	2303	200	7151
Retail Distributive Society in the town of Lyoff, Govern. of Kursk.....	1899	89	7	7514	2700	259	—	6025
NAME OF THE SOCIETY.	ASSETS IN ROUBLES.							
	Lands, Buildings, Machines, etc.	Fixed Stock of Furniture.	Investments.	Accounts Owing to the Society.	Cash in hand and in Bank.	Value of Stock in Trade.		
Navy Supply Stores, St. Petersburg ...	—	1181	13325	2499	3496	50586		
Retail Distributive Society of Putiloff's Rail and Iron Works, St. Petersburg	149854	22998	6496	453583	56707	472600		
Retail Distributive Society in the village of Boleslav, Govern. of Keletz	—	—	—	7060	3037	10814		
Retail Distributive Society in the town of Lyoff, Govern. of Kursk.....	—	622	—	2477	353	15338		

APPENDIX III.—CONTINUED.

NAME OF THE SOCIETY.	EXPENSES IN ROUBLES.					TRADE DURING THE YEAR 1900 IN ROUBLES.		
	Perman- ent Salaries of Committee	Wages of Emplyees	Other Expenses.	Depre- ciation.	Total Expenses.	Goods purch'd dur'g year from Co-op. Sources.	Other Sources.	Sales during the year.
Navy Supply Stores, St. Petersburg ..	—	4802	4227	121	9150	—	152592	173932
Retail Distributive Society of Putiloff's Rail and Iron Works, St. Peters- burgh	12130	152792	96831	8010	269773	—	2362812	2748783
Retail Distributive Society in the vil- lage of Boleslav, Govern. of Keletz	—	2025	1624	12	3661	—	56921	63102
Retail Distributive Society in the town of Lyoff, Govern. of Kursk.	—	2251	3100	266	5617	—	80419	81467

NAME OF THE SOCIETY.	PROFITS AND DIVISION OF PROFITS, IN ROUBLES.						
	Net Profits.	Interest on Shares.		Dividend upon Purchases.		Remuneration of Committee.	
		per cent. paid.	Total.	percent. in Roubles	Amount.	percent- per net prof.	Amount.
Navy Supply Stores, St. Petersburg ...	12577	6	2322	5.52	4020	30.6	3527
Retail Distributive Society of Putiloff's Rail and Iron Works, St. Peters- burgh	202176	{ 8 6 24	{ 1170 2682 34778	5.5	129426	—	600 to the Com- mittee of Sup'rvision
Retail Distributive Society in the vil- lage of Boleslav, Govern. of Keletz	2107	10	708	6	708	—	210
Retail Distributive Society in the town of Lyoff, Govern. of Kursk.....	2444	10	690	5	1079	—	—

APPENDIX III.—CONTINUED.

NAME OF THE SOCIETY.	PROFITS AND DIVISION OF PROFITS, IN ROUBLES.						
	Bonus to Employees.		Carried to Reserve Fund.	Supplementary Income Tax Paid.	To Permanent Committee.	Appropriated to Educational Purposes.	Appropriated to Charity Purposes.
per cent. per net prof.	Total						
Navy Supply Stores, St. Petersburg ...	4.4	508	1153	1046	25	—	—
Retail Distributive Society of Putiloff's Rail and Iron Works, St. Petersburg	—	8353	11377	10000	—	500	4043
Retail Distributive Society in the village of Boleslav, Govern. of Keleiz	—	—	270	—	—	—	—
Retail Distributive Society in the town of Lyoff, Govern. of Kursk	—	274	229	—	—	—	—

APPENDIX IV.

Particulars relating to Rural Credit and Savings Banks existing in Russia.

Date of approval of Rules.		Societies.	Date of approval of Rules.		Societies.
1865	...	1	1885	...	26
1869	...	2	1886	...	24
1870	...	13	1887	...	16
1871	...	45	1888	...	22
1872	...	101	1889	...	26
1873	...	180	1890	...	6
1874	...	146	1891	...	13
1875	...	136	1892	...	13
1876	...	202	1893	...	15
1877	...	156	1894	...	12
1878	...	57	1895	...	3
1879	...	45	1896	...	23
1880	...	81	1897	...	10
1881	...	65	1898	...	28
1882	...	59	1899	...	47
1883	...	35	1900	...	67
1884	...	25			
Total, 1,700 Societies.					

207 societies having their rules approved, failed actually to form.

694 societies were dissolved.

With respect to 51 societies there is no information extant.

Three societies were transformed into associations of another type.

Thus there were at the end of 1900 in Russia 745 co-operative credit and savings banks.

APPENDIX V.

Particulars of the transactions of Co-operative Rural Credit and Savings Banks in Russia, in 1899.

	At beginning	During the year 1899.		At end of
	of Year.	Increase.	Decrease.	Year.
No. of Societies to which the figures relate ...	601	—	—	591
No. of members... ..	223,760	31,939	18,450	237,247
		* Roubles.		
Share Capital	7,181,816	1,276,747	668,290	7,790,273
Reserve Funds	2,179,807	165,786	31,449	2,314,144
Various other special funds	169,897	68,233	43,060	195,070
Profits	821,860	2,375,790	2,361,516*	875,796
Deposits received	11,658,969	10,026,082	7,965,680	13,719,371
Loans obtained by Societies	4,441,517	4,668,107	4,492,557	4,617,067
Money merely passed through the Societies...	675,892	606,378	498,737	783,533
Loans made by Societies	21,975,710	39,950,485	36,729,160	25,197,035
Cash in hand	4,972,716	57,167,951	57,286,422	4,854,245
		* Roubles.		
Interest on Shares ... ..	...	...	474,118	
Interest on Loans and deposits	...	...	920,689	
Salaries of Committees ... ..	...	...	279,502	
Wages of Employees ... ..	...	...	125,518	
Other expenses ... ..	...	...	161,288	
Carried to Reserve Funds ...	...	...	100,648	
Transferred to other trades...	...	...	65,489	
Remuneration of Committees (apart from fixed salaries)	...	...	78,268	

* £10 = 94,5 roubles.

APPENDIX VI.

Particulars relating to the Society of Officers of the Imperial Guard in St. Petersburg.

RETURNS for the year, July 1st, 1900, to June 30th, 1901:—

No. of members	5,469
No. of annual subscribers	2,430
No. of employees (distributive and productive)	480
Share Capital roubles	595,540
Reserve Fund	138,283
Special Fund	111,296
Accounts owing by the Society	207,638
” ” ” ” ” ”	43,253
Value of land, buildings, etc.	66,167
Value of plant	53,168
Investments in securities	221,048
Owing to the Society	135,819
Cash in hand and at bank	35,946
Value of stock	620,043

.. APPENDIX VI.—CONTINUED.

Remuneration of the Committee ... roubles	8,197
Salaries and wages "	106,785
Other expenses "	102,682
Depreciation "	20,380
Goods purchased during the year* "	2,820,321
Goods sold during the year "	2,349,694
Net profit "	62,837
Division of profit :—	
Interest on shares, 6 per cent. per annum ..	37,656
Dividend upon purchases, 2½ per cent. per annum "	11,861
Reserve Fund... .. "	8,384
Income Tax "	3,934
For charitable purposes "	1,000

*The goods are sold in the society below the market rate.
The society makes a variety of clothes, boots and shoes for its members.

RUSSIA.—II (FINLAND).

BY

DR. HANNES GEBHARD, Lecturer on Agricultural Economy at the University of Helsingfors and Chairman of the Society for promoting the application of Co-operation to Agriculture in Finland.

Since I presented my report to the Paris Congress in 1900 the co-operative movement among agriculturists in Finland has made sensible progress. Nevertheless, after only three years of existence—for the modern co-operative movement among us is no older than that—it cannot surprise any one that there are, as yet, no very striking results or imposing figures to report. It is preparation and organisation, rather than the gathering in of results, that has been accomplished.

There is, first, the passing of a new law on co-operative societies to chronicle, which, having been adopted by the National Representation in 1900, was approved by the Government on the 10th of July, 1901, and came into force on the 1st September of that year. Such legislative foundation having been laid, absolutely necessary as it was for steady development, co-operative work, which had thus far been only suggestive, became at once more and more creative by means of actual organisation. All this new activity, so I ought to point out, is, in the first place, due to the Society for the promotion of co-operation in agriculture in Finland ("Pellervo") which was formed in 1899, the origin, programme and labours of which have already been sketched in the Report presented at Paris. The Society "Pellervo" has

not only given birth to this new co-operative movement, it has also united its elements and guided their efforts. Our organising work has been applied, in turn, (1) to the local associations, and (2) to the union of local societies into collective associations.

As regards point (1) our efforts have, in the first instance, been directed to providing Model Rules and suggestive handbooks for the use of even the most elementary co-operative societies. With the assistance of several qualified persons we have succeeded in preparing in comparatively brief time both Model Rules and explanatory handbooks for :

- (a) Local peasants' societies (agricultural syndicates).
- (b) Breeding societies and societies for the analysis of milk.
- (c) Co-operative dairies.
- (d) Co-operative societies for the purchase of raw material and the sale of produce.
- (e) Agricultural distributive societies.
- (f) Co-operative credit societies.

Beyond issuing a number of pamphlets, as well as Model Rules and handbooks, the Society "Pellervo" has endeavoured to further the formation of local societies by discussing questions regarding them in its *Review*, which has appeared since 1901 in two languages. The Finnish edition has a circulation of about 20,000, the Swedish of about 3,400. To promote the same object the Society has in 1900 and 1901 sent two lecturers and organisers about the country, and these have carried on their work in about 400 localities in all parts of Finland. So much appreciated and in such request have their services been that it has been possible to satisfy only about one-third of the applications actually made. Accordingly the Society has, without neglecting its other work, judged it advisable to appoint further lecturers and organisers. From next October forward there will be six in all, each having charge of a distinct district. The "Pellervo" also gives advice, when asked to do so, to local associations, more particularly with regard to the framing of Rules. Moreover, it carefully collects statistics, and the first statistical report having reference to local peasants' societies and their doings which has actually appeared is its work. In addition to all this, it has instituted inquiries into the results of common purchase by farmers, and made a study of the steps which are practicable towards organising a sale abroad of butter produced in co-operative dairies.

The amount of work done by the Committee of the

"Pellervo" may in some measure be judged by its correspondence. During the fifteen months of its existence in 1899 and 1900 it received about 1,800 letters, and in 1901 (twelve months) the number rose to 2,000. During the first five months only of the year 1902 it amounted to 2,350. These figures tell what interest our peasantry are evincing in co-operation.

Still further to stimulate such interest, and in order that the directors of local enterprises might receive an adequate training, the Society, in April, 1902, opened a course of lectures on co-operation applied to agriculture at the University of Helsingfors, supplemented by discussions on kindred subjects, such as I have already alluded to in my Report presented at Paris. The said course of lectures, which occupied three days, was attended by about 800 persons, coming from all parts of the country, even from Lapland. The people attending—who were for the most part peasants, and agricultural employers, or else teachers at agricultural schools—gave manifest proof of their interest in co-operation, which, in some instances, warmed to absolute enthusiasm. The subjects treated of were these:—the law relating to co-operative societies; collective purchase; co-operative dairies; co-operative credit societies; experiments made by agricultural syndicates; and experiments instituted in the improvement of the breeds of cattle. The general advance made within the two years which separate the course of lectures given in 1900 from that held in 1902—which foreigners have christened respectively the first and second "Finnish Co-operative Congress"—is evidenced by the essentially changed complexion borne severally by the one and the other. In 1900 we did not yet possess a co-operative law, nor yet had we witnessed any practical experiments. The Society's propaganda was still in its first stage. There was, accordingly, in the lectures given, no aim to pursue other than that of simply awakening interest, and of directing it to the proper point, and kindling a little enthusiasm. This year we had the new law to speak about, also a large number of practical experiments, successful or unsuccessful, as the case might be, and we had, moreover, the history to tell of the struggle which we had found forced upon us by those who consider their own interests endangered by the new movement, and strive to resist it. There was no more occasion to awaken interest; the task to be performed was, to unite comrades, and to confirm them in their faith.

The better to carry on its propaganda the Society "Pellervo" has freely distributed pamphlets and circulars

setting forth its objects, and inviting people to join. Such circulars have, above all things, been disposed of *en masse* to teachers at elementary and higher grade schools, and among students of the University. The last named have been warmly appealed to to take up the propaganda in their holidays and to carry it on in their several homes. To this appeal the students have responded very readily. I showed in my last Report what active champions of the co-operative cause they had even then generally become. The latest pamphlet issued from the "Pellervo" press embodies a report upon the support given to co-operation by the clergy in Germany, France, Italy, Switzerland, Belgium, Denmark, England and Ireland. This is the only conspectus of the kind that has ever yet been published, so far as I am aware. As regards England, we have spoken of the eloquent advocacy of the late Bishop of Durham in connection with the 33rd Annual Congress of the Co-operative Union, held in 1901. With respect to Ireland, we have mentioned the good work done by Father Finlay, a Vice-President of the Irish Agricultural Organisation Society. By means of this pamphlet, which has been posted to every clergyman in Finland, we hope to insure that, at any rate, a portion of our country clergy will be induced to place their powers of persuasion and example at the service of the co-operative cause.

(2) The efforts made to bring about a union of local associations into larger federated bodies have culminated in the organisation of a Central Institution for wholesale purchase, and also an attempt to start a Central Co-operative Bank.

THE CENTRAL WHOLESALE PURCHASING AGENCY.

As was stated in my last Report, we have not waited for the promulgation of the new co-operative law to bestir ourselves in the formation of local co-operative societies of peasants, which, reasonably enough, as soon as they were formed, turned their thoughts to the creation of a wholesale purchasing agency to procure for them cheaply the principal articles dealt in, such as artificial manures, seeds, feeding stuffs, and salt. The necessity of such central purchasing agency had become amply apparent; for, although our societies, in spite of their affording no legal security for payment, were trusted by dealers and enjoyed a certain amount of credit, still, in the course of business, some rather serious mistakes undoubtedly occurred, by which people suffered. In my last Report I expressed a hope that a common purchasing agency then already existing, but not co-operative, being composed of a number of large proprietors, might be

induced to serve as a nucleus for a wholesale institution, and transform itself into a co-operative society.

This hope, I regret to say, has been disappointed. However, "Pellervo" has stepped into the breach and organised on its own account a central institution, which, having been formed entirely by local associations, is likely to correspond even more fully to their particular requirements. In forming this central agency we were much assisted by a Report which, even while we were deliberating, M. Emile Duport, Chairman of the South-Eastern Union of Agricultural Syndicates in France, submitted to the International Congress of Agricultural Syndicates assembled at Paris in 1900. In that Report M. Duport discusses the question of collective purchase, and pronounces in favour of steps such as had then already been taken by his Union, above all things in favour of the formation of a central co-operative inquiry office, for disseminating information, which he said that he could on the ground of results attained recommend to all countries. Having obtained further information upon the organisation of that French Inquiry Bureau, we decided to establish one like it. Before actually doing this, we appointed a gentleman to become its manager, and we sent him into foreign countries to study similar institutions there-already established, more particularly at Vienna, where a central purchasing office had been newly formed by the agricultural and other co-operative societies of the district. In the following November we opened our "Co-operative Office for commercial inquiries of the Society Pellervo" at Helsingfors. A Committee was at once appointed to direct its work.

According to the Rules adopted this office is allowed neither to buy nor to sell in its own name or for its own account. It acts simply as broker in bringing buyer and seller together and negotiating wholesale purchases, on the best possible terms obtainable, for the benefit of local associations. The commission due to it for its pains, so it is arranged, is to come from the seller. At the outset the new office did not appear to hold out much prospect of results. A large number of commercial houses flatly refused to have anything to do with it, and sent their travellers about among the peasantry to discredit it. A lucky accident gave a different turn to affairs. In January, 1902, a new and very stringent law came into force in our country, providing for an inspection of seeds, fertilizers, etc., with a view to preventing adulteration. The majority of private dealers contrived to evade the law with the help of a loophole left in it, and formed a "ring." The manager of our Inquiry Office,

nevertheless, succeeded in persuading a number of dealers to give the "ring" the slip, and to undertake to deliver guaranteed goods through the intervention of his Office. The dealers who acted in this way succeeded in disposing of a fair quantity of goods, and, as a result, the "ring" was broken up. Since that time the very dealers who first eyed us askance have become urgent in their requests that we should trade with them.

This victory gained over the "ring" gave our Office an unexpected prestige, and secured it the confidence of farmers. The consequence was, that the amount of its sales increased beyond anything that had been anticipated. And this movement still continues, notwithstanding the evil report spread against our institution among the peasantry by some large private houses.

M. Duport's advice may therefore be said to have borne good fruit among us, and, indeed, our example has already been followed by the farmers of Northern Finland and of Lapland, who have formed their own Inquiry and Agency Office in the little town of Kemi, not far from the Arctic zone. A co-operative enthusiast not long ago remarked that co-operation would soon extend "to the end of the world." In Finland we are now not very far from such result.

There can be no doubt that a regular Co-operative Wholesale Society would be preferable to this mere contracting agency. However, so long as the majority of our co-operative societies are merely agricultural syndicates, not genuine co-operative societies, and co-operative spirit is as little developed as it unfortunately still is, the formation of such a society here is out of the question. That is a consummation to be worked for by prolonged, careful preparation and training people to business habits. Until that is accomplished, it is more prudent to rest content with a mere broker's agency.

THE CENTRAL CO-OPERATIVE BANK.

In my previous Report of 1900, I spoke of steps already being taken with a view to the establishment of a Central Co-operative Bank. The steps referred to consisted in an application made by the Society "Pellervo" to the Finnish Diet, asking for the creation of a Central Bank. That application was by resolution of the Diet referred further to the Tzar. As soon as the new Co-operative Law had been promulgated, that is to say, at the very moment when the chief obstacle hindering the formation of such a bank had

been removed, the Society "Pellervo," without waiting for any further reply to its application, put its hand to the plough, being of opinion that only a well-endowed central credit institution could be strong enough to give the associations the support needed. Scarcely four days had elapsed since the promulgation of the Co-operative Law when the Society addressed to the authorities a request for approval of Articles of Association which it had drawn up for the use of a Joint-Stock Company to be formed with the object "of providing agriculturists by the intervention of co-operative credit societies, with the loans necessary, on the easiest terms." The Company was to have a share capital of only 300,000 francs, and to be in all points organised as a joint-stock institution; however, care was taken to guard against capitalist abuses, and to provide that, in course of time, the original private shareholders should be replaced by co-operative societies. There was absolutely no inducement to tempt shareholders, except the satisfaction of furthering the public good. Nevertheless, the capital was subscribed in six weeks, at a time of exceptional tightness of money and of general depression produced by most untoward political events. What is even more gratifying is, that the number of shareholders was found to amount to as many as 1,360, which was very much more than might have been anticipated. Most of the members are very small owners of agricultural land, who could not take up more than one share each. There is, as a matter of fact, scarcely a nook or corner in our country which has not supplied a shareholder, and many a shareholder has, in truth, in taking up a share of 100 francs, parted with all his ready money. At the first shareholders' meeting the Board was instructed to apply to the Government for its assistance in providing the funds for management, and the necessary till money, after the example of similar credit institutions in Germany, France, Hungary and Denmark, by means of which the State in those countries supplies to agriculture the credit capital which it stands in need of, with or without the interposition of Central Banks. In May last the National Government came to a decision to support the request made in submitting it to the Emperor, advocating a grant of 20,000 francs annually towards the expenses of management, and a loan of 4,000,000 francs at the rate of 3 per cent. interest, to be drawn upon as required, and to be granted for an indeterminate period. Since a similar proposal previously (in 1900) submitted by the National Representatives had met with the Emperor's approval "in principle," it is to be expected that the request

will now be acceded to. In that case our Central Co-operative Bank will begin business in January, 1903, by which date its designate manager will have had time to inform himself upon the position of similar institutions in foreign parts.

I may say that it is not at all our intention to employ the advantages which our new bank will offer for the forcing of a host of credit societies by rapid creation. We wish it, on the contrary, to serve only the legitimate wants of credit, as the peasantry come to understand the principles of credit, as dispensed by the credit societies of the Raiffeisen type. During some time, accordingly, the work of the officers of the bank will consist merely in teaching, training and organising, with a view, not only to ascertaining that the local societies to be dealt with are deserving of credit, but also to keeping them in the path of good principles. It is with this object in view that the request for a subvention to extend over a period of the first six years of the bank's existence has been made.

CONCLUDING REMARKS.

It may now be asked: What means are at our disposal for carrying on the varied work of which I have spoken?

Well, we have a subvention of 20,000 francs secured to us from the Society for the Promotion of Co-operation in connection with Agriculture, to which in this year has been added a special gift of 6,000 francs towards maintaining a teacher of co-operative dairying, to instruct the peasantry. Moreover, generous donations from private sources continue to come in as in the early days of our existence, and we are satisfied that such help will continue—indeed, that it is likely to prove more liberal as time goes on, and the knowledge of the good which we are doing becomes further extended, and we accordingly manage to make new friends.

However, money alone will not suffice to produce good results. Our Society could not have accomplished all that it has done, if it had not found large numbers of friends and well-wishers to toil for it, if it had not been supported by the enthusiasm of a host of young persons taking up the idea, and by the devotion of its officers. Of the nine members of our Committee five are University Professors, one a retired Judge of the Court of Appeal, one a large landed proprietor, two public officers in the Agricultural Department, and one, the ninth, a peasant.

And here is a second question which is likely to suggest itself. What actual results has our movement already produced among Finnish agriculturists?

Thus far, be it remembered, our efforts have been directed mainly towards extending co-operative education and inculcating co-operative organisation. All the same, it may be shown that practical co-operation has taken root among our agricultural population.

(1) When, in the autumn of 1899, our Society began its work, there were found to be in all the country not more than sixty local peasants' societies, of which a number had practically left off doing any work. At the end of 1901 the number of local associations in existence and at work stood at 277. The date of formation of these societies are known to have been as follows:—

53 were formed between 1803 and 1897.

7 were formed in 1898.

These are the sixty formed before the existence of "Pellervo."

45 were formed in 1899.

92 were formed in 1900.

40 were formed in 1901.

These are the 177 formed after the creation of "Pellervo."

The increase in collective membership is shown in the following table:—

In 1898 the total membership was 1,899.

In 1899 the total membership was 3,728.

In 1900 the total membership was 12,669.

In 1901 the total membership was 14,336.

(2) The majority of co-operative societies formed subsist for the common purchase of feeding stuffs, seeds and fertilizers. The amount of their collective business is shown by the following figures:—

Year.	Business.
1898	25,114 francs.
1899	128,359 "
1900	690,445 "
1901	880,902 "

The attempts made to organise societies for the collective sale of produce, mainly rye and oats for seed, also straw and potatoes, have not been many. Nevertheless, there has been one great enterprise in the direction of collective selling that has succeeded well. In the Northern part of the country a peasants' society was formed in 1900, for the sale of timber. The number of trunks offered by it was 600,000; and, as a result, 245,000 were actually sold, fetching the collective price of 515,000 francs. This is the largest business yet done locally by peasants in Finland in respect of sale, and probably the only one of its specific kind that is known in

the world of co-operation. But for the declared opposition of the proprietors of large saw mills the success would, no doubt, have been still more marked.

(3) In respect of other forms of co-operation we have not yet very satisfactory results to show. However, it deserves to be mentioned that our peasantry are now very active in forming cattle breeding societies (there are about 100 actually in existence) and societies for the insurance of live stock.

(4) Since about twenty years we have in our country a considerable number of joint-stock dairies, formed by agriculturists. However, some of these have discontinued business. The Society "Pellervo" is now at work endeavouring to transform such joint-stock ventures into co-operative societies, and also to form co-operative dairies afresh. We have, as yet, no accurate data. However, I just learn that in one district, which comprises about one-twelfth of the entire area of Finland, 24 co-operative dairies have been organised since the formation of "Pellervo."

(5) There is another form of co-operative society which is evidently becoming acceptable to the rural population, and that is distributive societies. I candidly own that I cannot bring myself to believe that in a country so sparsely peopled as is Finland, with only about 22 inhabitants to the square mile, distributive societies for the sale of goods across the counter are likely to succeed—as they do in more densely populated countries. It is for this reason that we have not thus far encouraged the formation of such societies. On the contrary, we have considered it advisable to dissuade people. Nevertheless, it appears that this is the form of society the most easily formed even among a rural population, and our countrymen have felt themselves impelled to their formation by what they have read about their success in Denmark and in Great Britain. And, in truth, there are, as yet, no unsatisfactory experiences to record. Local people have formed such societies on their own initiative, without asking for advice, and, fortunately, have been spared the disappointments by which in other countries co-operators have had to pay more or less dearly for instruction. Under such circumstances the Society "Pellervo" has judged it expedient to provide for the preparation of a handbook to assist in the formation of co-operative stores, in order to prevent mistakes. In the absence of trustworthy data under this head I give the number of such rural distributive societies known to exist as ten.

(6) In several localities the farmers of a particular

district have already formed the resolution to establish co-operative credit societies, pending the creation of a subventioned Central Bank. However, the idea does not yet appear to have been anywhere carried into execution.

In all that has been said I have thus far spoken only of country districts and the rural population. The question is likely to be asked: how about towns? There is, as yet, scarcely anything that can be called co-operative to be found there, and the reason appears to be that there is no directing body to guide and instruct. In nearly all other countries the town populations have preceded the country populations in organising co-operation. In Finland the reverse holds good. It is quite true that actually the oldest of our co-operative organisations existing at present is a distributive society which was formed in Helsingfors about ten years ago, and which has opened stores in different parts of the town. However, its progress has been very slow, and even now the society numbers only between 700 and 800 members. Similar societies have been formed during recent years in some other towns, but it appears that their founders have acted in the matter without proper knowledge of co-operative principles, and, accordingly, the societies have developed rather as joint-stock companies than as co-operative societies. Nevertheless, since the passing of the new co-operative law some *bonâ-fide* urban co-operative societies have been found recruiting their members from among working men. Working men have even proceeded to the formation of productive societies. Thus we have, as the first of these societies formed, one of stone cutters. However, these are only sporadic gropings, the forerunners of a movement which may well become strong and prosperous. I judge it to be progressing from the inquiries already addressed to "Pellervo" by working men who ask for counsel and advice, more particularly with regard to the drafting of rules, albeit the formation of such societies lies outside our Society's proper sphere.

The active interest with which our University students regard everything that is co-operative may be taken as another earnest of eventual expansion in this direction. That interest is shown, among other things, in the decision come to among the students of Helsingfors to form in that city a co-operative restaurant.

Finland, then, though it has no imposing figures to parade at the Fifth Congress of the International Co-operative Alliance—nothing but the first tender sprouts and shoots of a strong growing plant—has still something to set before co-operators which ought to do it credit. We have

thus far, in our country, distant from the great centres of civilization, been able only to lay the foundation of future work. However, on that foundation, by adding brick to brick, we hope to raise up a co-operative structure which will be able to take its place as an equal beside the older stately edifices already reared up elsewhere. For in no country is there greater faith reposed in co-operative principles as assuring independence and moral improvement, and among no nation is the conviction more firmly rooted that the future belongs to co-operation.

RUSSIA.—III.

A Report on Russian Artels, kindly promised by M. V. N. SELGUEIM, had not arrived at the time of going to press.

SWITZERLAND.

BY

Dr. HANS MÜLLER, General Secretary of the Swiss Co-operative Federation.

Co-operation in Switzerland has not changed much in outward appearance since I reported last upon it, two years ago, at Paris. But it has made very perceptible advances. The co-operative movement in Switzerland has, if I may so put it, not gained in width; but it has gained appreciably in depth. There has been a slackening in the formation of new co-operative societies. But statistics show that the societies existing have grown substantially stronger and have done more business.

There is no material change to report in the relative proportions of various forms of co-operation. Agricultural supply societies continue to occupy the first rank in respect of numbers. However, they show no disposition to unite and gain touch with one another. As a consequence we continue to be very insufficiently informed upon their work.

Industrial productive societies have not made any progress. Rather have they retrograded. Thus the Society of Stonemasons, of Basel, on which I reported last time, has come to an end. The Cigar Makers' Association, of Menzikon, has great difficulties to contend with; and the Printers' Association, of Berne, has no satisfactory experiences to report. It is not to be anticipated that circumstances will change very materially in this respect within a measurable distance of time, all the less that opinion among working folk is not favourable to the formation of new co-operative societies in view of the experiences made.

Distributive societies remain as before the great mainstay of the Swiss co-operative movement. Their number has not, indeed, materially increased. But they have closed their ranks in more solid union. This result has in a great measure been brought about by the struggles which distributive societies have had to pass through in defence of their rights. Early in 1901 the Federal Council issued an ordinance forbidding civil servants in the Post Office and the Customs service to accept office on committees of distributive societies. That prohibition at once aroused a rather violent movement among distributive societies, which culminated in a public indignation meeting held in connection with the Congress of the Co-operative Federation, on the 14th April, 1901, in the Tonhalle at Zurich. Co-operative societies were successful in prevailing upon the Federal Council to reconsider and modify its ordinance. As a result the Federal Council decided to restrict its prohibition to distributive societies of a kind to be distinguished as *Erwerbsgenossenschaften* (gain-making societies), and that term was defined as applying to societies which sell goods to others besides their own members. The consequence of this was that a number of influential distributive societies which had previously sold goods to non-members, at once proceeded to discontinue such sales and to confine their dealings to members only. Concurrently with this contest over the ordinance of the Federal Council, the distributive societies had another battle to fight out with the Swiss *Gewerbeverein*, that is, the union of small traders, representing the so-called middle class. These men tried to induce the Federal Council to maintain its decree, and, to bring this about, they presented a memorial in which most unjustifiable charges were made against the distributive societies. There was a great deal of argument used on one side and on the other, and a lively controversy ensued. However, it terminated with a complete moral victory for the societies in the judgment of public opinion, which has helped not a little to awaken interest in the co-operative movement among the public.

The Co-operative Federation, which is the general central organisation of Swiss distributive societies, has continued to progress in a normal way, but adds to its strength mainly in an indirect manner, that is, by societies joining one or other of its two unions for common purchase (wholesale combinations) and so becoming also members of the Federation. It appears that societies which do not feel disposed to join a union, do not care any more to become members of the general co-operative Federation.

As between the two co-operative unions, that of Swiss distributive societies has made the most substantial progress. It embraced, on 1st January, 1902, 125 societies, with 94,580 members, and sales in the past year to the value of 35,500,000 francs. The progress made by this union in the sphere of journalism may be worthy of a short mention. At the close of 1900 it substituted for its publication "Das Correspondenzblatt," a paper appearing once a fortnight, a weekly journal "Der Schweizerische Konsumverein," which rapidly became popular among co-operators, and now has a circulation of about 3,000. At the beginning of the year 1902 a new journalistic enterprise was embarked upon; the "Genossenschaftliches Volksblatt" was brought out as a half-monthly paper. Its circulation is already 40,000. Sixteen societies, including the large ones of Basel, Olten, Berne and Luzern, have subscribed to it on behalf of all their members, and employ it at the same time as a propagandist publication and as a means of communication between the Managing Board and the members.

The Union of Agricultural Co-operative Societies in Eastern Switzerland has shown no further signs of growth. Both the number of societies which compose it and the turnover have remained substantially the same during a number of years. The Union has since some time inclined to pronounced protection. And once State aid is sought for, the efforts made on the basis of self-help are bound to slacken.

Little has become known with regard to the remaining Unions of co-operative societies, which are, all of them, of lesser importance. More particularly the Bernese Union of Agricultural Co-operative Societies continues to maintain its old position, confining its activity to the transaction of middleman negotiation of purchases of raw material to order. By such means it cuts off for itself all possibility of such growth as the Union of Agricultural Co-operative Societies of Eastern Switzerland has experienced.

A peculiar form of co-operative societies, the societies which supply electric light and power, have developed with remarkable rapidity. They are particularly strong in the Canton of Baseland. There are now four in this small Canton, and they have been successful in regulating the production and also the distribution of electric power and light in the public interest. These societies have met with a very favourable reception on the part of the Cantonal and communal authorities.

ITALY.—I.

BY

ANTONIO MAFFI, Secretary of the *Lega Nazionale delle Cooperative Italiane*.

Complying with a request made to me, I submit the following summarised statement with regard to the condition of co-operation now prevailing in Italy.

I shall have to begin by explaining that there is not, at present, any such thing as a full or accurate statistical account of Italian co-operation. The *Lega Nazionale delle Cooperative Italiane* has set itself the task of preparing one, on its own responsibility, according to the results on record at the close of 1901. But that task remains to be accomplished.

An enquiry instituted by the Government relative to the co-operative societies legally existing on December 31st, 1898, has resulted in the following table, published in 1900 :

General Conspectus of Co-operative Societies, distributive, productive, or of labour, existing on December 31st, 1898.	Societies legally constituted.	Societies of which the No. of memb's is known	No. of members in such.	Paid-up Share Capital.
1. Agricultural and Viticultural ...	50	38	8,415	FRANCS. 631,289,49
2. Dealing in food-stuffs	92	84	10,325	1,200,868,16
3. Potteries and Glassworks ...	11	8	877	1,000,699,44
4. Chemical and Organical ...	29	26	2,123	565,986,61
5. Societies of Traders	15	4	564	209,747,01
6. Distributive Societies	508	468	216,027	4,788,874,44
7. Constructive and Decorative ...	349	288	64,007	13,410,886,02
8. Electrical ...	18	16	3,213	916,983,00
9. Hygienic ...	10	9	2,881	471,338,82
10. Mechanical and Metallurgic ...	13	10	1,573	326,119,57
11. Polygraphic ...	24	17	1,445	227,706,01
12. Textile ...	6	6	624	289,861,69
13. Traffic and Communications...	21	15	1,309	604,772,01
14. Various ...	128	70	25,466	1,423,333,28
TOTAL ...	1,274	1,059	238,849	26,068,465,65

It deserves to be pointed out that the figures exhibited in this official publication are obviously very incomplete, and this, of itself, furnishes an additional argument for the necessity, so often insisted upon, of proceeding with a thorough-going careful statistical inquiry on much broader lines. Just to show how little value is to be attached to these figures, I will call attention to No. 6, "distributive societies," given as 508 in number. If we add up the share capital actually paid up in the principal ten or twelve only of these societies, such as the *Unione Militare*, the *Unione Cooperativa* of Milan, the Co-operative Society of Sampierdarena, the *Unione* of Florence, the Civil Service Co-operative Society of Milan, etc., we very readily arrive at the total given in the official statistics actually for the entire 508 distributive societies!

There is another test which may be applied to show how very inaccurate are these official statistical figures. I take it from the data shown in the table drawn up for our *Lega* as applying to the 31st December, 1889. Our inquiry quotes in respect of only 340 societies of the same sort confederated in our *Lega* (they are among the smallest) a collective share capital of 10,465,938 francs.*

But all these official figures do not, in truth, tell us of even one-half of the co-operative movement really existing among us. It has already been explained that the official inquiry of the Government relates only to co-operative societies existing, in full conformity with the law, on 31st December, 1898. However, some account will certainly have to be taken of the very large number of co-operative societies otherwise constituted, but nevertheless, existing in fact. Of such not a word is said in the ministerial statistics.

Inasmuch as the present report is intended for the use of an International Congress, it will not be amiss to explain how it comes about that in Italy co-operative societies are practically divided into two great categories.

Long before the attainment of political unity by Italy, the Friendly Societies of Piedmont began to create in their own country a considerable number of co-operative stores for the sale of necessaries of life. After the achievement of

* A coloured table presented at the Paris Exhibition of 1900 shows that the *Lega Nazionale delle Cooperative Italiane*, established in 1886, numbered in 1887 68 co-operative societies. This number dwindled to 44 in 1888 and to only 24 in 1890. It rose once more to 50 in 1893 and to 480 in 1898. In 1898 began the persecution of co-operative societies, which reduced the number to 360 in 1889, from which point it had by 1901 risen to 586. Of the 360 societies federated in 1899, 340 mustered 227,053 members, and possessed a collective share capital of 10,465,938 francs, showing 32,389,126 francs worth of sales in the year 1899.

the union their example was followed elsewhere, and soon co-operative stores multiplied in a manner which appeared truly providential, so that, in truth, when the law at length created a disciplinary statute for co-operation (Commercial Code of 1882) the facts themselves had moved full twenty years ahead of the law. Even since the Commercial Law Code has legally sanctioned the existence of co-operative societies, co-operative societies of the old sort, constituted in advance of the law, purely with reference to facts as they were, have continued to multiply uninterruptedly, under the protection of the old common law only. Consequently, as has been said, the official statistics, dealing only with societies constituted under the law of 1882, take cognizance of barely one-half of the co-operative societies existing.

The *Lega Nazionale*, at its last Congress held at Reggio Emilia in October last, adverted specifically to the official statistics referred to, and gave its own independent account of the progress made in the co-operative movement within the past two years in a report submitted to the Congressists. Here is the full text of the paragraph:—

“On the numerical development of co-operation in Italy during the past two years the *Lega* has but few figures to present for the consideration of the Congress. Since November, 1899 (that is, beginning at the close of the Congress of Como) to July 18th, 1901, that is, to the time at which the last issue of the “Bulletin of Societies formed by shares” was published by the Ministry of Agriculture, Industry and Commerce, the co-operative societies newly constituted, in accordance with the law, numbered 571.

They are classified as follows:—

Distributive Societies	...	...	...	179
Productive and Labour Societies	...	...	...	135
Credit Societies and <i>monti frumentari</i>	...	...	...	139
Industrial Societies	...	...	...	17
Scholastic Societies	...	...	...	2
Agricultural Societies	...	...	...	20
Insurance Societies	...	...	...	6
Agricultural Credit Societies	...	...	...	20
Co-operative Agricultural Societies	...	...	...	44

“It is to be presumed, and may even be accepted as certain, that other distributive co-operative societies have been established, as a matter of fact, more particularly in connection with Friendly Societies. But although the *Lega* may chronicle the fact of this being so, which is evident from its comprehensive correspondence with societies of every

description, it cannot, on the other hand, attempt to indicate the numerical strength of such societies, for it has no means of ascertaining this."

By the side of births it may be advisable to place the number of deaths. But it has not been possible for me to collect the requisite figures with anything like accuracy. I believe, however, that I shall not be far out in estimating the number of societies which have disappeared, by liquidation or voluntary winding up, at 40 per cent. of the new societies created.

I repeat it, our *Lega* has proposed to itself the laborious task of compiling a full general statistical account of co-operative societies in Italy.†

A first rough estimate based upon the figures already received leads me to suppose that the number of co-operative societies of different forms established in the kingdom of Italy is 2,877, and that they are established in 941 communes of the kingdom.

What has thus far been said relates to the mere coming and going, births and deaths, of co-operative societies. As regards the moral condition prevailing, that is most characteristic. The various political parties now vie with each other in their pretensions to figure as champions and protectors of co-operation—academically, outside the walls of Parliament, and outside Government offices. However, only a few years ago all the socialist party placed itself in opposition to co-operation, denouncing it as a delusive means of lulling the masses into false contentment. Now socialists are foremost in the field as active organisers of co-operation with a view to turning co-operative societies to account as instruments of party.

However, notwithstanding the most praiseworthy efforts made by some deputies, all the protection that co-operation can obtain from the political powers amounts to next to nothing. The interests which consider themselves prejudiced by co-operation are too powerful in Parliament, in Government quarters, and in the administrative offices of the provinces, the communes and the endowed corporations! The traders insist upon their supposed rights.‡

† The statistical return in course of compilation will, according to the question sheets issued, show the name of each society, its locality, the form of co-operation adopted, the number of members, paid-up and unpaid capital, reserve funds, provident funds, etc., and other particulars.

‡ A petition presented to the Italian Parliament on behalf of the Council of the *Lega Nazionale* under date of 23rd November, 1901, makes a special complaint of this and, beyond this, calls for the redress of a number of grievances, long admitted as such.

Ministers, deputies, communal councillors are, all of them, afraid to identify themselves with co-operation, because to do so would infallibly damage their position. To champion co-operation means for a journal to lose readers, for professional men to lose clients, for peasants and working men to lose bread.

In spite of all this co-operation has, in itself, so great a power of growth that now every day, in Italy and elsewhere, it obtains new apostles and makes new proselytes.

ITALY.—II.

A Report on Co-operation specifically in rural districts, kindly promised by M. G. GARIBOTTI, had not arrived at the time of going to press.

DENMARK.

BY

Mr. M. P. BLEM, M.P., President of the Danish Co-operative Committee.

The Kingdom of Denmark had on February 1st, 1901, 2,500,000 inhabitants. About 40 per cent. of these are farmers. Nearly all of our farmers are "small farmers," but through co-operation they have created a reputation for themselves.

The first co-operative store was started in Thisted, Jutland, in the year 1866, after the Rochdale system. In 1875 there were 95, in 1893 635, and in 1899 there were 837 societies of this kind with 130,331 members. At the present time there are about 900 societies, with about 140,000 members, of which only eight societies are to be found in cities, having about 6,400 members. The Co-operative Wholesale Society in Copenhagen sold last year goods of the value of about £750,000 to about 675 co-operative distributive societies.

The first co-operative dairy in Denmark was established in 1882, in the West of Jutland. The number of dairies in Denmark is now estimated at 1,056, having about 140,000 members. The number of milch cows in Denmark stood in 1898 at 1,011,000, and the milk drawn from about 850,000 was last year disposed of to co-operative dairies. About 3,700 million lbs. of milk sent to dairies in 1901 gave 137,000,000 lbs. of butter. The collective cost of building the dairies was £1,500,000.

The first co-operative bacon-curing factory (slaughter-house) was established at Horsens, in Jutland, in 1887. In 1901 there were 26 bacon-curing factories in existence, set up at a cost of £355,000, and having, collectively, 64,800 members. During that year 651,261 pigs were killed, and the bacon so produced was sold for about £2,100,000. These factories have among them killed also 12,100 oxen, of the value of £114,000.

The co-operative "Danish Farmers' Egg-export" was started in 1895. In 1901 there were about 500 districts, with about 30,000 members affiliated. Last year eggs were sold by this society to the value of £183,300. In addition societies at Esbjerg, Frederikssund, Kallundborg, Slagelse and Roskilde have sold eggs to the value of £147,000.

Denmark has in 1901 exported about £16,220,000 worth of Danish produce. In this figure £14,600,000, that is 90 per cent. of the whole, stands for agricultural produce.

Danish industry contributed £1,177,800, or 7.26 per cent., and Danish fishery £442,200, or 2.74 per cent.

Among agricultural produce *butter* alone amounted to 1,316,800 cwt., representing £7,352,000, or 45.32 per cent., of the whole exported produce.

The agricultural items were made up as follows:—

	Per cent.
Butter	45.32
Bacon, 1,198,000 cwt., £3,364,400	20.74
Eggs, about 31,700,000 doz., £1,182,000	7.28
Horses, 17,791, £638,400	3.93
Meat and sausages, £657,000	4.05
Bullocks, cows, and calves, £463,300	2.86
Dried hides and skins, £350,000... ..	2.16
Corn, £338,300	2.09
Wool, bones, and hair, £99,400	0.61
Lard, £74,000	0.46
Garden produce	£28,400
Cheese	£1,100
Potatoes	£10,000
Milk and Cream	£2,400
Clover and Grass seeds	£22,000
Tallow	£10,000
Fowls	£9,000
Hay... ..	£1,100
	£84,000 ... 0.50
	90.00

The surplus export was as follows :—

	Pigs and Bacon.	Butter.	Eggs.	Total.
	£	£	£	£
1876-80 ...	1,062,000 ...	1,116,000 ...	66,000 ...	2,244,000
1881-85 ...	1,539,000 ...	1,255,000 ...	144,000 ...	2,938,000
1886-90 ...	1,538,000 ...	2,411,000 ...	284,000 ...	4,233,000
1891-95 ...	2,321,000 ...	3,900,000 ..	383,000 ...	6,604,000
1896 ...	2,322,000 ...	4,600,000 ...	506,000 ...	7,428,000
1897 ...	2,965,000 ...	5,005,000 ...	650,000 ...	8,620,000
1898 ...	2,623,000 ...	5,400,000 ...	700,000 ...	8,723,000
1899 ...	2,966,000 ...	6,050,000 ...	880,000 ...	9,896,000
1900 ...	3,223,000 ...	6,084,000 ...	922,000 ...	10,229,000
1901 ...	3,291,000 ...	6,772,000 ...	1,084,000 ...	11,147,000

The surplus value of the above exported bacon, butter and eggs in the last 23 years has gone up from £2,244,000 to £11,147,000, or 392 per cent.

These statistics show that substantial progress has been made in our exportation from 1876-80 to 1901.

The remarkable influence which the co-operative system has had upon our agriculture is very easily shown. From 1876-80 to 1901 the exportation value of bacon went up from £1,062,000 to £3,291,000, or by 270 per cent. That of butter from £1,116,000 to £6,772,000, or by 483 per cent. That of eggs from £66,000 to £1,084,000, or by 1542 per cent.

The same effect is very clearly seen as affecting dairies also. From 1881-85 to 1886-90 the progress in the value was from £1,255,000 to £2,411,000, or by about 100 per cent. in five years.

It was just about this time the co-operative dairies first began their work.

The first co-operative dairy was established in 1883. In 1887-88-89 several hundreds were set up, and by 1895 most of those now existing were got into working order. The gain in the last five years has been 62 per cent.

A similar advance is to be observed in the bacon-curing industry. In 1887 the first slaughter-house was set up, in 1890 there were ten. During the period from 1886-90 to 1891-04 the export of pigs and bacon advanced from £1,528,000 to £2,321,000, or by 53 per cent. There were fluctuations subsequently which are easily accounted for by fluctuating prices.

The following figures will show the influence of co-operation upon the slaughtering industry :—

	No. of Slaughter Houses.	No. of Pigs Killed.	Value in £	Average per Pig. £ s.
1888	1	23,407	57,000	2 9
1889	8	131,548	327,000	2 18
1890	10	147,455	434,000	2 19
1891	14	269,743	755,000	2 18
1892	14	297,641	961,000	3 5
1893	14	317,785	1,064,000	3 5
1894	15	385,731	1,114,000	2 18
1895	17	528,811	1,273,000	2 8
1896	20	626,854	1,420,000	2 5
1897	25	583,420	1,618,000	2 15
1898	25	601,039	1,625,000	2 14
1899	25	729,171	1,733,000	2 5
1900	26	662,000	1,918,000	2 16
1901	26	651,261	2,111,000	3 5
		5,955,866	16,410,000	

From this table it appears that no less than 5,955,866 pigs were killed with the "co-operative knife" in 14 years, but there has been a difference in the prices obtained of 50 per cent. during the years 1893-1897.

The effects of the co-operative system are even still more marked in respect of the sale of eggs. During the period from 1891-95 to 1901 the advance was no less than 194 per cent., that is, from £383,000 to £1,084,000.

It deserves to be explained that the introduction of the co-operative system has not only increased the quantity, but improved the quality as well. It has completely crowded out inferior butter. Second and third class butter no longer exists in this country, simply because it has been found that inferior butter made by the peasants simply fetches only half the price of butter of similar quality made on the larger estates. The butter made by the co-operative dairies now stands $1\frac{1}{2}$ points higher than that made on such estates, according to the latest tests made by the Royal laboratory.

The owners of large estates are accordingly now, like the peasants, almost compelled to join the co-operative dairies, if they would keep up their prices.

The co-operative system has also succeeded in bringing large and small farmers in touch with one another, and thereby increasing the yield of the soil. In social respect it has proved a very great benefit.

It is, therefore, no wonder that the Danish farmer places his reliance for the future on the co-operative system.

SWEDEN

BY

G. H. VON KOCH, Editor of "Social Tidskrift."

The mercantile undertakings started in Sweden on the basis of co-operation are of very various descriptions. In the field of agriculture there may be specially mentioned the joint stock dairies and the farmers' associations. In towns and industrial communities there exist building and dwelling societies and associations of bakers, while latterly combinations of producers have been formed in a number of industries, such as the stone, shoe and cigar trades; it is as yet too early to determine what future awaits them. By far the most important co-operative enterprises at present existing in Sweden are unquestionably those which are concerned with the distribution to their customers of the necessaries of life, that is to say, the co-operative trading associations.

Most of these associations are to be found in the thickly-populated country districts, for instance, in the vicinity of one of the mills or ironworks in Central Sweden, or of the sawmills in Northern Sweden, or, again, near one of the townships that have sprung up around the railway stations in the South of the country. It is only quite recently that similar associations have begun to make their appearance in towns; hitherto they have not attained any amount of success in urban communities. As, however, it is the organised working men in the towns who have embraced the co-operative principle, it may be safely taken for granted that in a not far distant future the forces promoting the co-operative and trade-union movements respectively will join hands and cordially support one another. That this consummation, has not yet, in general, been realised, is due to the mistrust entertained by the leaders of the Labour Party on the Continent towards co-operation; that feeling of mistrust has now given place to one of sympathy with the movement, which will inevitably lead to a more wide-spread interest in co-operation among working men. In the country districts the co-operative societies have, as a rule, no connection with the workmen's organisations; that would, indeed, in many cases lead to difficulties, inasmuch as the employers lend their support to the co-operative society.

In the extensive sawmill areas near the towns of Gefle and Sundsvall there are a great number of co-operative trading societies. In these and other industrial centres in Norrland the co-operative movement would seem to have the best chances of development and progress. The total

number of co-operative trading undertakings in Sweden at present is about 400. About half of these are trading companies, and, therefore, subject to the provisions of the Company Act of 1895. Thus, the share-capital must amount to at least 5,000 crowns,* the shares must have a minimum value of 10 crowns, and in case the share-capital exceeds 10,000 crowns, each share must be of the value of at least 50 crowns. Several of the associations of older standing, dating back in many cases to the period of 1860-1880, are business undertakings pure and simple, devoid of all ideal objects. The whole of their profits of trading are distributed usually in the form of dividends on capital invested among a small number of shareholders. Often the very existence of the so-called co-operative association is dependent upon the manager of the works or sawmill; he has a seat allotted him on the board of management, while the working men are only represented for form's sake. These associations are often indebted to the employers of labour for considerable advantages, such as premises free of rent, transit of goods free of carriage, assistance with clerical work and book-keeping free of charge and advances of money, etc. Hence these associations are, as a rule, financially very sound; for though the credit system obtains, all concomitant risk is eliminated by the practice of deducting the value of goods received from the sum due in wages from the works.

However gratifying the results of these trading undertakings may be from a financial point of view, it is evident that their not being co-operative in character or constitution renders them socially void of importance. Only a few individuals, strictly limited to those with a given number of shares, are in a position to derive any pecuniary benefit; moreover, the alleged moral benefit accruing to the workmen in the shape of the example and precept afforded by the association in the art of looking after their own interests, is, as a rule, wholly imaginary, inasmuch as all initiative and responsibility in connection with the concern rest, not with the workmen themselves, but with some foreman or superior.

Even though there are not wanting employers of labour who foster and encourage the co-operative movement, yet there are others who actively oppose it. This antagonism may take many forms; thus, an employer of labour may refuse to grant the use of any part of his premises or grounds for the purposes of a co-operative business; he may start a

(*) 18 Swedish Crowns equal (approximately) £1.

shop of his own to be run in competition with that established by his workmen on co-operative lines; or, again, he may adopt the monopoly system for providing his workmen with the necessaries of life, in other words, the obnoxious truck-system. As employers of labour often possess all the land in the vicinity of their works and of their employees' dwellings, it not infrequently happens that it is a practical impossibility for the workmen to embark upon a retail co-operative business for their own advantage and benefit.

There are, however, some of the trading companies founded in recent years which are not money-making concerns, pure and simple, but have an entirely democratic stamp. The very constitution of a company, on the other hand, is such that the money-making element will come to the front, and it proves exceedingly difficult to prevent the drawbacks resulting therefrom from making themselves felt.

The constitution of the co-operative store societies is in accordance with the Associations Act of 1895. Speaking broadly, associations differ from companies in having a fluctuating amount of capital and a varying number of members. It is not the case with associations as with companies that a limit must be fixed both as regards capital and number of participants; with regard to associations no limit whatever is prescribed, either at the time of establishment, or subsequently. In an association the personal element is a factor of more moment than in a company; by the Associations Act it is stipulated that no member shall have more than one vote. The amount of a member's share or stake in the concern varies between 5 and 25 Swedish crowns, being in the majority of cases 10 crowns, or about 11 shillings. The members of an association are only liable for the amount of their paid-up shares (associations without personal liability), or else for a certain limited amount, it may be in excess of their shares, for instance, 25 or 50 crowns (associations with limited personal liability). New members can be admitted at any time, and are at liberty to retire from membership at will, though it is possible for any association to stipulate that retirement shall not take place until at least two years after admission. The association is governed by a board of management, with five or seven members; the actual business is conducted by a manager and assistants.

Members' meetings are held periodically from once to four times a year. According to the wording of the Asso-

ciations Act of 1895, it is not permissible to trade with people who are not members of the association. On this point, however, different opinions are held by the various provincial governing authorities, and nothing is done, as a rule, to prevent the co-operative stores from selling goods to outsiders. The desirability of reform has been urged in the Riksdag, though without result. A monster petition has quite recently been handed in to the Government by the co-operative associations, so that it is to be confidently hoped that a change in the law, which would be of great value for the co-operative associations, will be made.

Both trading companies and co-operative associations are required to have themselves registered at the offices of the provincial government, in order to establish their legal status and to enjoy the rights and responsibilities of incorporated bodies.

There are no statistics of an official character bearing upon co-operative societies. The only available figures on the subject are the returns of the members of the Co-operative Union; they are to be found in the "Social Tidskrift," Part 5, 1901. From those returns it appears that 44 of the organisations belonging to the Union have a membership of 11,000 in all, being an average of 250 per organisation; their turnover was three million crowns, being 71,000 crowns per organisation, and 284 crowns per individual member; their working capital was 317,000 crowns, being 7,204 per organisation, and 28.8 per individual member.

The Swedish co-operative store societies are, as a rule, adherents of the Rochdale system. In many places, however, ready-money payment is not strictly enforced. The members, who usually have equal voting power, irrespective of the number of their shares or holdings, consist almost exclusively of working men. The age at which eligibility for membership commences is, as a rule, 16. The articles of association and the various bye-laws differ very much, owing to there having been no model for all to follow, and also to the want of uniformity of action previous to the constitution of the Co-operative Union.

The working capital consists generally only of paid-up shares of the members. These shares being low in amount and it being often stipulated that a member shall not possess more than one share, the working capital proves in many cases insufficient to admit of ready money being paid for the wholesale buying. It is customary to allot some portion of

the profits of trading to a reserve fund ; the members receive interest on their capital at the rate of 5 per cent. ; in some of the older companies as much as 10 per cent. is given. The remainder of the profit is distributed among the members in proportion to the amount of their purchases during the foregoing year.

For the purpose of uniting together the numerous co-operative trading societies up and down the country, the Swedish Co-operative Union was formed in the Autumn of 1899. By April 1st, 1902, 73 trading companies and associations had joined the Union. Sixty-three of these organisations have a membership of 14,494, and had a sale during 1901 of 4,345,886 crowns ; 42 of the societies had a capital of 302,214 crowns, and 48 realised a profit of 153,271 crowns. An annual payment of 10 öre (about 1 ½ d.) is made by these companies and associations for each of their members. The Union affords advice and information to the constituent bodies, and provides them with book-keeping materials, etc., issues and disseminates co-operative literature, arranges for lectures to be delivered, organises a Co-operative Congress every year, etc. Last year the Union began to publish an organ of its own, the " Social Tidskrift."

In the Autumn of 1900, at the instigation of the Union, a co-operative retail trading association was formed, under the same management as the Union. The associations joining that body pay 50 crowns for every 25 members. The stronghold of co-operative retail business is at present to be found in Malmö ; but stores of commodity have also been established at Gefle and Jonkoping. The intention is that the business shall be removed to Stockholm as early as possible. In the year 1901 the turnover of the retail business was 126,000 Swedish crowns.

THE CO-OPERATIVE CREAMERIES.

The best known of all co-operative enterprises in Sweden are, perhaps, the co-operative creameries and butter and cheese factories. They have become exceedingly useful to farmers, and have saved them much money which would otherwise have been lost. Some figures will show the development of this kind of agricultural co-operation. In 1890 the number of co-operative creameries in Sweden was only 73. By the end of 1895 it had increased to 302, and in 1900 it stood at 430. Last year the total number of creameries was 1,688. In the Southern province, Skåne, where

agriculture has reached the highest development, the increase in the number of co-operative creameries is extraordinary, as will be gathered from the following figures :—

	CREAMERIES.	
	Co-operative.	Non-Co-operative.
1890 ...	10	310.
1895 ...	88	134
1900 ...	106	84

The organisation of these co-operative creameries is very simple. The farmers form a society which borrows the capital necessary for the erection of a creamery. All the milk produced on the members' farms must be sent to the creamery. The price paid for the milk is the same for all, and is fixed once a month. A member's share in the creamery is calculated in accordance with the payment he has received for his milk. The number of members and the quantity of milk they supply vary a good deal. In some creameries there are several hundreds of members.

At some places it has been arranged that the members can be supplied with fodder and other requirements by the creamery. Most of the creameries are also united in strong bodies, which watch over their common interest. But they have not developed the idea any further, and not yet extended the co-operative principles to the farm labourers.

THE UNITED STATES.

BY

N. O. NELSON.

I undertook a search for co-operative associations in the United States with the purpose of reporting to the Alliance and also to attempt organisation for propoganda and business purposes. No attempt at national organisation has ever been made, and only two or three sporadic efforts to unite in State associations. The societies have all been started by individual initiative, not under the direction of any promoting body. The result is a wide divergence in working plans, and no great disposition to unite.

In my letters of inquiry I asked if they desired to join a State or National Association, and to this about one-half replied affirmatively.

Very few answered concerning profits, which is due to the sense of privacy, no reports having ever been made either to the Government or to Associations.

I purpose to make my brief report and withhold any comments on co-operation, because its simple fundamentals are well understood and fully accepted by those in attendance at the Congress. There is some inclination on the part of amateurs to devise original plans. Sixteen years of familiarity with Rochdale principles, methods and results has changed nothing in my original conviction that it should be adopted as a whole. Such is my constant advice. The thousands of failures in this and other countries in the last 30 years are due to deviations from the Rochdale model. It is a model of common sense, justice, and honesty.

Starting before enough missionary work has been done and members secured, using credit, paying too high interest, no dividend to non-members, dividend mainly on shares, are the chief sources of failure in this country.

Our people have as much of the co-operative spirit, are as steady-going and mean as well as the people of any other country.

The absence of leadership, lack of exact information and the facility for obtaining land and homes are the sufficient explanation of our co-operative shortcoming. We are now taking hold in earnest. In several States well organised propaganda is now carried on.

I have found 558 co-operative associations, of which 283 are creameries, 192 stores, 38 farmers' selling associations, and 45 factories.

	Societies	Members.	Capital.	Sales.
Creameries	283	19,810	£172,856	£1,053,127
Stores	192	59,712	£307,226	£1,416,326
Selling Associations	38	9,034	£ 41,800	£1,819,699
Factories	45	891	£116,822	£ 251,977
	558	89,447	£640,704	£4,541,129

I mean to use every persuasive effort to bring about conformity to the Rochdale principles, and also to form State Associations. During the past winter spent mainly in California, I helped to organise some stores, and others are contemplated. I talked to about forty audiences, about two-thirds of the speeches being on co-operation. With the list now tabulated I can reach them in various ways.

We have enough genuine co-operative stores, with records established, that now enable us to point to home experience. Foremost of these is the Arlington, at Lawrence, Mass., with 4,358 members, £60,000 capital, £100,000 annual sales, 1s. 7d. regular dividend, half dividend to non-members.

It is under the guidance of Yorkshire co-operators as Chairman and Secretary-Manager.

The Southern California Fruit Exchange marketed last year £1,750,000 in value—strictly co-operative and ably conducted. One Iowa Grain Association shipped £124,000 value. In the Mormon State, Utah, there are 87 co-operative stores owned by the people and eminently successful. Unfortunately, they pay dividend only on shares. In Iowa, Wisconsin and Minnesota, co-operative creameries are numerous and prosperous.

There is no inherent difficulty to obstruct co-operation in this country. Our workpeople are paid higher wages, but the standard of living and prices are higher. They have the same need of economy and about the same understanding of it as their European brothers. Our dividends will not be so large, because our wages and business expenses are higher, and our retail profits a shade closer. We only need leadership and organisation. All classes are interested in and friendly to co-operation. Co-operators, unionists, socialists, and not a few capitalists, are sympathetic.

A word about profit-sharing. In this, also, there is no organisation. I have not attempted to secure reports. There are, I think, into the hundreds of companies that pay some stated dividend on wages, but no list or reports are obtainable. In all these sixteen years since my company adopted the plan there has been a continuous line of inquiries. Many have tried it a year or two, and quit, but many continue it. A still larger number have in recent years undertaken what we call social betterment—recreation, sanitation, home building, lunch rooms and the like.

Our own Village Leclair is prosperous and beautiful. It is twelve years old. We have all city conveniences, kindergarten lectures and library, bowling, billiards and baseball, beautiful yards, and trees and flowers. My own family greatly prefer it to the city. The Garden City idea is sound. Here, at Birmingham, Ala., where I am writing this letter, we have an iron pipe works, employing white and black help. We have planted flower beds and shrubbery about the works, and shall be making some more such improvements, and build homes, as well as share profits.

SPAIN.—I.

BY

PROFESSOR PIERNAS Y HURTADO.

Although co-operation unquestionably advances in this kingdom steadily, though slowly, there are no striking additions to record to the little band of co-operative societies established. But, on the other hand, there are no losses to mourn. The organisations previously created have managed to maintain themselves, and those which have more recently been added have already acquired some importance, either in virtue of their membership, or of their work, or else of their good character.

Thus, at Madrid, where only a few small societies of working men or artisans had previously struggled on, a co-operative distributive society has now been established, which promises to become of considerable importance alike by the social position of its members, and by the influence which it may be expected to exercise as an example, namely, the "Society of the Press."

However, the movement begun in the province of Zamora, with a view to establishing agricultural credit banks of the Raiffeisen type, is of great interest. Its leader, Don Louis Chaves, a man full of self-denial and enthusiasm for his cause, has already succeeded in overcoming the serious obstacles which present themselves in Old Castile to an enterprise like his, and in forming six agricultural banks, based upon the strictest principles of collective liability. His banks carry on their work in the city of Zamora and among the peasant populations of Moralija del Vino, Villaralto, Aljofre, Arcenillas and San Marcial. Their business is, at present, still of the smallest and humblest, but everyone knows that in these things the beginning is the roughest part of the battle, and that, the principle having been once accepted, such institutions are sure to grow and develop of themselves. As an earnest of such results, we find that the movement has already spread from the province of Zamora into the adjoining one of Valencia, and an agricultural bank has actually been established in the village of Amuzco.

In response to a similar want felt among the peasantry, several agricultural co-operative societies have likewise been formed. Among these is the syndicate of agricultural

labourers of "Bajo Llobregal" (province of Barcelona) for the sale of articles of daily requirement, groceries, agricultural implements and farm requisites, and for the formation of a People's Bank, etc. In the province of Cataluña co-operation, more specifically distributive, has made considerable progress and justifies great hopes. As a result of the regional congress held by the co-operators of Cataluña in Barcelona in 1899, the foundation has been laid of a Union which already embraces close upon 100 co-operative organisations of all kinds. And a commercial relations department, which is at work since the beginning of 1900, manages to find a market for the productions of co-operative workshops, and, in addition, purchases food-stuffs wholesale. The regional chamber placed at the head of the Cataluña Federation labours incessantly, extending the propaganda, and is now issuing notices for a second congress to be held at Barcelona on 18th May next (1902). The co-operative societies of Cataluña are, for the most part, composed of working men, among whom collectivist proclivities predominate. The programme to be submitted to the new congress includes some subjects having reference to the character which working men's co-operation ought to assume, in view of the mission which it is called upon to fulfil in the social movement. There are other subjects which are to be submitted for discussion, among them "the choice of the best means for perfecting co-operative organisation," and "the advisability of convening a National Co-operative Congress for all Spain."

The National Co-operative Committee of Spain has received with the most lively sympathy the manifestations of the agricultural co-operative society already spoken of, and has given that society all the support that it could. At its last meeting the committee decided to prepare a draft-law applying to co-operative societies, which is to be laid before the Cortes with a request for adoption. In the meantime—this is another piece of intelligence to be greeted with satisfaction, since Spain is still without special legislation on the subject—the Government has begun to take an interest in the matter, and shows itself desirous of satisfying the demands of co-operative institutions, as will be seen from the following facts.

The law of 26th March, 1900, on stamp duty, lays it down that societies formed by or for working men shall be exempt from stamp duty in respect of all documents relating to their management.

Another law, dated 27th March, 1900, which imposes a tax upon "utilities," that is, upon sales and profits, provides that "co-operative associations" established for credit, production or supply, shall pay 6 per cent. on their realised annual profits; such societies shall be exempt from duty to pay the tax if they are composed of working men."

The law of 2nd April, 1900, which regulates afresh the duties upon transfers and registration, says: "The payment of capital to working men's co-operative societies, both productive and distributive, and to mutual credit societies formed by agriculturists, also the agreements relating to loans which the last-named societies make to their members, having for their sole object the purchase of seeds, fertilizers or implements, shall be exempt from this duty."

There is also a draft measure now before the Senate giving various facilities to agricultural syndicates with a view to encouraging their formation. This measure lays it down that exemption from all fiscal taxation shall apply to the formation of agricultural syndicates and to all agreements and contracts which they may have to enter into in the prosecution of their business; and that any provident and credit institutions which agricultural syndicates may form on the principle of mutuality shall not be subject to the duty on "utilities" (sales and profits).

The Budget law for the present year (1902), already passed, sets apart a sum of 50,000 pesetas (£2,000) for the support of agricultural syndicates and associations having for their object either credit, or insurance, or similar matters. A Royal Order in Council dated March 11th, lays it down that this subvention is to be paid only to societies which have adopted the principle of mutuality.

I append a table showing roughly the number of co-operative societies of three different forms now in existence in each province. The data embodied in this table are not official, but have been privately collected. They may not be fully exact, and, in any case, they are not fully exhaustive. The total number of societies accordingly ought to stand a little higher.

- Table showing the number of co-operative societies in Spain, arranged according to Provinces:—

PROVINCE.	Distribut've Societies.	Credit Societies.	Productive Societies.	TOTAL.
Alava	1	—	—	1
Albacete	3	2	—	5
Alicante	13	—	—	13
Almeria	2	—	—	2
Avila	—	—	2	2
Badajoz	2	1	—	3
Baleares	8	—	3	11
Burgos	1	1	—	2
Cadiz	5	—	—	5
Castellon	—	—	1	1
Cataluña (4 provinces)	116	—	9	125
Córdoba	—	1	—	1
Coruña	3	1	1	5
Granada	1	—	—	1
Guipúzcoa	2	—	1	3
Huélva	17	—	—	17
Jaen	4	—	2	6
Leon	1	—	—	1
Logroño	1	—	—	1
Lugo	1	—	—	1
Madrid	9	1	3	13
Málaga	3	—	2	5
Murcia	3	3	—	6
Orense	1	—	—	1
Oviedo	12	—	—	12
Palencia	—	1	—	1
Pamplona	1	—	—	1
Pontevedra	2	—	—	2
Salamanca	1	2	—	3
Segovia	—	1	—	1
Sevilla	2	1	—	3
Toledo	2	—	—	2
Valencia	9	2	—	11
Valladolid	2	—	—	2
Vizcaya	9	—	—	9
Zamora	1	6	—	7
Zaragoza	1	—	—	1
TOTALS	239	23	24	286

SPAIN.—II.

BY

J. SALAS ANTON, Secretary of the Camara Regional de las Sociedades Cooperativas de Cataluña.

A promising nucleus for co-operative organisation in Spain has recently been formed by the union of the co-operative societies of Catalonia and the Balearic Islands to a Co-operative Federation, which is rapidly gaining in strength. The Federation, which has a few months ago held its second annual Congress, has for its central body the *Camara Regional de las Sociedades Cooperativas de Cataluña y Baleares*, which has its seat at Barcelona. The number of societies so united is at present 92. They belong to all forms of co-operation—supply, production, banking, but in very different proportions. However, the maxim which has been deliberately accepted is that co-operation is *one*, whatever its form, and that no distinction must be made between different forms, so long as the underlying principle is the same. Co-operative production is, as a matter of fact, represented by only three societies, production coupled with distribution by one, and banking (agricultural credit) by one. All the remainder are distributive societies. Of these, 45 return their membership as 4,917, with 13 members as the smallest number and 630 as the largest. The statistical data contributed by the various societies are only incomplete and fragmentary. Some of the figures may, however, be of interest. Thirty-seven of the said societies return the individual holdings in shares of members as ranging from 25 pesetas, or francs, to 700. Thirty-one societies return their share capital collectively at 393,178 pesetas, or francs. Twenty-two others return a collective capital, belonging to the societies alone, of 111,986 pesetas. Forty societies own among them 18 freehold buildings, whereof 12 are valued at 357,334 pesetas. In addition, they occupy 39 more buildings held on lease or under an agreement. Forty-four societies return their sales as 3,298,181 pesetas per annum.

At the second annual Congress of the Federation, held at Barcelona this summer, there were 81 societies represented, collectively by 178 delegates. The proceedings have attracted a great deal of attention, and have been much commented on by the press. The discussion showed the delegates to be of one way of thinking on the main points, and bent upon progress in the democratic sense. The Congress decided in favour of what our co-operative leaders have christened "co-operatism," by which is meant the

bringing about of a social transformation in the direction of collectivism, by means of co-operation. Co-operation is, according to this idea, to serve as an instrument of education and as preparing the people for the use of their full power under a form of democratic government, so as to render government of the people "from above" less necessary from day to day. Our Catalan co-operators are supporters of the ideas of trade unionism and mutual provident action, as well as of that of co-operation. In accordance with their collectivist ideas the delegates present at the Congress decided in favour of collective employment of profits or dividend, as much as is possible. In another resolution the Congress laid especial stress upon the necessity of education and the urgency of employing a large portion of the annual surplus for educational purposes. As a matter of fact our societies devote as much as 10, 15, 20, and in some cases even 30, per cent. of the annual surplus to educational purposes.

There is a new departure to record in the province of Spanish co-operation in the shape of a working men's hostelry established at Barcelona (*Hotel comunal de los Obreros de Barcelona*). It has limited itself to the accommodation of working men only who are members of some recognised trade union, though it willingly sells goods to anyone. Of the profits it allots 25 per cent. as dividend on purchases, 15 per cent. to the several trade unions represented within it, and 60 per cent. to a common propagandist fund. Like all newly constituted co-operative organisations in the province, it allows to employees a share in the profits.

The area of the Federation, or Union, governed by the *Camara* has, for purposes of better organisation and administration, been divided into 46 sub-districts (*comarcas*), each of which has a co-operative organisation of its own. The sub-districts are, as a rule, marked off by some special geographical feature, such as a river or a chain of mountains separating it from other territory. In such *comarcas* every co-operative society nominates its own delegate to a sectional committee or chamber, the *Junta Comarcal*, which administers the affairs of the district. The *Junta Comarcal*, in its turn, nominates one delegate for every three co-operative societies, and by this means the "regional chamber"—the *Camara*—is formed as a thoroughly representative body. Out of its midst it elects an executive committee of nine members.

Our Federation issues a monthly *Review*, as well as frequent occasional propagandist leaflets.

It will be seen that our organisation is throughout collectivist and representative. That has the effect, to be sure, of raising us up enemies in the individualist ranks. But we are going ahead, and are confident that the future belongs to us.

SERVIA.

BY

M. MICHEL AVRAMOVITCH, General Secretary of the Union of Agricultural Co-operative Societies in Servia.

The first co-operative societies to be formed in Servia were productive and distributive societies. The earliest formations date from the year 1870.

Just as in some other countries of Europe, these societies bore at the outset something of a political, rather than an economic, character, or, perhaps I ought to say, they became somehow identified with a certain political movement which began to show itself in the country about that time. However, the societies of this type formed have not been permitted to live long. The difficulties, well known, which bar the way to success for co-operative societies of this sort (such as our productive societies continue to be to this day), and the absence—absolute in some cases—of any clear perception of what ought to be aimed at and what might be accomplished, and of any knowledge of the proper means to be employed and the conditions under which a co-operative society may be expected to thrive and prosper, combined to bring about the fall, only too rapidly, and in some cases with a rude shock, of such societies. In truth, few of these formations of the earliest period endured for more than a few months, although some managed to prolong their existence for a year, or even two.

From that period of earliest attempts at co-operation, or, as I am in the habit of putting it, at taking the first steps, in Servia, in the paths of "modern" co-operation, not a single society has lived down to our own days. New productive societies have formed at short intervals, only to be as rapidly dissolved. One after the other they came to grief, after few months of existence, and after vain attempts made by brave working men to keep them going.

I have advisedly spoken of "modern" co-operation, and I believe that I have done so rightly, because in our country we have had very genuine co-operative societies dating from very ancient times, such as the *Moba*, the *Pozaitmitza*, the *Spréga*, the organisation and character of which I have

described in my report prepared for the International Co-operative Congress held in London in 1895.*

Early in 1883 a new departure was made. A People's Bank, the first of its kind in Servia, was formed at Belgrade. At the present time there are nearly a hundred such Banks in existence in the Kingdom. The largest and most prosperous is the People's Bank of Belgrade, which has, since a few years, added a mutual insurance department for life and fire, to its other services. All these Banks do a very good business. The dealings of some of them are to be reckoned by millions, even tens of millions. But one might go very near making a false statement in insisting that they are truly co-operative. For they do business with anyone, making no distinction between members or non-members, and keep no end in view except that of big dividends to be earned for their shareholders. They are really nothing but joint stock companies, and I have long since ceased to regard them as anything else, and to class them among co-operative institutions.

The genuinely co-operative societies existing in Servia at the present day are these:—(1) Co-operative distributive societies (28). (2) Co-operative societies for the purchase in common of raw material (32). (3) Agricultural co-operative societies for the purchase and employment in common of modern agricultural machinery and implements (68). (4) Viticultural co-operative societies (for the pressing and sale of wine) (2). (5) Co-operative Village Banks of the Raiffeisen type (202), and (6) about a hundred Friendly and Provident societies.

There are two "Unions" in existence as well, formed by the societies just enumerated, one embracing societies with an agricultural object, the other linking together societies composed of artisans and small shopkeepers. Both of these have their seat in Belgrade. The first, the *Union Générale des Sociétés coopératives agricoles serbes*, at the present time numbers nearly 400 members, that is, societies. The remaining co-operative societies are grouped together in the other Union.

In addition to all this there is a Central Bank for the use of co-operative societies representing the agricultural interest. It is a genuinely co-operative organisation, engaging in dealings only with its own members, who must be co-operative societies, not with individuals. These societies hold shares in the Central Bank, upon which the interest is limited to 4 per cent.

*See the Report of the First International Co-operative Congress, 1895. Pages 394-396.

It will be seen that co-operation is in Serbia mainly of an agricultural character. This is no more than natural, seeing that the country is, in the main, an agricultural country.

I do not here quote the figures showing the business done, because the annual statistical return is not published till the end of June. But I will state at once that agricultural co-operation in Serbia continues to advance steadily, conquering new territory every day, and gaining economic, social and moral victories. The political dissensions which so frequently disturb our country, and the number of political parties, very hostile to one another, in which our people is divided, really rather further than hinder such development. For the greater number of eminent men in the country, having attached themselves to the various political parties, vie with one another in lending support to our popular movement. The co-operators in our villages are becomingly grateful to them for this service.

In the past year the agricultural co-operative societies have held their Sixth Annual Congress at Tchatnake, which is the capital of the department of Roudinke. More than a thousand Servian co-operators attended in person. Among the foreign co-operators present at the Congress we were glad to welcome M. Heller, Chairman of the Union of Co-operative Societies of the Raiffeisen type, which has its seat at Neuwied, on the Rhine. Very interesting resolutions were passed at that Congress, which promise to strengthen the onward course of the co-operative movement in Serbia.

CANADA.

BY

ALPHONSE DESJARDINS, Chairman and Managing Director of the *Caisse Populaire de Lévis*.

I shall incur little danger of contradiction in stating that co-operation in general, such as it is understood to be in Europe, is scarcely known or practised in Canada. Possibly that may be due to the fact that it has not yet been sufficiently studied, or else it may be that the failure of such few attempts as have been made have discouraged people. In any case, co-operative institutions here are so few that they scarcely deserve to be mentioned. There are some few co-operative bakeries; there may be a co-operative store or two. But that is all. And even such institutions, in my belief, owe their origin to the initiative of immigrants from

Europe, who have carried with them their knowledge of and devotion to co-operation. Our masses have remained altogether untouched by the co-operative principle.

So matters stood when, after prolonged study and much correspondence with the leaders of the movement in Europe, I ventured in September, 1900, to communicate to a handful of my countrymen, whom I had invited to my house, the results of my study and the valuable information that the correspondence referred to had brought me. I did so, not without hesitation, because, knowing the absolute ignorance of co-operative principles of the people whom I had invited, I saw reason to apprehend that my suggestion would be badly received. To my great surprise, when I had thoroughly explained the matter, everyone present expressed himself willing and ready to take up the scheme. On the spot a provisional committee was appointed to draft rules for the proposed co-operative society. That committee set to work on the very morrow, and continued its labours with remarkable zeal during the space of two months. Once the rules were drafted, by the men of experience who were my fellow workers, and under the guidance of a true co-operative spirit, a meeting of all who had expressed themselves willing to join was called and held on 1st December, 1900. The rules were read out, unanimously approved, and at once recruiting for the new society began. In this way *La Caisse Populaire de Lévis*, the first People's Bank in Canada, was formed, on the model of those thousands of People's Banks which do such excellent work in Germany, in Italy, in France, and elsewhere. More than 80 members signed the roll in less than an hour, and more than 500 shares were taken up.

According to our rules the shares are only of \$5 each, and no member is permitted to hold more than 25. The reason for these two provisions ought to be plain. We put the value of the shares low, in order that even the poorest among the working classes may not be debarred from joining. And, since payment for the shares may be made by 50 weekly instalments of 5d. each, even the humblest working man cannot say that he is unable to take a share.

On the other hand, the number of shares which one member may hold is put at a low figure in order that some few of the wealthier members may not buy up all the shares. As matters stand, the maximum holding of \$125 is not so considerable that even a working man might not propose to himself the ambition of acquiring it in course of time by thrift and effort.

The *Caisse Populaire de Lévis* opened its doors for business on 23rd January, 1901. That was a Saturday, and it is on Saturday evenings that the office is open for the transaction of business. On the first Saturday evening close upon \$150 was paid in on behalf of about 70 members in respect of their shares. On 31st January, 1901, the total payments made on this score amounted to \$242,45. From that date the advance of the society has been marvellous. At the present time—1st May, 1902—the members' roll includes 840 names, and 2,750 shares have been taken up. At the close of April the figure of business done was \$14,000. We have lent out already more than \$8,000. And we have really only begun. And, strange to say, for a lending society such as ours is, in Canada, not a single halfpenny has been lost, either on capital account or in respect of interest.

Apart from some small disbursements for printing pass books and account books, not a penny has thus far been spent on management. That is because the zeal and devotion of officers of the society to their cause has been such as to make them render all their services gratuitously. This cannot continue. We cannot expect people to work for nothing in perpetuity, and we are already thinking of the time when the services of the manager and the chief book-keeper will have to be remunerated. But it promises well for a sound co-operative spirit which may be expected to prevail in the future. And when the time for remunerating services come, the *Caisse* may also be expected to be strong enough in funds to be able to afford the expense.

Since the formation of our *Caisse*, public opinion has become much interested in its work, and follows its growth with considerable attention. In several places leading men are thinking of following our example.

Among our own members we number one of the Ministers of State of the Province of Quebec, the Hon. Mr. Turgeon. Thanks to his good offices the provincial legislature has ordered our rules and regulations to be printed and circulated as a means of propaganda for co-operative institutions. Ecclesiastical authorities are likewise supporting the new idea. The highest dignitaries, the archbishops, have already signified their entire approbation, and have recommended their clergy to give every assistance that they can towards the formation of societies like ours, as a means of stimulating the spirit of thrift among the population, and affording help to the poorer artisans, cultivators and petty traders.

What we still want in Canada is a good general Federal Act, under which People's Banks, designed to collect the petty savings of the people and distribute them safely in loans, may be formed. I have reason to hope that before long this want will be met, and that the Canadian Parliament will consider it its duty to bestow upon our country sound co-operative legislation such as there is in England, Germany, Italy and France. My efforts are pointed in this direction, and the prospect is encouraging.

AUSTRALIA.

BY

JOHN PLUMMER.

Notwithstanding the many facilities existing in Australia for the development of the co-operative principle, its practical application still remains only partial, affecting merely a limited section of producers. This is a result of several causes, one being the prevailing tendency in the various States to rely on State assistance in obtaining employment during periods of industrial depression. Another cause is to be found in the migratory habits of a large part of the population; a third is the large number of holidays, combined with an excessive love of pleasure. The conditions of industrial life are, generally speaking, in Australia, easier than those of other countries, and the one great ambition of the labouring classes seems to be to secure sufficient political power for enabling them to replace private enterprise by that of the State; in other words, to make the State the great employer.

In connection with the establishment of co-operative distributive societies, the principal difficulty consists in the fact that cash payments are already general in the retail business of the Commonwealth. In all the cities and large townships there are immense stores in which almost every description of article, except goods of a perishable character, can be obtained, no credit being given. No co-operative trading store can offer its members greater advantages than do the non-co-operative cash trading stores. The difference in the prices at the latter and the retail shops giving credit range from five to twenty per cent., which practically forms a bonus to cash customers. However, in Sydney, the Civil Service Co-operative Association, formed nearly half-a-century ago, has become a great institution, with an annual turnover of many thousands. Its progress, it deserves to

be shewn, became most rapid when non-members were allowed to share in the profits. Its success may fairly be attributed to the non-migratory habits of the members, and the care with which the details of management are looked after by the officials annually elected by the members from their own ranks.

There are about seventy or eighty co-operative trading societies scattered throughout the Commonwealth, but only few do a business of over £100 weekly. One of the most successful is in South Australia. The statistical returns of the various States furnish little information respecting the co-operative societies enrolled, and what little is given is generally of an unreliable or misleading nature.

Shoemaking, tailoring, and other co-operative manufacturing societies have been started from time to time, often with a fair enough promise of success, but few, if any, have had a prolonged existence, the trouble and cares of management not being relished by the members. Indeed, perseverance and self-reliance can hardly be included among the qualities possessed by the Australian working man. It has been frequently proposed that advantage should be taken of the facilities afforded by the land laws of New South Wales and other States to establish co-operative settlements, co-operative farms, and co-operative grazing properties, but, so far, little or nothing has been done. In New South Wales, Victoria, and South Australia, the respective State Governments have expended considerable sums in the effort to promote co-operative settlements, but without success.

In the agricultural and dairying industries there have been several characteristic applications of the co-operative principle. In the southern portion of New South Wales a considerable portion of the wheat-growing country is cultivated on the "halves" system, the landowner finding tools, seed, etc., and the occupier the whole of the labour, whether hired or otherwise. At the conclusion of the season the profits are divided, generally in equal shares, between the landowner and the occupier. The division of profits is not arbitrary, but regulated by conditions agreed upon. There are no co-operative associations for land cultivation. At present the tendency on the part of occupiers on the "halves" or "shares" system, is to purchase land with the proceeds of their earnings, and begin cultivation on their own account.

In the dairying industry the middleman has largely disappeared, and been replaced by combinations of farmers and dairymen, having their own creameries and butter factories, from which the produce is forwarded to their own

customers in the Australian market, or shipped to overseas ports. The farmers send their milk to the creameries, where it is paid for according to quality, and they also share in the profits obtained from the sale of the manufactured article and other produce. Several of the large produce agencies in Sydney, Melbourne, and elsewhere have established creameries and butter factories in the dairying districts, paying current rates for all milk supplied, and dividing all surplus profits with those furnishing the milk supplies. Both systems are found to give satisfaction to all concerned, and it is not improbable that something of the same kind may be adopted in agricultural production.

There exists in Australia an unlimited field for co-operative production, but the co-operative missionaries are few and far between. There is too much labour and expense, and too little encouraging results. If industrial co-operation is to obtain a strong footing in Australia the impetus must come from without. In the northern coastal districts of New South Wales a valuable object lesson is afforded by New Italy, a settlement founded by a number of penniless Italian families, stranded after the failure of an attempt at settling on one of the islands in the Western Pacific. They were assisted by the State Government with grants of land on easy terms, and by their well-to-do fellow countrymen in Sydney and elsewhere with food, money, tools, and other necessities, the result being that, by mutual assistance, they have established what bids fair to become one of the most flourishing agricultural settlements in the Commonwealth. Each family has its own cottage, flower garden, orchard, pasture land, and cultivable area, much of the work being performed in common. Viticulture, production of silk and other agricultural industries familiar to Italians, have also been successfully introduced.

Could agricultural settlements, on the co-operative principle, be established by European immigrants, imbued with a desire to give full effect to the principles of co-operation, and possessing the necessary experience, the results would be most encouraging, as the whole of the surplus co-operative produce might be readily absorbed by over-sea co-operative purchasers. What seems to be specially required is co-operative propaganda in the agricultural districts. All the State Governments would readily assist in this direction, the great want of Australia being increased settlement on the land, which can be best effected by co-operative effort.

INDIA

BY

AMBIKA CHARAN UKIL, Secretary of the Co-operative Union of India.

Since 1900, when I presented a brief report on the progress of co-operation in India to the Fourth International Congress, there have been several important changes in the economic condition of the country. These have been mainly due to the operation of physical causes, such as wide-spread drought, famine and plague of successive years, which rendered the relief of the impoverished classes, mostly agricultural and artisan, a question of immediate urgency. This has led to the appointment of a committee to consider the practicableness and advisability of introducing into India co-operative credit associations of the same type as those which have been found to do so much good on the continent of Europe, especially associations of the Raiffeisen type, and also to consider the advisability of adopting new suitable legislation to stimulate their formation and development under the supervision of Government.

A draft measure suggested by this committee is now before the several local Governments, and will soon be submitted to the India Office with a view to its being passed into law.

In the meantime practical experiments in the matter are being carried on in several provinces, principally in the united provinces of Agra and Oudh, the Punjab and Sind, and the Madras Residency.

Including about 150 village banks so formed, there are now about 200 co-operative societies of all kinds established in India. It cannot be said, however, that the principles of co-operation are clearly and distinctly understood even by the small minority of the population, who are apparently aware of its benefits as applied to agricultural credit, and much less by people in general. Apart from the question of credit, there is little here to show, a conscious desire to study co-operation as a part of economic science with a view to practical adoption even as an intellectual occupation.

The societies already spoken of are mostly of quite recent growth, and hardly admit of any tabulated return as to membership and business. The proportions of both must necessarily be restricted. The attempt at organising these societies in a Union has been too recently begun to have led to any substantial results.

But, in spite of all these drawbacks, there has been conscious and systematic effort in one quarter to diffuse the knowledge of true co-operation, especially of the Rochdale type, and to foster the creation of distributive societies after that model, and in this matter the Co-operative Union of India has been, we hope, of some service. The members of this Union have been, up to the present, the following societies, to which quite lately some additions have been made, as will be shown :—

- 1.—The Indian Pioneers' Co., Ltd. Established 1893. (Distributive).
- 2.—The Indian Publication Society, Ltd. Established 1896. (Productive).
- 3.—The Indian Co-operative Journal Society, Ltd. Established 1897. (Labour-co-partnership).
- 4.—The Swadeshi Bhandar, Ltd. Established 1898. (Distributive).

All these societies have their seat in Calcutta, in Bengal. There has been very little development since the writing of the last report, and, in fact, all except the one first mentioned have actually deteriorated. The Pioneers' Co. has progressed, though only tardily, and it is actually the only one now in full working order, with a membership of nearly 350, subscribing among them capital of about Rs.10,000/-, and carrying on a business of a little over Rs.50,000/- in the year. The society realised a small profit after paying all outgoings, and such profit is divided in equitable proportions among shareholders, employers and customers, viz., $6\frac{1}{4}$ per cent. to capital and wages, and $3\frac{1}{4}$ per cent. to custom, after transferring 10 per cent. of the profits to the Reserve Fund and 5 per cent. to the Educational Fund. The employees are further provided with life insurance policies of Rs.1000/- each, which are maintained for them by the society as a kind of superannuation allowance to benefit their families in the event of the breadwinner's death.

The other three societies are really only nominally in existence, for want of proper financial support.

But the propagandist efforts of the Union have borne some fruit in other quarters. In Cuttuck, the chief city of Orissa, a small maritime province in the Lieutenant Governorship of Bengal, a distributive store was started in 1899, which has been faring tolerably well, with a membership of nearly 100, and a business of about Rs.20,000/- per annum. The name of this society is "Cuttuck Utyogi Samitu," a vernacular name, meaning the Pioneer Society of Cuttuck.

The next in order of formation bears the name of A. Ukil & Co., Ltd. It is a financial society endeavouring to provide financial aid to the needy by means of co-operative credit, and life insurance applied in a novel way. The society came formally into existence only in 1901, but has since its creation already made some advance in business.

Some other societies in course of formation are:—The Purneah Co-operative Society, Ltd., in Northern Bengal, and the Assam Pioneer Trading and Manufacturing Co., Ltd., in Goalpora Assam, of which the business is to be planted in Assam, and the registered office is in Calcutta.

Furthermore, the Bongong Railway Employees' Equitable Society Co., which has quite recently been formed as a joint stock company with a nominal capital of Rs.10,000, divided into shares of Rs.5 each, payable by monthly instalments of one rupee. This capital may be subsequently increased.

These nine societies are all that I know of as professing to be co-operative in the Rochdale sense, and are at present gathered together under the Co-operative Union of India.

More are likely to be formed before long. For the railway employees are taking very kindly to co-operation, and show themselves remarkably amenable to propagandist instruction.

A printing establishment, bearing the name of the Bengal Press, has also been drawn within the movement, although still continuing the property of a private owner, a distinguished zemindar (landlord) in Bengal. But he is one of the best patrons and promoters of the co-operative movement in India. The "Press" has all along been liberally financed by him, not with a view to gain, but with the object of ultimately converting it into a thriving co-operative labour-partnership establishment, if possible.

The Railway Co-operative Society, Ltd., of Allahabad, and the Co-operative Association, Ltd., of Cawnpore, are also fine specimens of distributive co-operation; but all these are the work of, and composed of, Europeans, mostly officials and employees in European commercial and industrial enterprises.



PROF. VICTOR BÖHMERT.
Author of "Die Gewinnbetheiligung."



PROF. GILMAN.
Author of "A Dividend to Labour."



B.—Profit-sharing in Various Countries.

THE BRITISH EMPIRE.

BY

D. F. SCHLOSS, of the Labour Department of the Board of Trade.

The account of systems of profit-sharing adopted by British firms which follows relates to ordinary businesses, to the exclusion of those carried on by workmen's co-operative societies (many of which give a share in their profits to their employees, see *Report on Workmen's Co-operative Societies in the United Kingdom*, by the Labour Department of the Board of Trade, Cd. 698 of 1901*), and deals with those cases in which the remuneration of employees consists in part of a definite share in profits, allotted to them in addition to their wages. Cases, in which employers make gifts to their workpeople without any pre-arranged basis of division of profits, or in which employees, who hold shares in an undertaking, receive a part of its profits as dividends on their capital, are not here referred to; nor are those methods of wage-payment, under which workpeople are rewarded for efficiency by a bonus on output or premium, the amount of which is not dependent on the financial results of the business, regarded as coming within the term "Profit-sharing." (As to premium systems, see *Report on Gain-sharing*, by the Labour Department of the Board of Trade, C. 7848 of 1895, and LABOUR GAZETTE, June, 1896, and July, 1899).

The Table which follows shows the number of firms in the British Empire by which profit-sharing schemes have been adopted, the number of such schemes that have ceased to exist, and the number still in operation, so far as the particulars could be obtained:—

Years in which Profit-Sharing Schemes were adopted.	Total number of Schemes started in years mentioned in Col. 1.	Number of Schemes referred to in Col. 2.		
		That have since ceased to exist.	As to which particulars could not be obtained.	Known to be in operation at June 30th, 1901.
[1]	[2]	[3]	[4]	[5]
1829	1	1	—	—
1865-68 ...	17	13	1	3
1869-72 ...	7	7	—	—
1873-76 ...	6	3	1	2
1877-80 ...	4	1	—	3
1881-84 ...	11	5	1	5
1885-88 ...	24	10	3	11
1889-92 ...	87	46	6	35
1893-96 ...	23	12	1	10
1897-1900 ...	12	1	—	11
1901 (6 months)	2	—	—	2
TOTAL ...	194	299	136	82c

* See page 163.

a Including 1, started in 1891, in a British Colony.

b Including 2, started in 1888 and 1890 respectively, in British Colonies.

c Including 4, started in 1885, 1888, 1891, and 1896 respectively, in British Colonies.

In all, up to the middle of 1901, the number of cases in which profit-sharing is known to have been adopted by British employers is 194, in 99 of which profit-sharing had, prior to that date, ceased to be in operation, while in 13 cases it had not been found possible to obtain recent information, so that it is uncertain whether profit-sharing is still in operation with these firms. Thus the number of British firms, by which profit-sharing was, at June 30th, 1901, known to be in operation was 82.

The trades in which profit-sharing has been adopted, and the number of persons employed by the firms known to practise this system at present, are shown below :—

Nature of Business.	Number of Businesses.			Number of Persons (mean between minimum and maximum) employed in Businesses referred to in Col. 4 at June 30th, 1901.
	In which Profit-sharing having been instituted no longer exists.	As to which particulars could not be obtained.	In which Profit-sharing was known to exist at June 30th, 1901.	
1.	2.	3.	4.	5.
Building Trades	4	1	4	183
Mining and Quarrying	4	—	—	—
Metal, Engineering and Ship-building Trades :—				
Metal	7	—	3	988
Engineering and Ship-building	10	1a	7	27,814
Textile Trades... ..	6	—	6	3,842
Clothing Trades	8	—	3	669
Transport	1	—	—	—
Agriculture	9	1	4	280
Printing, Paper, and Allied Trades :—				
Printing	11	3	9	1,875
Other	2	—	3	772
Woodworking and Furnishing Trades	4	—	1	52
Chemical, Glass, Pottery, &c.	5	2	5	2,072
Food and Tobacco	8	—	8	6,508
Gas Works and Tar Distilling	—	—	4	5,580
Fibre and Cane Working	1a	—	—	—
Other Businesses	19	5b	25c	3,385
TOTAL	99	13	82	54,020

a Colonial.

b Including one Colonial firm.

c Including three Colonial firms, employing 495 persons, and one, the number of whose employees is not known.

The following Table shows the number of years, during which the profit-sharing schemes referred to have been in operation, both with regard to those schemes, which are

known to have been abandoned prior to June 30th, 1901, and to those which were known to be in operation at June 30th, 1901.

Duration.	Past Profit-Sharing Schemes.	Present Profit-Sharing Schemes.
One year or less	15	5
Over 1 year and up to 5 years	38	12 ^b
„ 5 years and up to 10 years	28 ^b	16 ^b
„ 10 „ „ „ 15 „	7	35 ^b
„ 15 „ „ „ 20 „	2	6 ^b
„ 20 „ „ „ „ „	2	8
Duration unknown	7 ^d	—
Average duration	5½ years	11½ years

^aIncluding one Colonial firm.

^dIncluding one scheme, the duration of which is stated to have been at least 17 years.

With respect to the 99 cases in which profit-sharing has ceased to be in operation, the causes which have led to the cessation of these schemes were as under:—

Cause of Cessation.	No. of cases.	Cause of Cessation.	No. of cases.
Death of employer	2	Disputes with employees ...	3
Job finished	2	Dissatisfaction of employers	24
Enterprise abandoned	3	with results	
Liquidation, or dissolution ...	18	Grant of shorter hours ...	1
Changes in, or transfer of,	6	Substitution of fixed rate of	1
business		interest	
Losses, or want of success ...	19	Special circumstances ...	5
Diminution of profits	2	Cause not known	5
Apathy of employees	7		
Dissatisfaction of employees	1	TOTAL	99
and grant of increased wages			

It will be seen that the abandonment of the profit-sharing system has in 29 cases been due to the termination of the undertaking by liquidation or for other reasons, in 21 cases to the fact that the business had failed to secure adequate financial success, in 24 cases to the dissatisfaction felt by the employers by whom profit-sharing schemes had been adopted, with the results of their operation, and in 8 cases to the apathy or dissatisfaction manifested by the employees concerned in regard to the system.

With respect to the amount of the addition made to the wages of profit-sharing employees by the share in profits allotted to them as bonus, the mean ratio of bonus to wages in all cases in which details are available, including those cases in which no bonus was earned, was 4.0 per cent. in

1894; 4.7 per cent. in 1895; 4.9 per cent. in 1896; 7.2 per cent. in 1897; 5.5 per cent. in 1898; 5.4 per cent. in 1899; and 6.4 per cent. in 1900. If the cases of failure to earn profits available for division under the profit-sharing scheme are omitted and the calculation is confined to those instances in which a bonus was declared, the average ratio, which in these cases the bonus bore to wages, account being taken of the number of participants in each case, was 6.1 per cent. in 1894, 6.7 per cent. in 1895, 10.3 per cent. in 1896, 11.4 per cent. in 1897, 11.8 per cent. in 1898, 12.1 per cent. in 1899, and 14.3 per cent. in 1900.

Taking the figures relating to the bonus declared by profit-sharing firms in 1900, it is found that details are available as to 66 cases, with a total of 23,953 employees in 1900 (including four Colonial firms with 629 employees), and that in 13 cases, affecting 2,660 employees, no bonus was paid in that year, while in the remaining 53 cases, with 21,293 employees, a share in profits was paid to an aggregate of 15,129 participants. In 16 of these cases, with 3,197 employees, the bonus was at rates less than 5 per cent. on wages, and in 22 cases the bonus allotted in 1900 was equivalent to an addition at the rate of 5 per cent. and upwards, but less than 9 per cent. on the wages of the 7,367 persons by whom this bonus was received. These 22 cases had relation to an aggregate of 11,075 employees, or not quite one-half of all the persons employed by the profit-sharing firms making returns on this point. In all, 15 cases of the payment of bonus at the rate of 9 per cent. and upwards are included in the figures for 1900, the number of employees in these 15 cases being 7,027, and the number of recipients of bonus 5,805, while the highest ratios returned were in one case, in which, out of a total number of 3,220 employees, 3,173 participants in profits received a bonus at the rate of between 38 and 39 per cent. on their wages, and in another case, in which 37 out of 82 employees were allotted a share in profits forming an addition to their ordinary wages at the rate of between 40 and 41 per cent.

With respect to the manner in which the share in profits allotted to employees under profit-sharing schemes is dealt with, it may be observed that in regard to a large majority (about two-thirds) of all existing schemes the bonus is paid entirely in cash, while under the remaining schemes some part, or the whole, of the bonus is credited to a Provident Fund for the benefit of the participating employees, or (in a small number of instances) invested for them in shares in the business.

LIST OF BRITISH PROFIT-SHARING FIRMS,

As at JUNE 30th, 1901.

NOTE.—In addition to the 82 establishments mentioned in this list, there are 13 British firms, by which Profit-sharing is known to have been adopted, but which could not be included, no recent particulars in relation to these firms being available.

*C., paid in Cash ; P., credited to Provident Fund ; S., invested in Shares in the undertaking ; C.P., partly paid in cash, partly credited to Provident Fund ; C.S., partly in Cash, partly invested in shares in the undertaking ; P.S., partly credited to Provident Fund, partly invested in shares in the undertaking.

Date of Adoption of Profit-Sharing.	Name and Address of Firm.	Nature of Business.	How Bonus Treated.*
1865	N. O. (<i>a</i>)	Silk Mercers, Draper-, etc.	C.
1865	Sheffield Smelting Co., Ltd., Sheffield.	Sweep and Ore Smelters, Gold and Silver Refiners, and Bullion Dealers.	C.
1866	Fox Brothers and Co., Ltd., Wellington, Somerset.	Woollen Manufacture.	C.
1873	Agricultural and Horticultural Association, Ltd., London and Deptford.	Supply and Manufacture of Artificial Manure, Oil Cakes, Seeds, etc.	C.P.
1876	Women's Printing Society, Ltd., London.	Printing.	C.
1878 ?	Sir W. G. Armstrong, Whitworth and Co., Ltd., Newcastle-on-Tyne.	Ordnance Manufacturers, Iron and Steel Ship Builders, and Manufacturing Engineers.	C.
1878	Cassell & Co., Ltd., London	Printing, Publishing, and Bookbinding.	P.
1880	William Jacks and Co., Glasgow.	Iron Merchants.	C.
1881	Birmingham Coffee House Co., Ltd., Birmingham.	Catering and Hotel.	C.
1881	B. and S. Massey, Openshaw, near Manchester.	Manufacturing Engineers.	C.
1882	Brooke, Bond and Co., Ltd., London, Manchester, Leeds, and Bradford.	Tea Blending and Packing.	C.
1884	A. de St. Dalmas and Co., Leicester.	Manufacturing Chemists.	C.

(?) This firm does not wish its name to appear.

Date of Adoption of Profit-Sharing.	Name and Address of Firm.	Nature of Business.	How Bonus Treated.*
1884	Blundell, Spence, and Co., Ltd., Hull and London.	Colour, Paint, and Varnish Manufacture, Oil Boiling, and Refining.	C.
1885	The William Davies Co., Ltd., Toronto, Canada.	Pork Packing.	C.
1886	J. W. Arrowsmith, Bristol.	Printing and Publishing.	C.
1886	Earl Grey, Howick, Lesbury, Northumberland.	Farming.	C.P.
1886	Wm. Thomson and Sons, Ltd., Huddersfield.	Woollen and Worsted Manufacture.	P.S.
1887	John Boyd Kinnear, Kinloch, Fifeshire.	Farming.	C.
1887	Lord Wantage, Wantage, Berks.	Farming.	C.
1887	Ross and Duncan, Govan, Glasgow.	Engineering Works.	C. or P. as employees decide.
1888	Binns and Co., Ltd., Derby.	Oatmeal and Corn Factors, Seedsmen, etc.	S.
1888	Thomas Bushill and Sons, Coventry.	Manufacturing Stationers.	C.
1888	The Guild of Handicraft, Ltd., London.	Furniture Makers, Metal Workers, Jewellers, Decorators, etc.	C.
1888	W. Frank Hatheway, St. John, New Brunswick, Canada.	Wholesale Grocers.	C.
1889	W. Rowntree and Sons, Scarborough.	Drapers, etc.	C.P.
1889	J. H. Ladyman and Co., King's Lynn.	Wholesale and Retail Grocers.	C.
1889	Sampson Low, Marston, and Co., Ltd., London	Publishers and Export Merchants.	C.
1889	Henry Taylor and Sons, Malton.	Wholesale and Retail Grocery and Provision Business.	C.
1889	Hele Paper Co., Ltd., Cullompton, Devon.	Paper-making.	C.P.
1889	Robinson Bros., Coventry.	Tar Distilling.	C.P.
1889	Avalon Leather Board Co., Street, Somerset.	Manufacture of Leather Board.	C.
1889	A. B. (a), (Manufacturers in the Midlands).	Manufacture.	C.
1889	W. D. and H. O. Wills, Ltd., Bristol.	Tobacco Manufacture.	C.P.
1889	South Metropolitan Gas Co., London.	Gasworks.	C.S. & C.
1889	Chris. Thomas and Bros., Ltd., Bristol.	Soap and Candle Manufacture.	C.
1889	Birmingham Dairy Co., Ltd., Birmingham.	Dairymen and Restaurant Proprietors.	C.
1890	Clarke, Nickolls, and Coombs, Ltd., London.	Confectionery Manufacture.	C.P.
1890	Robert Martin, West Hartlepool.	Printing.	C.

(a) This firm does not wish its name to appear.

Date of Adoption of Profit-Sharing.	Name and Address of Firm.	Nature of Business.	How Bonus Treated.*
1890	Newman and Son, London.	Printing.	S.
1890	C. D. (a)	...	C.
1890	Edward Jackson, Reading.	Tailor and Outfitter.	C.
1890	John Rowntree and Sons, Scarborough.	Grocers and Provision Merchants.	P.
1890	Willans and Robinson, Ltd., Rugby and Thames Ditton	Engine Building.	C.
1890	Osborne and Young, Brixton, London.	Corn Merchants, Flour Factors, and Forage Merchants.	C.
1890	P. Q. (a)	...	C.
1890	Marquis of Hertford, Ragley, Warwickshire.	Farming.	C.
1890	H. D. and B. Headley, Ashford, Kent, and London.	Printing.	C.
1890	Idris and Co., Ltd., London.	Mineral Water Manufacture.	P.
1890	Western Counties Agricultural Co-operative Association, Ltd., Plymouth, Bristol, etc.	Corn, Cattle Food, Manures, Seeds, and Implements, Merchants.	C.
1891	J. D. Cartwright and Co., Capetown, South Africa.	Wholesale and Retail Provision Merchants and Importers of Glass, Hardware, China, etc.	C.
1891	Thomas Brakell, Ltd., Liverpool.	Printing.	C.
1891	Franklyn, Davey, and Co., Bristol.	Tobacco Manufacture.	C.
1891	Dobson and Barlow, Ltd., Bolton.	Engineers.	C.
1892	Unwin Brothers, London and Woking.	Steam Printers and Stationers.	C.
1892	L. M. (a)	Supply and Manufacture.	C.
1892	James Johnston, Sterling.	Wood Merchant.	C.
1892	Clement Dalley and Co., Kidderminster.	Corn, etc., Merchants.	C.
1892	Y. Trotter and Son, Ltd., Chirnside, Berwickshire.	Paper Manufacture.	C.
1892	George Anderton and Son, Limited, Cleckheaton.	Worsted Spinners.	C.
1893	Brush Electrical Engineering Co., Ltd., London, Loughborough, Edinburgh, Manchester, Newcastle-on-Tyne, Sydney, and Melbourne.	Electrical Engineering.	C.P.
1894	Guy's Hospital Trained Nurses' Institution, London	Supply of Sick Nurses.	P.
1894	Crystal Palace District Gas Company, Lower Sydenham, London.	Gasworks.	C.S. & C.
1894	D. Ballantyne and Co., Peebles.	Woollen Manufacture.	C.P.
1895	E. Broad, Redruth, St. Austell, and Hayle.	Draper.	C.

(a) This firm does not wish its name to appear.

Date of Adoption of Profit-Sharing.	Name and Address of Firm.	Nature of Business.	How Bonus Treated.*
1895	G. W. Chitty and Co., Dover.	Flour Milling.	C. P.
1896	J. T. and J. Taylor, Ltd., Batley.	Woollen Manufacture.	S.
1896	Alexr. Morton and Co., Darvel, Ayrshire.	Curtain and Carpet Manufacture.	P.
1896	The Minor Industries Profit-sharing Association, Ltd., Bridgetown, Barbados.	Agriculture (Sale and Purchase).	C. & Produce.
1896	Pearson and Rutter, Ltd., Manchester, Liverpool, and Limerick.	Provision Merchants.	C.
1897	Herbert Hutchinson, Haslemere, Surrey.	Architect and Builder.	C. P.
1897	Richmond and Co., Ltd., Warrington, Stratford, and London.	Gas Engineers (Manufacturers).	C. S.
1897	Wm. Latimer, Carlisle.	Joiner and Contractor.	C.
1898	Ilford, Ltd. (formerly Britannia Works Co., Ltd., Ilford).	Manufacture of Photographic Plates and Papers.	C.
1898	Meath Home Industries Association, Randlestown, Navan, co. Meath.	Needlework, Embroidery, Weaving, and Knitting.	C.
1898	S. Mordan and Co., Ltd., London.	Pencil-case Makers, Silver-smiths, etc.	P.
1899	Jno. E. Nelson, Sunderland.	Slater and Slate Merchant.	C.
1899	Humphries and Bobbett, Bristol.	Corn Millers.	C.
1900	William Foster and Sons, Padiham.	Slaters, Plasterers, and Painters.	C.
1900	Young and Marten, Ltd., Stratford, London.	Builders' Merchants, etc., Manufacturers, Ironfounders, etc.	C.
1900	Samuel Gallery, Ltd., Glasgow.	Slipper Manufacturers.	C.
1901	Willey and Co., Exeter.	Engineers.	C. P.
1901	Chester United Gas Co., Chester.	Gas Manufacture.	C. P.

Evidently the above official data do not exhaust all the Profit-sharing there is in the British Empire. In the *Times* of August 22nd, 1902, Mr. W. H. Hall writes:—"I think it may be encouraging to others to learn that, following the enlightened lead of the late Lord George Manners in the Newmarket district, I have been amply rewarded by the result of introducing a mild form of profit-sharing into my own extensive farming operations. Whenever the seasons have admitted of my making any profit at all, all my labourers have shared to a small extent that profit with me, the leading men receiving £2, the rank and file about 15s. per man, in addition to their ordinary wages. I hope this year to divide a somewhat larger share, if the promise of a larger profit is realised. My relations with the 70 odd men and boys employed are unquestionably sweetened by the adoption of even this beginning of profit-sharing."—EDITOR.

POSTSCRIPT.

Returns have been received from 71 out of the 82 firms with which profit-sharing was, according to the information available at the date of the statements previously made, in force (68 in the United Kingdom, 3 in British Colonies). In regard to 8 cases (all in the United Kingdom) it has been ascertained that profit-sharing has ceased to be in operation.

PROFIT-SHARING SCHEMES THAT HAVE CEASED TO EXIST.

Duration of Profit-sharing.	Name.	Business.	No. of Em-ployees.	Cause of cessation of Profit-sharing.
1889-1902	W. D. & H. O. Wills, Ltd.	Tobacco Manufacture		Transfer of business.
1889-1901	Christr. Thomas & Bros., Ltd.	Soap and Candle Manufacture	277	Grant of shorter hours.
1890-1900	H. D. & B. Headley	Printing ...	77	Changes in business arrangements.
1891-1902	Franklyn, Davey & Co.	Tobacco & Snuff Manufacture	163	Transfer of business.
1893- ?	Jesse Mundell	House Painter	9-12	?
1895-1898	E. Broad ..	Draper ...	150-180	*
1896-1901	Alexr. Morton & Co.	Curtain & Carpet Manufacture	681	Dissatisfaction of employers with results.
1899-1901	Jno. E. Nelson	Slater and Slate Merchant	27	Apathy of employees.

In addition, 1 firm (Messrs. Pearson & Rutter, Ltd., provision merchants) have abandoned profit-sharing at their Manchester, but still have the system in force in their Liverpool, branch.

Particulars have been received in relation to one case in which profit-sharing has been adopted since June, 1901, a scheme of profit-sharing having been introduced in July, 1901, by the Commercial Gas Company, London, which employs 1,020 to 1,320 persons.

The total number of persons employed by the 75 firms known to practise profit-sharing at June 30th, 1902 (varying according to seasons, etc.) is, *minimum* 46,631, *maximum* 49,121 (46,033—48,508 employed by 72 firms in the United Kingdom, 598—613 by 3 firms in British Colonies). According to the latest available

information the number of profit-sharing firms a year ago was 79, with 52,674—54,823 employees (52,182—54,326 employed by 75 firms in the United Kingdom, 492—497 by 3 firms in British Colonies. The number of employees of one Colonial firm was not known).*

With respect to the addition made to the wages of the participating employees by the bonus allotted in 1901, details in regard to 58† cases (56 with 19,297 employees in the United Kingdom, 2 with 476 employees in British Colonies) are available, and are as shown below:—

RATIO OF BONUS TO WAGES IN 1901.

Ratio of Bonus allotted in 1901 to Wages.	No. of cases† in which the Bonus in col. 1 was paid.	No. of Employees (mean between minimum and maximum) in 1901.	No. of Participants in 1901.
Nil	13	3,177	—
1 and under 3 per cent. ...	10	1,502	1,116
3 " 5 " ...	13	7,230	4,835
5 " 7 " ...	9	3,310	2,523
7 " 9 " ...	4	950	517
9 " 11 " ...	4	1,339	839
12 " 13 " ...	1	100	100
13 " 14 " ...	1	163	153
15 " 16 " ...	1	1,900	1,226
21 " 22 " ...	1	16	12
39 " 40 " ...	1	86	42

The figures show a mean bonus of 5·0 per cent. on wages paid in the above 58 cases (compared with 6·5 per cent. paid in 1900 in the 65 cases, as to which information is available). Excluding 13 cases in which no bonus was earned, the bonus allotted in 1901 in the remaining 45 cases was (taking into account the number of participants in each case) at the mean rate of 6·2 per cent. (compared with 14·4 per cent. in 1900).

* In addition to the firms referred to above, there are at present (as in 1901) 13 firms which are known to have adopted profit-sharing, but as to which it has not been found possible to obtain information.

† In 1 case (in the United Kingdom) in which the bonus is stated separately for distinct branches of a business, the ratios are stated separately for each branch. The 58 cases include 2 (both in the United Kingdom) in which profit-sharing ceased to be in force after the date in 1901 for the distribution of bonus.

PROFIT-SHARING BY CO-OPERATIVE SOCIETIES.

Amount and Percentage on Wages of Profit allowed to Employees by Workmen's Co-operative Societies in 1899, with comparative figures for 1898.

(Compiled from Returns made to the Co-operative Union, and from Special Returns made to the Labour Department.)

Class of Society.	Number of Societies making Returns.	No. of Employees.	Amount of Wages Paid.	Allotted to Employees out of Profits.	
				Amount.	Per Cent. on Wages.
ENGLAND AND WALES.					
<i>Retail Distributive Societies :</i>					
Distributive Departments	} 187 {	9,224	324,418	15,234	4.7
Productive Departments		697	36,932	2,020	5.5
Productive Societies ...	46	4,282	216,089	12,779*	5.9
Corn Milling Society ...	1	29	1,946	33	1.7
Total, England & Wales	234	14,232	579,385	30,066	5.2
SCOTLAND.					
<i>Retail Distributive Societies :</i>					
Distributive Departments	} 47 {	2,850	86,856	9,904	11.4
Productive Departments		378	18,874	1,697	9.0
Productive Societies ...	3	1,265	65,135	4,854*	7.5
<i>Wholesale Society :</i>					
Distributive Departments	} 1 {	1,177	72,833	2,430	3.3
Productive Departments		4,224	195,487	6,514	3.3
Total, Scotland	51	9,894	439,185	25,399	5.8
IRELAND.					
Retail Di-tributive Societies	4	27	1,115	25	2.2
Totals, United Kingdom 1899	289	24,153	1,019,685	55,490	5.4
<i>Totals, Great Britain, 1898.†</i>	<i>273</i>	<i>21,532</i>	<i>872,117</i>	<i>47,846</i>	<i>5.5</i>

* In addition to these amounts, 22 of these Societies in England allotted £1,089, and one additional Society in Scotland allotted £131 to Provident Fund for the benefit of their Employees.

† No Returns were received for Ireland in 1898.

FRANCE.

BY

M. ALBERT TROMBERT, Secretary of the *Société pour l'étude pratique de la Participation aux Bénéfices*.

The inquiry which the *Société pour l'étude pratique de la participation aux bénéfices*, undertook in 1899, and which has been carried on through 1900 and 1901, has yielded much interesting information, both documentary and otherwise, relating to 93 establishments in which profit-sharing is carried on. It has, at the same time, revealed the unwelcome fact that in seven other establishments profit-sharing has been abandoned, after having been tried during varying lengths of time. One more firm has declined to give particulars, explaining that its method of giving a bonus does not represent real profit-sharing. And, in conclusion, 31 employers who, as the Society has reason to believe, practise profit-sharing, have failed to furnish information. They are, accordingly, left out of account in the present paper.

It deserves to be stated, in addition, that there are also in France 99 productive co-operative associations allowing a share in the profits to workmen, by which is meant not only workmen who are members of the associations, but also others. In these establishments workmen receive from 10 to 60 per cent. of the profits, in proportion to the amount of their wages.

It may be well, perhaps, before going into particulars with regard to the 101 returns received, briefly to explain the general principles of profit-sharing.

THE PRINCIPLES OF PROFIT-SHARING.

As laid down by Charles Robert, a great authority on this subject, "Profit-sharing is a freely contracted agreement, either expressly stated or else tacitly accepted, by which the employer assigns to his employee, in addition to his normal wages, a share in the profits, without claiming from him a share in any loss that may occur."

In 1889, and again in 1900, the two International Profit-sharing Congresses held upon this subject declared themselves of the opinion "that an agreement freely entered into, in pursuance of which a labourer or other employee is to receive a share of the profits, fixed beforehand, is in accordance with the principles of justice, and not opposed to the essential principles of positive law."

No more, I contend, is it opposed to the teaching of political economy. However, there is no institution which requires greater care in the execution, nice weighing and

measuring of interests, in addition to purity of intention on the one side and on the other, and an appropriate environment.

The sharing of profits with employees must not be regarded as a matter of mere benevolence. Well understood, the practice becomes profitable to both parties alike. It benefits the labourer by adding to his remuneration. It benefits the employer by securing him good work and a working staff devoted and attached to himself.

Once more, profit-sharing does not profess to be a panacea, applicable to all cases and curing all industrial ills. Within the limits of its means it has proved a very efficient means for ensuring industrial peace by drawing the employer and his men more closely together, and strengthening the spirit of harmony in the workshop. But it is not to be disputed that it is, in the words of M. Cheysson, "only one of the weapons in the panoply, not the entire panoply by itself."

Profit-sharing could not possibly prosper where there is not perfect liberty. The two International Congresses of 1889 and 1900 have, very rightly, declared emphatically against any State interference in the matter. It must be the same as any other contract.

Notwithstanding its evident merits, a variety of objections have been put forward against profit-sharing. First, it is said very frequently, that it cannot be fair to allow the workmen to share in profits when they do not also share in losses. By accepting a fixed wage, so it is urged, labour protects itself against loss; at the same time in justice it must also renounce its claim to possible profits.

But, I would ask, does labour in other applications never receive anything but its bare wage? Indeed it does.

We know of provident institutions in plenty, instituted by employers upon whom they reflect honour, and benefiting, as they were intended to do, those employers' workmen. In truth, in a multitude of institutions it has been judged expedient, fair and beneficent to give to a labourer more than his bare wage. And the additional allowances made are, without question, given with the object of ensuring a return in the shape of increased profits. Never has it been so much as pretended, that such benefits, given in fat years, should be returned by the employees in lean.

Now what essential difference is there between the system now advocated and those unregulated subventions? Simply this, that it bears a more direct relation to the results obtained. The employer who adopts it does so because he

holds that there is no more reasonable standard available by which to increase the remuneration of his men than that of the prosperity of his firm. His proposition to his workmen, in fact, is this: "I cannot add to your fixed wages without placing myself at a disadvantage in comparison with my competitors. However, if my business yields me a profit, I will surrender to you such and such part in it." The employer arguing in this way joins to the simple motive of increasing the well-being of his workpeople the legitimate desire of obtaining more carefully executed work, greater interest in it, fuller attention and less loss of time. He selects profit-sharing because he holds that in it he finds not only the method most likely to prove fully just, but also the fairest, and one which does greatest justice to the dignity of his working folk. And if, in making this calculation, he finds himself confronted with the question of risk, he will say to himself that his labourers run a certain risk as well as himself; that industrial crises affect the workman as well as the employer, since the effects of risk are brought home to the former in the shape of shorter hours, it may be, of absolute want of employment, in some cases of a reduced payment obtained for work done. He will, moreover, say to himself that the "human capital" employed incurs incessant risk amid complicated machinery, high scaffoldings, the handling of poisonous materials, etc. "The practice of giving a share in the profits, unaccompanied by a share in the losses, has become very general among manufacturing, commercial and financial joint stock companies," so writes Charles Robert, "in the case of managing director, engineers and other responsible officials. No doubt has ever been entertained with regard to its justice, and, in truth, such practice has made its own way. . . . Very well, when it comes to be a question of a number of workmen or of employees of any sort, whose interest in their work is considered of value, whatever is right and fair in respect of the General Staff, should be right and fair also in respect of the whole army."

There is a second objection raised. It is this, that the workman has no direct influence upon the production of profits. It is the employer's capacity, his knowledge of the market, his carefulness in keeping his machinery fully up to date, his skill in purchasing cheaply and selling to good advantage which earn the profit. By all means, so it is added, improve wages by developing piece-work, awarding prizes for good conduct, for economy in the use of material, etc. If you do this there will be no need to give a share in the profits.

The answer to this argument is, that however perfect may be the methods of remuneration which you employ, if they do not accomplish what profit-sharing accomplishes, there will be room for profit-sharing beside them. Profit-sharing houses employ those perfected methods as well as other firms. In M. Laroche-Joubert's establishment piece-work is the accepted rule; in the *Familistère de Guise* all labour is paid by the piece; in the type foundry of Deberny and Co. 54 per cent. of the work done is remunerated in the same way; in the Chaix printing works, just as in printing works generally, compositors are paid *en conscience*, that is to say, at a rate of so much per day, or per piece, according to the nature of the work, and bonuses are allowed to foremen and makers-up; in MM. Tassart, Balas, Barbas & Co.'s works the older and more experienced men receive additional pay, which may amount to a franc a day; M. Baille-Lemaire pays bonuses in addition to fixed wages, etc. Piece-work and bonuses are allowed because they are held to be advantageous to the establishment as well as to the workmen. All these things are shown by the results to exercise a happy influence upon the increase of profits. But profit-sharing is found exceedingly useful in addition. It may also readily be granted that the capacity, the skill and the vigilance of the person directing the enterprise are essential factors in the creation of profits. But, on the other hand, the good work of a faithful and attached working staff, the attention given by conscientious workmen to the avoidance of waste of material and of time, and the satisfying the demands of customers, are likewise bound to have a very marked effect upon business results.

Once more, it is objected that in allowing the workman to share in the profits you simply whet his appetite for more. You give him 10 per cent. to-day. To-morrow he will ask for 20 per cent. or more. I am not aware of so much as a single case in which this has actually happened.

One other objection raised is this. Profit-sharing must necessarily mean publicity in the rendering of accounts, which must be prejudicial to the firm, if there should be a loss. A loss occurring is likely to be brought to the knowledge of the outside world even without profit-sharing. However, it is quite true that inconvenience may result. The proper way to meet it is, to lay by a reserve fund for emergencies, contributions to which should rank first after bonuses. However, profit-sharing may confidently be counted upon to educate workmen, to teach them that if there are good years, there are likely to be bad, and to make them

willing to do so, because profit-sharing still secures them an advantage on the balance.

The most formidable of all objections raised appears to be this, that profit-sharing in consistency entitles the workmen to a voice in the keeping of accounts. However, this is a mistake. Workmen sharing in profits acquire no right to claim a voice in the orders given by their chief. Why, then, should they have a voice in the drawing up of the balance sheet? And, as a matter of fact, in none of the returns received from profit-sharing firms in the course of our recent inquiry can I find that any claim of the kind referred to has ever been advanced. M. Goffinon, when organising his whilom establishment, which has now become "Messrs. Tassart, Balas, Barbas & Co.," as a profit-sharing house, took care to remove all pretext for discussion of the point of the workmen's access to the books, by handing over the control of the accounts to a qualified accountant, who certifies the correctness of balance sheets presented at the general meeting without divulging anything that it is not necessary that the working staff should know. This example has been recently followed by Messrs. Thuillier Frères. The International Congress of 1900 has explicitly declared that the auditing of accounts by a qualified accountant "gives all security required to the workmen as well as to the head of the firm." It deserves to be mentioned that in neither of the houses in which this method of checking accounts has been adopted, has this been done at the workmen's request. In M. Goffinon's firm the workmen even protested against the supposed suggestion. They were satisfied with his mere word.

There are some other objections which appear to spring out of those dealt with and answered, I believe, not by arguments, but by facts. Facts will also answer those which remain to be dealt with.

It is said that profit-sharing is bound to add in the long run to the number of possible causes of discord. To this challenge facts reply that if the system of profit-sharing adopted is not based upon judicious principles and carried on in good faith on one side and on the other, it cannot be expected to prove either efficacious or permanent. But where well applied, profit-sharing has proved very efficacious in interesting workmen in the success of their firm, in drawing them and their employers more closely together, and, consequently, in ensuring peace in the workshop.

To sum up, there is not an institution in the world which has not difficulties of its own to contend with. It cannot be

effectually organised and developed without proper regard for all the circumstances amid which it is to be applied. In this respect experience has already cleared away many obstacles and simplified many questions which have a bearing upon profit-sharing, and further experience may be trusted to carry such work further.

HISTORY OF PROFIT-SHARING IN FRANCE.

The house-painter, Leclair, is generally considered the originator of profit-sharing in industrial employment. He introduced that method of remuneration into his business in 1842. Nevertheless, profit-sharing is older than that. In 1839 the firm of Seydoux—then bearing the name of Paturle-Lupin—wool spinners and weavers, of Cateau, made the sharing of profits by the staff to the extent of 25 per cent. an essential feature of its factory economy, although applying it only to certain persons, that is, to men of the higher grades, down to the foremen. Even that is not the earliest instance known. As long ago as in 1812, Napoleon by the "Decree of Moscow" distinctly made the profits earned by the *Théâtre Français* part of the remuneration of the members of that body. The Insurance Company "La Nationale" has from its first formation in 1820 deliberately allowed its staff a share in the profits, in order to interest them in their work. Profit-sharing was afterwards introduced in the paper works of M. Laroche-Joubert, of Angoulême, in 1843; the Orleans Railway Company followed in 1844; Messrs. Steinheil, of Rothau, in 1847. How far would one have to go back to arrive at the date of the earliest introduction of all those beneficent institutions in favour of the workmen in the house of Jean Dollfus, of Mulhouse, the prime source of which is profit-sharing? Alexander Deberny adopted profit-sharing in his type-foundry in 1848. Next followed the *Compagnie d'Assurances générales* (1850), the Company *Phénix* (1853), *l'Union* (1854), *La France* (1858), the Suez Canal Company (1861). In 1871 and 1872 profit-sharing found its way into quite a number of further establishments, such as the Bank of Messrs. Vernes et Cie; the printing works of Chaix and Godchaux; the plumbers' works of M. Goffinon (now Tassart, Balaš, Barbas et Cie); the Maison Perignon, Vinet et Cie; the Insurance Companies *l'Aigle* and *Le Soleil*. The printing works of Mame and the publishing business of Masson allow their staff a percentage of their profits since 1874. M. Brière, printer, of Rouen, followed their example in 1886. Mme. Boucicaut, whose business developed later into the

great *Bon Marché*, so well known, instituted her provident fund in favour of her employees on a profit-sharing basis in 1876. Jean-Baptiste Godin's world-famed application of the close association of capital with labour at Guise dates from 1877. The principal new recruits to the cause from 1879 to 1888 were the printing works of Buttner-Thierry, of Paris, the bleaching works of Thaon, the foundry of Piat, at Paris, the engineering works of M. Moutier, at Saint-Germain-en-Laye, the printing works of M. Gounouilhou, at Bordeaux, the optician M. Baille-Lemaire, of Paris, the contractor M. Delalonde, of Paris, the roofing and plumbing works of M. Monduit and of Messrs. Thuillier, at Paris. In 1889 and 1890 there were twenty-five more additions to the profit-sharing host, including the insurance companies *La Foncière*, *La Providence*; the *Maison Bréguet*, Muller et Roger, the Society of Electrical Engineers of the Place Clichy; the *Société Générale des Chemins de Fer économiques*, the Grésy estate, the roofing works of M. Boissière, at Rouen, and the *Usine Pantz*.

There have been two men above all others who have devoted themselves to the development of profit-sharing in France. They are Charles Robert and Alfred de Courcy. Charles Robert has served the cause with his high intelligence and truly apostolic fervour. Alfred de Courcy has shown himself scarcely less zealous in the cause. He deserves above all things to be remembered as the originator of the share secured to the beneficiary's family in case of his death. At the instance of M. Goffinon, M. Charles Robert, M. Alfred de Courcy, M. Albans Chaix and some others founded in 1879 a propagandist society called the *La Société pour l'étude pratique de la participation aux bénéfices*, which in 1889 received from the State the patent of registration as a society "of public utility." This society has published the information collected and the results of its labours in a periodical *Bulletin*, the number of whose volumes now amounts to 23. It has published a French translation of Professor Victor Böhmert's international inquiry. It has issued a "Practical Guide to Profit-sharing," in which employers find its distinctive features set forth. Under its auspices two International Congresses have been held at Paris, in 1889 and in 1900, the proceedings of which have been published in two distinct volumes. Charles Robert was president of the society for 21 years. After his death M. Paul Delombre has filled his place since 1899.

Numerous books have been published upon the same subject in France, besides those issued by this society.

Among these, several volumes of the *Enquête extraparlementaire des associations ouvrières* (1883), devoted entirely to the subject of profit-sharing, and the several essays written in the prize competition invited by the late Count Chambrun, deserve especial mention. A pretty full list of publications bearing upon the subject has been given in the introduction to *Les Applications de la Participation aux Bénéfices*, published by the society above-named.

FRENCH PROFIT-SHARING IN PRACTICE.

(A.)—THE SHARE ALLOWED.

The ninety-three profit-sharing establishments which have sent in returns report upon the manner in which the share is allotted as follows.

No less than seventy fix the proportion of the share in advance. This number includes 13 insurance offices, eight printing or publishing establishments, four roofing and plumbing establishments, six works for the construction of mechanical appliances, five carrying firms, four banks, four farms, four commercial houses of various kinds, three gas or electrical lighting companies, two fancy articles repositories, two paper works, two textile works, two savings banks, one caoutchouc works, one theatre, one house painting establishment, one heating apparatus establishment, one optician's works, one type foundry, one builders' yard, one engineering works, one chemical factory, one boot and shoe works, one mining company.

In 56 of these 70 houses the share allotted to the workmen is so many per cent. of the net profits. In three others it is calculated upon either the gross profits or else the goods sold. In four it is so many per cent. of wages and salaries paid in the year. In three both gross and net profits are taken into account at the same time. Finally, in four cases in which profit-sharing is applied in agriculture, the determining factor is either the gross produce or else the profit netted.

In twenty-three of the establishments reporting, the rule of a proportion fixed in advance has not been adopted. The number includes two spinning and weaving works, two bleaching and dye works, two firms for mechanical construction, two wine merchants' establishments, one establishment for constructions in metal, one bronze and brass foundry, one hardware and bicycle factory, one carrier's establishment, one savings bank, one bank, one stockbrokers' business, one farm, one chemical factory, one paint and varnish

works, one fancy articles repository, one paper works, one grocer's shop, one tailor's shop.

All these houses assign to their workmen and employees every year a share in the profits without binding themselves to a definite amount per cent. Profit-sharers in England, and some in France, do not allow this to be genuine profit-sharing. The *Société pour l'étude pratique de la Participation aux Bénéfices* has always considered it to be so, but classed it as a distinct variety, possessing this particular recommendation, that in practice it may be more readily adapted to varying circumstances than the other kinds. There are, in fact, some businesses in which no other system can well be adopted, inasmuch as to make public the precise proportion of the share to the profits would be detrimental.

As a matter of course the precise proportion of the share to the total profits varies not a little. "The more or less liberal intentions of the founder of the practice are not the sole factors to regulate the ratio," so says the *Guide Pratique*, published by the *Société pour l'étude pratique de la Participation aux Bénéfices*, "other factors have to be considered, such as the relative amount of capital and labour employed; also the relative value of managing skill, of technical knowledge, of commercial aptitude, the amount of risk incurred, etc. This will readily explain how it comes about that building or house painters' work, in which much hard labour is performed with the help of only comparatively few, and only cheap and simple, instruments, the proportionate share of profits may be larger than in printing or spinning works, or in a metal foundry, in which a costly plant constitutes one of the main elements of production. Or, again, in a simple shop, in which the manager shares the labour with an efficient staff of buyers and salesmen, than in a financial company in which profits are, above all things, dependent upon the skill shown by the head of the house and operations involve serious risk."

Shares in profits are very liberal in houses such as the Maison Leclair and the Papeterie Laroche-Joubert, which latter pay 50 per cent. to labour; in the *Familistère de Guise*, which has become altogether the property of its labouring hands; in the great stores of the *Bon Marché*, which are now under the direction of a genuine co-operative association; once more, in the Railway Company Paris-Orleans, the Suez Canal Company, and some other establishments, which pay labour bonuses at the following rates:— Three allow 2, 2½ and 3 per cent., five 4 per cent., twelve 5 per cent., one 6 per cent., two 7 per cent., one 8 per cent.,

fourteen 10 per cent., three 15 per cent., one 20 per cent., three 25 per cent., and one 33 per cent. This number does not include the *Comédie Française*, in which the whole profits are divided among members over and above their fixed salary; or, again, the *Compagnie Générale transatlantique*, in which the employees' share is determined according to a different ratio at headquarters and at each local centre; the type foundry of Deberny & Co., in which profits are shared equally between capital and labour in the precise ratio in which each, calculated in money, has entered into the process of production; the Maison Japy Frères, in which special shares of 100 francs each have been created for the employees, which entitle (1) to a fixed interest of 4 per cent., (2) to an additional dividend of 1, 2, 3 or 4 per cent., according to what is paid to ordinary shareholders.

The three French houses which determine the share according to the gross profit are the *Imprimerie Mame* and the publishing business of M. Masson, which both allow their workmen 3 francs per 1000 on sales; and the *Imprimerie Brière et Fils*, in which the rate stands at 1 per cent. of the gross profits, with a minimum amount fixed at 10 per cent. of the wages, up to which sum the firm makes up any deficiency.

Four establishments pay their employers respectively 3, 5 and 15 per cent. on salaries and wages. Of these four, one, the electric lighting works of the Place de Clichy district, has by degrees raised the proportion from 8 to 25 per cent. of the salaries and wages, adding in proportion as its business extended.

In the Insurance Company, *Le Phénix*, the share of the employees stands at 1 per cent. of the takings in the "fire" department, and at 10 per cent. of the dividend paid to shareholders in the "life" department. M. Buttner-Thierry allows 1 per cent. on business done, to which he adds a discretionary bonus proportioned to net profits. The Lyons Tramway Company pays its controllers 1 per cent. of the total receipts, and its conductors .50 per cent. of the daily takings.

At Theneuille, in the department of Allier, M. Bignon divides the produce of his farm into two equal shares, no matter whether there is much or little, assigning one to labour. So here is loss sharing as well as profit. On his agricultural property of Bernis, near Nîmes, M. Maroger de Rouville allows his work-folk half the value of the produce raised, after deducting outgoings. Similar conditions are in force on the property of Paban, near Saintes. The

Seigné dairy, near Vire, allows work-folk 10 per cent. on the net profits.

(B).—HOW THE SHARE IS DIVIDED.

The *Guide Pratique*, already quoted, lays it down that "in the division of profits among the persons interested, wages should serve as the principal standard. . . . But it is generally understood that this reckoning should exclude special wages received for special work, bonuses and gratuities which already constitute a special remuneration for additional effort and good work. In some houses, *e.g.*, Messrs. Chaix, Gounouilhou & Lefranc, a maximum and a minimum figure have been adopted for wages as determining a share in the profits. Moreover, such points as length of service, relative importance of the particular employment, special merit, etc., are taken into account." The standing rules for division in the 93 profit-sharing houses referred to are as follows:—42 divide pro rata in proportion to wages and salaries; 11 accept length of service as an additional factor; four add to these two considerations the third of importance of the office fulfilled by the employee; three exclude length of service, but accept the other two criteria; four disregard wages and apportion according to length of service and importance of the services rendered; three apportion only according to length of service; two only according to importance of employment held; six according to the employer's personal judgment of the value of services rendered; six pay the profit bonus collectively into a provident fund for common benefit; and 12 in various ways differing in small particulars from those enumerated.

(C).—HOW THE FUNDS ARE EMPLOYED.

The shares of profits allotted are either paid at once in cash or else are kept back for future benefit. Out of the 93 profit-sharing houses which have furnished returns, 25 pay in cash at the end of each year; 19 invest the money in old age pensions for the beneficiaries with some small sum set aside to be bequeathed to their families; five invest entirely in life annuities for beneficiaries, as a rule with the money made returnable; eight pay part in cash and capitalise the balance for the owner's benefit; 12 pay part in cash and invest the balance in life annuities; four pay the money into a savings bank to the beneficiary's credit; one capitalises part for the owner's benefit and employs the balance to purchase a life annuity; two pay part in cash and contribute the balance to a provident fund; one pays the money into a savings bank maintained by the establishment, which allows a high rate of interest as an encouragement to thrift;

one pays part in cash, the balance into an account at the savings bank ; three pay in cash, allowing the receiver the option of depositing the money at interest with the establishment ; one pays the money into a common fund in which the share to be returned to each beneficiary upon his retirement is fixed according to precise rules ; one, an agricultural establishment, buys Government securities (Rentes) standing severally in the name of each beneficiary ; two compel the investment of the money in shares of the establishment ; one invests in such shares at the option of the owners ; one gives the beneficiary the option of investing in shares entitling to employment in the establishment, upon which a fixed interest is paid as well as a share in the profits ; six pay the money into the various provident funds maintained in the establishment.

It will be observed that only 25 establishments pay the whole amount down in cash. The heads of firms paying in cash are, as a rule, guided by two distinct considerations. Either they intend profit-sharing as a direct stimulus to good work and economy in production, or else, without aiming specially at this effect, they consider it due to the beneficiary to leave the choice of the employment of the money to him. They argue that after stimulating interest by the promise of a share in the profits, they are bound to pay the money without delay or restriction. Their reasoning is based upon considerations of liberty. However, under this method, unfortunately, only too often nothing is gained by profit-sharing except a little temporary flushness of cash, without any provision being made for the future. The shares in profits, made available for daily wants, are, for the most part, lost to thrift.

The majority of employers are of opinion that the fixed daily wage ought to suffice for daily wants, and that it is prudent accordingly to make sure that the profit bonus will be saved up for the future. The two International Congresses of 1889 and 1900 have both endorsed this opinion. In accordance with this, 29 profit-sharing houses have selected the method of "capitalising" by means of personal deposit books, whereas 18 prefer investing in life annuities. This method of capitalising is more particularly in vogue among insurance societies and banks, in which fairly considerable shares in profits accumulate, sufficing, with the interest added, for the wants of retired employees in old age, with a little nest egg left to bequeath to their families. Elsewhere, whenever the division among a large number would result in diminutive shares, it has been judged prefer-

able to employ the money in purchasing for each beneficiary an old age pension. This is done more particularly in industrial establishments. Under the latter system the beneficiary will leave less for his children, but he will, during his lifetime, find himself better equipped for meeting the requirements of the winter of life. A rather important establishment practising such profit-sharing, which has from 1872 to 1895 capitalised two-thirds of the shares falling due, now pays the entire amount into the *Caisse Nationale des Retraites*, to add to the resources of its workmen in old age.

(D).—HOW THE FUNDS PROVIDED ARE ADMINISTERED.

Supposing that the profit-sharing funds are wholly or partly capitalised in deposit accounts, the position of things becomes very simple. The head of the firm, or the joint stock company, on the one hand, and the beneficiary on the other, are at all times aware of the exact amount, the one of the amount owing to his men, the other of the amount due to himself. During more than twenty years the Chaix printing works have capitalised two-thirds of the shares in profits assigned to their staff, before deciding to pay the entire shares into the *Caisse Nationale des Retraites*. The profit-sharing funds, invested in safe securities, were held as a distinct fund, apart from the cash belonging to the firm. Every year the interest accruing was paid to the several accounts. When organised in this way the position of things presents no difficulty.

The matter becomes even simpler still when all moneys are paid into a fund outside the establishment, such as the *Caisse Nationale des Retraites*, to be invested in life pensions. The sum due to every one beneficiary is entered in his book, which tells him at a glance what pension he has a right to claim. The majority of French profit-sharing firms which invest profit-sharing funds in life annuities proceed in this way, paying the amounts into the *Caisse Nationale des Retraites*.

The thing becomes a little more complicated when it is the head of the firm who engages to deal out the annuities. In this case he burdens himself with a responsibility which, unless he keeps very careful watch, may grow up to a larger amount than he is aware of. To insure the full discharge of their engagements with regard to pensions, some of our great railway companies have had to add considerably from year to year to the payments which they make under this head. One could not possibly be too careful in administering such an institution.

In a considerable number of profit-sharing houses (Deberny, Chaix, Masson, Gounouilhou, Tassart, Balas, Barbas et Cie, Baille-Lemaire and others) the governing authority has associated with itself for the purpose of administering the profit-sharing funds a number of employees forming a consultative committee. These committees, as the *Guide Pratique* explains, "consider in company with the employees any improvement which may be practicable in the administration of the funds, the management of provident funds, the liquidation of accounts, etc. Veritable family councils (as M. G. Masson has named them), these committees render most valuable service. Far from raising questions of distrust, they constitute, in general, elements of conciliation and union. They devote, as a rule, special care and praiseworthy zeal to the work with which the confidence of their employers, and, in a number of cases, the confidence of their comrades, has charged them."

In a report presented in connection with the International Exhibition of 1889, M. E. Cheysson adverts to a practice then adopted by the majority of large employing establishments, under which they admit a number of workmen to the administration of provident funds in the establishment: "This policy," so he says; "is judicious. It calms susceptibilities; it multiplies points of contact which make relations more easy, and gets rid of prejudices; it relieves the employer's responsibility and enables him to benefit by valuable assistance; and it helps to educate the workmen to administrative work; it stimulates their activity and gives them an interest in the success of the work which they help to direct, instead of keeping them aloof in a sort of indifferent passivity, which may conceivably become intensified to absolute ill-will."

Some profit-sharing houses are careful to raise from the surplus yield of good years a reserve fund, out of which to mitigate the effects of bad years and provide for emergencies (Moutier, Lefranc & Co., Monduit, etc.).

Some profit-sharing regulations embody clauses which make a beneficiary's claim to his share in such reserve wholly or partially forfeitable. The Congress of 1900 has declared this practice to be censurable. In point of fact, its provisions are only very rarely carried into effect.

THE RESULTS.

The dominating feature in the facts revealed by the recent inquiry is the vigorous vitality of profit-sharing institutions, which is attested by an experience of more than half

a century. The prosperity and the beneficent effect of these organisations are incontestable. In the *Maison Leclaire* the provident fund now amounts to more than 3,000,000 francs, which suffices for giving valuable benefits to working members and pensions of 1,500 francs a piece to those who are past work. Since 1842 more than 8,000,000 francs has been paid into this fund, independently of the share in the profits becoming due to the working staff.

The co-operators of the paper works, Laroche-Joubert, hold to-day more than two-thirds of the share capital in the entire concern (3,770,000 francs), though they have devoted to the purchase of those shares only a part of what profit-sharing has annually yielded them. In the Railway Company, Paris-Orleans, the noble idea of M. François Bartholony has grown larger in its application, because it proved necessary to create a powerful reserve fund to ensure that the promised pensions could be paid. In the company of *Assurances Générales*, more than 10,000,000 francs now in the provident fund has been derived from profit bonuses, and with accumulating interest the sum has now grown to 15,000,000 francs. More moderate, but still useful, support has been obtained from the same source by the provident fund formed for the benefit of his workmen in the factory founded by Alexander Deberny, and prudent management has increased the 500,000 francs so paid to a sufficient sum. The insurance companies in which profit-sharing has been practised, in some instances since 1820, have likewise excellent results to show. In the *Union*, the *Soleil* and the *Aigle* close upon 3,000,000 francs in each case has been accumulated. In the *Nationale* close upon 5,000,000 francs. The Suez Canal Company has since introducing profit-sharing in 1865, raised up thereby a provident fund of 15,000,000 francs. The *Imprimerie Chaix*, Messrs. Tassart, Balas, Barbas et Cie (formerly Goffinon), Godchaux, Roland-Goselin, Abadie, Mame, Masson, etc., whose profit-sharing arrangements date from 1872 to 1874, continue to value them highly. The period 1875 to 1878 has seen their number increased by the accession of the *Comptoir d'Escompte de Rouen*, the *Imprimerie Buttner-Thierry*, Messrs. Gounouilhou, Brière, Baille-Lemaire, and others. M. Goffinon's excellent pioneer work has stimulated various industrial and building firms, such as MM. Delalonde, Monduit, Thuillier and others into following his example. In the *Familistère de Guise* profit-sharing dates from 1877. Twenty-five more establishments have enrolled themselves under the profit-sharing banner between 1889 and 1900.

This, it is quite true, cannot count for peculiarly rapid advance. The advance has been slow, and, it must be admitted, that all experiments do not prove successful. But the 93 cases cited show the system to be working well in the main. From the returns furnished I have extracted the following figures relating to 39 establishments out of this number.

Number of employees of all kinds ...	13,586
Amount of fixed wages and salaries paid in 1898	22,988,442 frs.
Shares in profits allotted in 1898 ...	2,049,876 frs.

The addition to wages effected in this way accordingly amounted on an average to 8.91 per cent. In ten establishments it varied between 1 and 3 per cent., in seven between 3 and 5 per cent., in seven between 5 and 7 per cent., in two between 7 and 9 per cent., in two between 9 and 11 per cent., in two between 12 and 13 per cent., in two between 14 and 15 per cent., in four between 15 and 18 per cent., in two between 30 and 35 per cent., and in one it rose to as much as 41 per cent.

Of the seven houses which have given up profit-sharing, three attribute their want of success to the indifference of the workmen; a fourth, having found that profit-sharing did not stimulate the provident spirit among its workmen, replaced it by old age pensions. Two others have given up profit-sharing because there were no profits to share in. The seventh does not state any reason.

Taking things altogether, the results recorded must be held to be good. The problem, of course, presents difficulties of its own. But experience is teaching us how to overcome them. Such experiences new beginners in the practice ought to consult. The institution requires to be studied, so that the difficulties to be faced may be ascertained and guarded against. However, judiciously applied in the right place profit-sharing is bound to produce good results.

GERMANY.

BY

PROFESSOR VICTOR BÖHMERT.

The first attempt, so far as is known, made in Germany to adopt profit-sharing had J. J. von Thünen, a Mecklenburgh landlord, for its author in respect of agricultural employment.

That gentleman, celebrated as a political economist, was anxious to prove that his theory of "fair wages, consistent

with the law of nature," could be carried out in practice, and, accordingly, in 1847 he began to admit his labourers, 21 in number, on his property of Tellow, to a share in the profits realised. They were to receive one-half per cent. of all excess profits, if there should be any, after defrayal of certain outgoings, and, at first 5,500 thalers, later 6,000 thalers, *i.e.*, £900, for himself, such share to be paid to the labourers' credit in the savings bank. The money paid into the savings bank was not to be withdrawn either by payor or payee, and to be placed at the latter's disposal only upon his completing the sixtieth year of his life. This arrangement was kept in force after von Thünen's death by his grandson, down to the year 1896, when the property was sold. The new owner has, unfortunately, decided not to continue it. However, Herr A. von Thünen, the late owner, has reported in detail upon the results obtained between 1848 and 1896. As shown in his report the share paid annually amounted, on an average in the case of each family to 68.46 marks, namely, in the ten years, 1848 to 1857, on an average to 64.55 marks.; in the ten years, 1858 to 1867, on an average to 79.65 marks; in the ten years, 1868 to 1877, on an average to 64.38 marks; in the ten years, 1878 to 1887, on an average to 67.65 marks; in the nine years, 1888 to 1896, on an average to 65.72 marks.

Herr von Thünen reports upon the results of the Tellow system as "most satisfactory." With its help the employer succeeded in training up a faithful staff of workmen, perpetually strengthening their position, becoming thrifty and accumulating a small property.

In respect of industrial employment, Herr Demmler, of Schwerin, architect to the Grand-ducal Court of Mecklenburgh, was the first to operate with success, beginning likewise in 1847, and endeavouring to improve the position of journeymen bricklayers and carpenters, and all others employed, by making it part of his agreement with the builders to whom he gave contracts, that they should allow their men fair extra remuneration for good work. Whenever Demmler found that piecework would be advisable, he made it a rule to give the contract, not to a master-builder or sub-contractor, but directly to the workmen themselves, contracting with them either singly or else in groups of from six to eight. The men so contracted with, were paid a fixed amount of wages every week, to supply their material wants. On the completion of the contract, such payments, were taken into account, and the balance was paid as due. This method Demmler adopted for all large building enterprises that he was engaged in, as it turned out, to the benefit of his

principal as much as of the men. Indeed, the arrangement was found so advantageous that Demmler's successor, Oberbaurat Stüler, of Berlin, continued it in force.

In German manufacturing employment the first experiment of allowing workmen a share in the profits, and prospectively in the ownership of the establishment, was ventured upon by the Berlin engineer, Wilhelm Borchert, in conjunction with the well-known statistician, Dr. Ernst Engel. Borchert's object was—just as it was that of Messrs. Henry Briggs, Son & Co., of Normanton—gradually to convert his workmen, by means of shares in profits, accumulating under an agreement which made them non-withdrawable, into co-partners in his business. From the very outset he looked upon himself merely as the first workman in the concern and its conductor. Profits accruing were divided in equal proportions between capital and labour after 6 per cent. had been allowed for interest on capital, and 9,000 marks as remuneration for the head of the firm. Borchert made himself liable with all his estate for the sums retained in respect of shares in profits. From 1868 to 1872 the arrangement worked to everyone's satisfaction. At that date the firm was converted into a Joint Stock Company, and the liability of the owner of the establishment for the workmen's shares was brought to a close. When, after the conclusion of the Franco-German war, wages went up almost daily, Messrs. Borchert's workmen, as was only natural, desired to share in the general increase of wages, and did not any longer care to wait till the end of the year for their bonus. As there were, in addition, frequent changes, the old system was abandoned and a new "general agreement" was substituted, under which "the shares due to workmen as a reward for their greater industry and greater care" were to be paid in cash every month. The annual bonus was at the same time replaced by an extra bonus to be allowed proportionately with increased production. And since all this involved some sacrifice to the workmen, Borchert endowed a fund to serve for their benefit with 150,000 marks.

The conversion of Borchert's business—not, as had been originally intended, into a co-partnership concern in which all engaged were to have a share—but into a limited liability company, belonging to a limited number of shareholders, undoubtedly had an unfavourable effect upon the profit-sharing movement in Germany. This was only partially balanced by the favourable effect produced by the publication of the present author's volume "Die Gewinnbeteiligung," as a result of very careful and comprehensive inquiry.

Although the arguments advanced in that book were rather vigorously combated by writers like Frommer, Wirminghaus and Einhauser, they were, on the other hand, very warmly supported by Häntschke in his monograph on the *Familistere* of Godin, by Leopold Katscher in a series of articles, by Herr Heinrich Freese, in a very effective pamphlet entitled "Fabrikantenglück" (a manufacturer's happiness), and lastly, by Professor Gustav Schmoller in an admirable article appearing in his "Beiträge zur Social-und Gewerbepolitik."

It deserves to be mentioned that socialist democrats in Germany are not favourable to profit-sharing, and trade unionists are indifferent. As regards the latter, there is one notable exception to be noticed. The "German-national" Union of Shop Assistants, which numbers about 50,000 members, has taken up the subject in its publication "Die Deutsche Handelswacht," discussing it in detail and with evident partiality. The position which manufacturers took up in respect of the matter is illustrated by the fact that "the Industrial Society of Mülhausen," with a view to influencing opinion favourably, made the following proclamation:—"A medal will be awarded to every industrial Joint Stock Company in the district of Mülhausen which assures to its workmen from 1st January, 1897 forward, by provision made in its rules, a share in the profits, with a view to stimulating thrift, carefulness, mutual assistance, or any other good work undertaken in the workmen's interest."

With such influences acting upon public opinion the idea of profit-sharing gained ground steadily. However, unfortunately, no precise data are available to show the actual number of firms now practising it.

Of the few profit-sharing arrangements known to have been in force in Germany in 1878, not more than four survived at the date of the author's more recent inquiry of 1901. Thirty-eight new ones had been added. Accordingly, Germany now possesses, so far as is known, forty-two firms practising profit-sharing. Of that number there are 30 in industrial employment, affecting 26,438 persons; six in commercial employment, affecting 315 persons; four in agricultural employment, affecting 289 persons; two in promiscuous employment, affecting 514 persons.

Of the thirty industrial applications three are in force in textile manufacture, ten in metal-working and engineering, five in mining and iron works, two in chemical industry, two in breweries, seven in paper, wood, tar and glass industry, and one in jewellery work. Of the six commercial establishments practising profit-sharing, two are banks, two

wholesale provision dealers, one a firm dealing in agricultural produce, and one a wholesale manufactory of gold articles. The agricultural enterprises concerned are three farms and one settlement for the cultivation of fruit. The two firms still remaining to be considered are a steam-boat company and an insurance company. Only in respect of 38 cases out of the 42 have particulars been furnished showing the magnitude of the enterprise and its precise organisation. These particulars show the following data :—

Establishments.	Number.	Joint-Stock Company.	Private Concerns.	Industrial Societies.	Society en Commandit.	Co-operative Societies.	Government Undertakings.
With from 1—20 employees	3	3	...	...	...	...	...
„ 21—50 „	3	1	1	1	...	...	...
„ 51—100 „	6	4	...	...	...	2	...
„ 101—250 „	5	4	1	...	...	...	...
„ 251—500 „	8	3	5	...	...	...	...
„ 501—1000 „	3	...	2	...	1	...	...
„ Over 1000 „	10	1	6	...	...	...	3

Some firms give the amount of salaries and wages paid as well as that severally of employers' contributions under State insurance and of employers' voluntary endowment of workmen's benefit funds. They are as follows :—

Nature of Undertaking.	Amount of Salaries.	Amount of Wages.	Employers' Liability Payment.	Voluntary Benefit Payments.	Share in Profits.
	M.	M.	M.	M.	M.
Textile Industry..	56.725	374.059	10.761	...	9.856
„	18.269.15	178.078.90	4.844.50	4.364	4.927.27
Engineering	20.940	68.530	2.000	1.534	9.135.46
„	64.413.17	289.237.26	5.155.60	12.000	11.000
	225.900		4.538.39	...	6.735
Electrical					
Engineering...	1.920.000	5.510.000	136.713.33	212.573.81	382.608.19
Ceramic Industry.	33.370	129.456.41	2.863.48	760	16.792.58
Timber Industry..	50.253.25	200.757.68	5.288.75	...	1.500
Optician.....	339.842	1.146.900	33.462	69.000	138.000
Chemical Industry	296.170.59	1.532.910.46	27.023.40	...	138.109.81
„	159.838	224.385	12.191	...	32.100
Paper Industry....	94.705.21	170.258.88	6.080.92	3.000	7.996
„	258.121.30		8.885.41	...	8.370
„	23.700.	62.399	...	...	1.250
Glassmaking.....	194.900	2.030.281	59.840	...	118.377
Ironworks.....	166.000	1.243.000	51.000	...	64.700
„	220.000	2.048.000	90.000	...	400.000
Mining.....	117.728	1.565.867	111.143	10.431	6.586
Brewing.....	516.231.10	2.288.170.94	87.383.09	390.319.60	...
Jewellery.....	49.600	431.343	5.174	...	ca 8.000
Provision dealing.	168.279.42	55.038.84	5.138.42	...	12.541.66
„ (lams)	41.668	102.600.55	4.338.08	...	7.509.32

The following table will show what is the proportion subsisting between employers' liability and voluntary benefit payments; and also of shares in profits in relation to the total amount of wages and salaries paid:—

Nature of the Undertaking.	Employers' liability benefits in per cent. of fixed remuneration.	Voluntary benefits and share in profits in per cent. of fixed remuneration.	Share in profits in per cent. of fixed remuneration.
Textile Industry	2.4	2.2	2.2
	2.4	4.7	2.5
	2.2	11.9	10.2
Engineering	1.4	6.7	3.1
	2.0	2.9	2.9
	1.8	8.0	5.1
Electrical Engineering	1.7	10.7	10.3
Timber Industry	2.1	0.5	0.5
Optician	2.2	14.5	9.1
Chemical Industry	1.4	7.0	7.0
	3.1	8.9	8.9
	2.3	4.1	3.0
Paper Industry	3.4	3.2	3.2
	..	2.4	2.4
Glassmaking	2.6	5.3	5.3
Ironworks	3.6	4.5	4.5
	3.9	17.6	17.6
Mining	6.9	0.9	0.3
Brewing	3.1	13.8	...
Jewellery	1.0	1.6	1.6
Provision dealing	2.3	7.4	7.4
.. .. (Jams)	3.0	5.2	5.2
Total Percentage	2.5	6.2	5.1

Thus, on an average, the payments for workmen's benefit imposed by the State amount to 2.5 per cent. of the remuneration paid—voluntary payments for workmen's benefits, plus share in profits, to 6.2 per cent., and share in profits alone to 5.1 per cent.

* * * * *

There are various reasons which have led to the adoption of profit-sharing. In the majority of cases the arrangement was resorted to as a matter of generous care for the workmen's welfare (a "welfare institution"), but in others as a method of remuneration offering economic and material advantages to employers and exercising a socially educational effect. This is shown by the terms in which the Board of the Hallesche Maschinenfabrik (engineers) appeals to the workmen: "If the workmen will betoken their interest in the prosperity of the firm by industry, intelligence,

careful economy in the use of materials, and an honest effort to reduce the cost of production and to economise wherever economy is practicable, the establishment will be placed in a position to fix its prices in such manner as to be able to command work when other firms are short of it. This is a matter of even greater importance to the workmen than it is to the shareholders. And if the business is such as to yield a good profit, as has been the case in the Hallesche Maschinenfabrik last year, and may be hoped to be again this year, it is desirable that the workmen who have contributed to produce that profit, should, in addition to their wages, have a share in it." Once more, Herr von Blücher introduced profit-sharing among his labourers "in order to bring the interest of the labourer and the regular dependents of the estate more closely than has been the case heretofore into unison with the interest of the landlord, and to enable the labourers to lay by savings for the benefit of their children or for use in their old age."

In Herr Zeiss' optician's workshop what led to the adoption of the system was the recognised necessity of some new method of remuneration, guaranteeing to every workman a fixed weekly wage and making rather substantial compensation for dismissal of workmen obligatory upon the firm. A public statement made by the firm of Wiedenbrück & Wilms indicates well the underlying motives in a number of other experiments. It says that profit-sharing was resorted to "with a desire to interest all concerned in the prosperity of the firm, to link them firmly to the establishment, and above all things, by means of increased remuneration to improve their manner of living and to stimulate the spirit of thrift." Herr Max Roesler adopted profit-sharing "from conviction and from a sense that it was wanted." The system in force in the stationery works of Herr Krause is based upon a combination of philanthropic and utilitarian motives—"as a means of giving pleasure to the workmen, opening to them a source of increased remuneration, and also of attaching my employees more closely to myself and thereby serving my own interests." Herr L. von Reventlow puts the social-educational motive in the forefront. He adopts profit-sharing—"to raise the character of my workmen (replacing labour *under* me by labour *with* me)—and to provide a basis for organisation among the labourers; that is a point to which I attach special importance."

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It is either the entire number of persons employed, or else only a certain portion or "nucleus" qualified by a

certain length of employment, who are allowed a right to a share in the profits. Such length of employment is variously fixed at five years (Messrs. Schütz, engineers); two years (Herr Roesler's ceramic art pottery); one year (Herr Adler's cardboard box works); or only a few months. Some firms admit only male labourers (Braun & Bloem, ammunition works); or else only such "as have faithfully and conscientiously discharged their duties" (Saxon Linen Manufacturing Society). Others again allot a share in the profits to such workmen as happen to be in employment on the day fixed for payment of the share (Krause's Stationery Works). This is a questionable provision, which has led to differences of opinion, and has, accordingly, been abandoned by some firms (Messrs. Zeiss and the Hallesche Maschinenfabrik). In some cases employment, though brought to a close in the course of the year, still leaves the workmen entitled to a proportionate part of his share, which is, however, payable only at the close of the year; in others discharge or retirement forfeits the share in favour of the other workmen (Insurance Company "Rhein & Mosel"), or else in favour of the provident fund of the firm (Schütz). The Iron Foundry of Wiedenbrück & Wilms allows the full amount of the share to workmen who have, for want of employment, had to be discharged in the course of the year.

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The amount of the share in the profits due to workmen is fixed in various ways. Messrs. Steinheil, Dieterlen & Co. and Herr Freese allot a fixed share in the net profits (3 to 12 per cent.), Herr Roesler pays 50 per cent. of the net profits, after deducting 4 per cent. interest on capital and payments to reserve fund and for depreciation. Messrs. Braun & Bloem pay a share proportionate to sales, Messrs. Wiedenbrück and Wilms 10 per cent. of the wages, Herr Krause one half month's salary or a full week's wages (something like 10 per cent. of the net profits). Messrs. Seidel & Naumann pay a fixed quota of the proportionate remuneration (Tantième) due to the Council of Supervision. The Hallesche Maschinenfabrik allows its workmen severally 4, $2\frac{2}{3}$, $1\frac{1}{3}$ and $\frac{2}{3}$ marks for every per cent. of dividend declared, varying with the length of employment; the Steel Spring Factory of Cassel pays in the same manner 6, 3, $1\frac{1}{2}$, 1, $\frac{1}{2}$ mark per cent., taking, in addition, age and sex into consideration. The Wholesale Jewellery Works of Richter and the Wholesale Merchants in articles made of gold of Herr Schmitz keep the amount of the collective shares in the profits secret,

Herr Winkler (a maker of paper and leather goods), communicates it only to a representative committee, which is pledged to secrecy. In the Steel Spring Factory of Cassel, the Board of Directors have a discretion to distribute according to pleasure.

Every workman's share in the profits distributed is, as a rule, fixed in accordance with his length of employment. However, the amount of salary or wages paid in the particular year serves, generally speaking, as the main standard. In many cases both points are taken into consideration collectively. The Schultheiss Brewery allows workmen the same rate of interest on savings deposited with it that is paid to shareholders in dividend in excess of 4 per cent. Apart from these "objective" standards, some further "subjective" criteria are applied, liable, no doubt, to abuse by arbitrary application. Thus Herr Aug. F. Richter, maker of articles of gold, reports that in allotting the particular shares in the profits he makes allowance for "(c) Industry, zeal, attention and good conduct; (d) skill and handiness." Herr C. A. Schmitz, dealer in articles made of gold, applies similar tests.

There are considerable differences observable in the practice adopted for *paying* the share in the profits. Some employers consider it the best rule to pay down in cash at once, so as to avoid the very appearance of endeavouring to keep the workmen in tutelage, and in order to bring home to the workmen the difference between good years and bad. Other employers actually pay only one-half, or two-thirds of the share in cash, handing such part over to a savings bank, and keep back at least one-third to go into a provident fund maintained for the benefit of the workmen collectively. The latter system is said to afford the following advantages: "The stimulus of a share payable in cash, immediately after closing the account, is retained, because every man may, if he chooses, withdraw the deposit. On the other hand, the receipt of his share in the shape of a savings deposit is calculated to act upon every one as an admonition to save what he receives." Some employers are strongly partial to a method of paying the share into a savings account, where the money is not withdrawable for a considerable length of time, but on which interest may be drawn every year, because they apprehend that immediate payment of shares of any amount, made in prosperous years, may tempt workmen into improvidence and extravagant living, which is likely to lead to disappointment and ingratitude in bad

years. Others, again, are apprehensive lest the accumulation of capital should tempt the workmen into strikes, or prompt them to leave their employment. Herr Roeslet justifies the retention of half the share in the following way: "the workmen are to learn to understand 'welfare institutions' (provident institutions for collective benefit), and, with the means placed at their disposal, to learn to create such and to maintain them."

Where shares in profits are allotted only collectively, to the whole staff of workmen, the manner in which the money is to be employed is already provided for. Otherwise it has to be left to the recipients. In Germany to lay it down that the money shall be employed for provident benefit (insurance against sickness, accident, incapacity) would be beside the mark, seeing that all such purposes are already provided for by obligatory insurance under the State administration. There are, however, a few exceptional cases, in which additional insurance may seem called for. On the other hand, the accumulation of capital for the purchase of life annuities or old age pensions is much in vogue. In the majority of cases workmen's shares in profits are kept in the establishment, properly secured, and bearing interest up to as much as 20 per cent. Some firms prefer paying the money into a municipal savings bank, others have established distinct provident, building or saving societies, managed by the workmen themselves. Messrs. Wilms & Wiedenbrück report that their workmen have employed their share in profits in the following ways:—in six instances for the acquisition of land or dwellings; in two for dowries for their daughters; in six for payment of expenses contingent upon confinement, sickness or death; in two for the support of parents or relations; in seven for the purchase of furniture and chattels; in one each for the "first communion" of a child, or equipment for military service; and finally, in nine cases, for general purposes.

Since the failure of Borchert's experiment no further attempts have been made to create, by means of shares of profits invested in the business, a co-partnership establishment.

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As a rule the employer is the sole administrator of this system of remuneration, reserving to himself the right of modifying the scheme according to his own ideas, or even to discontinue it altogether, subject to notice. In not a single case have the workmen been allowed a voice in fixing,

calculating or distributing shares in profits. Superior employees have been allowed a share in the work only so far as their occupation, say, as cashiers or chief book-keepers, etc., requires that they should take part in it. Committees composed of workmen and higher employees, elected or nominated by the chief of the firm, which meet under the chairmanship of the employer or his deputy, have never been allowed a voice in more than the settlement of subordinate matters, such as the employment of shares paid for collective use, the management of provident funds, etc. Only in very few cases is the right conceded to workmen, or a committee representing them, to check the balance sheet, the calculation of shares in profits, etc., etc. Employers point out that after the balance sheet has been checked by the shareholders and the auditors, there is no further occasion for submitting it to the workmen. Others will have it that the superior staff, through whose hands the balance sheet must needs pass, and who are as fully interested as the workmen in the proper keeping of the accounts, may be taken to serve as a guarantee to the workmen that all is in order.

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Generally speaking, it may be said that the results experienced in connection with profit-sharing have been favourable. It is quite true that a number of schemes have had to be discontinued. But that has been owing to external circumstances not affecting the system. Among such circumstances some were of a technical character, or else had reference to the system of business management, such as reduction of output, or else changes made in productive organisation, changes in the market due to the competition of other firms or other countries, discontinuance of business owing to mishaps, or else to the employer's death, etc. In some few cases profit-sharing was abandoned without any special cause, merely as a matter of convenience. One main reason accounting for the failure or discontinuance of profit-sharing schemes is, no doubt, to be found in the large amount of interest which, during the two past decades, working men in Germany have devoted to politics and to proposed great social changes, in preference to such smaller matters of economics, as the gradual improvement of their own condition, and the internal development of industrial enterprises. German working men have shown themselves to be wanting in a capacity to understand the educational value of profit-sharing. And it is just on this account that the abortive attempts referred to claim particular attention as marking a stage in the gradual advance.

The main successes thus far achieved by the system must be looked for in the sphere of social and moral habits. From many quarters the results are reported as being most successful in improving the relations between employers and workmen, and creating attachment, fidelity, conscientiousness, interest in the business, a more thrifty spirit, etc. At the same time the material position of workmen has been considerably improved. Proportionately to the favourableness or unfavourableness of the results of business, workmen have found that their remuneration has increased by from 3 to 15 per cent.

Some opinions of practical profit-sharing employers may be worth quoting. Herr Ebhard, a farmer, writes "whereas most of my neighbours complain of the troublesome want of labour, I am almost embarrassed by the number of people offering their services. . . . If I had the capital I should buy another farm; for agriculture conducted on rational lines has in no years failed to return me an assured net profit." Mr. F. S. Eckhardt, a manufacturer, writes:—"Among my staff interest has been quickened; the older men keep the younger up to the mark, and obtain better results from the labour employed." The Board of Directors of the Insurance Company, "Rhine und Mosel," says:—"Profit-sharing has been in force with us for 17 years, and our Company sees the object which it had in view when introducing it almost attained. Whenever a case arises for providing for a retiring employee, there is no occasion to determine the amount and find funds for meeting the claim. There is a provident fund there which does all this on settled principles. . . . The Company believe that the lively interest shown by the staff in earning as large net profits as are possible, and the concern exhibited whenever serious misadventures tax the resources of the Company, are owing, at any rate in part, to the system of profit-sharing adopted. Moreover, the system has brought about a greater attachment of the Company's servants to their employers. The employees do not like forfeiting their savings bank deposits which provide a pension upon the completion of the 25th year of their service, or the 65th year of their life." Herr Max Roesler observes:—"The moral level of the workmen has been materially raised, partly, though not exclusively, in consequence of profit-sharing. In respect of industry, fidelity and zeal on the part of the employees there has been likewise a notable improvement. The method assures a good staff and industrial peace. The advantages which it secures to the employer's cannot, indeed, be stated

in figures, but the day on which I hand over to every man the sum due to him in respect of profit-sharing is one of the happiest of my life. I sleep thoroughly well after it. However, let no man suppose that it is the actual money—not very much at best—which purchases the affection of these men! There is another influence at work of which the money payment is no more than the outward sign. Without that influence the mere payment of money must fail of its object.”

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There are in Germany forty-two industrial, agricultural and commercial undertakings practising profit-sharing. The systems applied vary considerably.

Messrs. Steinheil, Dieterlen & Co., cotton spinners, of Rothau, in Alsace, employing about 500 persons, have been consistent profit-sharers since 1847. Their system, as re-cast in 1900, assigns to the workmen, after payment of 5 per cent. to share capital, a first share of collectively 6,400 marks. Whatever beyond that remains after carrying 5 per cent. to reserve, is divided so as to give the workmen a second benefit. In this way every workman receives from 2 per cent. to 5 per cent. addition to his fixed wages. A special reserve fund, now amounting to 480,000 marks, secures, amongst other things, the payment of the 6,400 marks mentioned in bad years. The workmen have no voice in the management.

The Hallesche Maschinenfabrik, employing about 700 persons, divides its workmen into four classes, according to their length of employment, three years or more, two, one or less (but drawing a minimum line at four months). For every per cent. dividend paid to the shareholders the men receive, according to their particular class, 4, $2\frac{2}{3}$, $1\frac{1}{2}$ and $\frac{2}{3}$ marks. The usual dividend to capital being in 1900 30 per cent., workmen have, in point of fact, received about 10 per cent. bonus on their fixed wages. The average amount of bonus for a workman of the highest grade is at present 100 to 160 marks.

Herr Max Roesler, of the art pottery of Rodach, in Coburg, pays a bonus on profits only since 1896. His employees number a little under 200. The sum divided is 50 per cent. of the net profits, one-half of this being paid into the provident fund, the balance in cash. As in 1898 income tax was claimed upon the 15,000 marks divided, the figures have been kept secret since.

Herr Heinrich Freese, venetian blind maker, of Berlin, not only practises profit-sharing, but has, in addition, formed

an elected "workmen's parliament," to maintain order in his works. This he considers to have worked very satisfactorily. The only apparent drawback is, that new workmen complain of the older ones supervising them rather too severely, with a view to increasing the rate of bonus. Since 1891 workmen receive $7\frac{1}{2}$ per cent. of the net profits, and the higher employees, 5 per cent. in proportion to wages or salaries. Two-thirds of this sum is paid into the factory savings bank, but is withdrawable at pleasure. One-third goes into the provident fund. Paying into the savings bank is found to act as a powerful incentive to thrift.

The optician's establishment of Herr Carl Zeiss, at Jena, has, since 1896, become a classical ground of profit-sharing. Herr Zeiss attributes the better work which he now obtains from his men rather to the provision which he liberally makes for them in respect of illness and old age, and to "fixity of tenure" which he assures them by undertaking to pay rather heavy compensation for dismissal without cause, than to profit-sharing. All the same, he finds that profit-sharing has contributed materially to the establishment of good relations. Profits are shared proportionally to the wages drawn by each person, so as to leave one-fifth of the net profits over for the employees. The bonus has varied since 1895 between 5 per cent. and 10 per cent.

Messrs. Wiedenbruck & Wilms, engineers, of Cologne, employing only 60 persons, allow a rate of bonus which they advisedly keep secret, but which in 1900 amounted to 10 per cent. of the wages, that is, in some cases, to 300 marks, in many to 100 marks. Somewhat like Herr Freese, they have asked the workmen to elect a management committee, a sort of parliament.

The Hamburg Caoutchouc Comb Factory, employing over 1,400 persons, allows, since 1861, part of the profits earned to their workmen in the shape of bonuses or prizes for a variety of work, enabling the men by careful work to add from 25 per cent. to 40 per cent. to their ordinary wages. In addition, some 250 receive Christmas boxes, in cash, ranging from 10 to 300 marks. The employees of higher grades receive a share in the profits, which is deposited in the factory savings bank to their credit, bearing 6 per cent. interest. It is withdrawable only on sufficient cause, being shown, or else on retirement.

Herr Max Krause, stationer, of Berlin, besides doing a great deal for his workmen, has allowed his office staff a share in the profits since 1870, and since 1890 such of his workmen as well as have been employed for a twelvemonth

or more, at the rate of half a month's wages, which corresponds to about 10 per cent. of net profits.

Herr Georg Adler, cardboard box maker, of Buchholz, insures the life of his employees, about 400 in number, after one year's employment, at the rate of 500 marks for ordinary workmen, and 1,000 to 1,500 marks for foremen or assistant managers. Since 1867 he allows his employees a share in the profits proportionate to the amount of their wages and the length of their term of employment, paying two-thirds of the amount into a savings bank and the balance down in cash.

Messrs. Seidel & Naumann, makers of sewing machines, type-writers and bicycles, of Dresden, who employ about 2,000 workmen in addition to 100 other employees, allow a varying percentage on the wages received to workmen in proportion to their length of employment, ranging upwards to 3 per cent. In addition, they pay 1 per cent. of their net profits into an old age pensions fund. In 1900 as much as 11,172 marks was paid into that fund, 52,000 marks being handed over to the workmen as profit bonus, besides 28,343 marks going to the superior employees.

The Steel Spring Works of Cassel (formerly A. Hirsch and Co.), employing 435 persons, pay profit bonus according to a complicated scale, which takes sex, age and length of employment into account, and yields from $\frac{1}{2}$ to 6 marks a head for every per cent. paid in dividend to capital. The total payment per annum has long stood at 11,000 marks, representing an addition of 6 marks to the wages of every person earning 1.25 marks a day, and 72 marks to those of persons earning at the rate of 6 marks a day.

Messrs. Schuckert & Co., electric apparatus makers, of Nuremberg, who employ over 6,000 persons, pay a third of the premium for the life insurance of all employees of at least one year's standing. In addition, they pay a share of the profits, the rate of which is not stated, in cash, allowing employees to do with it what they like, but offering to take the money, once the sum reaches 500 marks, on deposit at 5 per cent., up to 2,000 marks on each account. On 31st March, 1900, the savings bank of the establishment held in this way 123,900 marks in employees' deposits. The share of each person per annum varies between 5 and 200 marks.

The glassworks, late of Mr. F. Siemens, of Dresden, employing about 3,700 workmen, maintain a number of institutions most useful to workmen and their families, such as supply stores, which yield the customers from 13 to 15 per cent. dividend, cheap restaurants, holiday homes for children,

etc. They also distribute presents in clothes and money, and keep up a pensions fund, towards which the employers contribute about 20,000 marks a year. A share of the profits (18,000 marks in 1900) is allowed to all workmen of at least two years standing. Their genuine profit-sharing is, however, confined to the employees of higher grades.

Messrs. Braun & Bloem, ammunition makers, of Düsseldorf, practise profit-sharing since 1872. They have distributed in the shape of profit bonus in all about 200,000 marks, at the rate, at present, of 2,600 marks per annum, to clerks, etc., and 3,900 marks to workmen.

The Sächsische Leinenindustrie-Gesellschaft of Freiberg has paid its workmen a share in profits since 1898, corresponding to 5 per cent. of their wages. It distributed 4,632.74 marks among workmen in 1900, and 294.53 marks among clerks, etc. These amounts were considerably smaller than those paid in 1898 and 1899. In 1898 they stood at 7,577.58 marks and 627.94 marks severally.

The Fabriques de Produits Chimiques de Thann et de Mulhouse, in Alsace, are a well-known profit-sharing firm of old standing (since 1854). They allow from 5 to 10 per cent. of net profits to workmen, without distinction, and 2 per cent. to clerks, etc. The bonuses are paid into a savings fund, and bear interest at 5 per cent.

Herr D. Morgenstern, tinfoil maker, of Fürth, having previously shared his profits with all his workmen from 1866 to 1900, has recently resumed the practice, placing part of the profits in reserve every year, out of which to pay gratuities to his workmen according to the length of their employment, their industry, and the position of their families.

Herr G. A. Schütz, engineer, of Wurzen, makes it a stipulation that workmen should have been in his employment at least five years. Men so qualified receive an addition of 5 per cent. to their wages, the bonus being retained in the business at an interest of 6 per cent., or else deposited with a public savings bank.

The Government Smelting Works at Freiberg allow 5 per cent. of the net profits to superior employees and foremen, and a rate of bonus to workmen which corresponds to 8 or 9 per cent. of their wages.

The Government Coal-mines at Zauckerode, likewise in Saxony, allow a share in their profits to superior employees, counting house clerks, engineers, overseers and stokers, and another share to workmen in general (17,017 marks in 1900), and pay an indefinite amount for the support of workmen's restaurants, a workmen's hospital, a workmen's sick fund, etc.

Ilseder Hütte, in Hanover, a coal mine and iron works, employing about 2,200 persons, pays a genuine profit bonus only to superior employees, overseers and the like, but allows workmen depositing into its savings bank an interest of 5 per cent., in addition to a "super-interest" taken from profits, and rising, concurrently with the dividend to shareholders, to as much as 15 per cent. Interest on deposits may accordingly mount up to 20 per cent. In 1900 the workmen deposited 2,315,000 marks in this savings bank. The interest allowed was 410,000 marks.

The two co-operative productive societies of Tanne and Wiede, in the Harz, both being iron foundries acquired in part by the workmen from their earlier proprietors, and now organised under the co-operative law, really pay all the profits to the shareholders and a salary only to the managers. Both are assuming more of a co-operative character from year to year. In Tanne, out of 500 shares, 239 belong to the workmen, and in Wiede 133 out of 750, 267 more being the property of the Tanne society.

The Felsenkeller Brewery, near Dresden, pays profit bonuses in the shape of Christmas boxes, allowing $1\frac{1}{2}$ per cent. of the profits netted to be distributed in this way at the Board's discretion, and 1 per cent. by payment into the provident fund for collective use, besides maintaining other "welfare" institutions. In 1901 82,808.80 marks was distributed in this way, and within the past six years 426,333.84 marks.

The Schultheiss Brewery, of Berlin, employing about 2,000 persons, in addition to doing much for its workmen in the way of "welfare institutions," applies profit-sharing in a peculiar manner. It maintains a savings bank in which workmen are allowed to deposit up to 1,000 marks a year, and 5,000 marks in all, being guaranteed 4 per cent. interest. Should the dividend paid to shareholders exceed 4 per cent., the interest on deposits is raised in precisely the same ratio. In 1896-97 a dividend of 12 per cent. was declared, and the workmen received 16 per cent. on their deposits. In 1900 the rate of dividend was 10 per cent. and the deposit interest 14 per cent. In 1900 the Brewery paid to 1,338 workmen 144,822.5 marks interest in respect of 1,228,418 marks deposits.

An engineering establishment which desires not to be mentioned, allows its employees 5 per cent. of the net profits, which are divided in equal "shares," of which workmen of less than four years' standing receive one, workmen of from

four to ten years' employment two, such as have been employed from eleven to twenty years three, and those whose term exceeds that figure four each.

The Cotton Works of Kaufbeuren, employing about 750 persons, allow workmen an indeterminate share of the profits, and paid in 1901 12,000 marks under this head in respect of profits earned in 1900. This sum is equal to about $1\frac{1}{2}$ week's wages to every workman.

Herr Aug. F. Richter, of Hamburg, manufacturer of gold articles, in allowing a share of the profits, not fixed in advance, to his 491 employees, takes a variety of qualifications into consideration, such as industry, punctuality, length of employment, etc. In 1900 the bonus amounted to 150 marks per workman, equal to about $1\frac{1}{2}$ to two weeks' wages. It is paid into a savings fund, in which it earns interest at the rate of 5 per cent., to be handed over to its owner on completion of his 55th year (supposing him to have been employed ten years) or of the 20th year of his employment.

The Elsassische Konserven-Fabrik of Strassburg, after contributing freely to "welfare institutions," pays 10 per cent. of the net profits, after crediting 5 per cent. rate of interest to capital, in genuine profit bonus, retaining one-third to form a pensions fund, and paying the balance in cash.

Herr J. Scheerer, straw-millboard makers, of Goritzhain, pays a profit bonus in the shape of a non-withdrawable deposit made to the beneficiary's account in a savings bank, proportioned to the man's length of employment. Thus five years' employment means a grant of 50 marks, ten years 100, fifteen years 200, and twenty years 400, or, indeed, adding previous grants, 750 marks. In this way, a man on attaining twenty-five years' employment, has, thanks to compound interest, 1,000 marks standing to his credit.

Only six commercial establishments in Germany practise profit-sharing. They are Herr C. A. Schmitz, wholesale dealer in gold articles, at Elberfeld, the Preussische Boden-Credit-Aktien-Bank (a mortgage bank), of Berlin, the Landesbank of Hanover, Herr O. Th. Winckler, dealer in paper and leather goods, of Leipzig, Herr Georg Schepeler, provision merchant, of Frankfort o.M., and Herr F. S. Eckhardt, dealer in agricultural produce, of Wurzen. The systems adopted present some peculiar features, such as the election of a joint committee of office employees and workmen, and the admission of all persons employed to a share in the profits.

In agricultural employment only four cases of profit-sharing are known.

The Co-operative Society, "Eden," in Oranienburg, a society of fruit-growers, employs about 30 of its 130 members in its own orchards. Twenty per cent. of net profits, after all proper deductions made, is paid to them in bonus, being employed in purchasing shares up to what shares are available, and afterwards in interest-paying deposits.

In Wulfshagen, near Gettorf, Count L. von Reventlow allows his 46 or 50 labourers of both sexes 8 per cent. of the net profits, paying down 6 per cent. in cash and contributing 2 per cent. to a provident fund. In 1900, a rather disastrous year, 992 marks was so distributed.

Herr Ebhardt, of Komorowen, near Bialla, allows his 120 employees and labourers 5 per cent. of the net profits, allowing to married persons just double what is paid to unmarried. Such profit-sharing (which gives married men about 40 marks additional remuneration), coupled with rather shorter hours than are usual, has kept him in hands all the time.

Herr von Blücher, of Jürgensdorf, in Mecklenburg, expresses himself particularly satisfied with the results of his profit-sharing scheme, which gives to his 95 employees on an average about 70 to 75 marks additional remuneration, apart from what is paid during the sugar beet harvest to special hands. He charges only $3\frac{1}{2}$ per cent. to capital. That being allowed for, he pays 9 or 10 per cent. of the net profits to his employees in an equal ratio according to wages. The bonus is paid into a savings bank, where it earns $3\frac{1}{2}$ per cent., and is not withdrawable till after ten years.

Only two more German profit-sharing concerns remain to be mentioned. One is the Fire Insurance Company "Rhein und Mosel," of Strassburg, which pays 6 per cent. of its net profits, as laid down in its articles of association, to its employees. The money is all paid into a pensions fund, which secures a pension upon the beneficiary's retirement owing to any infirmity, or else upon the attainment of his 25th year of employment or the 65th of life, or, finally, a lump sum, in the event of death. The annual bonus may be said to amount to about 16 per cent. of the fixed salary.

The other firm is the Saxon-Bohemian Steamboat Company, of Dresden, which pays 3 per cent. of the net profits to employees, who at present number about 465. The bonus is paid in cash. Apart from this, rather liberal arrangements made with regard to pensions attract employees and act on them as a stimulus to good work.

THE UNITED STATES.

BY

REV. NICHOLAS PAINE GILMAN.

Interest in the welfare of working men is unquestionably active and extending in the United States. The recent period has more in particular been remarkable for the multiplication of institutions of what passes here by the name of "industrial betterment," and in Germany by the term of *Wohlfahrtseinrichtungen* (welfare-institutions), that is, institutions designed for the workmen's benefit and proceeding from the generosity or kind feeling of the employer, who is willing to give, and to show all consideration, but apparently not to tie himself down by any formal agreement with his employees. Such institutions, which one might class as an "indirect dividend to labour," I have described in my latest work "A Dividend to Labour." There is reason to anticipate that their number will increase in the near future.

I think I may rightly claim that I am too little of a *doctrinarian* to care much in what particular fashion the lot of the workman is improved by the employer, so long as he does it from a wiser selfishness and more of true human interest than are usually evident under the wages system. From this point of view one may rejoice that more is being done for the workman.

On the other hand, the number of firms practising profit-sharing increases only slowly. Such as our profit-sharing is, it includes cases which are instances only of what may be called indeterminate profit-sharing. For no proportion to be assigned to the workman is "fixed beforehand."

Profit-sharing is usually held to mean in the United States the division among the employees at the end of the year of a portion of the gains realised in the business, without much regard being paid to the degree of definiteness of the agreement so to divide. It is disappointing to have to add that cases of abandonment of the plan of sharing profits with the employee have been comparatively numerous. The long depression in business from 1893 to 1897 has contributed not a little to such result. But a large proportion of these are instances in which nothing like a thorough trial of the system was made. Some have been cases in which the advertising motive was conspicuous. In others there has been a general feeling of goodwill on the part of the employer, but almost absolute ignorance as to what has already been done in the field. Hence, he commits mistakes against which a slight knowledge of the experience of others

would have warned him. The firm which takes up profit-sharing seriously should make up its mind to a patient trial of the new way for a term of years; it should be willing to learn from experience, and fully realise that education is necessary for both parties, in order that they may not cherish unreasonable expectations, and may learn to live up to the moral demands of the new situation. The influence of the trade unions, under a mistaken feeling of hostility to the scheme, has caused the utmost difficulty to the profit-sharing employer in the United States; it is specially illustrated in the case of the Ayra Cushman Company, of Auburn, Me., where a very sincere and intelligent trial of profit-sharing had to be given up after six years.

The best instances known to be in operation to-day (no attempt has been made recently to take an exact census) are given in the following table:—

UNITED STATES OF AMERICA.

Date	Name.	Business.	Bonus.
1872	The Riverside Press, Cambridge, Mass	Publishers	Cash
1878	Peace Dale (R.I.) Mfg. Co.	Woollens	Cash
1879	Rand, McNally & Co., Chicago	Publishers	Cash
1881	Century Company, New York	Publishers	Cash
1882	Pillsbury Flour Mills, Minneapolis		Cash
1885	Columbus (Ohio) Gas Company		
1886	H. K. Porter & Co., Pittsburg	Light Locomotives	
1886	N. O. Nelson Mfg. Co.	Brass Goods	Cash
1886	Rumford Chem. Works, Providence, R.I.		Cash
1887	Rice & Griffin Mfg. Co., Worcester	Mouldings	Cash
1887	Procter & Gamble Co., Cincinnati	Soaps	Cash
1889	Bourne Mills, Fall River	Cottons	Cash
1890	P. N. Kuss, San Francisco	Painter	
	Public Ledger, Philadelphia		
1890	Solvay Process Co., Syracuse, N. Y.	Soda Ash	
1892	Ballard & Ballard Co., Louisville, Ky.	Flour Mills	Cash
1895	Acme Sucker Rod Co., Toledo, Ohio		
1897	Broadway Central Hotel, New York		
	The Hub Clothing Store, Chicago		Cash
	The Roycroft Press, East Aurora, N.Y.		
	South Carolina Savings Bank, Charleston		
1898	Baker Mfg. Co., Evansville, Wis.	Windmills	Cash
1899	Columbus (Ohio) Traction Company		

Of these the three most prominent cases are the Procter and Gamble Company, of Cincinnati, Ohio, the N.O. Nelson Company, of St. Louis, Missouri, and the Bourne Mills, of Fall River, Mass. These three companies illustrate forcibly the right way of doing things, and their persistence has been rewarded with conspicuous success.

The Procter and Gamble Company, with \$4,000,000 capital, has thirty large, handsome buildings for the manufacture of

soap, candles and glycerine at Ivorydale, a suburb of Cincinnati. It employs some six hundred persons at the works, and one hundred at the Cincinnati offices and as travelling agents. Soap-making is comparatively a business for unskilled labour; wages are low for this cause, \$10 a week being the average for men, \$4.75 for women, and \$3.50 to \$7 for boys. After having had much trouble with its employees in 1886, fourteen strikes for all sorts of trivial causes having occurred, the firm adopted profit-sharing in 1887, the workmen's share being in the same proportion to the entire profit that wages bear to the total cost of production. The first three dividends, running from 9.33 per cent. to 13.47 per cent. on wages, did not have much good effect on the morale of the force, so the company classified the men in four divisions, and made the reward proportional to the interest they showed in their work. This plan succeeded perfectly, and indifference entirely disappeared. In July, 1890, when the firm became a joint-stock company, the plans were changed so as to pay the workmen the same dividend on their wages that the shareholders receive. This has averaged 12 per cent. since January, 1891. The classification was given up, having fully accomplished its purpose; 92 per cent. of the workers are now participators. Arrangements are made to facilitate the purchase of stock by the workers. There is a pension fund, which had only one pensioner on its rolls in January, 1899. The company has had no labour troubles since adopting profit-sharing, and considers the plan a financial as well as a moral success.

The N. O. Nelson Company, of St. Louis, manufactures chiefly for the use of plumbers, articles made of wood, iron, copper, brass, lead and marble. It began profit-sharing in 1886 with its four hundred employees. The immediate occasion for adopting profit-sharing was the great railway strike on the Gould lines. Mr. N. O. Nelson, the proprietor, had been much interested during preceding years in the recurring strikes which threw all business out of gear. It appeared to him that they were the wrong method altogether for settling questions of labour remuneration. He was in 1886 selected as one of three conciliators in respect of the Gould railway strike. Having read with interest accounts of the profit-sharing practised in Europe by Messrs. Leclair, Godin, and others, he decided to put the principle of profit-sharing to a practical test in his own works. An unconditional offer was made to the men and accepted. The first year was unfavourable to business, and the dividend to wages amounted to only 5 per cent. The following year it was 10

per cent. And so up to 1895 it kept varying between 5 and 10 per cent., two years yielding no dividend at all. Up to 1892 wages received only the same amount of dividend as capital, but since 1892 the rate has been doubled. During the first three years the dividend was paid in cash, with the privilege of investing in shares of the company. After those three years had made it clear to the workmen that it was real money that they earned in this way, the dividends were made payable in shares. Care had been taken on starting to make provision for disabled employees and dependent families. In years immediately following the system was adopted by a good many concerns throughout the country, a number of them being in the same line of manufacture. Most of them discontinued it after one or two years' trial, on the ground that they observed no improvements in the quality and quantity of the work.

Prior to 1890 Mr. Nelson had become impressed with the evil conditions of city life, and the impossibility of doing anything more with profit-sharing than an increase of the cash payments. He secured for his company a tract of 125 acres of land, situated on the high and rolling lands of Illinois, adjoining the county town of Edwardsville. Here he built in course of time six factories, at the same time laying out a portion of the acreage as a park village. He laid out winding roads, he planted trees, he built a bowling alley and billiard room, a club-house for single men, with a room for evening gatherings, and then started building cottages of from three to six rooms to sell to any employees who wanted to buy. He provided his own electric light for factory and village use, and also water. Payments on the houses were made at about the equivalent of city rents. Quite a number of them have been entirely paid for. There is about one-third of an acre of ground to each house, on which flowers and fruit trees and vegetables are planted. There is a lecture and dance hall; there is a kindergarten and primary school, a dancing class and two or three reading clubs among the children. There is a lecture course every winter. There is no boss in any form. And there has never been a fight or a "drunk" or any interference with the neighbour. For a long time now Mr. Nelson and his family have lived in the centre of the village. They all agree that they never had better neighbours than the factory workmen.

The experience of the Bourne Mills, located at Tiverton, R. I., just above the state line from Fall River, shows the great importance of education in profit-sharing. The com-

pany adopted the system for a six months' trial in 1889, after a thorough study of the matter. In the ten years since, the directors have voted its continuance 14 times, as a good business policy. There are some 400 employees; faithful work for six months qualifies one to become a participant in the bonus which bears a certain proportion to the dividend paid to the stockholders. The total bonus is not less than six nor more than ten per cent. of the amount paid to the stockholders. The semi-annual dividend has varied from two to seven per cent., the average being 3.3 per cent. Wages have steadily risen, and employment has been almost constant. Between 1889 and 1895, inclusive, the Bourne Mills have paid nearly twice as large dividends as their competitors. The plan has never "been more satisfactory than at the present time." The treasurer of the company has taken great pains to educate the force to understand the logic of profit-sharing.

There are two or three observations that I should like to make in conclusion. It is too often forgotten that profit-sharing is a step to be taken by the employer. He is the person to be convinced of its feasibility and desirability. My own writings on the subject have, therefore, been primarily addressed to him. If anyone inquires why it is that profit-sharing has made slow progress in recent years, it seems to me that the chief cause is the conservatism of the employing class. The system has had the hearty endorsement of many economists, and a large body of public opinion is favourable to it. The opinion of the trade unions is suspicious or hostile rather than friendly, and this fact seems to be one of the leading practical difficulties for an employer to overcome in working out the idea. But this hostility is by no means universal, and it remains to be seen, in any particular locality, whether it will yield before a campaign of education. Efforts at enlightenment, so far as books, at least, are concerned, have been directed to the employer mainly, and it is therefore employers who are responsible for the slow spread of the system. If it is a reasonable and practicable plan, employers who decry it must be rated accordingly; if it is unreasonable and impracticable, they should be praised for their opposition.

As my own interest in labour reform has been not so much to see any particular method for securing industrial peace prevail, as to see such peace attained by the wider extension of friendly feeling and "the human touch" in industry, I have endeavoured in "A Dividend to Labour" to point out to employers some of the ways to such peace,

through other methods than formal profit-sharing. Profit-sharing may itself be ranked as an employer's "welfare institution," but there are other varieties of such institutions to which a cautious employer will more easily incline. These constitute a real, if indirect, dividend to labour, which might be informally given by successful employers who would shrink from committing themselves to any plan of regular profit-sharing. My recent volume was intended to broaden the ground of my appeal to the employer, who would take a moral view of his unique function and his great opportunity. "Pay a dividend to the working man as well as to the stockholder; you will find such a policy wise as well as generous." Such is the broad position which seems to me, as in 1889, the best for the employer to hold. But whether this dividend shall be direct or indirect, it is for his own judgment and conscience to decide. My contention is that here we are dealing with a matter—the relation of employer and employee—concerning which conscience has something to say; that judgment without conscience will result in labour troubles to the end; but that judgment and conscience will result in peace and partnership in the world of industry, and that some form of a dividend to labour will probably be one factor in procuring such a happy result.

AUSTRIA.

BY

PROFESSOR VICTOR BÖHMERT.

When, in 1878, I published my book on "Profit-sharing," Austria had not, in this matter, advanced beyond the very first stage of a reward to labour, that of simple payment of bonuses. And even in such crude form, I could discover no more than two distinct cases, that is:—(1) the Paper Works at Schöffmühl (Lower Austria), in which a simple bonus on output was paid; and (2) the Emperor Ferdinand City Railway of Vienna.

My recent researches, carried on in 1901, have, in spite of very careful inquiry addressed both to the Imperial Statistical Central Committee and to *all* Austrian factory inspectors, revealed actually only one case of profit-sharing. That case occurs in the works for the manufacture of cardboard boxes for medicines of M. Lüdersdorf, at Saaz, in Bohemia.

Towards the end of the year 1900 that establishment employed from 250 to 270 persons, viz., 12 foremen and

employees of a higher position, 200 to 220 adult working folk of both sexes, as well as 39 youths. The superior employees received in 1900 22,500 kr. in fixed salaries, the working staff 115,300 kr. in fixed wages. In addition the establishment was made to pay 1,950 kr. for working men's insurance under State supervision, and it contributed voluntarily 2,130.36 kr. for various benefits secured to its staff.

Profit-sharing has been in force in the works since 1881. It applies actually to every employee. Herr Lüdersdorf explains the reasons which led him to adopt it in this way, in a preface to the Rules of his Factory Savings Bank, in these words:—"Times being as they are, involving frequent and incisive changes, it is absolutely necessary that employer and employed should hold together and supplement one another's deficiencies; for, just as a family must needs go under when divided by internal dissensions, in the same way a house of business or factory establishment cannot stand securely if the working folk in it are not careful to study the employer's interest. . . . I study to be careful and considerate to my workpeople—acting differently in this matter to many other employers who look upon their workpeople merely as so many instruments to serve their own ends—because, acting on humane principles, I desire to strengthen among my working folk the feeling that we are all placed in the world, without exception, to make ourselves useful and to perform our duty to whatever position Providence may have called us, to the best of our power and knowledge; and also because I desire to encourage my workmen to be thrifty and to show themselves active on behalf of their employer and attached to him, in order that by this means the business of the factory may benefit, to the advantage, not only of the employer, but also of the whole of the working staff." Evidently, in addition to these purely ethical considerations, Herr Lüdersdorf was actuated also by others, of a more material order, for in another place of his little book he writes:—"I have determined to form a thrift society, to be called 'Sparverein der Lüdersdorf'schen Cartonnagen-Fabrik,' into which a portion of the realised profits is to be paid every year, because, in the first place, I wish to secure to all my employees, of every description, a little nest egg, and, moreover, because I wish to encourage them to show themselves industrious in the discharge of all their duties and careful and economical in the use of materials."

The amount regularly disposed of in the way of profit-sharing is 2 per cent. of the net profits actually earned in the business. This is distributed among the several persons in

proportion to the wages which they have earned during the twelve months. However, only employees who have been actually at work in every one of the fifty-two weeks of the year—unless there has been illness to excuse them—are admitted to a share in the profits. Beyond this, anyone who has brought punishment upon him or herself ten times or more within the twelve months for deliberate mischief, coming late to work, working badly, showing want of care in the handling of raw material, or in the use of illuminants, or, lastly, for bad conduct, is excluded from the benefit. Workmen who actually leave their work without due notice, or who have to be dismissed for theft, mischief, rough conduct, or the betrayal of trade secrets to others, forfeit all claim to a share in the profits in favour of the workmen's benefit society. No share in profits is allowed in respect of work done outside the factory, that is, at home.

At the end of the year every employee is handed a deposit book, made out in his or her name, crediting him or her with the amount due, which is paid in on deposit to the Municipal Savings Bank of the town of Saaz, where it earns 4 per cent. interest. Every person becoming a depositor in this way has a full right to deposit further sums to the same account, and at the same rate of interest. But withdrawals are not allowed till after the expiry of a full year, and then they are limited to only half the account. Upon an employee quitting his employment in a regular way the full amount deposited is paid to him or her, with all interest accrued, in exchange for the deposit book.

The administration of the Factory Savings Bank is checked by a Committee elected for this purpose, and composed of one representative each of the employees of the counting-house and lithographic workshop, and the male and female employees of the workshop in which the cardboard boxes are made. Any matters calling for redress or amendment in connection with the thrift fund are likewise referred to this Committee, which is expected to meet at least three times every year, the employer presiding.

Within the twenty years that this fund has been in existence 29,410,95 kr. have been paid to the account of the employees in the manner explained. The largest annual share amounted to 28 kr., the smallest to 3.80 kr. In addition, employees deposited voluntarily 70,830 kr.

As regards the results of his profit-sharing scheme, Herr Lüdersdorf reports as follows:—"Share deposits are not unfrequently withdrawn from the savings bank, and as a rule

by male, unmarried employees earning good wages, who find themselves drawn by their love of pleasure into heavier expense than their wages will meet. In many instances the facility given to workmen of laying by little by little leads them to exhibit fidelity to the factory. As a matter of fact changes among the working staff are remarkably rare. In the case of some employees it is patently evident that they exercise particular care in all matters, generally speaking; however, the interest in the affairs of the factory gets blunted when the novelty of receiving the bonus wears off. The results of profit-sharing were always most plainly perceptible after actual distribution of bonuses. And certainly, in consequence of such profit-sharing, relations between employer and employed have become very satisfactory and indicative of mutual goodwill."

SWITZERLAND.—I.

BY

PROFESSOR VICTOR BÖHMERT.

In 1878, when in a book then published I reviewed what had thus far been done, generally speaking, in the matter of profit-sharing, Switzerland could take credit for having instituted the largest number of practical experiments of the sort, of all countries, in proportion to its population. There was one of these Swiss applications of profit-sharing which rightly excited particular interest. In 1867 the Federal Council had decided that employees in the Telegraph Department should be allowed "commissions." In 1869 Federal Councillor Dubs, being at that time at the head of the Swiss Postal and Telegraph Department, introduced profit-sharing for the whole staff of his combined department, alike in the Post Office and in the Telegraph Department. The employees of the Post Office benefited by this arrangement only up to the year 1873, when it was, by order of the Government, brought to a close. In the Telegraph Department, on the other hand, profit-sharing was retained. In May, 1877, Federal Councillor Dubs wrote to me as follows: "Profit-sharing among the servants of the Post Office has been discontinued, because our bureaucrats discovered that a distinctive method of remuneration could not be conveniently practised in one only of the several departments of the public service, and also because accountants got tired of keeping a large number of accounts dealing with

such small sums." As it happened, under the régime of profit-sharing, the profits of the Post Office had increased considerably, namely from 1,747,184 francs in 1871 to 1,801,339 francs in 1872. As soon as profit-sharing was abandoned, they at once declined, namely to 844,838 francs in 1873, 533,077 francs in 1874, 139,232 francs in 1875, and only 100,421 francs in 1876. On the other hand, whereas under profit-sharing the Post Office staff had proved sufficient for all requirements without substantial additions, standing at 4,202 in 1869, 4,235 in 1870, 4,254 in 1871, and 4,458 in 1872, scarcely had profit-sharing been got rid of, but there arose calls for additional men. In 1873 the number of Post Office employees grew to 4,729, in 1874 to 4,868, in 1875 to 5,148, in 1876 to 5,302. So striking was the falling off, on the one hand, and the increase on the other, that the Government considered it expedient to call attention to the fact in its official annual report for 1876. "Salaries," so it says, "stood at 34.5 per cent. only of gross receipts in 1869. In 1870 they went up to 35.9 per cent., but in 1871 down again to 32.6 per cent., in 1872 to 32.0 per cent. But in 1873 they rose to 38.8 per cent., in 1874 to 39.0 per cent., in 1875 to 41.4 per cent., and in 1876 to even 43.5 per cent."

"These figures," so M. Dubs remarked, "have more convincing power in them than any arguments. Formerly Post Office employees had a direct interest to keep down the number of the staff, in order that each might receive the larger income. This inducement being withdrawn, the natural tendency was bound to reassert itself, to share the work with as many others as possible, in order that every one may have as little as possible to do." In 1886 the Director of the Statistical Department at Berne, M. Milliet, stated to M. Trombert that profit-sharing had been found to answer well in the Telegraph Department, but that in the Post Office it had been abolished, because the employees themselves desired this, asking instead for higher fixed salaries. He attributed the falling off in Post Office receipts to the prevailing general badness of the times rather than to any other cause. I do not look upon M. Milliet's statement as contradictory, but rather as supplementary, to that of M. Dubs. In any case the severe criticism passed upon the discontinuance of profit-sharing in the postal service by the author of the innovation deserves notice.

It was probably in memory of M. Dubs' proceeding in 1869 that Federal Councillor Emil Frey, at that time at the head of the Military Department, gave instructions to the

Zurich engineer, Herr A. Jegher, in May, 1892, directing him "to inquire whether the adoption of a system of profit-sharing among the workmen and the public servants in the several manufacturing establishments dependent upon the War Office appeared practicable and desirable." Herr Jegher in his Report gave the following as the conclusions at which he arrived at:—"that sharing the profits earned with the workmen and other employees in the Government workshops, supposing this to mean that further money is to be made available for paying them beyond the mere measure of their fixed wages, would be legitimate, and, indeed, appeared called for."

There is another characteristic case of profit-sharing, equally typical of the country, besides that of the Post Office and Telegraph Departments, to be placed to the credit of Switzerland. It is that of Messrs. Billon & Isaac, of Geneva, musical box makers. The scheme of profit-sharing applied in this instance is peculiarly interesting, as having been very carefully prepared and thought out, as well as consistently practised. Messrs. Billon & Isaac introduced profit-sharing on 1st July, 1871. Under their system the workmen and other employees were to receive 50 per cent. of the net profits shown to have been earned when the balance sheet for the year was completed every 30th of June, after due allowance being made for interest on capital, sinking fund and reserve, the bonus to become due after the approval of the balance sheet by the shareholders in general meeting. Half the portion of the profits falling to every man's share who had been employed in the workshop more than three months, was to be paid down in cash, being calculated in proportion to the wages earned. The remaining half was to be retained by the firm, to be invested in the business and converted into shares every time the figure of 100 francs was reached. Under this system it was the firm's lot to pass through evil times as well as good, and the amount of annual profits shared with the workmen consequently fluctuated not a little. Whereas, for instance, in 1872 to 1873, the average profit bonus of every workman had amounted to about 28½ per cent. of his annual wages, in 1877 not only were there no profits to divide, but the working day had also to be reduced to seven hours. In such periods of depression the firm made it its practice gradually to repay its employees the bonuses previously retained. And that was appreciated as a special boon and as a recommendation of the system by all concerned. It practically meant the creation of a fairly ample reserve fund for a rainy day out of the superfluous earnings

in fair times. The Managing Board of the firm Billon and Isaac in a letter dated 26th August, 1880, confirmed the impression previously gathered that profit-sharing had in their application of it yielded good results and given ample satisfaction to themselves. Their letter concluded with these words:—"Nous nous félicitons beaucoup d'avoir adopté ce principe, qui porte toujours de bons fruits."

Owing to various causes, of which the adverse customs arrangements made were the principal, the position of the firm has declined within the last two decades, and a conversation which I had with M. Billon in 1892 made it clear to me that things had become worse. For some time, in the place of 28 per cent. addition to wages previously allowed, it had proved impossible to pay any bonus at all; the number of employees had also dwindled, and the future of this particular industry seemed in jeopardy. Under such circumstances an embarrassing consequence revealed itself, which is, of course, not attributable to profit-sharing in itself, but certainly to the particular method of investment of profit bonuses adopted, namely, in shares in the firm. The workmen shareholders, lacking, of course, the insight which the directors possessed, and which in bad times is of particular importance, actually hindered the free development of the business in accordance with altered markets. Herr Billon arrived at the conclusion that, although it would certainly be desirable to retain profit-sharing, yet that shares in the business could be allotted to workmen, if at all, only on condition of their conferring no right whatever to a voice in the management. The present proprietor of the firm abandoned profit-sharing altogether a few years ago, owing to the precarious condition into which his peculiar industry, the making of musical boxes, had sunk in Switzerland. And there the matter ends.

Of the remaining profit-sharing firms called attention to in 1879 there is at the present time only one surviving, namely the yarn spinning works of Schaffhausen (formerly Chessex & Hössly). However, new recruits have entered the profit-sharing ranks—it is true only to fall away again, in some instances. Thus it comes about that there are at the present time only 12 new additions to report since 1878. It is true a considerable number of firms allow their employees bonuses or gratuities; but these cannot rank as instances of genuine profit-sharing. The following firms have adopted and discontinued profit-sharing:—Messrs. Reishauer, maker of mathematical instruments, of Zurich; the clothworkers Wädensweil; and Messrs. Geilinger, of Winterthur.

At the present time I know only of 12 firms systematically practising profit-sharing with their workmen. All these, without exception, are industrial establishments, employing, among them, in 1900, in round figures, 300 employees. Of the 12, six are joint stock companies and six private firms.

The establishment which has had profit-sharing in operation longest is the firm of Balland et Cie, makers of parts of clock-cases, at Geneva, which introduced it as long ago as 1847. The system then adopted is still in force. The percentage of profits divided among employees varies, according to the results of any one year, between 15 and 20 per cent. Every person employed without break during the preceding two years is entitled to from one to three "shares," that is, if his or her service have been from two to seven years one share, if from seven to twenty, two shares, if above twenty, three shares. Seventy per cent. of the whole sum is distributed according to length of service, the remaining 30 per cent. according to the employer's estimate of the quality of the employee's services. All is paid in cash. But employees are allowed to deposit the money with the firm, which pays them 5 per cent. interest, as an encouragement to thrift. At the close of 1900 this firm had in all 115 persons in its employ, of whom 15 were clerks and foremen, 47 adult male workmen and 53 adult women. In 1900 26,000 francs was paid in salaries and 117,000 francs in wages. The entire sum distributed by profit-sharing since 1847 is 515,000 francs. The employers report the results to have been eminently satisfactory.

The next firm in point of profit-sharing seniority are the spinning works of Schaffhausen (late Chessex & Hössly), which began the practice in 1867. Next follows the present firm of Chessex & Hössly, likewise of Schaffhausen and also spinners, which adopted the system in 1868, and now employs about 160 hands. The precise percentage of the workmen's share is fixed once for all, but not made known. Part is paid in cash, part kept on deposit and allowed to be drawn out in bad years. Messrs. Weilenmann Brothers, manufacturers of articles made of flour, of Winterthur, practice profit-sharing since 1876. The firm has about 60 employees, who receive among them annually from 3,500 to 6,500 francs in bonuses, according to no fixed principle of sharing. Herr Fischer, manufacturer of chemical articles, at Fehraltorf, practises profit-sharing among his 60 employees since 1878 with satisfactory results. The employers allow

their employees a full 50 per cent. of the profits after deduction of all outgoings, limiting the title to a share to persons over eighteen, and of at least one year's uninterrupted service. One-third of the share is paid in cash, one other third is deposited at 5 per cent., but not withdrawable except in case of death, of attainment of the age of 65, or of completion of 25 years' service. The remaining third is paid into an old age provident fund.

Messrs. Peyer, Favarger & Co., manufacturers of electric apparatuses at Neuchâtel, divide a share of $12\frac{1}{2}$ per cent. among their 84 employees since 1888. The shares are allotted according to amount of wages drawn, length of service, and age, and are paid half in cash, the other half being retained on deposit till the 50th year is reached. Since 1890 on an average 2,590 francs has been paid every year in bonuses. The *Fabbrico Tabacchi*, of Brissago, likewise adopted profit-sharing in 1888. The 568 employees sharing in the bonus are allowed their shares in this way:—The manager receives 5 per cent., the superior grades 6 per cent., and the ordinary workmen 6 per cent. The *Société Genèveise pour la construction des instruments physiques* has 160 employees, and distributes a profit bonus since 1890. On a total of 246,950 francs of fixed salaries and wages in 1900, 2,870 francs was paid into a provident fund, and 32,875 francs in bonuses. The average payment of bonuses has been 20,000 francs per annum. The silk spinning works of Stünzi Sons, of Horgen, adopted profit-sharing in 1899. They employ 1,300 persons in all, and allow 5 per cent. of the profits to the workpeople, paying now the whole into a provident fund. It used to be paid in cash, so as to yield to every one at least six months in employment a bonus amounting to at least $2\frac{1}{2}$ per cent. on the wages. The Electro Chemical Works, "Volta," and the *Compagnie de l'Industrie Electrique*, both of Geneva, the one employing 140 persons, the other 330, adopted profit-sharing, the one in 1899, the other only in 1900. But of the 140 only 32 are entitled to a bonus. The "Volta" allows 1 per cent. on the total paid in salaries and wages, for every 1 per cent. on capital drawn by the shareholders. Thus in 1899, when a 6 per cent. dividend was declared, the 32 received 6 per cent. of their fixed wages (51,750 francs), *i.e.*, 3,105 francs in bonus. The other firm is to pay 20 per cent. of the profits after allowing 5 per cent. on capital. The last firm to be mentioned is that of Herr Zai-Kappeler, optician, of Turgi, who has adopted profit-sharing in imitation of Herr Zeiss in Germany, only since 1901. His workmen are to receive a

full 50 per cent. of the net profits after payment of 4 per cent. to capital and 5 per cent. depreciation allowed on plant and 1 per cent. on buildings. The workmen's shares are retained to their account, and are designed to acquire for them by degrees possession of the entire business.

SWITZERLAND.—II.

In the foregoing report no reference whatever is made to profit-sharing in co-operative societies. The practice of giving a share of profits to employees is, however, very general in Swiss distributive societies, more specifically as regards salesmen and sales-women in stores, who are obviously in a position to influence trade. The bonus is, as a rule, not conceded as a matter of right, under the rules, entitling the beneficiaries to a legal claim. But it is generally provided for in the *règlement*, or bye-laws, passed from time to time by the committee of management at their discretion. The committee of management also reserve to themselves a discretion in respect of the distribution among the employees as individuals.

A rather typical instance of such profit-sharing is that of the *Société Coopérative Suisse de Consommation* of Geneva, one of the best managed co-operative societies in Switzerland. Under its regulations 10 per cent. of the net profits go every year to the employees, in the following proportion : 1 per cent. to the manager, $\frac{1}{2}$ per cent. to the cashier at the head office, 1 per cent. to the cashiers at the various stores, 1 per cent. to the shop women. The remaining $6\frac{1}{2}$ per cent. is divided in equal parts among all employees, with the exception of the manager and the chief cashier. Thus allotted, the annual share in the profits yields the employees from 30 per cent. to 35 per cent. addition to their fixed salaries or wages.

The *Société Coopérative des Pharmacies Populaires*, likewise of Geneva, which, in addition to selling to the public and under an arrangement to members of other co-operative societies, supplies Friendly Societies, numbering at least 12,000 members, with medicines and other chemist's wares, distributes under its rules 20 per cent. of its net profits among employees of at least one year's standing, down to the shop boys who carry out goods, in proportion to their salaries or wages. This arrangement is found to work very well.

BELGIUM.

BY

M. ALFRED MICHA, Secretary of the Belgian Federation of People's Banks.

At the competition for prizes offered by the Musée Social of France in 1897 for the best essay on "Profit-sharing," the first prize granted was awarded to a Belgian, M. Emile Waxweiler, a civil engineer attached to the Belgian Labour Department.

There were no less than twenty-three competitors in the field on this occasion. Nearly every one of them was a native of France—France, the country from which, so it may be said without injustice to the work done by Vansittart Neale, the first effective impulse issued in favour of the movement in support of this method of remuneration of labour, the method which has now become a favourite object of study in all the world for all who desire to establish an improved form of wage-paid labour. And the Belgian author was actually the first to obtain an award from a panel of judges composed, as M. Boucher, Minister of Commerce and Industry, observed at the solemn meeting held to proclaim the honours just awarded, of men as eminent for their knowledge as for their devotion, so well-known to all those who take an interest in social improvement, in the improvement of relations between those two direct enterprises, and who carry them out! We Belgians may well take credit for this. Nevertheless, it would be a mistake to infer from it that Belgium is actually one of the countries in which profit-sharing is in practice most fully developed. Quite the reverse! Up to now in Belgium profit-sharing has been tried only by an infinitesimal proportion among employers and leaders of industry. And there is no sign as yet, so it must be admitted, of a prospect of the system becoming general.

It is quite true that there is as yet as good as no propaganda to stimulate the adoption of this fairest of methods of remuneration, based upon the sound principle: "To every one be given according to the share which he has contributed in the shape of labour or taken in the shape of risk."

Doubtless we have some employers of industrial labour, such as M. de Nayer, the paper-maker and boiler-maker at Willebroeck, and M. Broel, the great ironmaster of La Louvière, who have laboured to link capital and labour more closely together by giving to both alike a direct interest in the result to be obtained by their common effort. However,

these admirable enterprises date from ten and fourteen years ago. And, although the results have proved fully as satisfactory as might have been hoped, there are scarcely any among our other employers of labour, large or small, who have acted upon so excellent an example.

In my report presented to the Third Congress of the International Co-operative Alliance, held at Delft in 1897, I was sorry to have to state that among our many individual employers and employing companies in Belgium, I did not know of a single one who or which had, in their works, adopted a genuine and complete scheme of profit-sharing. And I added these words:—I cannot, in fact, recognise as such schemes any in which the three following points are not made essential features:—(1) That there should be a definite share in the profits, fixed beforehand, assigned to labourers and other employees; (2) That there should be a distinct proportion in the profits fixed in advance as due to every particular person; and (3) That the share in the profits falling due to every one should become in very fact his property, from the moment that it is credited to him.

What I said at that time applies almost to the very letter to what prevails at the present period. Nevertheless, I want to mention that the People's Bank at Liège, a co-operative society, has since some years introduced for the benefit of its employees—including the messengers who cash notes and bills—what I think I may justly term a genuine and democratic scheme of profit-sharing. Under this arrangement the particular share falling due to employees, fixed definitely beforehand, and apportioned partly per head and partly in proportion to the salary drawn, becomes the particular employee's own from the moment that it is assigned, and every employee actually receives his share.

Beyond what has been referred to, one has just a little right to be surprised at the attitude taken up, up to now, in this matter of profit-sharing by the socialists, who must certainly be allowed to have accomplished otherwise, in our country, some great things in the practice of co-operation. It is not that they have not often enough spoken openly in favour of the principle in their co-operative societies, and urged its practical application; but the number of socialist co-operative productive or distributive societies carrying out this idea and adopting in practice what may be recognised as genuine profit-sharing, such as I understand by the term, based upon the cardinal conditions that I have just stated, still remains lamentably small. Wherever in societies of

this description profit-sharing schemes exist at all, they only too often disregard either the one or the other of the fundamental points named.

In truth, our socialists do not appear to give as much attention as one might expect that they would, to this important question of profit-sharing, which touches very nearly so many of the most weighty social interests. They, for instance, make no serious effort to obtain in private workshops the adoption of this method of remuneration which, coupled in a liberal spirit with the ordinary wages system, could, nevertheless, scarcely fail to bring about a substantial improvement in the position of working men. Industrial employers, on the other hand, pay just as little attention to the system of profit-sharing, which, if justly and equitably applied, must have the result of reconciling the interests of capital and labour. An active propagandist effort, based upon the points that I have laid down, appears necessary in the two quarters indicated. If it were undertaken with a clear aim kept in view and under favourable conditions, it would, in all probability, have the effect of calling forth new experiments within little time—experiments, having for their object the amelioration of the relations now existing between employers and employed, which, being based exclusively upon the conditions of wages, are—so it will have to be admitted—capable of considerable improvement, alike under the aspect of fuller distributive justice and of maintenance of social order.

THE NETHERLANDS.

BY

P. TJEENK WILLINK.

Having prepared a report on profit-sharing in the Netherlands as recently as 1897, for the Delft Congress, I confine myself on the present occasion to merely bringing up to date the data given to what I have called *genuine* profit-sharing, and refer readers otherwise to what I wrote then. The data to add are these:—

Co-operative Distributive Society, "Eigen Hulp," at Utrecht. The proportion of profit bonus has remained unaltered at 5 per cent. of the net profits; however, since profits have slightly fallen off, the payments made to the (22) employees in respect of bonus have dwindled in 1901 to 1,932.90 florins.

Co-operative Distributive Society, "Eigen Hulp," at the Hague. The rate of the share in profits allowed has remained the same; the amount paid in 1901 to 158 employees was 17,905 florins, corresponding to from 15 per cent. to 30 per cent. addition to fixed salaries or wages.

Co-operative Distributive Society, "Eigen Hulp," at Arnheim. The employees receive 5 per cent. of the net profits. The sum paid in 1901 (to 21 persons) was 1,694.90 florins.

Co-operative Distributive Society, "Eigen Hulp," at Breda. The employees receive 5 per cent. of the net profits; this amounted in 1901 to 451 florins.

Co-operative Distributive Society, "Eigen Hulp," at Amsterdam. The employees receive 10 per cent. of the net profits, which amounted in 1901 to 2,950 florins.

Co-operative Society for the purchase of fruit and vegetables at the Hague. The employees receive 15 per cent. of the net profits, that is, 10 per cent. in cash and 5 per cent. in contribution to their friendly society; this amounted in 1901 to 246 florins.

Co-operative Butchery, "Eigen Hulp," at the Hague. The bonus amounts to 10 per cent. of the net profits; in 1901 it was 2,230 florins, shared among 19 persons.

Co-operative Bakery, "Volharding," at the Hague. The staff receives 4 per cent. of the net profits in cash, which amounted in 1901 to 4,300 florins, among 112 persons; in addition, the Society pays a sum corresponding to 5 per cent. of the fixed wages into an old age pension fund.

Nederlandsche Geest en Spiritusfabriek, at Delft. (Managing Directors: MM. J. C. van Maarken and F. G. Waller). The employees' share in the net profits amounted in 1901 to 67,158.40 florins; that is the highest figure yet reached since profit-sharing was first introduced in 1879. Of this sum 49,000 florins was allotted to the employees in the factories at Delft (the Company has also factories at Rotterdam and Bruges) and half was actually paid in cash (to 500 persons), the other half being carried to the credit of the supplementary pension fund.

Franco-Dutch Oilworks, Calvé-Delft, at Delft. (Managing Director: M. J. C. van Maarken). Since the amalgamation of the two establishments, at Bordeaux and at Delft, the position of the Company has been so much improved that there are now every year profits to share with the employees;

the precise figures cannot be stated because the balance sheet of the Company is not published ; the employees, however, received last year an addition of from 5 per cent. to 10 per cent. to their fixed salaries and wages.

Glue and Gelatine Works, "Delft" at Delft. (Managing Directors : MM. J. C. van Marken, F. G. Waller and R. W. van Stolk). Since 1897 the position of the Company has improved to such an extent that the profit bonus of 10 per cent. secured to the employees every year by agreement has come to mean very considerable sums ; the Company publishes no balance sheet ; however, it may be mentioned that during the past two years something like 4 per cent. on their wages has been paid to the employees apart from contributions of an even larger amount made for the creation of a sick and old age pension fund.

MM. Stork, Frères & Cie, Engineers, at Hengelo. The Company publish no balance sheet ; the employees benefiting by a share in the profits, which is considerable, number about 800 persons. M. Stork assures me that the results obtained from his profit-sharing are very encouraging.

The Engineering Works, "Reineveld," at Delft. (Managing Director : M. J. G. F. Rooker). From 1897 to 1901 10,000 florins have been paid to the employees of this firm in profit bonuses, and from 1894 to 1901 17,000 florins. The larger portion of this payment has gone into the employees' pension fund ; but about 3,000 florins have been distributed in cash. The workmen above the rank of foremen receive a special share in profits according to an agreement made with every person individually.

Royal Construction Works at Helmond. (Managing Directors : MM. E. H. Begman and J. B. Kam). Ten per cent. of the net profits are paid on the workmen's behalf into an old age pension fund ; the amount so appropriated from 1897 to 1900 was about 4,000 florins.

Commercial Establishments of the City of Amsterdam. The application of the profit-sharing system practised in these establishments has been extended to the petroleum store in respect of employees of the same categories as benefited by it elsewhere ; these are now twenty ; the burgomaster and the échevins report the results to have been altogether satisfactory.

The Company for the Exploitation of State Railways. (Managing Director : M. J. P. Sprenger van Eyk, a former Minister of State). A change has taken place in the

arrangements in force for the payment of a share in the profits to the Company's officers, but the number of persons entitled to receive such share has remained substantially the same (378 in 1899; 389 in 1900). Some of the officers who are by the new arrangement excluded receive an addition to their salary instead. The amount of profit bonus paid was 19,354 florins in 1899, and 19,215 florins in 1900.

The First Insurance Company for Life, against Accidents and against Incurable Disablement, at Rotterdam. (Managing Directors: MM. P. R. Mees and J. F. Westenberg). The actual amount of profit bonus paid cannot be stated till the balance sheet for the period 1897 to 1901 is passed by the shareholders in General Meeting.

The *Credit Bank* has, in 1900, allowed its two employees a share in the profits at the rate of 5 per cent., amounting to 225 florins.

The Beetroot Sugar Works at Gastel and St. Antoine. (Managing Director: M. J. F. Vlekke). The Board of Management has issued no further particulars since 1897.

Co-operative Commercial Printing Works of Leeuwarden. (Manager: M. O. Rommerts). The staff, consisting of 25 persons, shares in the profits at the rate of about 3,700 florins per annum; the results of profit-sharing are to be seen in the improved way of living of the workmen: better food, clothing, housing accommodation, and children's schooling.

The Fabrique Hollandaisè de Confections and the Société commerciale et industrielle C. van Epenhuijsen have both gone into liquidation. Nevertheless, the managing directors of both write to say that they remain favourable to profit-sharing, and M. van Epenhuijsen adds that he means to apply it again in his new establishment.

* * * * *

One or two words are due here to the establishments which have adopted the principle of labour co-partnership.

The Spinning Works, "De Eendracht," and the *Cigar Works, "Winstdeeling,"* have both gone into liquidation as a consequence of severe competition which they were unable to face. Some other firms have, however, adopted the system. Among them are three *Printing Works*, the "Trio" of the Hague, "De Eendracht" of Schiedam, and the "Plantyn" of Amsterdam: moreover, a firm of *Diamond*

Cutters and a firm of *Builders*. All these establishments report themselves to be doing well. Only "De Eendracht," however, has succeeded to such an extent as actually to practise profit-sharing. It has shared out :—

In 1898 170.25 florins, equal to 9 per cent. of the wages.

In 1899, 440.58 florins, equal to 18 per cent. of the wages.

In 1900 nil.

In 1901 373.20 florins, equal to 12 per cent. of the wages.

The Managing Director states that the system has had a great moral effect, which very favourably influences the turn-out of work. He adds at the same time that admitting customers to a share in the profits has not answered anything like what was anticipated.

As regards the firms mentioned in 1897, although there appears to be no cause for complaint in respect of success, still the receipts have not been such as to bring the system of profit-sharing actually into use.

The Van Marken Printing Works have a different tale to tell at the close of their tenth year. Quite apart from the members of the Board of Management, there are workmen in the works who already hold from 8 and 10 to 20 shares of 100 florins each. And the Society has been able to repay M. van Marken the 20,000 florins advanced by him for starting the works in full. The profit bonus paid in 1901 was which (that is, from 2.8 to 14 per cent. of the wages) was 28 per cent. of the wages, from 10 per cent. to 50 per cent. of paid in cash, in ratio varying according to the age and the number of children of the person entitled to the share. The moral effect of the system has, in these works, been very striking. Indeed, the Committee of Management have repeatedly declared that the success of the undertaking is due to the zeal and devotion shown by the workmen. A fixed wage is paid per week, without exact regard to the number of hours worked. The hours are to a certain extent regulated by the amount of orders to execute. As a rule the working day comprises nine hours, and it very rarely, indeed, exceeds 11 hours—only in very few cases of quite exceptional pressure.

DENMARK.

BY

MR. SVEND HÖGSBRO, Hon. Secretary of the Co-operative Union of Denmark.

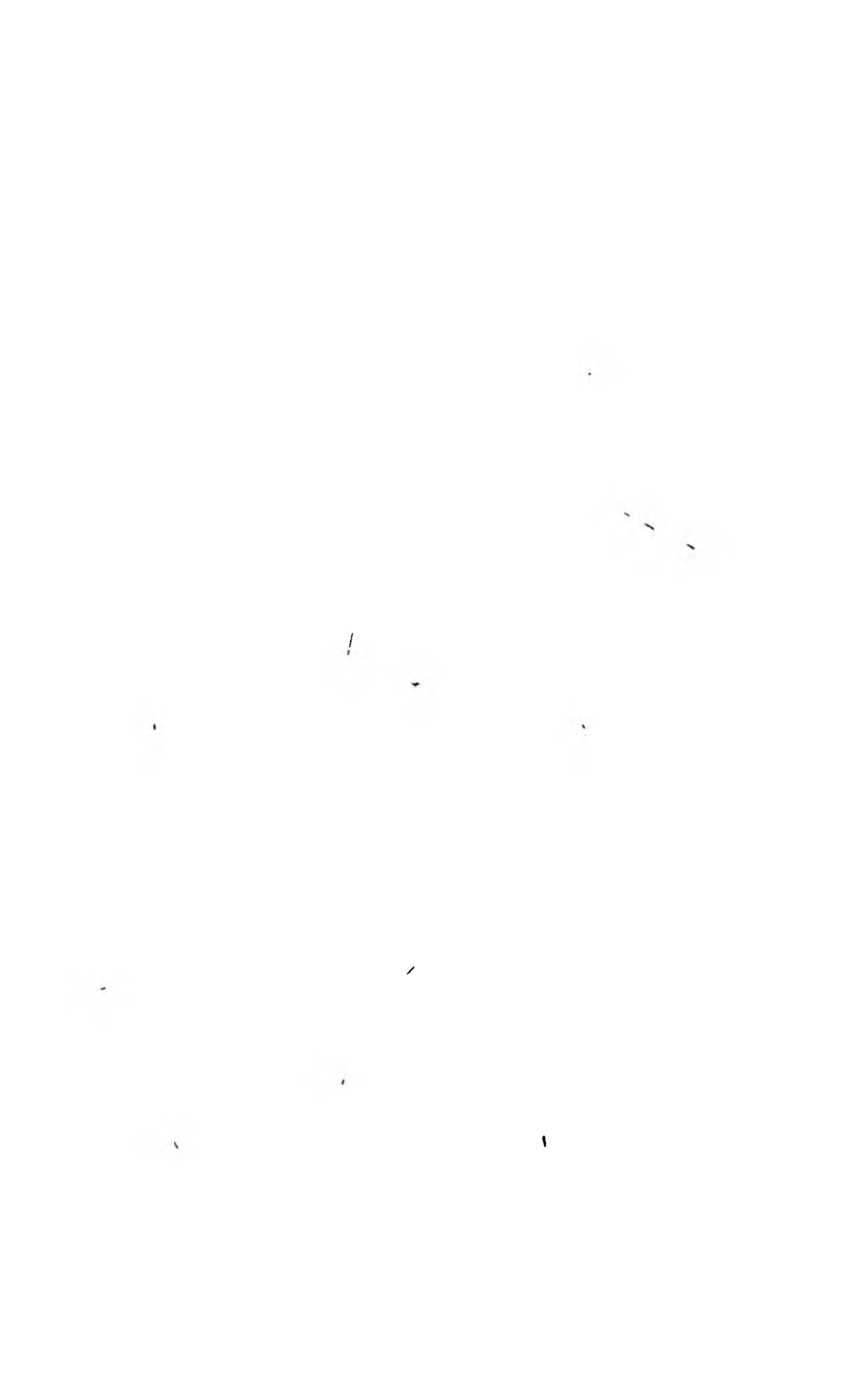
Assuming that what is meant by "profit-sharing" is that labour is allowed a definite share in the net profits earned, the answer must be, so far as the various forms of co-operative business come into question, that there is very little of this to be met with in Denmark. As far as I have been able to gather particulars from our co-operative societies, none of them make a rule of giving their workers anything of the kind. This applies equally to the distributive societies and to the productive (dairies, pig-slaughteries, egg-export associations). To be sure we have instances of the workers being paid in proportion to the sale or the production. For instance, in the distributive societies the distributors ("Uddelerne") are, as a rule, paid a percentage on the total yearly sale, fixed beforehand in their agreements; in the dairies the managers are often paid in proportion to the amount of milk delivered, or butter (or cheese) sold; in the Danish Farmers' Co-operative Egg-export Association the managing director receives 1 pro mille of the value of exported eggs. But the "profit" or net result itself, is ordinarily kept for the members only.

I have, indeed, met with some co-operative dairies in which the manager is allowed some fixed percentage on "the net result." This is genuine "profit-sharing," so far as it goes.

A change for the better may perhaps be expected. For the subject of profit-sharing is beginning to occupy men's minds, and M. Severin Jørgensen, President of the Danish Co-operative Wholesale Society has recently described the matter with great ability in our weekly paper "Andelsbladet." (Nr. 45, dated the 29th November, 1901).

THIRD PART.

PROCEEDINGS OF THE CONGRESS.



Committee Meetings.

A.—MEETINGS OF THE CENTRAL COMMITTEE.

- (1) Meeting held at the Offices of the Co-operative Wholesale Society, Balloon Street, Monday, 21st July, at 11 a.m.

Present:—Mr. Henry W. Wolff, Chairman; Mr. J. Greenwood, Treasurer; Mr. J. C. Gray, Hon. Secretary; Messrs. Count de Rocquigny, de Boyve, Gide, Dr. Müller, Hardern and McInnes.

The CHAIRMAN submitted and explained the Balance Sheet, which had been audited. On the motion of M. DE BOYVE, seconded by MR. HARDERN, the Balance Sheet was passed.

The CHAIRMAN next read the Report of the Executive Bureau, which was likewise approved, on the motion of MR. HARDERN, seconded by M. DE BOYVE.

The Report is as follows:—

“The two years which have elapsed since the Central Committee last met at Paris have been outwardly uneventful. But the balance sheet of itself shows that the period has not been without profit to the Alliance, which has, in the interval between the two Congresses, made considerable progress in gathering fresh financial strength and so fitting itself all the better for further work. The conduct of the business has remained, as heretofore, principally in the hands of the Bureau Directeur, which has prosecuted its work with continued attention, and believes that by its preparatory labours a good foundation has been laid for future beneficent action.

“After the Paris Congress the Bureau Directeur, as has been already stated to the Central Committee, lost no time in taking in hand the work committed to it by the Paris Congress. Above all things it immediately set to work to frame new draft rules, which were, in due course, submitted to all members of the Central Committee, and appear to have met with approval in most quarters. Some alternative propositions, as well as proposals for amendment, however, have been sent in. Both the draft rules and the amendments and alternative propositions await the judgment of the Congress.

“The Bureau Directeur has likewise done its best to give effect to the other resolutions adopted at Paris:—

- (1) It has invited co-operators in all countries in which

National Sections' did not already exist to form such. National Sections have, as a matter of fact, been since formed in Belgium, Sweden, Denmark and Switzerland, in addition to the National Sections previously existing in the United Kingdom, France, the Netherlands, Spain and the West Indies.

(2) It has advised co-operative societies of the resolution passed by the Congress calling upon them to communicate to it all their rules and other matters affecting their organisation, as well as amendments to such. This request has thus far been only partially complied with.

(3) It has, as required, invited National Sections to communicate to it for submission to the Congress their views upon the best methods for developing international trading relations, and extending the practice of profit-sharing. There has been no response to this request.

"The Central Committee has to congratulate the Alliance upon a new accession of strength, both as regards membership and funds.

"There has been a very satisfactory addition of new members, bringing up the total number from 242 societies and 100 individuals, 342 in all, in 1900, to 369 societies and 118 individuals, 487 in all, in 1902, with more members either elected or else given notice of since. The increase of membership has been by far the most marked in the United Kingdom, which now contributes 290 out of 487 members, and 246 out of 369 societies. However, one very noteworthy feature in the movement during the past two years is, that members have come in from foreign countries, not previously represented, such as Sweden and Russia.

"Societies have recently been elected members from Podolia and Finland, and we have been prepared for more applications for election from Russia. On the other hand, there has been an actual falling off in the Netherlands. The policy of a union of forces for labouring in common for the success of the common cause, therefore, appears to be commending itself more and more to co-operators all over the world, and there is a good prospect of the aim of the Alliance, of spreading out its organisation over the whole inhabited globe and uniting co-operators in all countries in a powerful federation, being realised.

"Thanks, in the main, to the enrolment of new members in Great Britain, the income of the Alliance has substantially increased, reaching in the last twelve months (if allowance is made for payments for the year received after date, and others rightly to be credited to the year 1900-1901) the

respectable sum of £384 7s. 7d., and placing the Alliance on 30th June last in possession ostensibly of the handsome cash balance of £518 9s. 7d. From this figure considerable deductions will have to be made in respect of the very heavy expenses incurred, and still to be incurred, in respect of the Congress. All the printing has to be paid for, interpreters, reporters, journeys, etc. The report is to be published in two languages, and it bids fair to be at least twice the size of the last. Accordingly, something like £300 or more will probably have to be deducted, and in respect of actual assets the position of the Alliance is scarcely much stronger than it was in 1900, when we closed with a balance of £223 7s. 1d. However, the income of the Alliance has, no doubt, become larger, and promises to continue so. The Alliance has met the exceptionally heavy expenses occurring in connection with the Manchester Congress without impairing its actual strength, which is tantamount to saying that its financial position has sensibly improved.

"The balance sheet, among other things, shows that the inequality, previously prevailing, in the amounts coming in from various countries, has become still more marked. Great Britain, which supplies about three-fifths of the members, now pays nearly two-thirds of the income. In the present stage of the existence of the Alliance it is perfectly natural that British membership should largely predominate. However, it is to be hoped that all countries will do their best, and that, more particularly, individual members wishing well to co-operation, will not be content to pay the minimum subscription of five shillings. For the Alliance cannot carry out the work which it has set itself to do without adequate funds.

"As it is, it is partly due to the uncertainty until now prevailing with regard to income and outgoings, that the issue of a news sheet in several languages to serve as organ of the Alliance and a link among its members has remained in abeyance, most desirable as it is felt to be. Another reason is that it has proved impossible to obtain an acceptable estimate for printing in three languages from any co-operative printing works. Also, the preparations for the Manchester Congress have entailed an exceptional amount of work. Now that a better income seems secured, it is to be hoped that the issue of a news sheet in three languages may prove possible before the year is out.

"There is, unfortunately, not much progress to record in respect of international trading relations. The care of this matter was, at the Paris Congress, on the motion of M. de

Larnage, entrusted to a committee of 21 members, of which M. Fitsch was elected chairman. This committee does not appear to have met. However, M. Fitsch reports that an office for the interchange of information (*office coopératif de renseignements commerciaux*) relating to the matter has been formed at Paris, in the Rue Christine.

"The Bureau Directeur has, on its own account, done all within its power to promote international trading relations. It has received inquiries under this head from various countries—Austria, Belgium, the West Indies, the United States and France—and has done its best to place co-operative producers and consumers into communication, in some cases with good results.

"The profit-sharing committee has not met. In order to give effect to the resolution adopted on the motion of Comendatore Ponti both by the profit-sharing committee and the Congress at Paris, the Bureau Directeur has invited reports on the position of profit-sharing in various countries from high authorities, and has obtained such from the United Kingdom, Germany, Austria, Switzerland, France, the Netherlands, Belgium, the United States and Denmark, which are now issued in English and French.

"The Bureau Directeur has also, as usual, procured from distinguished co-operators reports on the condition of co-operation generally in eighteen different countries (counting Germany as one). These are likewise issued in English and French. Most of the reporters appear, however, to have lost sight of the resolution adopted at Paris on the motion of M. de Boyve, calling upon them to report specifically upon the effect of co-operation to be observed in improving moral and intellectual instruction, bringing about a fusion of classes, and eradicating vice in each country.

"Thanks to generous gifts, the Bureau Directeur has collected a fair additional number of books as a nucleus for an Alliance library. It is to be hoped that the library will be further added to in the same way.

"The fresh impetus given to wholesale co-operation by the discussion of this subject at the Paris Congress appears to have continued. Wholesale co-operation is extending its operations in several countries, and promises to prove richly useful everywhere.

"Under the present rules, which it is now proposed to replace by new, the following members of the Central Committee retire by rotation, all being re-eligible:—Messrs. Wolff, Greening, McInnes, Plummer, d'Andrimont, Blem, Buisson, Rostand, Dr. Crüger, Dr. Havenstein, Peereboom-

Voller, L. Reece, N. O. Nelson, Professor Schar, Piernas y Hurtado, Avramovitch, Comm. Cavaliere, Comm. Pontik. There is also a vacancy owing to the retirement of M. Boutcoulescu, of Roumania.

"On the whole, in the opinion of the Central Committee, the International Co-operative Alliance may be taken to have made satisfactory progress even in a period marked by no striking outward acts. Every new movement of the sort requires at the outset a period of quiet growth and development, as a plant must send its roots down into the ground before it can spread out its branches and produce visible fruit. To that point the Alliance now appears to have developed. It appears firmly rooted in the ground. It has brought co-operators of many countries together, made them feel their common brotherhood and learn to act in common. With the continuing support of its members it may be expected to prove productive of much real, practical good to the cause of co-operation in the future."

Upon the nominations of candidates for membership in the Alliance being considered, MM. GIDE, DE ROCQUIGNY and DE BOYVE submitted the following resolution:—

"That every application for election to the Alliance, whether on the part of a Society or of an individual, be made through the intervention of the Bureau of the National Section, or of one of the National Sections, of the country to which the Society or individual belongs."

This resolution was adopted.

M. GIDE thereupon moved, and MR. MCINNES seconded, the election of the following as members of the International Co-operative Alliance:—

Grosseinkaufs-Gesellschaft deutscher Consumvereine.
(Hamburg).

Tabakarbeiter-Genossenschaft. (Hamburg).

Union des Tisserands d'Ellezelles.

Coopérative de Zon de-Zele.

Campagnards socialistes de Grandheez.

La Bellevilloise. (Paris).

La Fédération des Sociétés Coopératives de Consommation de la région du Nord-Ouest. (Sotteville).

L'Espérance Coopérative. (Ravières).

La Prévoyante. (Paris).

Pacific Coast Co-operative Union. (California).

The election was approved.

On the motion of MR. J. C. GRAY, seconded by MR. HARDERN, it was decided to submit the names of the follow-

ing gentlemen to the Congress as constituting the "Bureau of the Congress":—

Vice-Presidents:—Messrs. de Rocquigny, Goedhart, Micha, Blem, Müller, Anton, Postelt.

General Secretary:—M. de Boyve.

Secretaries:—Messrs. Serwy, Pronier, de Seilhaç, Dr. Slotemaker.

The Chairman, Vice-Presidents and General Secretary to act as Standing Orders Committee.

The motion was carried.

In conclusion it was decided that the Central Committee should meet on 23rd July, immediately after the conclusion of the Congress sitting of that day at Downing Street, to consider names to submit to the Congress for election on the Central Committee.

(2) Meeting held at the Offices of the Manchester and Salford Co-operative Society, Downing Street, Wednesday, 23rd July, at 1-15 p.m.

Present:—Mr. Henry W. Wolff, in the Chair, Messrs. Count de Rocquigny, Gide, de Boyve, Micha, Blem, Gray, Greening, Hardern, McInnes and Greenwood.

The minutes of the last meeting (21st July) were read and approved.

The following were elected members of the Alliance without discussion:—

Co-operative Union of Kansas.

La Justice. (Waremmé).

Le Progrès. (Jolimont).

Société coopérative des Viticulteurs du Beaujolais et du Sud-Est.

La Prévoyante. (Tournai).

La Coopération Socialiste. (Paris).

La Famille Nouvelle. (Paris).

L'Union. (Amiens).

Western Co-operative Association. (Kansas City).

After some discussion it was decided to propose to the Congress the following gentlemen as members of the Central Committee in the place of those retiring by rotation or resignation:—

Great Britain:—Messrs. Wolff, Greening and McInnes.

France:—Messrs. Rostand and Barré.

Germany:—Dr. Crüger, Dr. Havenstein, Herr Kauffmann.

Holland :—Mr. G. J. D. C. Goedhart.

Spain :—M. Salas Anton.

Italy :—Messrs. Ponti and Maffi.

Servia :—M. Avramovitch.

Belgium :—M. d'Andrimont.

Denmark :—M. Blem.

West Indies :—Mr. Reed.

United States :—Mr. N. O. Nelson.

Switzerland :—Professor Schär.

Hungary :—Count Károlyi.

The resolution of which Mr. Lord had given notice relating to the St. Helens' boycott was taken into consideration, and it was decided that it would not be expedient to allow it to be proceeded with.

(3) Meeting held in the large Assembly Hall of the Manchester and Salford Co-operative Society, Downing Street, Friday, 25th July, at 1 p.m.

Present :—Mr. Henry W. Wolff, in the Chair, Messrs. de Boyve, Hardern, Högsbro, Blem, Kauffmann, Barré, Anton, Gide, Müller, Greenwood and Gray.

The minutes of the last meeting (23rd July) were read and approved.

The following were elected officers of the Alliance :—Mr. Henry W. Wolff, Chairman; Mr. J. Greenwood, Treasurer; Mr. J. C. Gray, Hon. Secretary. It was also decided that the Executive Bureau should consist as heretofore, of the British members of the Central Committee.

The question of the taking effect of the new Rule about individual members was raised, and it was decided to allow the matter to stand over.

B.—MEETING OF THE PERMANENT PROFIT-SHARING COMMITTEE.

Held at the Offices of the Co-operative Union, Long Millgate, Monday, 21st July, at 3 p.m.

Present :—Mr. Henry W. Wolff, in the Chair, Messrs. de Boyve, Micha, Romanet, Holyoake, Schloss, Greening.

The CHAIRMAN read a telegram from Mr. J. van Marken, dated Interlaken, expressing his regret at not being able to attend the meeting in the evening. Mr. Holyoake being by common consent asked to open the discussion in his place, consented to do so.

The question was raised whether it would be advisable, in view of the threatened exclusion of individual members from the Alliance, and, apart from that, as a means of stimulating further action, to ask authority of the Congress to form a Profit-sharing Section around the Profit-sharing Committee, in which it should be permissible to accept individuals as members, and which should have power to carry on its own propaganda. After some discussion it was agreed that the following resolution should be submitted to the Profit-sharing meeting on the same evening:—

“The Permanent Profit-sharing Committee, which shall, as heretofore, be composed of members of the Alliance elected by the Congress, shall have power to form a Profit-sharing Section, consisting of itself, acting as directing Committee of the Section, and being responsible to the Congress, and such societies or persons as it chooses to admit.

“Membership in the Profit-sharing Section does not of itself imply membership in the Alliance.

“Subject to the responsibility of the Profit-sharing Committee to the Congress, and to its duty to report annually to the Alliance all resolutions passed by it or under its authority, and to account for any moneys received for its purposes from the Alliance, the Profit-sharing Section shall have full power to regulate its own procedure, to convoke and hold meetings, to issue publications and to receive and administer donations, legacies and subscriptions in addition to any grant that the International Co-operative Alliance may make.”

In view of several seats on the Committee having been vacated by resignation, it was suggested that new members should be proposed. On the motion of MR. D. F. SCHLOSS, seconded by MR. GREENING, it was agreed that the addition of Messrs. Greenwood and Vivian should be proposed, and on the motion of M. DE BOYVE that of MM. Goffinon and Delombre, the present proposers to move the nomination of those gentlemen.

Some propositions, submitted by PROFESSOR BÖHMERT, were brought before the Committee, and it was decided to lay them before the Profit-sharing meeting without advising the expression of any opinion with regard to them.

Meeting on Profit-sharing.

Held in the large Assembly Hall of the Manchester and Salford Co-operative Society, Downing Street, on Monday evening, July 21st, at seven o'clock. Mr. Henry W. Wolff, President of the Congress, in the Chair.

The Chairman was supported on the platform by M. Omer Lepreux, Director General of the Belgian National Savings Bank, Dr. John H. Gray, representing the United States Commissioner of Labour, Mr. D. F. Schloss, of the Labour Department, M. Micha (Belgium), Messrs. Blem and Högsbro (Denmark), M. Goedhart (Netherlands), M. Prével (Metz), Messrs. G. J. Holyoake, J. Greenwood, E. O. Greening, and others.

The CHAIRMAN stated that MM. Georges Paulet and Arthur Fontaine, both of the French Ministry of Commerce, and Dr. Magaldi, of the Italian Ministry of Agriculture, Industry and Commerce, had intended to be present, but had written at the last moment to say that they were unavoidably prevented.

In opening the proceedings the CHAIRMAN stated that the meeting took place under rather exceptional circumstances. This gathering was intended, and must be regarded, as forming part of the Congress. However, the Congress was not yet opened. This apparent irregularity was owing to the fact that the Central Committee had decided that this meeting should be held as a "special" meeting, at which it was to be presumed that only those taking an interest in profit-sharing would attend, those who did not care about it remaining absent. And it was the only evening during the Congress that was available for the purpose. Therefore they had decided to anticipate the formal opening. The Chairman went on to announce, with great regret, that Mr. J. van Marken, who was to have opened the discussion, was prevented from attending. He had on that day received a telegram from him from Interlaken explaining that he was detained there by ill-health. In his absence their good friend, the veteran profit-sharer, Mr. Holyoake, would be good enough to take his place. The Chairman went on to remind the meeting that the International Co-operative Alliance had been originally formed with the distinct object of promoting profit-sharing. As time went on that object had been to a considerable extent lost sight of. Under the

agreement concluded by Mr. Greening with the Co-operative Union non-profit-sharers were made eligible, and they were now apparently in the majority. The resolution voted on the Tuesday of the first Congress in 1895 pledging the Alliance to profit-sharing was partially reversed on the following Thursday by the adoption of a resolution which seemed to make profit-sharing an open question. And the Permanent Profit-sharing Committee nominated at Paris in 1896 had done very little indeed. It was time now to do something. There were three points to which their attention would more particularly be called. The first was: what could be done to extend profit-sharing in practice? The second was suggested by some propositions respecting profit-sharing which had been communicated to them for an expression of opinion by Professor Victor Böhmert, of Dresden, one of the leading authorities on profit-sharing in the world. The third was: whether or not it would be advisable, with a view to retaining their position as champions of profit-sharing, and to arousing greater activity, to gather around the small Profit-sharing Committee a larger Profit-sharing Section, to which individuals would be eligible, whether they were so to the Alliance or not, and which might, for its particular objects, be allowed a sort of Home Rule. In conclusion, the Chairman said he would call the attention of the meeting to the excellent collection of reports upon profit-sharing in all the principal countries, which had been presented to the Congress, and formed part of the Congress Agenda in their hands. The reports had been prepared by the best acknowledged authorities, such as Mr. Schloss, M. Trombert, Professor Gilman and Professor Böhmert. They were all worth studying, and would amply repay perusal.

The CHAIRMAN then called upon Mr. G. J. Holyoake to introduce the first subject.

MR. HOLYOAKE: I am here to-night to represent an eminent Dutch co-operator, I mean M. van Marken, who is an employer of labour, and who has a park occupied by his works and a delightful habitation for the workpeople. M. van Marken has done more for the improvement of the conditions of labour of those in his employ than any other employer in the countries which I have visited. The Chairman has told you that it is our intention to give information about profit-sharing, and I don't know that we can come to any place in the world where the information is more wanted than in Manchester. (Laughter). It is no use addressing an audience with a view to arousing an interest without

explaining definitely what is meant by this industrial doctrine of profit-sharing. When I was last in Delft we had Dutch and English philosophers meeting together to agree upon a definition of profit-sharing ; and, to my amazement, though they had been advocating co-partnership in industry for twelve years, when they came to a discussion as to what was meant by it, they declared they did not know, neither did they know who had invented the term. This being so, how are the general public expected to know anything about it? The reason of the difficulty of the philosophers was : they wanted to agree upon a term—a definition—which would suit all times, all circumstances, and all peoples. This was not possible, for none of us has looked into the future, and none can tell what the future conception of the term will be. I take it, therefore, that the information which will be given to-night is what we mean by the term now. It is, that, in the workshop, as in the store, there shall be equitable participation of the profits made by trade or by labour amongst the workpeople at a given period in the business, and that these profits shall not form part of the wages of the employees, but be an addition to them, so that a workman shall know beforehand what his chances are in the participation of the profits, which he has helped to create. The word co-operation means acting together to overcome some resistance, but, in relation to industry, it has a new sense, and it means joining together in trade or in manufacture with the view of an equitable distribution of the profits. Bishop Wakefield gives an illustration when he says that four hounds coursing hares will run down more collectively than what they will singly ; but industrial co-operation has this distinction—the workmen run down the hares for themselves, whilst the hounds run down the hares for their masters. Were this form prevalent in industry, it would make a difference to every family represented in this hall. If you join the admirable store which owns this hall, all that the mistress of the family can do is to buy food in a more economical manner perhaps than elsewhere, and thus the money of the household goes further than it would otherwise, on account of the dividend ; but if the profits of the workshops were returned, her husband would have a much larger income to expend at the store. (Hear, hear). Distributive co-operation represents putting your money out to greater advantage ; but profit-sharing in the workshop represents the increased family income, and, ultimately, a sufficient competency for the family itself. Now, we have heard a great deal about old-age pensions. Why should not the workman have

✓ an old-age pension? Why should he not be able to provide it for himself? (Hear, hear). Why not encompass such an arrangement to give the workmen an opportunity to provide for themselves? I remember Mr. Cobden and Mr. Bright taking part in a discussion on an old-age pensions bill many years ago, and arguing against it, saying that every father could prevent his children from going into the mill. Yes, if he had a sufficient income, but he hadn't. The children were therefore sent to the mill to increase the household income, so that, by the punishment and suffering of the children; an increase was made to the pitiful wages of the parents. When co-operation of the kind which I have mentioned was invented, it was designed to remedy this condition of things, so that parents would not have to stoop to the degradation or be under the obligation of sending their children into the factory to work when they ought to be in school or in the recreation ground. (Hear, hear). Since the days of Robert Owen, co-operation has always meant the welfare of the workpeople. Robert Owen used to take the greatest care of his splendid machinery—splendid, that is, for those days, though nothing to what exists now; and it was always kept bright, well housed, and protected from damp; and when accidents occurred, they were immediately repaired. Visitors, when they expressed admiration at what they saw, were told by Owen that he took the same care about his workpeople; always saw that they were well housed, well taught, and had good wages, so that they might be the means of providing for themselves in the future. Why did he do all these things? Because he cared more for labour than he did for capital. We want men like Owen in industry to-day—men who will have more thought for the character of men and women than for how much money they can secure. We think, then, that the time has come when the principle of profit-sharing should be carried out, as far as possible, amongst employers, and that it be advocated, not only on behalf of the workmen, but also in the interests of the employers. (Hear, hear). We think also that a department should be established which might concern itself with employers, just as the Labour Association which we have concerns itself with workpeople. Possibly, the Labour Association may be able to undertake the new department; but a new department is wanted, so that employers may be instructed as to the advantages which will accrue to them through profit-sharing. The *Times* has lately said that if the supremacy of English industry in the world is to be maintained, there must be

greater efficiency in our workshops. Employers should take care that this efficiency exists, and it can be done in no way more reasonably and more effectually than by sharing the profits of industry with their workpeople. (Hear, hear.) Look at the small shopkeepers and those who carry on businesses around us! What vigilance they display, and what extreme watchfulness they have for the main chance, never desisting in their astuteness for profit! What makes them so?... What gives them this vigour, this amazing and never-changing activity of mind? The answer is that they can share the profits they make by the exertions of their understanding. Without this incentive they would be dull and stupid, and there would be no commerce. Do you think that the same principle would not apply to the workshop? I have been in workshops where there is participation in profits, and I have been in workshops where it is not in vogue, where the workpeople show no interest in their work, doing as little as they can for the most they can get, and the masters desirous of having as much done as possible for the least they can give. The employers in the second case might give something extra to the overlookers, but never to the men. I can always tell, on entering a factory, whether the workpeople enjoy a share of the profits, by the brightness of their features and the interest which they show in their work. In the co-operative workshops at Leicester and Kettering, the men, women and boys are like friends; all bright, active, and solicitous for improvement in their work, because they know they will share in the profits. Everybody begins to see now that unless there are better relations between employers and employed than those which have existed hitherto, efficiency of industry will decrease, that our power as a nation will be limited, and that there is no other way whereby you can enlist the skill and goodwill of the employed than by giving them equitable conditions and a participation in the profits. (Applause). I will now move the following resolution:—"That it is desirable that propaganda in favour of profit-sharing should be undertaken, especially amongst employers, by showing them the advantages which are likely to result to themselves from the practice, and inducing them to adopt it more generally." (General applause).

M. DE BOYVE briefly seconded the resolution. He said that he very heartily endorsed all that Mr. Holyoake had said. Profit-sharing was the only method by which the workman could be directly interested in production.

The discussion being declared open,

HERR VON ELM (Hamburg), a socialist member of the

German Reichstag, opposed the resolution on several grounds, one of which was that it lay outside their business. He said he represented a German tobacco works, and his society had profit-sharing, and it was necessary for those who desired to work at the factory to be members of the tobacconists' trade union. Great Britain had always been to him an ideal country for co-operation and trade unionism. He mentioned this because he had visited the Wholesale Society in London, and found, to his great astonishment, that the clerks and some of the workmen there were not members of their trade unions. The reason given for this was that they had no need for such organisations, being in receipt of good wages and perfectly satisfied with their treatment generally. (Hear, hear). He told them, however, that they should be members of unions—notwithstanding the genuine conditions of labour they enjoyed, for the sake of others. (Hear, hear). When a workman shared in the profits he lost interest in the common welfare, because he was too well satisfied with his own condition to care about that of others. Workmen should be educated for the purpose of raising not only themselves, but also others. This was a matter for co-operative societies and trade unions. Capitalists had nothing to do with co-operative societies.

MR. MORRELL (Manchester) asked if it was intended that the propaganda should be carried on amongst private employers or co-operative employers. There was no mention of this particular point in the resolution.

The CHAIRMAN answered that the intention was that the propaganda should be carried on amongst private employers. It was not to interfere with the work of the Labour Association.

M. GUILLEMIN (Paris) said that he had come to Manchester with very plain and decided instructions from his constituents, the members of the *Bourse Nationale des Sociétés Coopératives Socialistes de Consommation de France*. They decided that all members of co-operative societies should belong to some trade union, and should thus be secured the highest list price wages settled by the Unions. That meant that they wished profit-sharing to be suppressed in respect of employees of distributive societies. As regards productive works, that was another matter. But they wished, all the same, that employees in such should be members of trade unions, because that was the only way in which they could effectually secure to themselves a fair share in the profits. As working men they asked that there should be profit-sharing in such societies. These were the instruc-

tions which he had received, and he now desired to express himself in accordance with them at the Congress.

MR. ANEURIN WILLIAMS (Labour Association) hoped the Alliance would confine itself to acting as an international bond between societies existing in the various countries. It would be a great misfortune and an unreasonable thing if a committee were formed to take up in France the work of the French societies, and in England the work of the English societies.

The CHAIRMAN explained that there was no mention of a committee in the resolution, only that it was desirable that the work should be pushed. Mr. Holyoake said he would be delighted if the Labour Association would take up the work.

M. BARRE (*Chambre Consultative des Associations Ouvrières*, France) said: The productive working men's societies of France support very heartily the resolution which has been proposed. They desire that the Congress should encourage and stimulate profit-sharing, because that is the object which their societies have in view. The French productive societies, born of the socialist and philosophic movement of 1848, consider profit-sharing to represent a real social progress, a stage covered in the march towards a better distribution of wealth. This question must not be considered purely from the employer's point of view. It must also be considered from the point of view of productive societies. It is of the highest interest in its bearing upon economic and social interests, that is, not merely as affecting the working man's earnings, but also as affecting education and the general interests of humanity. The point from which French co-operation has started in this matter is this, that they desire to interest in production all those who take part in it, so as eventually to bring about an equitable distribution of wealth. It is quite true that you may to-day arrive at the maximum of production without profit-sharing. Therefore it is idle to pretend that profit-sharing must, or is likely to, lead to over-production. However, it is only fair to bear in mind that, apart from the common interest, there is also the interest of the individual to take into account. That is necessary for the economic good of the country and for individual liberty. The workman should have a fair part in the product of his labour, and for that reason the present resolution should be adopted by the Congress. (Cheers).

MR. BUNDY (Ton Society) proposed an amendment, to the effect that they should have nothing to do with profit-

sharing. A great deal had been said of the benefits which would accrue from the adoption of this principle, but up to now they had failed to convince co-operators of the necessity of it. Their efforts should be devoted to the education of co-operators, and not to propagating the principles of profit-sharing amongst private employers.

HERR KAUFFMANN (Hamburg Wholesale Society) appealed to Mr. Holyoake to withdraw his resolution on the ground that it was not clearly worded.

M. DE BOYVE: Evidently people do not quite understand what we are debating about. The first point in the programme of the Alliance is profit-sharing. Since its formation the Alliance has, in course of time, come to pay greater and greater attention to other matters in the co-operative programme. But we are here to-night specifically to deal with the question of profit-sharing. I quite agree with what M. Barré has said. However, to-night we have to confine ourselves to profit-sharing. To-morrow the Congress will open, and we shall deal with other subjects. I am of opinion that we may very well vote in favour of the principle of profit-sharing, because that is one of the desiderata of those who desire to bring about what has been called "the Co-operative Republic." Under such circumstances I do not see why we should not adopt the resolution submitted. Our duty is to engage in a propaganda in favour of profit-sharing.

M. L. HELIÉS (*La Bellevilloise*, Paris): I am here to speak in the name of 7,000 co-operators, all of them members of trade unions. I hold that we have no business to trouble about profit-sharing from the employer's point of view. We have formed our society for the sole object of improving the lot of the worker, and we do not care about what the employer might offer us, ostensibly to improve our lot, but in reality merely by way of a bait and a check, giving us a semblance of satisfaction only. There are in France capitalist bodies, joint-stock companies, such as the Maison Verdier, and Messrs. Laroche-Joubert, which allow their workmen a share in the profits. However, that is a bad principle. Because the semblance of satisfaction given lulls the workman into a sense of false contentment and destroys his keenness to pursue the vindication of his rights. That paltry concession satisfies the workman and makes him remain in his workshop. We do not want organisation on a capitalist, but on a social basis, such as has been adopted by the two societies *La Verrierie Ouvrière* of Carmaux, and *La Mine aux Mineurs*. We wish to improve the lot of our class-

mates not merely by profit-sharing in our co-operative societies, but by cheapening production. Let us do as has been done in England! Let us establish societies in which childhood will not be "assisted," but maintained as a matter of right by the community! What we have to aim at by means of co-operation is not a capitalist basis, but the Universal Republic, the Social Republic, to be attained by emulation pointing in the direction of universal brotherhood. Leave the employers to discuss their own interests, if they desire to do so! But we, delegates of working men, let us confine ourselves to the discussion of working class interests! (Cheers).

MR. VIVIAN (Labour Association) said it was a mistake for the Alliance to become a propagandist body. Originally it was composed of those whose sympathies were with profit-sharing, but it gradually included co-operation of all forms, and the moment it did that it ceased to have for its object, the promotion of any definite form of co-operation. The efforts of the Alliance should be devoted to collecting information of co-operation in its various forms in foreign countries, and then make that information clearer, which would enable them to keep abreast of co-operators in other lands.

The CHAIRMAN quoted from the rules of the Alliance, which were passed at the Paris Congress, and which showed that propaganda was one of the main objects of the Alliance.

MR. FOWLER (Pacific Coast Co-operative Union) said it seemed to him that the work of the Alliance must be along the lines of propaganda. Describing the progress of profit-sharing in America, he said in several cities there prominent employers of labour were sharing the profits with their employees. The resolution was a mild one. It was certainly not opposed to the work of the Alliance, and would be welcomed by employers as well as by employees.

A vote was then taken, with the result that the resolution was carried by seventeen to fourteen votes.

The CHAIRMAN then read a communication from Dr. Victor Böhmert. It is as follows:—

(1) The sharing of profits with employees is a method of remuneration, which supplements the fixed rate of wages assured to employees by their contract of employment by a share in the profits allowed them in addition, varying with the amount of the net profits realised.

(2) Profit-sharing is in principle admissible wherever services are rendered for economic purposes in return for

some equivalent. It is to be recommended above all things in cases in which the bodily or intellectual labour of many, or all, taking part in the business is of particular importance, and from which speculation, costly experiments, and the dangers of risk are in the main excluded.

(3) Profit-sharing is to be recommended partly on the ground of expediency, as insuring considerable advantages, of a material, technical and educational nature, and above all things as identifying the interest of employers and employees on a large number of points ; partly on the ground of justice, because it admits employees and labourers to a share in the yield of prosperous years.

(4) Profit-sharing deserves to be regarded as just and fair, more particularly because the annual yield of business undertakings is very frequently decisively affected by general conditions which lie altogether beyond the control of the employer's will or management of affairs, such as unexpected occurrences of a political or economic nature, favourable or unfavourable weather, abundant or deficient harvests, particular measures adopted by the State or by local authorities, specific inventions, new facilities for communication or transport, sudden fluctuations of prices, and other changes. A share allowed to employees in the profits of favourable years also meets the requirements of justice, inasmuch as the employee is, as a rule, made to bear in any case part of the burden resulting from unfavourable periods, by having to submit to a reduction of wages, discharge from employment, or other losses of income.

(5) It is advisable not to allot shares in profits arbitrarily, but to lay down a rate by a settled rule in a fixed proportion, to the net profits earned.

(6) In many establishments it has been found expedient to intrust the control of the calculation, payment and employment of shares in profits due to employees to a sworn officer, or else to a "committee of confidence" composed of working men and presided over by the employer.

(7) Also it has, in many cases, been found to the employee's advantage to make it a rule that the shares in profits falling due to every individual shall be deposited in secure savings banks outside the establishment, and to provide that the owners of such deposits may dispose only every year of the interest actually accruing, and not, except in special cases, in which the approval of the "committee of confidence" and of the employer should first be asked, deal with the principal, except after a settled number of years of employment.

(8) Experienced employers, who have applied the method of profit-sharing during some decades of years, recommend more particularly that in every establishment a "precautionary fund" be formed, and abundantly endowed with funds out of the yield of exceptionally good years, in order that out of its resources suitable additions to fixed wages may be made to employees in years of small profits. It has also been found that the insurance of employees against want of employment may in all establishments be secured more readily where profit-sharing is practised.

(9) Profit-sharing with workmen may contribute not immaterially, in the interest of public well-being, towards harmonising striking inequalities of fortune, and towards stimulating large portions of the population, by distributing the profits accruing owing to temporarily high prices into a large number of small channels.

MR. E. O. GREENING suggested that a vote of thanks should be passed to Professor Böhmert for his interesting communication without any expression of opinion being attached to it.

This was carried by acclamation.

M. GOEDHART (Dutch Co-operative Union) moved the following resolution:—

"The Permanent Profit-sharing Committee, which shall, as heretofore, be composed of members of the Alliance elected by the Congress, shall have power to form a profit-sharing section, consisting of itself, acting as directing committee of the section, and being responsible to the Congress, and such societies or persons as it chooses to admit. Membership in the profit-sharing section does not of itself imply membership in the Alliance. Subject to the responsibility of the Profit-sharing Committee to the Congress, and to its duty to report annually to the Alliance all resolutions passed by it or under its authority, and to account for any moneys received for its purposes from the Alliance, the profit-sharing section shall have full power to regulate its own procedure, to convoke and hold meetings, to issue publications, and to receive and administer donations, legacies, and subscriptions, in addition to any grant that the International Co-operative Alliance may make."

A rather lively discussion ensued. The resolution not being seconded, the Chairman declared that he could not put it.

The sitting closed after ten o'clock.

Meetings of the Congress.

TUESDAY, JULY 22nd.

OPENING MEETING.

Held in the large Assembly Hall of the Manchester and Salford Co-operative Society, Downing Street, at 9-30 a.m. Mr. Henry W. Wolff in the Chair.

The CHAIRMAN, in opening the proceedings, asked leave of the foreign members present to make his various statements in English first, seeing that the Congress had met in England and that English-speaking persons were in a great majority. He would repeat all in French and German, and whatever was said would be rendered in the three languages. It was quite understood that French was the official language of the Alliance.

This having been assented to, the CHAIRMAN stated that the next business would be the nomination of what foreigners call the "Bureau" of the Congress, that is, the officers. On behalf of the Central Committee he had to propose the following nominations:—As Vice-Presidents: Messrs. Count de Rocquigny (France), Micha (Belgium), Blem (Denmark), Goedhart (Netherlands), Dr. Müller (Switzerland), Salas Anton (Spain).

The Central Committee had also proposed to ask the Congress to elect Herr Postelt (Germany). However, he had the sad announcement to make that last night Herr Postelt received by telegraph the melancholy advice that in the foundering of the Hamburg pleasure steamer off Blankenese, of which all had read in the papers, his wife and two children had been drowned. He had, accordingly, returned home at once, accompanied by Herr von Elm. The Chairman was sure that all sympathised with Herr Postelt. (Hear, hear).

The Chairman went on in his nominations:—

As General Secretary: M. de Boyve (France). As Secretaries: Count de Seilhac (France), Pronier (Switzerland), Serwy (Belgium), and Slotemaker (Netherlands). It was proposed that the Chairman, Vice-Presidents and General Secretary together should constitute what Englishmen understood by the Standing Orders Committee.

The nominations were agreed to by acclamation.

The CHAIRMAN: I have now to invite the gentlemen nominated, as well as the members of the Central Committee, to occupy seats on the platform.

The CHAIRMAN: The next business is to bid a hearty welcome to our distinguished guests attending by invitation. We have the pleasure to see among us some very eminent persons whom we are very glad indeed to welcome. I beg to name among such M. Omer Lepreux, Director General of the Belgian National Savings Bank,—Dr. John H. Gray, representing the United States Commissioner of Labour, Mr. D. F. Schloss, of the Labour Department. M. Georges Paulet and M. Arthur Fontaine, both of the French Ministry of Commerce, and Dr. Vincenzo Magaldi, of the Italian Ministry of Agriculture, Industry and Commerce, also the Hon. W. Pember Reeves, Agent General of the Colony of New Zealand, had intended to be here, but have unfortunately been prevented. Then we have distinguished persons connected with the locality. The Prime Minister and other local Members of Parliament who have been invited are detained at Westminster by their public duties. The Bishop of Manchester, who takes a keen interest in co-operation, had hoped to be present, but, to his regret, cannot do so. However, the Lord Mayor, who was good enough to open our Exhibition, hopes to put in an appearance, and so do the following gentlemen invited:—W. G. Galloway, M.P., A. Hopkinson, Esq., Principal of Owens College, H. Guppy, Esq., Librarian of the John Rylands Library, and J. K. Bythell, Esq., Chairman of the Manchester Ship Canal. You will, I think, one and all associate yourselves with me in bidding all our visitors a very hearty welcome. (Loud cheers).

There is another debt that we have to discharge. The Local Organisation Committee, representing the local co-operators, the Co-operative Union, the Co-operative Wholesale Society, the Women's Guild, and other bodies, have worked strenuously for the success of this Congress, sparing neither efforts nor money. They have succeeded by admirable arrangements in bringing together a splendid Exhibition, and provided for us in other ways. We have not finally settled with them. They intend to do more. Our gratitude at present, therefore, is still to some extent "a lively sense of favours to come." But in your name I beg to express to them for all that they have thus far done our very hearty thanks. (Loud cheers).

The next duty incumbent upon me is to deliver my opening address.

THE CHAIRMAN'S OPENING ADDRESS.

Lancashire receiving the representatives of co-operation throughout the world is bound to appear to many of us, who habitually identify co-operation with Rochdale, like a mother receiving her children in the old parental home. Some of the present family, it is quite true, are Rochdale's children only by adoption—shoots from a different, though kindred stock, a straying branch of the same great root, common to all mankind, from which spring combination and self-help. Long contact and the powerful force of example have, no doubt, in course of time so modified and re-shaped these foreign grafts, that they may claim to have accorded to them the full rights of sonship in our British family.

It cannot, certainly, be said that Rochdale, so surrounded, has any reason to be ashamed of its children. They have grown up a lusty band, remarkably varied in form, as if to give visible proof of the wonderful adaptability peculiar to the power which we call co-operation, but strong in the possession of the same sturdy nature and the same unbending backbone. The small babes carried out years ago, feeble and trembling, to grope their way in the world, have ripened to vigorous manhood, built themselves roomy houses elsewhere, and, in some cases, become, in their turn, parents of families not less promising. Look over the remarkably instructive reports which we have collected from various quarters of the globe for this very Congress; and you will be able to judge how wonderfully co-operation has prospered, spreading out its dominion in all directions:—northward to Sweden and Russia, where strong co-operative organisations are growing up; southward to Australia, where Italian settlers are teaching our cousins how to co-operate; westward to the Antilles and Canada, where the marked success of the first co-operative bank planted on that soil has led the Government to constitute itself the champion and advocate of co-operation; eastward to India, where, once more, co-operative banks have acted as pioneers, multiplying to about 150 in the very first year, on that parched, dry ground, long thirsting for such fructifying dew, and striking the first effective blow at the devastating monster of Famine, which, up to now, had defied subdual.

There is a veritable giant's work in store for co-operation in that distant realm; but there is, also, to all appearance, a harvest to be looked for richer and more extended than even the most fertile European soil has borne.

Co-operation, then, may certainly be content with its

spread and with the advance which it has made along the whole line.

There is a tale of growth to be recorded everywhere. For where — on old ground — as in this country and in Switzerland — its institutions have not continued to multiply in *number*, they have still advanced, by growing sensibly *stronger*, increasing their membership, business and area. In the United Kingdom now every twentieth person is a declared co-operator, not reckoning families. Elsewhere, what should be particularly gratifying to us is, that co-operation has, of late, very perceptibly "taken root downward," that is, distributed its benefits more specifically among the *poorer* strata of the labouring and cultivating classes, and become to them at length the bringer of help and the herald of better times. It has become more generally democratic, and sought its followers more and more among those who most need its succour. To greet a family so creditable to its parent, Lancashire, let me gratefully acknowledge, has shown itself not sparing of its welcome. Offering generously of its labour and its substance, in the shape of much preparatory work and liberal subscriptions, it has decked out its home as befits the occasion, killing the fatted calf, and offering, like Joseph in the day of his prosperity, to show us "of all its glory," its warehouses and its workshops as both a lesson and an encouragement.

Let me at once say that this showing "of its glory" by Lancashire and the West Riding is an essential part of our programme; it is intended as a work of profit as well as a recreation. This present Congress 'is, in the truest sense of the word, a complementary chapter to the Congress of Paris. I take credit to myself for having caused wholesale co-operation to be placed upon the programme of 1900 on my own authority. I did so because, as must be apparent to everyone, wholesale co-operation is at the present time for us co-operators emphatically one of the great questions of the hour. It is wanted everywhere. Co-operators in other countries have admitted this, in labouring earnestly to establish wholesale co-operation among themselves — thus far with only partial success. Charenton and Bremen have failed, and even in the Netherlands and in Belgium, where a different form of wholesale trading from our own is being put to the test, the collective trading departments are as yet only struggling along. You, in this country, have succeeded magnificently, beyond anything that might have been anticipated. You have, in fact, created one of the great sights of the British Isles. It is no more than meet that you should, as

experienced guides, now show your foreign brethren the road to success. It is to this intent that two years ago we asked Mr. Brodrick to read his instructive paper. Now we come to Manchester to complete the lesson, already half-learnt, by means of teaching addressed, not to the ear, but to the eye. Our visitors will see the splendid establishments that you have reared up to serve the Wholesale Society in various localities, and I have no doubt that, as a consequence, a fresh and mighty impetus will be given to wholesale co-operation abroad. Very fitly are our visits to be extended to that model co-operative factory at Hebden Bridge. I could have wished that what may be called the "co-operative town" of Kettering, a unique place in its way, could have been included in our visiting programme, in order that our foreign friends might see how co-operative institutions may be made mutually to help and supplement one another, "cogging" into one another like wheels in clockwork. Perhaps some of them may be able to take that place on their journey home.

Our British co-operative production, so I should wish to point out, in justification of what I have said, differs in some rather essential features from that established abroad, and has its own, unquestionably valuable, lessons to teach. It has been built up here, in the main, upon the support of distributive co-operation, as Schulze Delitzsch insisted that it should be, when likening co-operation generally to a house, of which distribution may be said to supply the foundation and production the roof. Organisation of this sort assures at once adequate means and a market to be depended upon, and does away with the necessity of subventions and eleemosynary custom obtained from Governments or authorities such as are common abroad.

Ladies and Gentlemen, we meet at what may be termed a turning point in the history of our Alliance, which was, as you may remember, formed to unite the scattered fragments of the great co-operative family—showing that co-operation knows no distinction of race or of country—to keep co-operation pure, to strengthen it wherever it is weak and exposed to persecution, to enable its members to learn from one another and so to supplement one another's deficiencies, to impregnate the world with a co-operative spirit and a knowledge of co-operative principles. Those in whose hearing I have been permitted to utter my lament at Paris will not require to be told how disappointed I am at our not yet having accomplished more. But let us be fair in this matter! Making allowance for the serious difficulties which beset every movement like ours in its earliest stages, I think

it will have to be admitted that, at any rate, we have justified our existence. Were we to come to an end, I think that co-operation would be the poorer for it. Our visible work may as yet resemble only the ballast and hurdles sunk into a social or industrial "Chat Moss," to provide a foundation on which to build. But even that work had to be done. We have done it. The foundation is now laid. We have certainly drawn co-operators together, led them to know and better to understand one another, to feel themselves members of the same family, comrades in the same work. We have usefully instructed them by showing what is doing in various countries, and so suggested thought and enquiry. We have stimulated, animated, and we have harmonized. Witness the union effected among the various groups of heterogeneous societies in Belgium into one common National section. Would that other countries might be led to follow this admirable example! It makes co-operation the stronger. However, without our International Co-operative Alliance, that union would scarcely have come about. We have, then, certainly something to show for our seven years' work.

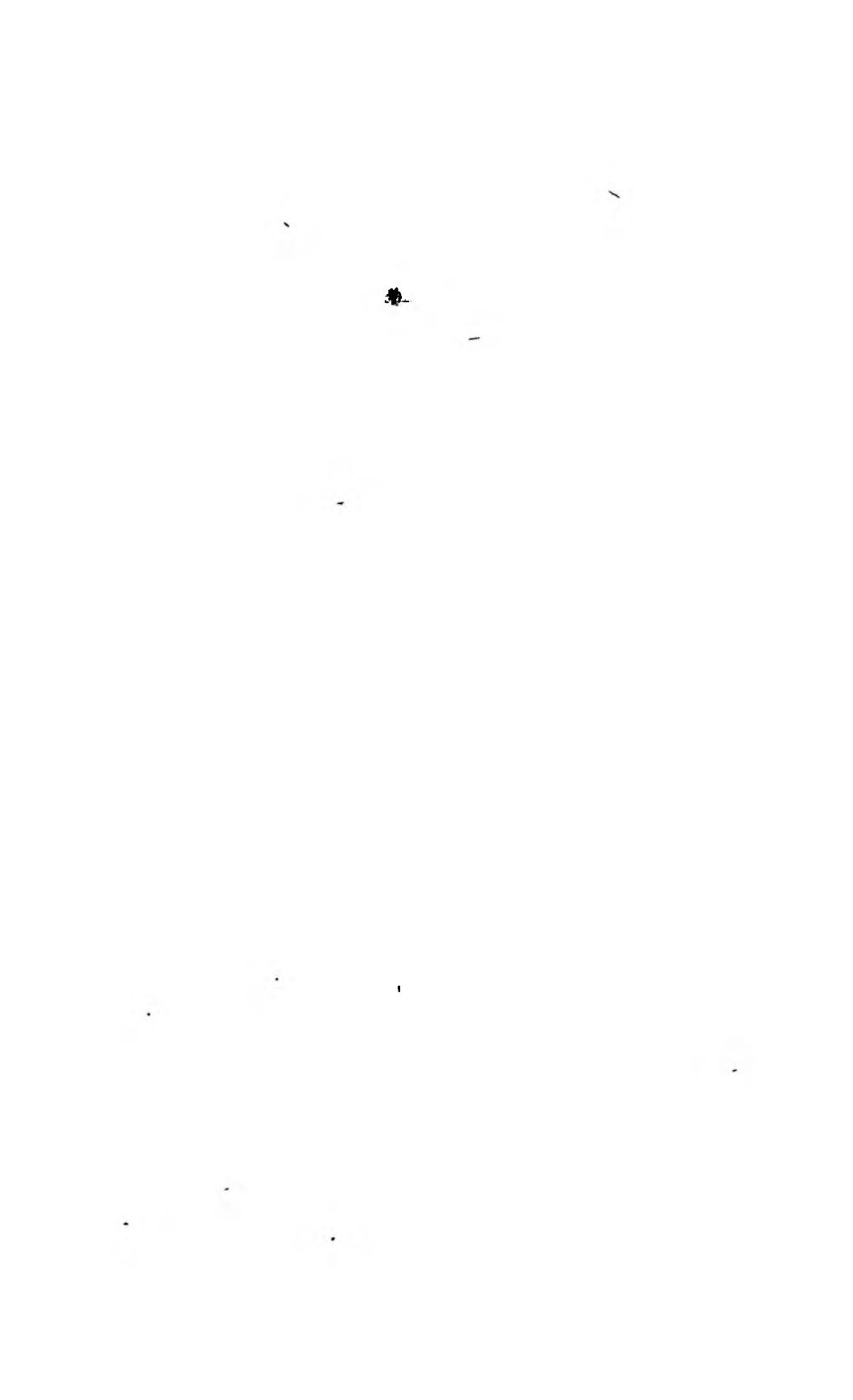
But, unquestionably, very much more remains to be done. Look at co-operation in whatever country you will—even in Great Britain, where its success has been most marked. You will have to admit that it still stands only on one of the lower rungs of the ladder, which was set up at Rochdale, as an approach to its ultimate goal, that is, to the elevation and emancipation, by economic means and educational, of the classes whom Providence has called to the honourable task of labouring in workshops, in fields or wherever it may be; the bridging over of the gulf which divides classes; the cessation of labour disputes; the provision of decent, cheap and sanitary dwellings for working men, and of the little holdings that rural labourers sometimes dream of, as yet only in a far off way, for small folk in the country. I need not add more. You know the Rochdale programme, and you know what are the hopes that every co-operator has faithfully cherished since the days of the famous "pioneers"!

We have accomplished so much that we may confidently hope to achieve more. The time seems to me to have come when we ought to set ourselves to grapple with larger problems than those which are now so familiar to us—problems affecting nations, and society as a whole, such as those which on the present occasion you are invited to consider; and to endeavour to bring the remedy of self-help and common effort to the solution of those problems. We know what

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virtue resides in our co-operative methods, how they nerve the constructing hand, import interested intelligence into labour, offer a distinct prize to every toiler working his best, and erase the word "impossible" from the vocabulary.

We may look further. M. de Boyve proposes to urge you to help in establishing industrial peace in the workshop. By all means let us try to do that. But—seeing what classes we represent, and what power they wield in the State—it is not unduly presumptuous to hope that we may to some extent help also in bringing about peace among nations. Let us look at the means at our disposal! We bring people into contact from nearly all civilized countries, representatives of the classes whose greatest interests are peace and steady development, the creation of new national wealth, not the destruction of such as exists, classes who value the lives of their children, and would not see them needlessly sacrificed for the gratification of the ambition of even the greatest Minister; classes to whom war must mean loss, not gain. At our gatherings we may break down the barriers and divisions which prejudice and misrepresentations, often studied, have set up. By the extension of a knowledge of one another—who are, all the world over, men and women endowed with the same human instincts, the same human sentiments, no more that the ordinary human failings—we may defeat the scheming of the few who still far too frequently trade—it may be with the best, but misguided intentions—on the ignorance of the many. Returning to our homes we may send out this leaven gradually to permeate the lump of our several nations, and so prepare the minds of whole peoples for the discontinuance of the brutal method of killing. Never was such action more called for than at the present moment, when, after the conclusion of a war which has fixed the attention of the universe upon a distant battlefield, on which we British have been victorious, and which still makes the air ring with its pæans, men's imaginations are heated and inflamed, and men's minds naturally turn for a supposed short cut in international disputes to the factitious glories of a trial of military strength. Never could a message be more welcome to peace-loving men and women than that which Mr. Hodgson Pratt has, as President of the last Peace Congress, addressed to us, inviting us, all who are co-operators (together with all working men's associations of any kind to be similarly asked), to co-operate with his society in the championship of Peace. Never, again, was the time more opportune for the discussion of Mr. Thomas Barclay's proposal to link two great nations together by a permanent treaty of





D. McINNES.
Chairman of the Reception Committee.



JOSEPH GREENWOOD.
Hon. Treasurer of the Alliance.



M. P. BLEM.
Chairman of the Danish Andelsudvalget.



DR. HANS MÜLLER.
General Secretary of the Schweizer
Genossenschafts-Bund.

arbitration, which, between them, makes war impossible, and seems calculated to serve as an example to other nations.

To enable us to do the work of various kinds which we have set before us, and much of which still remains to be accomplished, we are now, if the Congress so decides, in the first place, to re-cast our Rules. The last Congress judged this to be necessary. The diversity of proposals submitted affords evidence of the interest felt in the matter. But it makes me hope, fondly, it may be, but very sincerely, that after so much has been *printed* it may not be considered necessary to *say* very much. For beyond the discussion of our Rules, two of the weightiest questions of the hour, interesting to all the world, but particularly so to this country, await our consideration.

We are to consider, first, what co-operation may do to alleviate the pressing want of housing accommodation for the working classes; and, further, what it may accomplish to plant, not forests, or pleasure parks, nor yet deer parks, or studs or kennels, on our fertile plains—which once belonged to the many, and of which “every rood maintained its man”—but working tenants, tillers of the soil, finding in their native Mother Earth once more a field on which to expend labour and thought in healthy, moderate, and fruitful toil, to the well-being of their families and the greater happiness of the nation whom their subdivided cultivation would be sure to enrich by largely increased production.

There are men here by our invitation who can tell you what has been accomplished, under both heads, either by means of co-operation or else by methods so closely allied to co-operation that co-operation can readily make them its own. In view of the incomprehensible indifference of our British Government to the matter, it will be particularly interesting to learn how in other countries, with the help of co-operation, it has proved possible to make working men's savings, dispensed through the public savings banks, minister to working men's needs in the matter of housing. Let us hope that we may benefit by the experience of those who will address us and push the work of reform one good step forward!

One more point, in conclusion. We meet this time on British soil—that is, on soil sacred to traditions of toleration and to the practice of living and letting live, the soil on which people, gathering for the consideration of one subject are accustomed to concentrate all their attention upon that subject, to the exclusion of others. Under such traditions a staunch Churchman and High Tory, such as was the late

Vansittart Neale, may among us, as Charles Robert was fond of pointing out to his countrymen apparently needing such a lesson, meet an avowed Secularist and Radical like our worthy veteran Mr. Holyoake, and labour heartily in common with him, without a word spoken or a thought conceived in anger or distrust. Only by such toleration was such admirable co-operation possible as, to the unspeakable benefit of Ireland, Mr. Horace Plunkett has introduced into that island, and by means of which that country is now happily being socially and economically transformed very much for the better. In his Society and on his Committee Tory meets Nationalist, Jesuit Presbyterian, Manchester man, Socialist, and all work harmoniously together for the common good, thinking only of their country and of co-operation. Abroad, unhappily, it is not altogether so. Co-operators there, unfortunately, only too often eye one another with doubt and suspicion, not on the ground of what they severally hold in respect of co-operation, but on the ground of what they are believed to hold and to intend, in respect of politics. Co-operation suffers, and a bitten nose will often show how a disliked face has been spited.

Let us, I pray you, leave all these foreign subjects outside! Our Rules forbid their mention, and I shall be in duty bound to repress all reference to them. But let us, I beg you, without waiting for any authoritative interference, join hands heartily on this neutral ground without harbouring any afterthought, labouring only for the triumph of that cause common to all, which is still so much wanted, if the world is to be improved, if labour is to be emancipated, poverty to be lessened, the wealth and happiness, not of the lucky few, but of the mass of the people, to be increased, the cause of peace, industrial and political, to be furthered, and the world brought nearer to that ideal to which co-operators of all periods have owned it to be their duty and their aim to try and raise it. On this ground, hallowed—as I may say by a slight local extension; for Rochdale is only a short distance off—by the efforts of the first methodical co-operators of the world, and inspired by the results which our unanimity and earnestness have already secured, let us, at this international meeting, labour for the extension of co-operation and of its benefits over all the world, to the inestimable benefit of those who need its help in all lands! (Loud cheers).

The CHAIRMAN: I have now formally to present to the Congress the Reports upon the condition of co-operation in various countries, and on profit-sharing prepared for the

Congress. We have taken great pains to obtain such reports from the most competent persons, representative co-operators, and to obtain them complete and full. You will find these papers full of interest and instruction. Some few are still in arrear. But we hope to include them in the report of Congress proceedings. It has been usual to ask the authors to read their reports one by one, or to give a condensed account of each. In view of the great amount of business that we have before us, I beg you on this occasion to take the papers as read, joining me in sincere thanks to the authors. (Cheers).

We now come to the real order of the day. The first business to be dealt with is the proposal to adopt new Rules. I have to remind you that at the last Congress, held at Paris, a resolution was adopted to the effect that the Rules did not meet all requirements, and called for revision.* Acting upon this resolution Mr. Gray and myself set to work immediately after the Congress, drafting the proposed new Rules now before you as being, in our opinion, such as would commend themselves to the judgment of the majority of members.

PROPOSED NEW RULES.

1.—*Objects of the International Co-operative Alliance.*

1. The objects of the International Co-operative Alliance are:—(a) To bring the co-operators of as many countries as possible into permanent contact with one another; (b) to enable them to study in common, with a view to perfecting them and extending their operation, for the benefit of the working and cultivating classes, every description of co-operative institutions based entirely upon self-help, unaccompanied by State-aid, as well as different methods of remuneration of labour; (c) to promote common action for educational purposes, for the cheapening of supply, and the better remuneration of productive labour, among other things, by means of direct international commercial relations, to foster a genuinely co-operative spirit among co-operators, and to seek to influence public opinion in favour of co-operative methods and co-operative ideals.

*For the old Rules see pp. 13-19, substituting only for the present Clause 3 the following:—

The International Co-operative Alliance consists of the following classes of members:—

- (1) Co-operative groups, federations and societies which pay to the Alliance the annual subscription required by Clause 9 of these Rules.
- (2) Persons who are members of some co-operative society, and who pay the subscription indicated for them in the same clause still to follow.

2. In all things political or religious the International Co-operative Alliance shall observe absolute neutrality, excluding from its discussions and work all that has any party bearing in respect of either subject, and leaving to its members complete liberty with regard to both.

3. The International Co-operative Alliance shall be a Union composed, so far as is possible, of co-operative societies and organisations. In respect of countries in which co-operation is, in the opinion of the Central Committee, still so insufficiently organised as to warrant such course, it shall be within the power of the Central Committee to elect individuals as members of the International Co-operative Alliance. Such individuals shall have the same rights as members delegated by societies, except that they shall not be entitled to vote singly at Congresses. It shall, however, be within their power to appoint one representative to exercise the right of voting, in the same proportion to the subscription paid as delegates of societies (see Rule 19) for their particular country, or, if there should be more than ten members elected to the International Co-operative Alliance in that country, for every ten or an excess fraction of ten members.

II.—*Constitution and Government of the International Co-operative Alliance.*

4. The supreme power in the International Co-operative Alliance is vested in its Congress, which shall be composed of delegates of the societies or organisations and of other members composing the Alliance, properly accredited in the manner hereafter to be described.

5. The Congress shall have power to elect honorary presidents and vice-presidents of the Alliance, permanent or temporary committees on whatever subjects it may think proper, which committees may regulate their own procedure, and it shall in each of its sessions elect a Central Committee to carry on the current business of the Alliance.

6. The Central Committee shall consist of not less than nine nor more than twelve members, to be elected among the delegates accredited to the Congress, without distinction of nationality, purely upon the ground of personal fitness and presumable utility to the Alliance. Such members shall remain in office till their successors are elected. In the event of any vacancy occurring in the Central Committee in the period which separates two Congresses, the Central Committee shall have power to elect properly-qualified delegates to the Alliance to fill such, by co-optation, by a majority of votes.

7. The Central Committee shall be entrusted with and answerable for the conduct of the current business of the International Co-operative Alliance. It shall elect from among its own members a chairman and a secretary or secretaries. It may appoint sub-committees consisting of its own members or of such members and others. Within the Central Committee the chairman shall have the general direction of affairs, and he shall preside ex-officio, when present, at meetings of the Central Committee and of such sub-committees of which he is a member. In divisions he shall, in the event of an equality of votes, have a casting vote.

8. The Central Committee shall also elect from its midst a treasurer, who shall be responsible for the accounts of the Alliance. The financial year of the Alliance shall run from 1st July to 30th June. As soon as is possible after the 30th June of every year, but in no case later than the 1st September next following, the treasurer shall prepare and submit to the members of the Central Committee a balance sheet, properly audited, for the past year, showing the receipts and expenditure and the assets and liabilities of the Alliance. In respect of such balance sheet the Central Committee shall have power to give a full and sufficient discharge.

9. The seat of the Central Committee and its office for administrative work shall be in London.

10. The work of the Central Committee may be carried on, and votes may be given by its several members, by correspondence.

11. Any co-operative society or organisation, or, within the limits laid down in Rule 3, any individual avowing himself or herself a co-operator, in any part of the globe, which, or who, is judged deserving by the Central Committee, is eligible for membership in the Alliance upon its or his or her own application. All applications for membership of the Alliance shall be made to the Central Committee, which shall have power to accept or refuse any such application.

12. Any society or organisation so joining shall be required, from the day of its election, to pay to the funds of the Alliance an annual subscription of not less than 10s. Should such subscription fall in arrear, the society making default forfeits *ipso facto* for the time being its rights of membership, but it shall be permissible for it to resume them by payment of the amount in arrear within a twelvemonth from the date of default.

Individual members elected under the power reserved to the Central Committee by Rule 3 shall pay an annual sub-

scription of not less than 5s. each, failing which they shall be held to forfeit their rights of membership.

13. Every society or organisation becoming a member of the International Co-operative Alliance shall also be required to forward to the office of the Central Committee a copy of its rules and of any other publication issued, and to advise the Central Committee of any change effected in its rules, its organisation, or its address.

14. So far as may be found practicable, societies and organisations which have become members of the Alliance shall, in their several countries, unite to form national sections, having officers and a committee or committees elected by themselves. There may be several national sections in one country, but the formation of every one shall be dependent upon the approval, previously obtained, of the Central Committee.

15. Wherever a national section has been formed, such section shall appoint an officer whose duty it shall be to collect the subscriptions due to the International Co-operative Alliance from members of that section, and to forward them to the Central Committee, also to carry on all correspondence on behalf of that national section with the Central Committee or others.

16. Where there is no national section, the member or members of the Central Committee belonging to the particular country, if there are any, shall be responsible for the collection and forwarding of subscriptions leviable in that country, and for the conduct of the correspondence in respect of that country. They may appoint some one person, being a member of a society or organisation belonging to the International Co-operative Alliance, to discharge these duties.

III.—*The Congress.*

17. A Congress of the International Co-operative Alliance shall be held, at such place as may be appointed, at least once in every three years. The Central Committee of the International Co-operative Alliance shall direct the preparations for the Congress, the drafting of the programme, selection of the principal speakers, etc. It may associate with itself for such part of this work as is of a distinctively local character a local or organising committee, to which it may delegate part of its powers and duties, provided always that the local or organising committee acts throughout in concert with and with the approval obtained of the Central Committee.

18. In the event of a Congress failing to fix the time and place of the next Congress, the Central Committee shall have power to fix both, at its own discretion, by a decision of the majority of its members.

19. The Congress shall be composed of delegates accredited by societies or organisations which are members of the International Co-operative Alliance, not in arrear in their subscriptions, and appointed in the proportion of one to each society or organisation paying an annual subscription of 10s. to £1, and an additional delegate for each succeeding £1, but not in any case more than five delegates in all for one society; and, in addition, of individual members elected as provided by Rule 3, with the limitation of rights there laid down. It is not necessary that the delegate appointed be a member of the particular society which appoints him. One and the same person may represent several societies, or hold several votes on behalf of one society, provided that the total number of his votes shall not in any case exceed five. The Central Committee shall, in addition, have power to invite other persons to attend the Congress. Such persons shall have no power of voting.

20. Notices of the forthcoming Congress shall be issued by the Central Committee to all members of the International Co-operative Alliance at least three months before the opening of the Congress. They may also be communicated to others. A programme of the proceedings, to be prepared by the Central Committee, and giving the names of the designate president and of the persons who will read papers or bring forward important resolutions, as well as the subjects of such papers or resolutions, the place and precise date of the meeting, and stating what steps should be taken to obtain tickets or otherwise to qualify for attendance, shall be issued to all members of the International Co-operative Alliance not later than a fortnight before the opening of the Congress.

21. Delegates appointed to the Congress shall be provided by their societies or organisations with proper authority to represent them, signed by the president or chairman and the secretary of the delegating body. Failing this, delegates shall not be held to be entitled to take part in the proceedings of the Congress. The Central Committee shall issue to all duly-appointed delegates tickets of admission to the Congress in such form and manner as it may from time to time determine. No person, other than invited guests, shall be admitted to the Congress except on presentation of a delegate's ticket, made out to him as shown above.

22. At the opening of the Congress the president or chairman of the local organising committee shall take the chair. The Congress shall then elect its own chairman and other officers or committees to bear office during the period of the Congress, who are to act in concert with the Central Committee.

23. The Congress shall have power to regulate its own procedure. It may decline to discuss motions of resolutions or to take action upon them, if they be brought forward without notice. Divisions at the Congress shall be taken by open voting.

24. The Congress shall have power to modify or annul the present Rules, to add to them, and to pass any resolution not entering into conflict with the principles laid down in Clauses 1 and 2. No motion proposing a modification or annulment of the present Rules, or of part of them, shall, however, be admissible for discussion unless notice have been given to the chairman or secretary, or to one of the secretaries of the Central Committee at least three months before the opening of the Congress, setting forth in precise words the alteration proposed. The officers of the Central Committee on receiving such notice shall communicate it at once to all the members of the Central Committee.

25. With such limitation every resolution declared passed by the Congress by its chairman or president shall be binding upon the International Co-operative Alliance.

26. As soon as possible after the sitting of Congress the Central Committee shall cause to be published a report of the Congress proceedings, a copy of which shall be sent, free, to every society or organisation which is a member of the Alliance.

The CHAIRMAN: These Rules have been approved by the majority of the Central Committee. However, there are some counter proposals. There is, first, the rather lengthy proposal made by the Dutch members of the Central Committee, Messrs. A. E. Elias and Peereboom-Voller. It is as follows:—

FIRST AMENDMENT.

That the Congress resolves as follows:—

1. The societies of every country represented in the Alliance elect one member of the Central Committee, provided that in such country the number of societies adhering to the Alliance is more than 24 and less than 100. Should their number be 100 or more, but less than 1,000, the adhering societies become entitled to elect two members. If their

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number be 1,000 or more they shall be entitled to elect three members.

2. The right of electing members of the Central Committee is to be limited to delegates of adhering co-operative societies. Individuals, though they be members of the Alliance, are not eligible.

3. In addition to the members elected by adhering societies, the Congress may appoint not more than three members of the Central Committee from among the most renowned co-operators and such as practice profit-sharing.

4. In countries which do not number 25 adhering societies, the Central Committee shall have the right to appoint one or two correspondents of the Alliance, whose office becomes vacant as soon as the number of societies adhering to the Alliance in such country reaches 25.

5. To the Central Committee shall be joined a general secretary, who is appointed by the Congress and paid by the Alliance, and whose permanent residence shall be in London.

REASONS FOR THE FOREGOING PROPOSAL.

The foregoing motion is put forward on the following grounds:—

Experience has shown that only the co-operative societies of the particular country in which the Congress is held are represented at the Congress in great numbers. The societies of the other countries are scarcely represented at all, presumably in the first place on the ground of expense of the journey, which only few societies can afford.

This impediment is but insufficiently neutralized by the disposition of the Rules, that every member of the Congress may represent several societies, for the number of the societies that may be represented by one delegate is limited to five. And it is clear that this number could not be increased without falling into other not less important difficulties.

From this it follows that when the Congress has to elect the members of the Central Committee, only a small part of the societies adhering can take part in the election, and that the societies of the country, in which the Congress is held, have a decisive influence in this matter.

This is contrary to the interests of the Alliance. Those interests require that the societies of all the countries adhering should take part in the election of members of the Central Committee in as great number as possible. Moreover, it is desirable that the co-operative societies of every country should be, as far as is possible, represented on the Central

Committee. The situation of co-operation is quite different in different countries, not alone from a legislative, but also from an economic point of view. So do likewise the development of co-operation and the application of its principles differ in every country. The Central Committee cannot fulfil its difficult task if it does not reflect all those diversities, and this is only possible if the various countries are represented as much as possible on the Central Committee.

The true interests of the Alliance then require undoubtedly that the adhering societies of every country elect at least one member if their number be at all considerable, for instance, 25.

The right of electing members of the Central Committee is to be limited to co-operative societies; thus that right is not to be given to individuals who are members of the Alliance. These individuals are — or ought to be, at least — members of co-operative societies, everyone in his own country, and it would be against the principles of co-operation to give to them more influence on the composition of the Central Committee than to the members of co-operative societies, who are not at the same time individual members of the Alliance. Above all, the International Co-operative Alliance ought to be, like the National Co-operative Unions, a federation or union of co-operative societies, and not of individual co-operators, although these are welcomed in the Alliance for assisting it by their annual subscriptions.

To gratify the just desire of those who wish to have regard to the beautiful principles of profit-sharing, and not less of those who find it of great importance that the Congress of the Alliance should nominate renowned co-operators to be members of the Central Committee—inasmuch as the same might not be elected by the societies themselves—the Rules could provide that the Congress may appoint in addition to the number of members elected by the societies, three members on the Central Committee from among the most renowned co-operators and from those who practice the principles of profit-sharing.

In those countries where there are not 25 adherent societies, and where, consequently, co-operative societies would not have the right of electing a member of the Central Committee, this Committee ought to have the right of appointing one or two correspondents of the Alliance, who have to leave office as soon as in such country there are 25 societies, and then have elected a member of the Central Committee.

As well as a National Union of Co-operative Societies is unable to operate with success if it has not a single person who devotes himself specially to the great work of promoting co-operation in his country, and who holds all the threads of the movement in a strong and able hand, in the same way it is impossible that our International Alliance can spread over the whole world the blessings of international co-operation unless a single person be the soul and the propelling force in it.

Therefore it is necessary to join to the Central Committee a general secretary, who is appointed by the Congress and paid by the Alliance. He could be at the same time the treasurer of the Alliance, because he will know the adherent societies and individuals, and, consequently, he could better than anyone else control the payment of the annual subscriptions, but also because the finances of the Alliance do not allow to pay more persons than one; and it is evident that they who work consecutively for the Alliance ought to be paid by it.

In the beginning the salary of the general secretary should be very modest, but in proportion as more societies and more individuals join the Alliance, his salary might be made to increase till it has reached a maximum sum of £300, for instance. The Rules could stipulate that the general secretary shall receive a certain part of every annual subscription (*e.g.*, one-half) till the maximum of his proposed salary is reached.

The general secretary is to be charged with the correspondence and with the financial administration, with the execution of the resolutions of the Congress and the Central Committee; with the editing of reports and statistics, with the preparation of Congresses, with the management of international commercial relations, with the editing of a newspaper of the Alliance, and with all other work the Congress or the Central Committee may commission him to do.

This is really a large and difficult task; but it is evident that in the fulfilment of it the general secretary should be assisted by all the members of the Central Committee, by the national sections and by all the individuals who take interest in the principles and the blessings of co-operation.

The CHAIRMAN: This is less an amendment than an expression of certain wishes. But we have decided to treat it as an amendment, amounting, if it is adopted, to a reference back to the Central Committee. That I propose to take first. Next will come, in the proper order of things, Dr. Crüger's

counter draft of Rules, which means the substitution of his draft for ours.

SECOND AMENDMENT.

1. Co-operative societies of various countries form an Alliance, which bears the name "International Co-operative Alliance."

The Alliance has its seat in London.

The objects of the Alliance are:—

(a) To promote and extend the practice of co-operation, maintaining as essential for co-operative societies the economic principles of self-help, self-government and independent responsibility.

(b) To promote and cultivate economic relations among the co-operative societies of different countries.

(c) To create a central office for the collection of the periodical reports of co-operative societies of all countries and of publications relating to co-operation.

2. Neither political nor denominational subjects are to be discussed in the Alliance.

3. The International Alliance is composed of two classes of members—ordinary and extraordinary.

Co-operative societies and unions are entitled to join it as ordinary members.

Single individuals may join as extraordinary members.

The decision upon the election of members is left to the Committee, whose judgment in the matter is final.

Single individuals are entitled to become members of the Alliance only if there should be in their particular country no Union of co-operative societies.

Every member is required to pay an annual contribution of 5s.

Every ordinary member of the Alliance is entitled to *one* vote only at the Congresses of the International Alliance.

The Congress is entitled to exclude members by resolution on the motion of the Central Committee.

4. The government of the Alliance is committed to the Central Committee.

The Central Committee shall consist of 11 members, to be elected by the Congress for the term of three years by simple majority. Such members retire in rotation in the following numbers: four, four and three. A ballot is to decide in the first instance who retires. Retiring members are re-eligible.

The Central Committee is to elect a chairman, a secretary and a treasurer. The persons elected to such offices must be resident in England.

The Central Committee is entitled to appoint sub-committees to perform certain work. Such sub-committees have the right of co-optation.

The Central Committee is to meet at least once in every year in London.

The Central Committee will settle its own order of business, distributing the work which it is itself to perform.

5. Once at least in three years the Congress is to meet, consisting of the ordinary members of the Alliance.

The chair at the Congress is to be taken by the chairman of the Central Committee of the Alliance or his deputy.

The chairman appoints the secretary of the Congress.

The selection of a place for meeting and all the preparations for the Congress are left to the Central Committee.

The place of meeting is to be definitely fixed six months before the meeting of the Congress. As soon as a place has been selected, notice of such decision and of the time at which the Congress is to meet is to be given to members by communication in the co-operative newspapers. Extraordinary members are to be apprised by direct advice from the Central Committee.

Every member of the Central Committee is entitled to move resolutions for the consideration of the Congress. Resolutions proposed by ordinary or extraordinary members require the support of ten members.

Motions of which notice has been given in the regular way to the chairman of the Central Committee at least two months in advance have to be put down in the Congress agenda.

The Congress agenda is to be communicated to members six weeks before the Congress by publication in co-operative newspapers. Extraordinary members are to receive such agenda by direct communication from the Central Committee.

6. Notices are to be published in the following papers :—

7. The financial year is from _____ to _____

At least eight weeks after the close of the financial year the treasurer shall be required to submit a balance sheet to the Central Committee. Such balance sheet is to be properly examined at the next ordinary sitting of the Central Committee. The Central Committee decides upon the discharge to be given.

8. The CHAIRMAN: Should these two proposals be negatived, I propose to take our draft Rules, of which, being in the Chair, I must beg Mr. Gray kindly to take

charge, clause by clause, together with the amendments standing over against every clause, the majority of which stand in the joint names of Messrs. Greening and Greenwood; one is in the name of M. de Boyve, acting with the concurrence of the other French members of the Central Committee. Their amendments are as follows:—

THIRD AMENDMENT.

Proposed addition to Article 2.

“To maintain such neutrality, on which depends the unity of the co-operative movement, every person and every society becoming a member of the Alliance acknowledges that co-operation is sufficient for itself and must not be made to serve as an instrument to any party.”

FOURTH AMENDMENT.

Article 1. Section D.

To re-insert here Section 3 of Article 1 of the original Rules, relating to objects, viz.:—

“To hasten by all means of propagandism at its disposal (profit-sharing being the proper principle of co-operation) the time when all associations bearing the co-operative name, whether productive (industrial or agricultural), distributive, banking or building shall have organised in favour of labour a share of profits for all employees, without exception, and shall have inscribed in their Rules the obligations to practice such profit-sharing.”

Article 1.

To re-insert the words in Section 2 of Article 3 in the original Rules relating to admission of individual members, viz.:—

“Persons belonging to a co-operative association who pay the subscription indicated in the same Article (*re* Article 9 in original Rules) fixing 5s. per annum for individuals.”

Article 2.

To re-insert the following words from Article 12 of original Rules relating to self-government of national sections, viz.:—

“Section 14. Each national section establishes to suit itself, the Rules of its internal organisation.”

Article 2.

To re-insert also Article 15 of original Rules relating to fraternal action with existing co-operative bodies, viz.:—

“The Alliance and its national sections shall, as far as possible, act through the medium of the groups, federations, and associations existing in the various countries.”

Article 2. Section 6.

To read as follows in relation to organisation of Central Committee, viz. :—

“The Central Committee to consist of members to be elected by each Congress, one from each national section or group. Such members to remain in office until the following Congress. In the event of any vacancy occurring in the Central Committee, the Central Committee to have power to elect by co-optation a member from the same section or group until the next Congress.”

Article 2. Section 7.

To read as follows relating to officers and sub-committees, viz. :—

“The Central Committee shall elect a chairman, who shall have a casting vote in case of any equality of votes.

“The Central Committee may also elect a secretary or secretaries and such other officers as it deems necessary, also sub-committees, with powers and duties defined by it. Such sub-committees may consist of the Central Committee, members and others.

“The chairman of the Central Committee shall be *ex-officio*, a member of all committees, but each committee shall have power to elect its own chairman, who shall have a casting vote in case of an equality of votes.

“The Central Committee shall, at its first meeting, appoint an Executive Committee (Bureau), which may be elected from its own members or from such national section or group as may be available.”

Article 3. Section 17.

To substitute Article 19 of original Rules for second and third paragraphs of this Section relating to organisation of Congress Committee, viz. :—

“The Central Committee of the Alliance authorises the formation of a local organising committee in the country where the future Congress is to be held. The Central Committee and the local organising committee jointly arrange the appointment of the honorary president and vice-president, the effective president and vice-president, and the secretaries of the future Congress, and the drawing up of the list of invitations to be sent to societies and persons not members of the Alliance.”

The CHAIRMAN: The clauses will now be taken one by one, and will, if adopted, be only provisionally adopted. When all have been gone through singly, I shall put the entire draft Rules to the meeting for adoption.

I call upon Dr. Elias or Mr. Peereboom-Voller, or anyone having charge of their motion, to speak to the same.

M. G. J. D. C. GOEDHART (Netherlands) said that he had been asked by his two countrymen named to move clause 5 only of their amendment, which is to the following effect:—

“To the Central Committee shall be joined a general secretary, who is appointed by the Congress and paid by the Alliance, and whose permanent residence shall be in London.”

The CHAIRMAN: The amendment is to the effect that there should be a paid “general secretary” of the Alliance, receiving a salary to be made up, as the authors of the proposal elsewhere explain, in the first instance by deductions from the incoming subscriptions, and to be gradually raised to £300. As Chairman of the Alliance, I wish to point out to you that we have not at present the requisite means at our disposal; also that all the work to be done can be adequately performed by the honorary officers and Miss Halford. I cannot quite see what superior efficiency it would impart to an officer to be called “general secretary.”

Does anyone second the amendment? (No response). Nobody? (No response). Then we go on to the next question. The next question is Dr. Crüger's amendment. Dr. Crüger is not here. Does anyone wish to move his amendment?

DR. HANS MÜLLER (Switzerland): I wish to move so much of Dr. Crüger's amendment as is contained in his clause 1, and I ask that that clause be substituted for clause 1 of the draft of Messrs. Wolff and Gray. My reasons are these: Messrs. Wolff and Gray's clause is so drafted as to exclude from membership in the Alliance all co-operative societies subventioned or otherwise assisted by the State or other public bodies. That is, as I hold, in contradiction to the present spirit of co-operation. There are many most useful co-operative societies which are dependent upon, and could not subsist without State-aid. Such are the co-operative building associations of Germany, which, assuredly, you do not wish to exclude. There are districts in which distributive societies could not grow up unless they were in their early stages supported by State endowments. It would be mischievous to exclude all these. In the next place, Messrs. Wolff and Gray's draft mentions as one of the objects of the Alliance “to promote common action for . . . the better remuneration of productive labour.” That is a matter which has nothing whatever to do with co-operation. Let us leave that to the trade unions! In the third place, the objects of

the Alliance, as traced in the draft, are altogether too large and too wide for the powers and means that we have at our disposal. We have just heard that we have not the means to pay a general secretary. Let us limit the scope of our action!

The CHAIRMAN: The Congress Rules limit the time for speeches to ten minutes. I apprehend that what with translations to follow that will make our proceedings altogether too long. I put it to you whether we should not put the limit at five minutes. (Cheers).

MR. JOHNSTON (Manchester): I ask would it not be better to take each Rule in order. I did not understand that an amendment had been moved.

MR. MOORHOUSE (Delph) was understood to say that it was difficult to follow the proceedings, the amendments not having been printed and distributed.

The CHAIRMAN: The amendments are all printed, and appear in their proper order in the Congress Agenda which you have in your hands.

MR. ALDRIDGE (Guildford): I think I shall be voicing the feeling of the meeting when I ask that the salient point in this amendment be made clear to us. If that is done it will help to clear the way.

The CHAIRMAN: The salient point is that we should not limit ourselves exclusively to societies based on self-help. It is contended that there are supply societies and others which cannot very well exist without help from the State or the municipality.

MR. JOHNSTON (Manchester) could not accept the whole of Dr. Crüger's first clause. He was with Dr. Müller in desiring the excision from Messrs. Wolff and Gray's draft of the words "based entirely on self-help, unaccompanied by State-aid." He looked upon co-operation as a much larger thing than it was generally understood to be by members of co-operative societies to-day. He regarded municipal work as purely co-operative. He regarded collective work carried on by the State also as purely co-operative, so that it would be a drawback to the efforts of that Alliance of co-operators generally to have their work limited by the words "based entirely upon self-help, unaccompanied by State-aid," as well as different methods of remuneration of labour, which he proposed should be deleted. With regard to municipal work there was the very important question of the housing of the people to be discussed, and he asked the co-operators of this country and the rest of the world whether it was possible to solve that question by means of

voluntary co-operation. Much had been done by societies in Great Britain, but it could only be regarded as of a temporary character, and the extent and scope would have to be considerably enlarged before they could deal in an effective way with the housing problem.

The CHAIRMAN: Dr. Müller's amendment is not seconded. Does anyone second it?

MR. H. VIVIAN (Labour Association) was understood to second the amendment. He did not see where they were going to draw the line. They might as well have Lord Kitchener and Lord Roberts down to represent Woolwich Arsenal. If they excluded State-aided societies they would exclude many excellent co-operative societies, such as those assisted by the Board of Agriculture in Ireland, and others assisted by the municipalities of France.

COUNT DE ROCQUIGNY: I desire to offer a remark or two with regard to the second paragraph of clause 1. This paragraph puts it that self-help is the basis of co-operation. It adds that co-operative societies should subsist without subventions or patronage from the State. To accept this principle means to exclude from the Alliance a number of co-operative societies of great value, which our Chairman knows very well, such as agricultural syndicates, credit societies and others, societies of which France, Germany and Belgium possess many. They receive either aid directly from the State, or else loans, on preferential terms, from State banks and Government savings banks. All these would be excluded by a stroke of the pen. Therefore the scope of the prohibition will have to be limited. We are of opinion that State patronage may be highly useful to societies designed for the improvement of the lot of the masses in their infancy. It is on this ground that we ought to permit temporary assistance by the State. Apart from this point I have nothing to object to in the first clause of the draft Rules.

M. BARRE (France): We may very well adopt the second paragraph of clause 1 as it stands, provided that it is understood that it does not exclude societies subventioned by the State. In France, although in principle, we are all opposed to State subventions, new societies cannot get on without such. Also we cannot well take upon ourselves, by our refusal of such assistance, to discourage the State when it desires to give its support to co-operation, whether it be distributive or productive. Without cash it is impossible to think of starting co-operative productive societies. And in France we are at

present anxious to increase the number of such. For these State support is most valuable. If it were to be held that the Rules as drawn exclude such societies, we shall have to vote against them.

M. ANSEELE (Ghent): There are two questions which divide us. First, there is the question: is the Alliance to admit societies subventioned by the State? Next, what is henceforth to be the scope of the objects of the Alliance? Dr. Müller proposes to admit all societies without distinction, whether subventioned or not. In respect of this I agree with him. He goes on to propose that we should limit the scope of our objects by eliminating from clause 1 the third paragraph, which says:—"to promote common action for . . . the better remuneration of productive labour." Such elimination means a narrowing of the objects of the Alliance. Though I am at one with Dr. Müller in desiring that all co-operative societies should be admitted, I am altogether in agreement with Mr. Wolff when he says that the scope of the Alliance should be kept wide. I therefore propose that Dr. Crüger's draft be adopted only so far as it applies to the erasion of the words "unaccompanied by State-aid," but I decline to accept the elimination of the passage in Mr. Wolff's draft which says that the Alliance is to "promote common action for educational purposes, for the cheapening of supply, and the better remuneration of productive labour." (Cheers). It is not trade unions only on whom it is incumbent to give their attention to these matters; it is also co-operative societies. (Cheers). In their own organisations they ought to apply these principles and pay the best wages possible. They ought to help the workman with all the moral and material power at their disposal. (Continued cheering).

MR. ANEURIN WILLIAMS (Labour Association): Am I right in moving an amendment to Dr. Crüger's amendment?

The CHAIRMAN: It would be perfectly legitimate; but I submit it is not desirable to have an amendment to an amendment in this Congress. I must leave it to you. (Mr. Williams did not press his amendment).

The CHAIRMAN asked if he understood right that Mr. Vivian had seconded Dr. Müller's amendment.

MR. VIVIAN remarked that he did not second the amendment, only section A in it.

The CHAIRMAN: Then Dr. Müller's amendment is not seconded?

MR. ALDRIDGE (Guildford) seconded.

There was a loud clamour from foreign members wishing to speak, as well as from others calling for the vote.

The CHAIRMAN : I will now put the question to the vote.

There were 121 votes in favour of the amendment to 74 against.

The CHAIRMAN : The amendment is carried. (Cheers). I call upon Mr. GREENING to speak to the next clause.

MR. E. O. GREENING said he was happy to say the resolution he had to propose was perfectly distinct and clear, and one about which there could be no misunderstanding. The amendment of Dr. Müller, following the draft of Mr. Wolff and Mr. Gray, left out the recognition by the Alliance of the principle of sharing of profits between capital and labour, between employers and employed. He moved to re-insert here Section 3 of Article 1 of the original Rules, relating to objects, viz. :—

“To hasten by all means of propagandism at its disposal (profit-sharing being the proper principle of co-operation) the time when all associations bearing the co-operative name, whether productive (industrial or agricultural), distributive, banking or building shall have organised in favour of labour a share of profits for all employees, without exception, and shall have inscribed in their rules the obligation to practice such profit-sharing.”

The resolution, he continued, excluded no one from the Alliance. They had all the societies, whether profit-sharing or not. It proposed no overlapping. What was proposed was to bring back again the recognition of the right of home rule for each national section. There would also be no interference by the Alliance with the work of organisation in the separate countries. There was no question as to what was the hope of their late leader, Mr. E. Vansittart Neale, when the Alliance was founded. His hope was that little by little co-operators would win their way to the great principle of profit-sharing by which the workers would participate in the result of their labour. He (the speaker) called attention to the fact that Mr. Neale embodied this principle not only in the objects of the Alliance, but also in the objects of the Co-operative Union of Great Britain, and asked if any harm had been done by keeping the flag of profit-sharing a-flying.

MR. J. C. GRAY (General Secretary of the Co-operative Union) said it would seem as though they could go on discussing those rules the whole of the week ; and he would be sorry if that large Congress were to be called together simply to discuss hard and dry rules. (Hear, hear). He and his supporters were prepared to withdraw their amendment,

so as to concentrate all the discussion on one amendment only, as to whether there should be individual membership of the Alliance or not.

MR. GREENING cordially accepted this course. The old rules would remain, and then they could thrash out the other subject as to terms of individual membership.

The CHAIRMAN: Mr. Gray and his friends have declared their willingness to withdraw the whole draft Rules on the understanding that they shall be permitted to bring in a motion to the effect that clause 3 of the draft Rules stand part of the Rules now in force in place of clause 3 of the present Rules. The adoption of this motion would mean that individual members are no longer eligible in the Alliance. Mr. Greening and other movers of amendments to the draft Rules give their consent to this. Therefore, if you approve, I will declare this compromise agreed to. (General indication of assent).

The CHAIRMAN: The draft Rules and amendments are withdrawn, except one motion to be moved by Mr. Gray.

M. GUILLEMIN (France): We have voted twice without quite knowing what it is that we have voted upon. My colleagues and myself admit that we have voted without knowing. We have voted first for the substitution of Dr. Crüger's clause 1 for clause 1 of the draft Rules, and then, it appears, we have voted for the withdrawal of everything, which means a reversal of our first vote. That is inadmissible.

The CHAIRMAN: The resolution was properly put and agreed to by a large majority.

M. GUILLEMIN: That does not make it the less irregular. I ask that we begin the discussion afresh.

M. CHIOUSSE (Grenoble): We have understood very well what was before the Congress and have voted accordingly. However, the matter ought to be more clearly explained in French.

(This was the fault of the French translator, who had been recommended by people in Manchester, but who failed altogether to give satisfaction. He was accordingly replaced next day by Mr. Adolphe Smith, who was telegraphed for from London. Mr. Smith gave full satisfaction).

DR. MÜLLER: It is quite irregular to reverse a resolution already adopted. I have never heard of such a thing. We are wasting precious time. My motion was put and carried and there should be no going back upon that vote.

The CHAIRMAN: The proceeding was perfectly regular. I distinctly explained that the clauses would first be put separately as a provisional vote, and then the Rules as a

whole. It is perfectly legitimate for Mr. Gray upon the vote on the whole draft to withdraw his draft with the consent of the movers of the amendments and of the Congress. That consent has been given very clearly.

I call upon Mr. Gray.

MR. GRAY proposed that paragraphs 1 and 2, clause 3, Rule 2 in the Rules of the Alliance admitting individual members to the Alliance be rescinded, and that the following be substituted:—

“ 3. The International Co-operative Alliance shall be a Union composed, so far as is possible, of co-operative societies and organisations. In respect of countries in which co-operation is, in the opinion of the Central Committee, still so insufficiently organised as to warrant such course, it shall be within the power of the Central Committee to elect individuals as members of the International Co-operative Alliance. Such individuals shall have the same rights as members delegated by societies, except that they shall not be entitled to vote singly at Congresses. It shall, however, be within their power to appoint one representative to exercise the right of voting for every ten or an excess fraction of ten members.”

MR. MCINNES (Central Committee of the Alliance) said the purpose of the resolutions submitted by the Co-operative Union was to convert the members of the Central Committee of the International Co-operative Alliance into a body that should be the direct outgrowth of the co-operative organisations, or unions of societies already existing or likely to come into existence within the countries comprising the Alliance. They held that the relations to the Central Committee of the national organisations in each country should be that of responsible and interested parties. It was essential that those who controlled the Alliance should have a thorough knowledge of the practical working of co-operation, and be the elected representatives of those in whose interest they served. If the present method of election was adhered to, the Central Committee was open to the possibility of reflecting the views of leading individuals rather than the views of the great body of co-operators in each country. British co-operators had been asked to be directly represented at these Congresses, and they in return asked to meet upon the Central Committee direct representatives of co-operators in other countries. If the main idea underlying the Alliance was that of co-operative universality, what objection was there to throwing open the seats on the Central Committee to the votes of the organised societies in each country? If

those who now formed the Central Committee already represented the views of the main body of co-operators, they had nothing to fear in the proposed change, for they would be sure of election. If they did not represent the co-operative opinion of their respective countries, what claim had they to be upon the Central Committee. (Hear, hear). Their only defence must be the plea that their rank and file were not sufficiently intelligent to be trusted. A defect of the present method of election was that under it it was possible that every country might have individuals speaking in the name of the movement, and professing, without any mandate from it, to represent it. This course, however well meant, would never promote international co-operation. In advocating this change they were aiming to evoke in the whole body of co-operators a deep sense of their obligations as vital units in an international commonwealth. (Applause).

MR. GREENING said the old Rules did not admit individuals as individuals to govern the Alliance. They only admitted them in an advisory sense. They came into their council to give them advice. Were they going to exclude that element? If they were, they were going to force those gentlemen to compete with representatives of local stores. And did they think a man like Mr. J. M. Ludlow would compete against a working man representative in order to come there to give them the benefit of his money and his advice? They should not close the door against what was after all a progressive element. The individual could not control an association of thirty or forty thousand people. Year after year the co-operative societies had discussed the question of the formation of the Alliance, and M. de Boyve had brought the matter before the societies of France for many years. But in spite of all this they did not form the Alliance; it had to be done by a few gentlemen who met in a private house. They must admit individuals; they could not help it because the organisations did not exist. If they did they were in such an imperfect state that their progress depended upon the initiative of ardent enthusiasts. They had admitted the individual element in the proposal of Mr. Gray. They would have some countries still represented by individuals, and other countries which entirely excluded them. The old Rules had worked well, and he defied anyone to say they had done any harm. He defied anyone to say they had not received great benefits from individuals. He hoped the vote would be in favour of retaining the old Rules.

MR. F. HARDERN (Central Committee of the Alliance)

wished it to be distinctly understood that the British delegates had a mandate from their Congresses for three or four years past on this matter. British co-operators had practically unanimously recommended these proposals for the support of their foreign friends in order that they might be adopted as part and parcel of the Alliance. The movement in Great Britain had developed by leaps and bounds ever since they amended their Rules and made their constitution of the character they were now desirous of extending to the Alliance. It was not a fact that they had discarded individuals from the Alliance. All they wished was that where a multiplicity of societies existed and formed a section, and where individuals took an interest in the movement, they should become part and parcel of that section and come as representatives of it, and express its desires and not their own individual opinions. Men like Mr. Ludlow had every chance of joining their organisation and becoming part of their great co-operative movement, by which they would be able to speak with greater force than before. This was all they asked from their foreign friends, and they did not ask for it in any dictatorial sense, but in the friendliest manner imaginable. They were confident that foreign co-operators were with them in this matter, and the only persons against them were, unfortunately, friends at home. Why should that be so? Why should men like Messrs. Greening and Holyoake stand in the van of retrogression—be, in fact, against progressive development in their own country? They wanted to instil into the minds of those abroad the advantages of the proposed change, which would hasten the time when they would have huge organisations of a distinct representative character, and would feel that they were working together for good. When that was accomplished who could tell the weight, power, and influence which would then be wielded by great organisations abroad as well as at home. They had made every provision, wherever it was found necessary, for individuals to go to the Congress, namely, in countries in which co-operation was not strong. He hoped, therefore, they would give, if not a unanimous, an emphatic vote in favour of the proposed alteration of the constitution of the Alliance.

MR. HOLYOAKE: I wish to give you my reasons for thinking the motion before you an undesirable one to accept. Mr. Hardern has told you that the question has been debated at, or has been before, several Congresses. But nobody ever understood it to mean a proposal such as is now brought before you. The proposal is to exclude individual members

from Congress, after it was agreed, at the London Congress of 1895—at which I took part—that no society should seek to impose its views upon any other society. Mr. Hardern was the author of that compact, to which we assented; and now we are coming forward to impose upon foreign societies a particular method of business peculiar to Manchester, and to deny to others the privilege of inviting to their councils a man of eminence, of influence, of genius, unless he buys his sugar and his soap at a co-operative store, which may nominate him. That is the mean condition they propose to you. To adopt that would be a reasonable rule for a commercial society to have. I should not object to it. But it is an odious rule to apply to an International Alliance which is founded on the principles of fraternity, of equity, and of intelligence, having propagandism as its object. We do not represent an international grocer's shop; and it will be felt as offensive—and act as a deterrent amongst all general friends of co-operation in every part of the country—to the learned professors and eminent ministers of state who befriend co-operation in France, Italy, and other countries, if we are to subject them to the humiliation of this test. Englishmen do not stand very well, just now, in the opinion of the Continent, where we are thought to be too much inclined to Imperial arrogance. Let us not encourage the opinion and strengthen the belief by trying to impose upon Continental co-operators a condition they would not impose upon themselves, and one they would never think of imposing upon us. It is quite true we can outvote them and impose humiliation upon them, but is it wise to give our foreign friends the impression that Manchester is a place where principle is brought to be killed? Do not let our Continental allies think we treat them as we are accused of treating the Boers, whom, when we cannot subdue them by superior courage, or superior reason, we overwhelm by superior numbers. For the honest reputation of Englishmen, let us, above all else, not institute a test against foreign societies, when we institute none at home. The Co-operative Union, who, Mr. McInnes says, are the authors of this proposal, have never imposed any test upon their own societies, not even that of educating their members, which would have been a useful, and is almost a necessary, test. They admit the most ignorant of societies into the Union, and endow them with the power not only of speaking, but of voting. They are asked no questions as to the condition of intelligence of, or the provision of education for, its members, although they know that co-operation without intelligence

can command no respect. Yet the Union is bringing forward this motion!. They know, as well as you know, that participation in the workshop is as much a part of co-operation as is participation in the store, yet they never propose that as a test of persons or societies joining the Union. They make no scruple about it. Why, if participation in the workshop had been kept as a test as well as participation in the store, the result would have been to enhance the pure, honest repute of consistency which it has not now. Therefore my argument is that we should set our own house in order before we attempt to put the Continent in order. But my strongest objection in addition to this is the inconsistency of this resolution. As Mr. Greening has pointed out, in answer to Mr. McInnes, the individual member has no power to control the affairs of any society; and if he is not voted for, we shall not be able to give him the compliment of being invited to Congress and listen to his wise advice, which we have hitherto been willing to accept. There is no society in this country that I know of—and I know the movement from the beginning, and have lived through its progress—that does not exist but for individual members. The movement has been made by individuals, and I will be no party to excluding individual members. We have profited by their advice, have been strengthened by their council, and have taken their help: they have set up the ladder which we have mounted. Shall we then kick them down, and say: "Gentlemen, you have helped us so far. We don't want you any more."

The CHAIRMAN asked whether the delegates desired to finish the discussion that morning, or adjourn it to the following day.

MR. MOORHOUSE moved that the discussion be concluded before adjourning for lunch, and this was agreed to.

MR. ANEURIN WILLIAMS moved, as an amendment, the substitution of the following words:—

"Except in countries where the national section shall decide to the contrary, it shall be within the power of the Central Committee to elect individuals as members of the International Co-operative Alliance."

He said he was not a strong partisan on one side or the other on this matter. He saw distinct advantages in individual members and certain disadvantages. He hoped, however, that the amendment he had submitted might lead to a solution of the matter. He did not understand why any one country should decide this matter for any other country. Each country should be allowed to decide for itself. (Hear,

hear). If the English co-operators had reached that point when they could do better without individuals, he was willing to fall in with that view. If, on the other hand, other countries wished to have individual members, they ought to be allowed to decide the matter for themselves. He desired to point out that individual members had not the right to vote, except a nominal right of one vote for ten. It was impossible for them to control the Central Committee of the Alliance.

MR. VIVIAN seconded. He was quite sure that both Mr. McInnes and Mr. Hardern had no desire to bar individuals. The point was really this—and that was the meaning of Mr. Williams' amendment—not whether individuals should be admitted or not, but who should send them. With the establishment of the offices of the Alliance in London, it would be dominated, in the main, by English views, and applications for membership from out-of-the-way places, say, in Spain, Switzerland, and Russia, would suffer in consequence, as the committee would be quite ignorant of these places. Let them leave these out-of-the-way societies to Russia and to the other countries concerned, and not attempt to deal with them from London.

M. BÉGUIN (Paris): On behalf of the socialist co-operative societies dealing in food-stuffs in France I beg to say that we hold that no individual person has any right to take a decisive part in the proceedings either of the Congress or of the Central Committee. We recognise no resolutions except those voted in the name of organisations who appoint you and to whom you owe an account for your acts. So far from desiring to exclude eminent and competent persons, we distinctly desire to have their assistance through the medium of working men's societies which they should join and which should appoint them delegates. That is how in France we manage to have M. Cernesson, very well known among co-operators, and Dr. Casimir to assist us, both being members of socialist co-operative societies. In Belgium, M. Anseele is in the same way a member of the socialist co-operative society of Ghent. We are glad to admit fellowmen whose brain power is superior to our own, we being working men. However, whatever be the intellectual superiority of individuals, it cannot ever be sufficient to warrant their pronouncing upon matters relating to the needs and requirements of the working class. It is more particularly in accordance with socialist ideas that such persons should be made to disappear as individuals in order that the Congress of delegates may become the organ voicing only working men's views, setting

forth the proper means for securing their own emancipation and an end of all their troubles. (Loud cheers).

MR. GREENING said he would accept a proposal for home rule for all countries.

MR. GRAY replied to the discussion. He said he regretted that they who supported his amendment could not see their way to accept the proposal of Mr. Williams. Their reasons for this were that they felt it would interfere with the solidity of the Alliance, and that the basis of that body ought to be, as far as possible, the same for all countries. He held Mr. Vivian's speech to be a defence of their amendment. He (Mr. Vivian) said he spoke on behalf of those countries where co-operation was not so strong, but provision had been made in the resolution they proposed to meet such a case. This had been done up to now, and would be continued. It seemed strange that all through the discussion the arguments against their proposal to make the Alliance thoroughly representative should come entirely from English friends, whilst those poor countries to which reference had been made should be in accord with them, or did not think fit to oppose their proposal. In truth, a more representative Congress than that had not been held, and he ventured to say, if a poll could be taken of the European countries members of the Alliance, a majority of the co-operative organisations would be in favour of their proposal. They wanted the membership of the Alliance to be restricted to societies, except in countries where co-operation was not sufficiently organised for the societies to be directly represented at the Congress. Countries became the best organised by means of a Co-operative Union and a Congress. In Switzerland, Germany, France, and Italy, where Congresses had been held, co-operation had gone along by leaps and bounds, whilst where no attempt at organisation had been made, the movement failed to make the headway it ought. He hoped they would accept their proposal, and let Congress be representative of societies only.

The CHAIRMAN put the amendment to the vote. The numbers counted were: Ayes, 80; Noes, 36. The amendment was therefore lost. Mr. Gray's motion was next put, with the result that there were 75 ayes and 4 noes.

The motion was declared carried amid cheers.

The Congress adjourned at half-past one o'clock.

WEDNESDAY, JULY 23rd.

SECOND CONGRESS MEETING.

Held in the large Assembly Hall of the Manchester and Salford Co-operative Society, Downing Street, at 9-30 a.m. Mr. Henry W. Wolff in the Chair.

The CHAIRMAN: I have an omission in yesterday's proceedings to make good. I have omitted to submit the Report of the Bureau Directeur and the Balance Sheet to the Congress, and to ask for their formal approval. Both matters have been before the Central Committee, which has approved both documents. The Balance Sheet has been audited by Mr. Whitehead, of the Co-operative Union, and found correct. I put it to you to express your adoption of both.

The Report and the Balance Sheet were approved by acclamation.

The CHAIRMAN: I now call upon M. Omer Lepreux to read his paper with such additional remarks as he may consider necessary.

M. LEPREUX, who was loudly cheered on rising, said:— Ladies and gentlemen, your Chairman, Mr. Wolff, has asked me to explain to you how the National Savings Bank of Belgium manages, thanks to its special organisation, to lend its assistance to all phases of social and economic work carried out in Belgium, without, up to the present, incurring the smallest amount of risk. In responding to this demand I shall have to go just a little beyond my proper subject. But I shall return to it quickly enough and show you what our Savings Bank does in the matter of the housing question, and, I may add, also of agricultural credit. I had wished to say a few words specifically on this point in to-morrow's discussion. However, as I must necessarily leave Manchester to-night, I am precluded from doing so, and will therefore just touch upon the matter to-day.

The Savings Bank of Belgium is an institution of quite a peculiar kind. It is generally called the "National" Savings Bank of Belgium, as if it were a State institution. In truth, it is an independent institution, like any joint-stock company, assisted, no doubt, by a guarantee from the State, which necessarily adds materially to the security which it has to offer in respect of deposits. I admit that the Government is allowed a moderate amount of interference, for instance, in respect of the nomination of the General Council, of the Board of Management, and of the Director General. It also

has a voice in certain acts of management, such as the regulation of the rate of interest on deposits. But at that point its power ceases. Under the Charter which created it, that is the law of 16th May, 1865, the Savings Bank enjoys a very large measure of independence. One of the most characteristic points in this respect—which will interest my English hearers, because the question of the investment of Savings Bank funds is now much discussed in England—is that attaching to the clause which provides for the manner in which funds are to be invested. Very fortunately the Savings Bank has from its very birth been allowed a very wide latitude in the investment of its funds. The last annual report which I hold in my hand, shows how Savings Bank funds have been invested from the beginning. Were you to look at the report, you would see how the Bank has been permitted to take an interest in all doings of industry and commerce, and also in social enterprises. The Savings Bank lends money to the State, the same as do the British Savings Banks, but actually only to the extent of about 25 per cent. of its funds. The Savings Bank also grants loans to public bodies, provincial or municipal, as well as to charitable funds and for the execution of public works. Under this head it has lent out about 100,000,000 francs, which corresponds to about 14 per cent. of its holdings. It is enabled to take an active interest in industrial undertakings, because it lends to all manner of societies (companies), provided, of course, that they comply with the conditions laid down by the law. In this way it happens that it has in its keeping a large number of debentures of public bodies engaged in transport, such as light railways and tramway companies. In this way, also, it happens that it discounts bills of exchange and drafts to order; and, speaking on this matter, I should wish to call your attention to one particular fact which I consider to be very worthy of notice. The Savings Bank discounts bills drawn, not only upon Belgian, but also upon all large banking centres elsewhere. It has also in its keeping bills of exchange transmitted to it by the interposition of great banking houses in London, Paris, Berlin and Amsterdam, to the amount of, at present, not less than 117,000,000 francs. Such investments in bills of exchange are marked by quite peculiar features, more particularly in respect of what I call “cover,” that is, a safeguarding against a “run” on the Bank, such as might occur, at a given moment, in connection, say, with a crisis arising in Belgium. If there were to be such a crisis, the Savings Bank could realise all that 117,000,000 francs so

invested within eight days, because the great banking houses who pass on that paper to the Savings Bank, and who back all their bills with their own endorsement as a third signature, are under an explicit obligation to take back their paper on demand within eight days, and to refund to the Bank its cash, with the help of which any "run" might readily be met. This is all that could be said in respect of investment up to 1884.

In 1884 the question of agricultural credit became one of pressing interest, engaging public attention everywhere, and the Chambers accordingly passed a law which was, among other things, to enable the Savings Bank to lend out money for agricultural purposes. Loans so made were not to be granted directly to the borrowers, but to intermediate bodies, societies. Scarcely had the law of 1884 been passed, but the General Council of the Savings Bank set to work to turn it to account, and issued regulations laying down the conditions upon which loans were to be permitted. The interposing bodies were called *comptoirs agricoles*. The business done has not been very considerable. Up to the present only 11,250,000 francs has been lent out in this way. That is owing to hindering circumstances into which I cannot now enter.

But, in 1894, we had co-operation coming upon the scene in this very connection. In that year a co-operator of the school of Raiffeisen, Abbé Mellaerts, conceived the idea of introducing into Belgium the system which in Germany has borne such magnificent fruit, and actually started the first co-operative agricultural society of that type. I may say at once that, although I do not agree with Abbé Mellaerts on many points, I admire his unwearied energy and his fine intellect. He was of opinion that the co-operative agricultural credit societies ought, if they are to do good work, to have some financial institution at their back to supply them with funds; and to meet his views the Government once more proceeded to legislation and had a new law passed, in 1894, which authorises the Savings Bank to lend money to agricultural co-operative credit societies. Since then this class of co-operative societies has multiplied very considerably, and gained a foothold in all parts of the country. I consider this very beneficial to the country, because it must, among other results, tend to decentralise the collection of savings. These particular societies have now become genuine Savings Banks rather than credit societies, and they continue to serve the purpose of collecting savings to a larger extent than they do that of giving credit. They have, in fact, far more deposit

money on hand than they can manage to employ. Accordingly, they want the Savings Bank as a receptacle into which to pass on their surplus. That is just the contrary of what had been anticipated.

Scarcely had the law of 1894 been promulgated, but, once more, the Savings Bank sought to give effect to it by issuing regulations with respect to the conditions to be observed under it. There were some credit societies which applied for credits. They received them on the favourable terms of 2.80 to 3 per cent. interest.

In the same measure that deposits accumulated were the efforts aimed at opening new channels into which to pour the funds of the great national savings reservoir for the production of fructifying results on social and economic ground in every quarter of the country carried further by the Savings Bank. And this brings me to my subject, proper, the action which the Savings Bank has taken in the promotion of the provision of workmen's dwellings. I want to say that from this point forward it is no longer a question of a few millions of francs, which the Savings Bank makes available for public needs, but of very large sums indeed, more already than 50,000,000 francs. That sum has been lent out in a comparatively very short time, since the Savings Bank only began this kind of business in 1892. It was in 1889 that the Belgian Government induced the Chambers to pass the memorable law about working men's dwellings. One clause in that law authorised the Savings Bank to lend out money for housing purposes. In 1891 the Council General issued regulations to determine the conditions under which such loans may be made.

Clause 11 of the law of 1889 directs that "Societies having for their exclusive object the construction, purchase, sale or letting of dwellings designed for the use of members of the working classes, may adopt the form either of joint stock companies or of co-operative associations without losing their civil character, provided that they comply with the regulations laid down, in the first case, in Section 4, in the second in Section 6, and in both cases alike in Section 8, of the law of 18th May, 1873, as amended by the law of 22nd May, 1886."*

It is evident from the Clause referred to that the legislator had in view only societies which themselves either build or else purchase working men's dwellings, and not

*This is the Belgian law on Commercial Societies, Section 6 of which deals specifically with Co-operative Societies.

societies having for their object the making of loans to help in the construction or purchase of cheap houses.

However, on 25th March, 1891, the General Council of the *Caisse Générale d'Épargne et de Retraite*, being called upon to prepare rules to regulate the financial intervention of the *Caisse*, decided to extend its help to societies formed under the law of 9th August, 1889, as well, that is, to such as might be formed for the sole purpose of making advances to working men desirous of constructing or of acquiring dwellings.

With this object in view the Council laid down the following rule:—

“Art. 5.—Any society formed as a joint stock company, making it its sole object to engage in or else to facilitate operations connected with working men’s dwellings, which applies for a loan and agrees to submit to the control of the Governing Body of the *Caisse*, is required to produce in support of its application officially certified proof of the fact that in the event of the operation being approved, the liabilities of the company as against both the *Caisse* and other creditors will not exceed, collectively, the amount of its assets, estimated as follows:—

“(a) One half of the capital subscribed by shareholders, but not yet paid up;

“(b) One-half of the value of the real property owned by the company;

“(c) Three-fifths of the real property pledged to the company, the value of which must exceed the amount of the loan made upon it by one-ninth at least.

“The part of the assets indicated under (a) cannot be taken into account unless the company agrees to accept the obligation to submit every proposed transfer of shares not fully paid up in the company for the approval of the Governing Body of the *Caisse*, and to give notice at once of every payment made for paying up any shares of this description, fully or in part.

“The value of the security pledged, as shown under (c), in respect of loans made on the security of real property, will be reduced to the amount remaining actually due, from the moment when the borrower will have, by payments made to the society, extinguished the portion of his debt, which exceeds three-fifths of the value of the property.

“The *Caisse* may insist upon the value of real property referred to under (b) and (c) being ascertained by a valuation, to be made at the expense of the company applying, by an

expert valuer to be appointed by the Governing Body of the *Caisse*.

“Art. 6.—*Except as regards advances to be made upon the security of the submitted capital not yet paid up, the regulation laid down in Art. 5 shall apply also to co-operative societies formed exclusively with the object of engaging in operations relating to working men's dwellings, provided that they accept the control of the Governing Body of the Caisse.*”

The law of 1889 was subsequently supplemented by the law of 30th July, 1892, which admits “societies of credit” to the same privileges with regard to the obtainment of public money, as “constructing societies.”*

You will please bear in mind, therefore, that there are two distinct kinds of societies in Belgium entitled to apply for loans, that is, credit societies, which make advances of money for housing purposes, and constructing societies, which construct houses themselves. Under either category you find co-operative societies and joint-stock companies side by side. However, when I talk of joint-stock companies you must not suppose that I am referring to gain-seeking bodies. These companies limit their dividend to 3 per cent.

The Savings Bank advances money to both classes of society under the rules referred to, which, unfortunately, help co-operative societies less than joint-stock. For in accordance with Article 6 of the ordinance of 25th March, 1891, the share capital of co-operative societies cannot be taken into account in estimating the measure within which a Working Men's Dwellings Society is entitled to exercise borrowing powers. That provision must appear fully justified when it is borne in mind that the share capital of a co-operative society is, by the very nature of things, an indeterminate quantity. For members of such societies may retire at any time, and claim repayment of their shares. In joint-stock companies, on the other hand, the capital subscribed remains the property of the company, and cannot be withdrawn. It follows that co-operative societies can have, in truth, at their disposal only a limited amount of money advanced, proportioned to the value of the houses which they own, or else to the value of the houses on which they have mortgage claims.

In the case of joint stock companies the position of affairs is essentially different, since the *Caisse* is permitted to make

* *Sociétés de Crédit* (Credit Societies) are Societies which make advances only; *Sociétés de Construction* (Constructing Societies) such as build, purchase, sell, exchange and let houses.

to them advances to the amount of one-half of the share capital subscribed, but not paid up. But this, of course, presupposes that it has first been ascertained that the shareholders are to be trusted to meet their liabilities, alike in respect of character and of solvency.

Let us put a case: A joint stock company is formed with a share capital of 100,000 francs. In accordance with the established law the shareholders will pay down one-tenth of the amount of their holdings, say, 10,000 francs. There will remain 90,000 francs subscribed, but not paid up. In respect of this sum the *Caisse* may lend 45,000 francs. The company will, accordingly, begin with 55,000 francs working capital in hand.

It is evident that under such circumstances a joint stock company, whose shareholders have paid up only one-tenth of the amounts which they have taken up, is in a position to lay out in building operations a loan capital equal to the amount of its own subscribed capital, or else lay out, in secured loans, loan capital to the value of $1\frac{1}{2}$ times the subscribed share capital, or 15 times the capital paid up, in accordance with the law.† In the latter case the loan capital may be increased in proportion, as balances due from

†The calculation is as follows:—

(1) IN THE CASE OF A CREDIT SOCIETY.—Suppose that the share capital of a society is 100,000 francs, 10,000 francs will be paid up. On the security of the balance of 90,000 francs, the National Savings Bank may (if all prove satisfactory) advance 45,000 francs, giving the society, in this way, 10,000 francs + 45,000 francs = 55,000 francs to dispose of. Presuming that all this money is laid out in loans, the security pledged to it will be (since it may advance only $\frac{9}{10}$ of the value) 55,000 francs + $\frac{1}{9} \times 55,000$ francs (6,111 francs) = 61,111 francs. On the security of such property, the Savings Bank will be entitled to make a further advance of $\frac{3}{5} \times 61,111$ francs = 36,666 francs. It will then have lent 81,666 francs, and the society will have procured for itself an available capital of 91,666 francs, with only 10,000 francs actually paid up. It is presumed that the second advance is once more employed in credit, in respect of 36,000 francs + $\frac{1}{9} \times 36,666$ francs = 40,740 francs. Upon this, once more, the Savings Bank will be entitled to advance $\frac{3}{5} = 24,444$ francs, bringing up the total of its advances to 106,110 francs. The transaction reaches its limit, since the additional amounts advanced must necessarily diminish progressively, when the Savings Bank has advanced $\frac{31}{20}$ the share capital of 100,000 francs, which is, as nearly as can be, 150,000 francs.

(2) IN THE CASE OF A CONSTRUCTING SOCIETY.—The share capital is once more assumed to be 100,000 francs, on which 10,000 francs is paid up. The National Savings Bank accordingly may begin by advancing 45,000 francs as in the other case, thus placing, in all, 55,000 francs at the Society's disposal. Supposing that all this is laid out in house property, the National Savings Bank may, on such security, advance half the value, *i.e.*, 27,500 francs. This will be again laid out, so it is presumed, in house property, upon which a third advance may be made of 13,750 francs. And in the end, the National Savings Bank may arrive at precisely 100,000 francs of advances.

borrowers are by repayments reduced to three-fifths of the value of the houses purchased, because from the moment that this point is reached, the company is entitled to borrow from the *Caisse* all that, in fact, it has lent. (Art. 5, par. 3).

In the case, on the other hand, of a co-operative society whose members have paid up 10,000 francs, there would be nothing to dispose of at the outset beyond that precise sum, and, in the future, provided that the society be a "society of credit," it would be able to obtain from the *Caisse* in loans three-fifths of the value of the buildings pledged to it.

Supposing that a co-operative society did not advance to its members more than three-fifths of the value of their dwellings, it might carry out a great number of transactions, because the loans made to the society by the *Caisse*, and by the society to its members, would be equal in amount. But there are not many working men who could be satisfied with so small an advance. As a rule it is necessary to lend to them nine-tenths of the total cost of their house.

It is for this reason that the development of co-operative societies can scarcely be expected to prove considerable in the matter of housing work. And the fact that for all that there are a fair cluster of such societies which have succeeded in making a respectable number of advances, will have to be accounted for by special causes, such as, more in particular, advantages of locality. This applies more specifically to the building society "La Building Jumétoise," which carries on its work in a part of the country where wages are high, and, accordingly, borrowers are in a position to find the two-fifths required of the value of their houses.

Co-operative societies are, indeed, entitled to issue debentures. But that method of procedure is not of a nature, in respect of working men's dwellings, to add to the means of societies. In fact, the debentures become real claims against the societies, and by such reason cripple their power of borrowing, since the Savings Bank is bound to deduct the value of the debentures from the amount of its loans.

I ought to have stated that on loans to credit societies only 3 per cent. interest is charged, on loans to constructing societies $3\frac{1}{4}$ per cent. That is very nearly what the Savings Bank allows to depositors.

To bring what I have called joint-stock companies nearer to the popular and democratic status of co-operative societies, several new devices have been resorted to. Thus the joint-stock credit companies of Seneffe, Fontaine l'Evêque and Etterbeck have introduced share coupons of trifling value, which working men can take up and easily pay for by instal-

ments. These coupons confer the right to attend general meetings and even to seats on the Board of Management. At Fontaine l'Evêque there is actually a working miner a member of the Board. At the International Congress on the Housing Question recently held at Düsseldorf, I expressed particular approval of this method, and the wish that constructing companies, being now very flourishing, should more and more adopt this practice of issuing share coupons within reach of working men's purses. All those who take an interest in the housing problem in Belgium are desirous that there should be more working men members of Managing Boards.

The Co-operative Society of Laeken for building cheap dwellings has inaugurated a different system. It consists in the issue of "founders' shares" to a fixed amount, paying a dividend limited to the rate of 3 per cent. The utility of such shares is to be found in this, that they do not form a debt tying the society's hands. In consequence the Savings Bank need not take any notice of them in determining the amount which it may lend to the society. But the corresponding inconvenience is, that it is not altogether easy to place such founders' shares, which have to be paid up in full, whereas shares in joint stock companies need be paid up only to the extent of one-tenth of their value. Besides, the holders of such shares have no voting power in the society, and it is conceivable that the other shareholders might withdraw from the society and claim repayment of their shares before the holders of founders' shares could take steps to prevent it.

Such are the reasons why co-operative building associations have not been able to multiply. Joint stock companies, on the other hand, have developed to a very considerable degree. The following table will admit of a comparison :---

POSITION OF AFFAIRS ON 1ST APRIL, 1902.
CREDIT SOCIETIES.

JOINT STOCK.		CO-OPERATIVE.	
No.	Amount of Advances received from Savings Bank.	No.	Amount of Advances received from Savings Bank.
106	40,912,606,13	8	2,457,918,35

CONSTRUCTING SOCIETIES.

JOINT STOCK.		CO-OPERATIVE.	
No.	Amount of Advances received from Savings Bank.	No.	Amount of Advances received from Savings Bank.
33	2,025,427,50	1	66,500

The following table will show the total number of loans made to approved societies, severally with and without life insurance added :—

Year.	Total number of loans granted by the Societies.		Number of loans granted by Societies additionally secured by life insurance.	
	Joint Stock.	Co-operative.	Joint Stock.	Co-operative.
1892	69	—	11	—
1893	745	99	432	58
1894	1,813	160	1,310	139
1895	2,994	238	2,256	201
1896	4,433	320	3,356	265
1897	6,070	425	4,715	359
1898	7,934	516	6,283	459
1899	10,357	618	8,211	548
1900	13,103	736	10,357	638
1901	15,639	823	12,359	687
1902	18,243	903	14,703	785

Working men borrowing money from credit societies may repay loans in two ways, either by terminable rent charge, at 4 per cent., plus about $2\frac{2}{5}$ per cent. sinking fund during 25 years, or else by an adapted method of life insurance. The latter method is the one most generally adopted. It is effected in the following way. Suppose that a working man wishes to acquire a house worth 3,000 francs. He is required to find one-tenth of that sum, that is 300 francs himself. That done, he is entitled to raise by loan from his society a sum, which according to strict rule should be $\frac{9}{10} = 2,700$ francs. As a matter of fact, after the payment of the first premium upon his life insurance, it generally amounts to more. For if, to state an instance, the borrower is of the age of 30, and his loan is to run for 25 years, the annual premium payable

in respect of a sum of 2,700 francs will be 98.85 francs. The loan which he has received will be increased by nearly that amount, and, accordingly, come to be nearer 2,800 francs than 2,700 francs. It should be easy to understand why this is so, if it is borne in mind that the premium is payable every year in a lump sum at the beginning of the year. Since our working man needs all the 300 francs that he is assumed to be possessed of for the acquisition of his site, the credit society will necessarily have to advance the first premium, and so bring up its loan by the same amount. Suppose that the sum borrowed—and secured only by mortgage—is only 2,700 francs, the borrower's account will, in the event of his death, while his debt is still running, close with, to him, an adverse balance. That means that his house will not have been fully paid for, and his widow will remain the society's debtor. Such contingency it is most desirable to avoid. And to avoid it, it is that the combined method of mortgage debt, coupled with life insurance, has been resorted to.

We will assume that the sum lent is 2,800 francs. The society will secure itself by a mortgage on the house, and it will also enter into a contract with the Insurance Society, making itself the beneficiary in an insurance of the borrower's life, which itself effects, for the sum named. Under this agreement it advances the first premium of, say, 98.36 francs—being covered for the whole amount advanced by the policy.

The borrower, on his part, undertakes to pay to the society, while the debt runs:—

- (1) Interest on the loan, say at the rate of
4 per cent. ergo 112 francs.
 - (2) The premium due on the policy, say... 98.36 francs.
- 210.36 francs.

He will discharge this debt by monthly payments, substituting (by agreement) a full franc for every fraction, that is, accordingly, 18 francs (in lieu of 17.53 francs).

To make the matter fully clear, here is a two years' account of a supposed borrower. We will suppose that the borrower died in the third year.

1902.	DEBTOR.	Fr.	CREDITOR.	Fr.
Jan. 1	Amount advanced including first Insurance Premium	2,800	Monthly Payments. 18 x 12	216
Dec. 31	Accrued Interest	112	Balance remaining due	2,696
		| <u>Fr. 2,912</u>		<u>Fr. 2,912</u>

		DEBTOR.		CREDITOR.	
		Fr.		Monthly Payments.	Fr.
1903.					
Jan. 1	Balance carried over ...	2,696.00		18 x 12 ...	216.00
	Insurance Premium ...	98.36		Balance remaining	
Dec. 31	Accrued Interest . . .	111.77		due ...	2,690.13
			Fr. 2,906.13		Fr. 2,906.13
1904.					
Jan. 1	Balance carried over ...	2,690.13		Monthly Payments.	
	Insurance Premium ...	98.36		18 x 12 ...	216.00
Dec. 31	Accrued Interest ...	111.54		Death of borrower	
				in December.	
				Payment of	
	Balance due to borrower...	2,900 03		Insurance ...	2,800.00
		115.97			
			Fr. 3,016.00		Fr. 3,016.00

It will be seen that, upon the occurrence of the borrower's death, not only is his account fully balanced, but his widow becomes entitled to a balance in cash of 115.97 francs.

There appears to be no occasion for insisting upon the benefit which is bound to result, alike to lending societies and to the families of borrowers from resort to the combined method of repayment and life insurance. But it may be as well to point out that those advantages are purchased at the cost only of a very slight addition to the ordinary redemption charges. In the above case the borrower is taken to pay at the rate of 18 francs per month. Without insurance he would have had to pay 15 francs (including sinking fund). The difference, accordingly, is only 3 francs, say 75 centimes (7½ d.) per week.

The sum total of what the Savings Bank has thus far lent out for housing purposes in the way explained—without counting, of course, loans made to municipal or other bodies on other security, though it may be for housing purposes—amounts to more than 50,000,000 francs. I think that I have said enough to show that the action of the Savings Bank in this matter is powerful and very successful. I conclude with the wish that numerous co-operative societies may be formed in Belgium as well as in England and elsewhere to take up this useful housing work. They will be able to bring to it the support of other funds than those of the Savings Bank, with which it has begun. I say this because, of course, there is a limit to Savings Bank action in the matter. And as the outlay increases I see the point of time approaching at which the Savings Bank may have to close its coffers and refuse further advances. It will then be for the co-operative societies to put forth all their admirable and great powers in the service of a cause so helpful to the public welfare and the claims of which are now so great and urgent. (Prolonged cheering).



SIR ROBERT EDGCUMBE, BART.



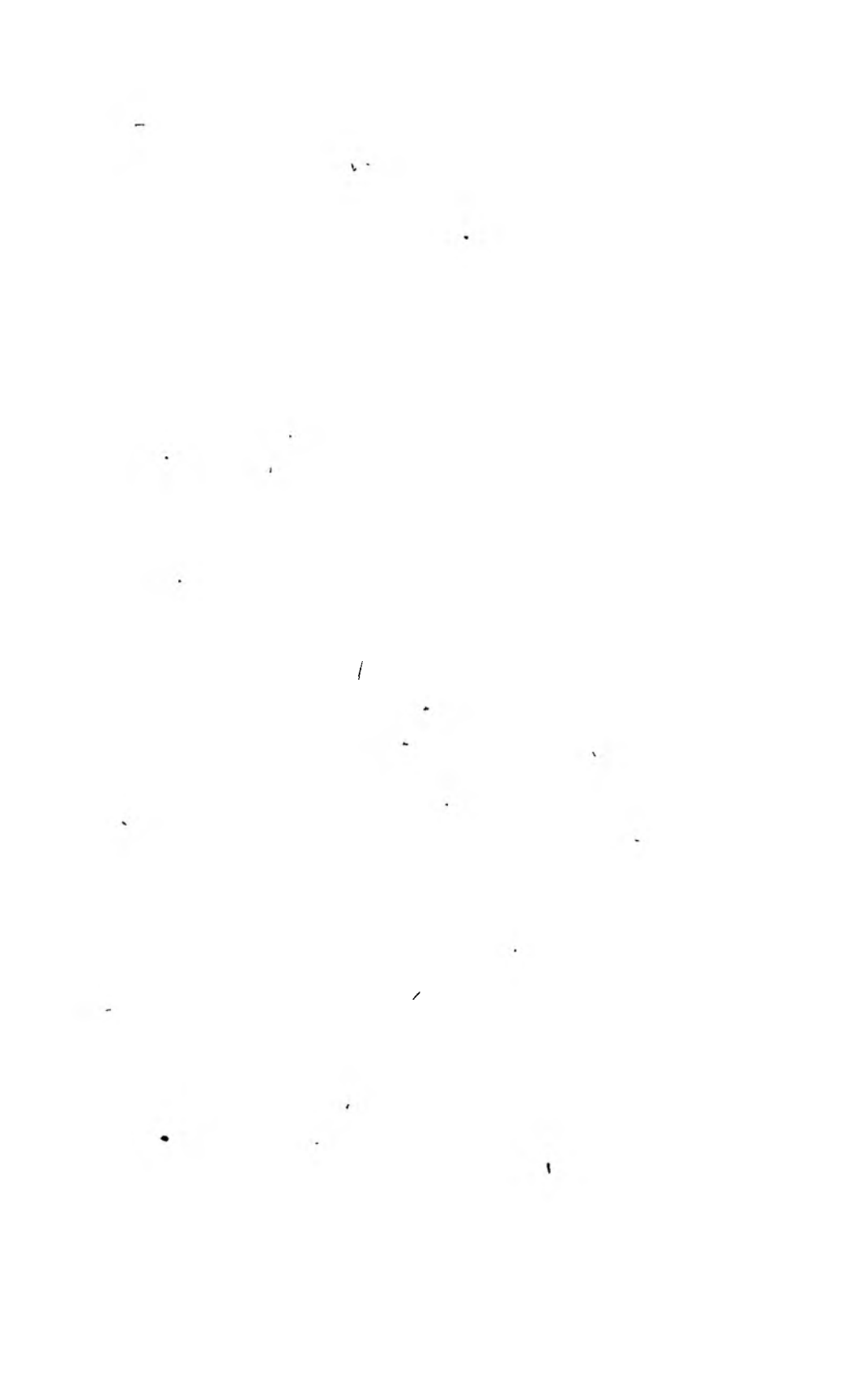
OMER LEPREUX.
Director General of the Belgian National
Savings Bank.



SIR HUGH GILZEAN REID.



R. WINFREY, C.C.



The CHAIRMAN: I thank M. Lepreux very heartily on behalf of the Congress for his most interesting paper, in listening to which I have not been able to resist a feeling of regret that our Government in England appears so terribly indifferent to the teaching of his beneficent action: Our Chancellor of the Exchequer has been urged to take this evidence before the Committee of Inquiry. He has refused to take the matter into consideration. I want, by way of contrast, to show you what has happened in Italy. M. Luzzatti used to be a fervent admirer of our British Savings Bank system. At the People's Banks Congress of Angoulême, a few years ago, he took up the cudgels for it manfully against M. Lepreux. But he went into Belgium to see for himself. He came back converted. On the 14th of May last he propounded the subject of employing public funds for housing purposes, after the manner of the Belgian Savings Bank, in the Italian Chamber. When he finished all the Chamber cheered enthusiastically, and members thronged round him to congratulate him. A Select Committee to inquire into the subject was nominated forthwith. On 17th June that Committee reported, and, although it was too late to proceed by legislation in the same session, the Prime Minister gave a distinct promise that the proposed measure should be proceeded with, and that he himself would take charge of it. So in Italy, we may take it, that there will be working men's dwellings erected as they are in Belgium. I warmly congratulate M. Lepreux upon his triumph, and my only regret is that its scene is not in England. (Loud cheers).

Landrath Berthold, who was to have read the next paper, which gives an admirable and instructive exposition of what is being done by co-operative means in the matter of housing in Germany, is unfortunately prevented from attending. His doctor will not allow him to undertake the journey. You have the paper in your volume. Shall we take it as read? (Hear, hear).

The paper is as follows:—

Building associations are the youngest child of the great co-operative family of Germany. It is true, some beginnings were made earlier, but it is only since 1890 that the movement has acquired practical importance. As a natural consequence these associations at present bear all the marks of immaturity and a rather hurried development. They have not yet stood the test of a serious crisis. It is impossible, therefore, to pass a final judgment upon them. Nevertheless, there is quite sufficient experience to justify an estimate of

their value and their capacity for bringing the troublesome housing problem to a solution.

Building associations had an encouraging foretaste of success as long ago as late in "the sixties" and early in "the seventies" of the past century. The want of healthy and moderately-priced dwellings for the poorer classes had made itself felt in Germany concurrently with the expansion of native industry. Huge numbers of working folk crowded into towns and into rural industrial districts. And it soon became evident that ordinary building enterprise must prove quite unequal to the demand made upon it, even though it be supported by efforts by humane employers. No one thought, at that time, of calling upon the local authorities to take their share in the work. Nothing therefore remained but for public spirited men to combine in volunteer associations. Such associations, formed as they were, at first, with purely philanthropic or quasi-philanthropic objects, did not embrace within their ranks the people themselves for whose benefit the dwellings to be put up were really intended. They quite naturally took the shape of charitable institutions, beneficent societies or joint stock companies, in which members of the wealthier classes found both the funds and the personal services needed, with the view of remedying the prevailing social distress. Only in very rare instances was an attempt made to interest working men themselves, by giving the societies created a co-operative form. As, however, time advanced, the conviction was more generally driven home that self-help and co-operation, which had already been found very successful in other applications, afforded promising means for dealing satisfactorily with the housing question as well. When Germany became politically united, and industry made even more rapid progress still than before, an attempt was accordingly made on a larger scale than had previously been ventured upon, to meet the need of dwellings which industrial expansion had brought about, by the enlistment of self-help as an auxiliary. As it happened the old co-operative law of 1868, then still in force, expressly authorised the formation of co-operative building associations. Therefore there was no legal difficulty in the way.

The idea of a self-help remedy proved popular, and, added to the growing need, it helped the movement on. The following figures show at what comparatively rapid rate the number of societies increased: In 1870 there were only two co-operative building associations in existence. In 1871 17, in 1872 30, in 1873 42, and in 1874 48.

Success, however, proved shortlived. To say the truth, from the very outset the movement had the seeds of decay in it. The co-operative law, as it then stood, recognised no other principle but that of unlimited liability. Under it accordingly every member joining a co-operative society must make himself answerable to the last farthing of his estate for the society's liabilities. Under such circumstances only very few wealthy persons, whose funds and services, given from philanthropic motives, might be useful, could be expected to join a co-operative association of the particular kind desired, namely, formed to set up working men's dwellings. For co-operation applied to building purposes obviously means heavier risks entailed and larger values placed at stake than other co-operation. As a matter of fact only very few did join. On the other hand, co-operation for the purpose among working folk alone was quite out of the question. They had not the means at their disposal, and their own petty savings could never be expected to suffice for housing operations on a large scale. As it happened, a crisis came. The industrial decline which followed upon the fat years brought a decline of building associations in its train. Liquidations became plentiful, entailing in some cases severe losses. Down to 1889 the movement continued to retrograde. In that year building associations in existence had shrunk to a poor cluster of 28. Evidently the first attempt made to solve the housing problem by co-operative means had failed.

* * * * *

However, a change came, and the movement revived. There are several distinct causes for this.

In the first place, by the middle of "the eighties" the effects of the great crisis of 1873 had been effaced, and Germany had entered upon the second stage of its unexampled industrial development, more marked, more extended and more enduring than the first. And by 1890 advance was found to be proceeding by leaps and bounds. Once more, accordingly, working folk crowded into towns and rural industrial districts, jostling one another and disputing the existing housing accommodation to one another. Ordinary building enterprise could absolutely not keep pace with the new demands made. Scarcity of housing accommodation ripened into actual distress, which urgently called for a remedy.

As it happened, the two decades passed since the first housing crisis, had brought about a change which effectively

prepared the ground for remedial action. People had grown alive to social wants; social questions had been studied; and they were beginning to be understood. Accordingly, when the new crisis came, and the danger to large masses of the population became real, public opinion was in a condition to take up the matter and busy itself with the choice of remedies. And of all remedies suggested, in spite of past failure, the provision of dwellings by means of co-operative building associations became the most popular.

Circumstances had occurred to make that remedy more easy of application. For a new co-operative law had been passed in 1889, which dispensed with the harsh necessity of unlimited liability and allowed limited liability as well. Co-operative societies showed themselves eager to take advantage of the new power given to them. New societies formed in shoals, more particularly among the agricultural population. Co-operation had, in fact, become fashionable. The limited liability now permitted promised, above all things, to prove a boon to building associations. For it enabled persons of the wealthier classes to place capital and intelligence and experience at the public disposal without incurring undue risk, and that without any invidious appearance of patronage on one side and tutelage on the other, but by common action between capitalists and working men, on a footing of perfect equality. By such means a wide sphere was at once opened for those who felt a desire to take their part in the useful common work.

As fortune would have it, all this coincided with another act of the legislature which had a great bearing upon public life, and which, in respect of this particular matter, placed the funds required at the service of the housing movement. It is one of the happiest collateral results for the social legislation which has in Germany secured pensions for old age and permanent disablement to working men, that it has at the same time accumulated enormous sums of money which might be made serviceable in meeting the generally felt want of plentiful and cheap credit. The very nature of the case suggested the supply of houses as one of the first uses to which such credit might be put. For sanitary and cheap dwellings must needs mean less premature decay to working men. Accordingly it was to the interest of Disablement Pension Funds that there should be such dwellings. For they meant a saving to themselves. As if to recognise this fact, the Old Age Pensions Law from the very beginning authorised the employment of one-fourth of the funds collected in housing operations, even beyond the ordinary limit

of ordinary trustees' security, that is, to the extent of one-half the value of the building. The Governing Boards of provincial Pensions Funds in Western Germany at once decided to take advantage of this welcome provision. It was a wise resolution, pregnant with benefit to the working classes, and entitles them to all gratitude. And it had the result of paving the way for more liberal action still on the part of the Legislature. For at the present time, under additional measures passed, a full 50 per cent. of the funds accumulated may be legally employed on the security of housing enterprises, *over and above* what is permitted within the limitation in force for Trust Funds, that is, up to half the value of the houses. Since there is no limit whatever to the sums which may be invested within such narrower limits, it follows that Old Age and Incapacity Pensions Funds may now, if they chose, invest actually *the whole* of the money collected in housing operations, namely, one-half within the Trustee Funds limit and the other half beyond.

The four concurrent causes of (1) a great demand; (2) a better understanding of the question; (3) limited liability; and (4) the supply of adequate funds, have brought about an advance in the housing movement based upon co-operative action, which appears to me perfectly astounding. The following table tells the tale of such progress.

NUMBER OF CO-OPERATIVE BUILDING ASSOCIATIONS EXISTING

At the close of	With Unlimited Liability.	With Limited Liability.	Total.
1888	28	—	28
1889	31	7	38
1890	26	24	50
1891	19	36	55
1892	17	60	77
1893	16	85	101
1894	16	108	124
1895	13	119	132
1896	14	151	165
1897	13	179	192
1898	11	233	245
1899	11	285	296
1900	11	350	361
1901	11	409	420

This table shows the year 1892 to have been the turning point in the movement. Within the year 1891 building associations just recovered the ground which they had lost since the close of the first period of their existence. From that point forward the increase became very rapid, so that

within ten years the number of co-operative building societies had grown to eight times the highest figure attained within the period of earlier prosperity. That does not tell the whole tale. The advance made in work done is more striking still than that applying to numbers. There are no trustworthy statistical data to show what was accomplished by the 28 societies existing in 1888. However, the value produced can scarcely have exceeded 2,000,000 marks. Nor are there full statistics for the present period. However, the value of house property created up to 1901 may well be put at about 60,000,000 marks. That means that within fourteen years, from 1888 to 1901, the number of building associations has increased fifteen fold, and the amount of work done by them has increased thirty fold. That certainly is good progress. And it is particularly satisfactory to observe that the same rate of progress has been maintained since, even though in 1900 a check to industrial prosperity set in.

At the present moment, therefore, we see the movement very rapidly developed, and—this is worth noticing—quite spontaneous, and proceeding from the initiative of the people themselves who are engaged in it. Another noticeable point is the variety of features observable in it, which shows that it is capable of a great variety of applications, to meet varying local wants. It is adaptable and elastic. At the same time, unfortunately, we observe variety also of a different sort. Different associations have thriven, or else failed to thrive, according to the amount of capacity brought to the task, or, it may be, the degree of fortune or bad luck, attending them, running the whole gamut down from the most brilliant success to bare vegetating existence. In all of them we may observe a good will and determined resolution put forward, but in not a few instances we see, coupled with it, in the first period, a lamentable want of experience in co-operative work.

It is also worthy of record that whereas up to 1890 the general tendency had been in favour of constructing houses destined to become the occupiers' own, since that date the building of collective property has been more popular. In large cities, and also in some other localities, the exceptional value of the land placed a difficulty in the way of the creation of small working men's dwellings. But even in districts where small cottage property, put up to become the occupier's own, would have been practicable, and individual ownership was, in fact, usual, the unsatisfactory experience gathered in the *Cité Ouvrière* of Mülhausen was taken as a warning against such system. Quite a large number of

building associations accordingly made it a rule to construct houses only for letting purposes ; and such other associations as still held fast by the old tradition of selling, felt bound at any rate to take precautions against ownership degenerating into selfish speculation.

Since the movement is of altogether spontaneous growth, prompted by the want of those who take part in it, and due to their own initiative, it has thus far almost naturally had to do without that common guidance and union which are, nevertheless, most useful in such matters, and it shows itself altogether wanting in uniformity and mutual touch. And down to the present time it has proved impossible to organise it satisfactorily. It would be very desirable that the building associations should combine, as the co-operative law really requires, to auditing unions, so as to be able to do the auditing and inspection, which are particularly indispensable in the earlier stages of existence, themselves. Attempts have more than once been made to bring this about. However, differences of opinion arising over theoretical questions have thus far frustrated them. There are partisans of the older tradition, that of building for individual ownership, who have gone so far as to deny common action to be possible between their societies and others favouring collective property. Thus it has come about that there are at present two unions of building associations in Germany, one, with about 100 societies, allowing both principles, and the other, of about 60 societies, insisting on collective ownership. In addition there are two purely local unions, to wit, the Rhenish, composed of about 80 societies, and the Schleswig Holstein, composed of about 20. Fully two-fifths of the building associations formed are accordingly altogether outside any union. And the four unions which exist are without touch among themselves or organic cohesion. Only the first-named union has thus far taken its place by the side of other co-operative societies inside the General Union of Co-operative Societies (Schulze-Delitzsch), of which it forms a distinct section.

Evidently this is a serious drawback to the movement, which it is desirable should be remedied.

* * * * *

Generally speaking, the popularity of building associations has been maintained. Societies of this sort are particularly favoured under Prussian law, which concedes to them, under certain provisions, exemption from stamp duty. Old Age Pension Funds, as a rule, lend them money on

mortgage at preferential interest, that is, 3 to 3½ per cent. The societies have begun, among other things, to play a very useful part as intermediaries between employers desiring to provide dwellings for their employees and their workmen.

Out and out the largest employer in Germany is the Prussian Government, which has a perfect army of officials and workmen in its employment, on railways, in mines, on State farms and in the immense forests belonging to the State. It used to evince its parental solicitude for these people in respect of housing by constructing dwellings itself, to be occupied as part of the salary or wages due, or else by offering prizes and loans to stimulate private building enterprise. Since 1895 it has made advances for building purposes as well to co-operative building associations, composed in part or wholly of Government employees. Of the 20,000,000 marks which the Prussian Government has expended in aid of the supply of dwellings for its workmen since 1895, about a full third has been laid out through building associations; and of the 12,000,000 marks to be expended in the present financial year, building associations are expected to have even a larger proportional share assigned to them.

Other German Governments have acted in very much the same way. And quite recently the Government of the Empire has made two grants, of severally 2,000,000 and 4,000,000 marks, in aid of the construction of dwellings for employees in its service, a large part of which has gone to co-operative building associations.

Municipalities and private employers have in the same way of late shown a preference for the modern method, of acting in housing matters through some intermediate body, in place of the older one of either providing dwellings for their staff and workmen themselves, or else stimulating private enterprise by prizes, or advances offered to individuals. And the intermediate body resorted to is in many instances a co-operative building association or else a quasi-benevolent society, which, often enough for convenience sake, takes the shape of a joint stock company with limited liability. All this shows how popular co-operative building associations have grown to be.

The advantages resulting from the interposition of an intermediate body ought to be self-evident. Such body relieves the employer of the burdensome responsibility of building as his own venture, and, on the other hand, it gives the workmen a voice in the choice of a building scheme and in its management, and also gives them a greater direct

interest in their new homes, in the rearing up of which they have taken an active part, and makes them more disposed to appreciate them. It emancipates the workman from all fear of finding himself turned out of his home by his landlord-employer in the event of differences, and removes from the employer the temptation to employ his landlord's rights as a weapon against his workmen in industrial war. Moreover, a community of labour on neutral ground, carried on for the workmen's benefit, is found to beget a feeling of community of interest and to pave the way for mutual approach and a better understanding. There are exceptions, of course. But looking at the movement as a whole, experience collected in all parts of Germany goes to show that building associations have been particularly successful in establishing a better feeling between the two parties concerned.

It is only reasonable to conclude from all this that there is an even more extended activity in store for co-operative building associations in the future, more particularly when once municipal bodies come more fully to recognise their duty in the matter of working men's dwellings. Some municipal bodies have already done excellent pioneer work in this respect. Their example is now being followed. Sooner or later, no doubt, we shall have a law passed by Parliament bringing pressure to bear on municipal bodies in this sense. And when that comes about, the intervention of some intermediate body, such as co-operative building associations, bids fair to prove absolutely indispensable, since only in exceptional cases can Corporations themselves embark in building operations on their own account. And mere prizes are not likely to have a great effect. Also private enterprise is not likely to prove equal to the demand. It will be for co-operative building associations to show within the next period whether they are best fitted to serve as such intermediate body in this matter, or whether there will have to be organisations of a different kind.

* * * * *

With regard to the future of co-operative building associations, opinion is, at the present time, rather divided. There are people who strongly believe in them, and possibly exaggerate their merits. And there are others who believe them to be overrated. Advocates of building associations will sometimes go the length of representing co-operative association as actually the only possible instrument with the help of which the great want of dwelling accommodation may be overcome—a sort of patent remedy. Apprehending

that the source from which such associations now by preference draw their funds—that is, the various Workmen's Insurance Offices (Old Age, Accident, etc.)—may before very long run dry, they are already casting about for new supplies, and more particularly looking to the State for the further funds needed. In this they are much abetted by the so-called land reformers, who desire to have individual ownership in possible building sites in towns abolished and replaced by collective, and hope to make the new departure suggested a stepping stone on the road to that goal.

On the other hand, owners of house property and land in towns, finding their interests encroached upon, have combined to meet their foe in serried combinations. This is perfectly intelligible. Usury in land and in house rent is a most profitable business; and co-operative societies, we know, were purposely formed to cope with it. It is not surprising, therefore, to find that owners of house property, seeing their monopoly imperilled, should endeavour to defeat the growing competition. And the exaggerated statements sometimes advanced by indiscreet advocates of the building association movement furnish them with useful weapons in their polemics, and attract non-usurious landowners to make common cause with them. And, as if to supply them with useful arguments, it must be admitted to be quite true that building associations are sometimes formed on an insecure basis. Cases have also been known to occur where the building association was made to serve merely as a mask for a selfish speculator to work under. And, lastly, building associations will sometimes proceed recklessly and give occasion to the enemy to criticise. In view of the last-named occurrence really one has almost reason to be thankful for a little criticism, hostile as it may be, and even founded on exaggerated statements, as tending to make societies careful, which they cannot be to excess.

But apart from that, unquestionably building associations are at present made to suffer unfairly from the hostility aroused against them. For the house-owning element is strong in municipal councils, and may be said to control the purse-strings of the municipal savings banks, from which advances have been hoped for. It also uses its influence freely to combat the contention, already popular and growing in favour, that municipalities have a duty to fulfil in the matter of housing. All this is likely to come right in time, as experience demonstrates what building associations can accomplish and precisely under what conditions their action may be useful.

The advantages of building associations having been established, it may be well to sound one or two notes of warning, which, indeed, apply more specifically to Germany, under its not altogether perfect law, but which will also help to indicate more generally rocks and shoals to be avoided.

Experience may be taken to have made it clear that working men's building associations are likely to prosper best where there is a fairly considerable number of well-paid and intelligent working men to join them. Without such, societies have been known, under conditions as they prevail in Germany, to prove failures. If this ruling of Fate may be taken to be due to more than mere chance, we have here a sharp line drawn which ought to settle the matter as far as Germany is concerned. For the best elements among the working classes, whose position has already improved, co-operative building associations may be held to supply a most efficacious means of raising their members in the social and economic scale. This helps to explain what has become a notorious fact, namely, that wherever there is a thriving building association there is a demand for larger and more pretentious dwellings as time advances. Such rapid progress in the demands made faithfully reflects the social progress by which the working population of Germany has benefited within the last decade. The onward move is particularly accentuated where houses are built to become eventually the occupier's own. The prospect of the possession of some little house property seems to stimulate working men's efforts. They are found to vie with one another in paying off money claims before such really become due. The accumulation of working men's capital brought about in this way is, in some instances, very considerable. The co-operative principle has in such cases had an effect beyond that directly aimed at, of providing a sanitary dwelling.

Among working men less well situated matters will not always take the same smooth course. There is the initial difficulty of providing a good managing committee, which, in this connection, is a matter of considerable importance. Next there is the equality of members, which means that on a matter mainly of investment, the new member, having scarcely a stake in the society, is entitled to the same say as a veteran with a goodly sum standing to his credit. Individual interests are also apt to be brought into conflict with general. So there may conceivably be friction, and friction may lead to secession on the part of a defeated minority. The withdrawable character of shares is in any case a snare. It may mean want of stability.

There is a dark side to building associations, which, although thus far very much more than balanced by the bright, certainly has to be taken into account. The proper safeguard against most of the dangers indicated is to be found in the steady accumulation of a substantial reserve fund. Too great importance cannot really be attributed to this point. It is a matter upon which the prosperity or future of the society may depend.

And, generally speaking, working men forming building associations cannot be admonished too impressively to use all caution and circumspection of which they are masters. The co-operative form inevitably involves active danger, from which the joint stock company and the philanthropic society are free. Also co-operative associations are not advisable under all circumstances. Therefore the circumstances should be taken into careful consideration at the outset.

But when all is said, building associations certainly afford a very useful method for meeting the want of housing accommodation, more particularly when you have working men of the right sort to deal with, though there is room for associations of a different kind by their side, and, in some cases indeed, other associations may be preferable.

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So generally has the work of building associations and cognate bodies come to be appreciated in Germany that, to meet certain requirements, a new kind of land tenure, shaped partly on an English model, has been suggested. The point is, to make building sites belonging to the State, charitable endowments, municipal corporations and similar bodies, which cannot well part with their freehold, available for building enterprises. For such properties a "hereditary leasehold tenure"—*Erbbaurecht*—something resembling the English copyhold, has been suggested. Opinion is divided on the point, and there is no telling what the decision in the end may be.

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Let me sum up what I have endeavoured to explain in a few sentences :—

(1) There can be no doubt that the movement of co-operative building associations in Germany has since 1890 been, generally speaking, successful, and results have been satisfactory. But until there has been a serious crisis to face, it would be premature to pronounce final judgment.

(2) The co-operative method, however useful, cannot yet be judged applicable under all circumstances. But it has been found to answer very well where there are a sufficient number of well-paid and intelligent working men to take part in the enterprise.

(3) The law, as it stands in Germany, involves certain dangers, as affecting continuity of policy and steadiness in management. Accordingly co-operative organisation will have to be applied with care and circumspection.

(4) The advantages of co-operative organisation for this purpose are to be found in the direct voice which it gives to working men in the management of the concern, and in the opportunities which it furnishes for drawing classes together and enabling working men to rise in the social scale.

Rightly applied there can be no question that co-operative organisation is calculated to help very materially in furthering the construction of working class dwellings and in getting rid of the distressing dwellings famine.

THE CHAIRMAN: I now call upon Sir Hugh Gilzean Reid, a gentleman well known to you all by name, the founder of the Edinburgh Co-operative Building Society, to read his paper.

SIR HUGH GILZEAN REID: At a time when the housing of the people has become a pressing question, any practical contribution towards a solution must be acceptable. In the briefest form practicable let me narrate the history of one remarkable experiment in co-operative house-building, with glimpses of others, which should at least merit consideration.

A protracted short-hours struggle—the first of its kind—for an indirect, and, at the time, imperfectly conceived benefit—the nine hours' day system—had awakened a spirit of inquiry, and, while demonstrating the need for instruction and unity, had trained the workers to grasp historical facts and draw lessons of present utility from the stern experience. Interest was aroused; thought was quickened. It was seen that the £4,000 or £5,000 expended on strike pay might have been used in co-operative enterprise with permanent and priceless benefit; and the minds of many were opened to the reception of higher economic and moral truths.

One evening in the month of April, 1861, I met by arrangement six or seven masons, plain but clear-headed and earnest men, in my dingy editorial room. There was long and anxious consultation. The necessity of doing something to provide better house accommodation was fully realised; the difficulties in carrying out any comprehensive and complex scheme were perceived; the prospects of suc-

ness and chances of failure were put in the scales with deliberate impartiality. It was evident then—as it is to-day—that, for merely commercial purposes, builders would not invest largely in workmen's houses; and too many of the common house-property class were interested in keeping up the monopoly which their wretched abodes had so long enjoyed. Trusting to charity was altogether out of the question; and this half-dozen humble, but brave-hearted, men determined that, with the assistance of their fellows in need and suffering, they would try a great, and, so far as this country was concerned, a new experiment in co-operative expansion. Soon after, the Edinburgh Co-operative Building Society was registered, and a working capital of £10,000 was rapidly subscribed, nearly all of it by actual workers. It was a bold, but not reckless, venture; decision was needed to meet the old enemies—ignorance or indifference—among the multitude, and the hostility of a limited, but powerful, class—especially the builders, who foolishly thought their craft was in danger. The hostility was, happily, of short duration.

The amount actually subscribed at the first conference by the Edinburgh co-operators was £25—certainly a small beginning. And the economic results are highly significant. The object was to carry on building specially with a view of accommodating all classes of workmen who were desirous of becoming the owners of their dwellings, all the members and their heirs and successors being specifically bound by the articles to promote the “interest of the company to the utmost of their power.” Building operations on a modest scale were commenced, with seventy shareholders, all actual workmen, and holding amongst them 160 £1 shares. By energetic action, very soon the first capital was subscribed. At a later stage, it was largely increased, and a substantial “deposit fund” was established for making advances to members—in this way enlarging the application of the co-operative principle. The Society confined itself to production, having found amongst the members a ready sale for the houses, and it has thereby been able to produce large results with a comparatively small capital.

Slowly, but surely, the work went on; excellent accommodation was provided for increasing numbers, all the trading profits being annually received back by the members, practically as is the case in all modern co-operative societies. Had nothing more been done, that would indisputably have been a great industrial triumph. But the work did not end there; it is many-sided, and bears the impress

of a high moral and social purpose. As a commercial undertaking—as a means of social amelioration and industrial advancement—as a practical demonstration of what unity, economy, active co-operation can accomplish, the Edinburgh associative house-building scheme must be accepted as a signal success. It may not have solved the problem of the housing of the people, but it has sensibly contributed towards a solution.

Let me state more fully the process of obtaining the results indicated. The chief aim, as distinctly announced at the outset, was essentially a moral one, and specifically to make occupiers the owners of their dwellings.

The houses vary considerably in size and internal arrangements, but for the most part they are two stories high, and obtain from three to six moderately sized apartments, with all necessary conveniences, the best sanitary arrangements, a plot of ground twenty feet square in front or at the back, and the use of an ample play or drying green. Each house has a separate entrance—a new and salutary arrangement in Edinburgh, where “flats” prevail; and the prices range according to size and position from £130 to £250; costlier houses being provided for those who can afford them. If then, anyone—members of the society being first considered—desires a house which costs, say, £130, and has the command of £5, he can at once become a purchaser. The process is simple and safe. By mutual arrangement, the ordinary Building Society—the Property Investment or lending corporations take a place analogous to that of our so-called “Building Societies” which have been so helpful as mere lenders, in England; they advance—only to this extent on the well-assured co-operative buildings—on the security of the title deeds, the balance of £125; and the purchaser by an annual payment of £13—scarcely £2 a year more than the mere rent of a very moderate house in some far less desirable part of the town—acquires the property in fourteen years. Some pay the whole purchase money at once, and others spread the payment over a brief period; but, in any case, they become possessed of a substantial and commodious dwelling house for the nominal outlay of £30 to £50. Some thousands of working men and their families have been provided for in this way; and the total realisable market value of the Edinburgh houses would assuredly exceed half a million sterling! The Society creates the houses; the owner is almost invariably the occupier; the land and all the building materials are bought direct (saving intermediate profits), the

houses planned, built and purchased, and occupied by working men. Had the workers in every town done the same, a great social problem would have been virtually solved, and serious social danger thereby averted.

In 1884 the Society took an important departure of special interest at the present moment. It secured immediately outside the town a park of twelve acres, near a suburban railway station, intending to erect 400 houses and four shops. The dwellings, unlike in this respect to those previously constructed, have only one frontage, with an elevation of two stories and attics, and plots of garden and drying ground in front and behind. The ground-flat houses consist of a parlour 16 feet by 13 feet; bedrooms, 14 feet by 9 feet; and a kitchen 14 feet by 13 feet; while at the back, but attached to the main building, there are a wash-house, scullery, bath room, etc. The houses on the upper flat also enter at the front by an inside separate stair, and they contain on one flat a parlour, two bedrooms, and a kitchen, with wash-house, scullery, etc., and in the attics three bedrooms, lighted from both sides with bay windows, the parlours having also oriel windows, with a fireplace in each apartment. These houses are acquired on the same principle herein described, but are redeemable over a period of 21 or fewer years by monthly payments of only a fraction more than the usual prevailing rent.

The progress of this important development was watched with peculiar interest by those who recognise that the only possible outlet for the dwellers in our great overcrowded industrial towns is the creation of suburban communities; and, as Mr. Arthur Balfour and others have recently urged, the establishment of cheap and frequent means of intercommunication from the centre to the outside, in the form of light railways, electric trams and underground "tubes."

All the houses herein described have become, in the manner that has been indicated, the actual property of the occupiers. The capital in use has returned to the members an average of over eight per cent. per annum, and the majority held from 12 to 15 shares each, some having more and some having less, only two or three holding over one hundred pounds. It is notable that comparatively few of the shares ever change hands, and that there has been no general traffic in the houses, both being held chiefly for the collective and family benefits which they bring, but when any of the houses have through death, removal, or other inevitable causes been disposed of, they have readily sold at from £50 to £80, and even £100, above the original prices.

almost invariably to members of the Society, or to relatives, who at once became members.

Since the success of this Edinburgh movement was assured, efforts of a similar, but less perfect, character have been made, with varying success, in Aberdeen, Glasgow, Dundee, and other Scotch towns; in Liverpool, London, and several other centres in England, independent, but more or less defective experiments have also been made with beneficial results to those affected; whilst many of the distributive co-operative societies throughout England are devoting large sums to providing suitable healthy dwellings for their members.

In sight of the huge mass of social wretchedness which exists, this notable Scottish experiment may only be as a drop in the bucket; but it is an unspeakable good for those directly concerned, and great in the promise it affords of what can be done. To the capital and capacity which have accomplished so much has been added an invaluable experience in the management of business; and the rate of production can be increased indefinitely by employing a larger number of men, augmenting the capital, for which provision is made in the rules, or by establishing other like societies—as has in varying forms been done—till the whole body of workmen throughout the country might be in this way steadily and adequately housed—"Every man his own landlord."

Other and deeper effects are apparent. The standard of existence has been raised, and an important advance made towards the state which Mr. John Stuart Mill desiderated; wholesome restraint has been supplied. Men who have taken a few shares, and purchased houses by loan, have a strong inducement to be temperate, economical and industrious, in order that they may make their payments and become the actual owners of the houses in which they reside. A training in self-government is going on, the full value of which it must take years and prolonged experience to fully estimate.

Good workmanship is one well assured outcome of all such co-operative efforts: every person employed being directly interested in doing his duty and seeing that others do theirs, he feels that he is working for himself, and exercises a wholesome influence on his fellow workmen. Thus materials are economised, and the work is thoroughly efficient, for "scamping" is out of the question when the worker may be building a house for himself or his son, and when he knows that success depends in a peculiar sense on

the quality of the workmanship. As it is the interest of all to see that no time is lost, the amount of production is increased, and the company is enabled to provide at a moderate cost, and with a reasonable return, a class of houses which, as a product of ordinary competition and speculation, would have been higher in price, inferior in quality, and not unlikely badly situated.

Much, let me add in conclusion, has been done in many ways for the housing of the people. All honour to the Peabodys and the Guinnesses, the Rowtons and model manufacturers—like the Cadburys of Bournville “Garden-City” fame—all of whom, who, in their own way, are helping to wipe out the blackest stain on modern civilisation, and whose munificent gifts and well-directed expenditure are a monument of their enlightened philanthropy. But such generous and practical service must ever be of rare occurrence. Beautiful and unspeakably beneficial as they are in themselves, they can only reach a small portion of the vast wage-earning multitude, or the very poor, and cannot be reduced to a self-acting system. What we want is a simple agency, easily understood, within the reach of all, and of universal application. And this is provided by the principle of co-operation. It has been put to the test, and the great results thus far attained clearly demonstrate what it is capable of accomplishing; and surely a sufficient number of workers in every great centre possess the forethought, mutual confidence and resolute self-sacrifice, to introduce and help in carrying out a great and pressing social reform.

I do not wish to carry the argument beyond clearly defined limits. This brief account of the co-operative work done in Edinburgh and like efforts, are adduced chiefly as illustrating what voluntary and united action is capable of accomplishing in one important branch of production. As such, it is an instructive study, and will help to throw light on a question which deeply affects the social well-being of the people. It is not said that even this one signally successful experiment, compact and admirable as it is, settles the great problem of the housing and permanent advancement of the British labourer. Yet it seems to embody a principle the general adoption of which will strike with life-giving and elevating effect at the roots of his moral being, domestic happiness, and material welfare, and, as the light breaks through the cloud, to bespeak for the toiler a juster, purer, and more exalted future.

MR. JAMES JOHNSTON (Manchester): I move that the whole of the papers be taken as read. If not there will be no

opportunity for discussion. Do you propose to continue the discussion until to-morrow?

MR. G. BASTARD (Leicester): I move that each writer who has been at the trouble to write a paper by request, should be asked to give a summary of his views.

Each proposition was duly seconded, and the second was passed by a large majority.

The CHAIRMAN: The next paper is that of Mr. McInnes.

MR. MCINNES allowed his paper to be taken as read. It is as follows:—

The function of co-operation is to enable the working class to obtain a more equitable share of what they produce, than is possible under existing industrial conditions. One of the causes of poverty is that the majority of wealth producers working with brain and hand are not able to exchange with each other what they produce without toll being taken from it, by intermediaries who add nothing to its value. Co-operation affords the surest means by which this toll-taking can be avoided. Two things speedily result from distributive co-operation: it raises the standard of living of a class whose standard is low, and it creates capital. The higher the standard of living of the great mass of the people, the better it is for trade, because the greater the consuming power of a community is, the more is labour set in motion to provide for it. The function of capital is to set labour in motion, but co-operative capital is the only capital which sets labour in motion for the benefit of labour alone. By its reproductiveness, co-operation equips the masses with collective power to undertake responsibilities hardly as yet realised by them as being possible. Without disturbing society, without laying hands on what belongs to others, but out of simple independence and honest forethought the beneficent work of the movement is being conducted.

As a higher standard of living is reached by co-operators there arises naturally a demand for better housing accommodation—a demand which can be met much more readily in some districts than in others. Circumstances which greatly affect a society in one locality may have no bearing whatever in another where the surroundings are apparently the same, and where the wants and habits of the members may not exhibit any great difference. In beginning any undertaking of this character, therefore, it is advisable to count the cost and to look at the thing from every point of view. Happily, in respect to house building and to granting advances on mortgage, we are not altogether on new and untried ground. Throughout the Co-operative Union of Great Britain the

practice of societies buying land and building houses, or having houses built for their members, has become general. Some societies hold the houses as landlords and let them to members at reasonable rents; some allow members to purchase at easy rates of repayment, little, if anything, more than an ordinary rent would be; while others provide for those who wish to buy, and those who want simply to rent houses. By some societies mortgage advances are granted to members on the security of houses already built, which have taken their fancy; they pay a moderate deposit and little more than an ordinary rent, and the houses eventually become their own unencumbered property. Cohesion, stability, and prestige are outgrowths from a house-purchasing department. Knowledge that the dividend on every pound's worth of goods they buy at the store brings them a few bricks nearer to being the owners of a house each, ensures loyal trading by members in greater degree than anything else.

But the material benefit is by no means all that should be aimed at. What is the condition of thousands of working men? They are considered the legitimate prey of jerry-builders and house speculators. No houses give such a large return for capital as those tenanted by the industrious working class, for their rents are unduly high to make up losses to house-owners occasioned by the migratory class who flit from house to house fouling and damaging each, until it is temporarily uninhabitable. A co-operative society, by changing and improving the environment of its members, renders untold benefit to the community. No pen can adequately depict the evils arising from the defective sanitation and overcrowding of the brick and mortar wildernesses in which so many are compelled to live. They are the fundamental causes of half the moral problems that now confront civilisation. There can, therefore, be no doubt that it is the duty of co-operative societies, as societies and also as forces in citizenship, to use every available means to rescue their members and families from moral contamination. As to the means, there is not at present much difference of opinion. Business considerations in the end always modify or determine the attitude of a co-operative society to social questions. For example, where the trade of a town or district fluctuates, there naturally is not only a small demand, if any, upon a society for houses on the hire-purchase system, but a disinclination also on its part to build and let to members as a landlord, owing to the risk of loss from houses remaining long on its hands untenanted. Any committee

who seriously proposed, on any grounds, to run this risk would be removed from office and their places taken by others less venturesome. It is this possibility of loss from unlet houses that prevents many societies, which build and sell largely, from holding and letting to any considerable extent as landlords even where trade is fairly constant. Unless a society has all its members as tenants, it is argued, it is not equitable for the whole body to bear loss or share in gain. Let each member, therefore, who desires, go upon the hire-purchase system, taking all benefit and running all risk. Hence, generally, the individualist idea prevails at present over the collectivist.

As far as motives are concerned, there is no difference between members who are house purchasers and members who simply rent houses from a society. Material considerations affect both alike. Instances are known where the former class have packed general meetings to get their mortgage interest fixed at a rate unduly low, while the latter have taken the same means to secure a reduction of ten per cent. on their already fair rents. Taking men and women, therefore, as they are, and avoiding theorists and generalisers as far as possible, it is advisable for a society that has the will and the means to supply houses to its members to get to know, first of all, exactly what they want. It will be found, probably, that the wants of no two members are alike. On each being satisfied that he has discovered just the sort of house in just the sort of position of convenience for himself that he requires, the society may, if it is ready for inhabiting, secure it for him in the following way, namely— if, after inspection by a qualified person, it is approved and considered worth the price asked for it by the vendor, the cost of a double conveyance can be avoided by the society providing the money, and ordering the deed to be made out direct from the vendor to the purchasing member. The latter then mortgages the property to the society, the rate of interest on the money advanced having first been fixed and an arrangement made as to what the amount of the repayments of principal and interest shall be. These instalments should be paid monthly, so that they may not be too heavy in amount, and interest should be balanced quarterly. By the terms of his mortgage deed the purchasing member has to undertake all repairs and painting, and, being the actual owner of the equity of redemption so long as he keeps up his payments, he also pays all rates and taxes.

The foregoing method of financing a purchase applies to houses already built or to be built by some one apart from

the society itself. It has been worked without any expense, except for stamps, by the present writer, who has executed deeds for houses to the value of £50,000 during the last fifteen years.

To proceed a step further:—If a society receives applications from a number of members who desire to have houses built for them according to a certain plan, and in a certain locality on land which it owns, it proceeds as above stated, only, the conveyance deeds are from the society itself to the members. If no deposit is demanded by the society; the plan adopted is to wait for six or twelve months until the purchasing member has a property of a few pounds in the house, and then to execute the deed conveying it to him. All the deeds connected with the property remain in the custody of the society until all the repayments are made, when the society endorses on the mortgage deed a receipt, which, under the Industrial and Provident Societies Act, legally re-vests the property in the mortgagor.

Respecting deposits and *high or low repayments*, there are many things that require *most careful consideration*. A co-operative society must not be classed with a building society. A building society has to make profit to pay the salaries of its staff and the interest on its shares, which are often manipulated by speculators. Unlike the shares of a co-operative society, the shares issued by a building society may be limited in number either by the society's rules or practice, and, hence, they are capable of being speculated in, and put up to a premium. A co-operative society, on the other hand, usually, enters into the building or house financing business with the double purpose of benefiting its members and utilising its surplus capital, or, in other words, its accumulated profits. If it charges four per cent. on advances and allows quarterly balancings, it is then obtaining probably more than it actually pays to its members as interest, especially if it has a penny bank. This profit is enough, or nearly enough, to pay for the small amount of extra office work, books, and printing. Now, if a society is satisfied that the property on which it has lent money is a fair and honest investment, it is to its own interest to let the money remain invested as long as possible; hence, in nearly all cases, *the amount fixed as monthly repayment should be small, but the purchasing member should be allowed to pay as much more as he likes*, for most purchasers are anxious to get their houses paid for as speedily as possible. Some are so sanguine that they ask for a heavy sum to be fixed, and, after trying to keep it up for a year or two—feeling the

burden too heavy to be borne—they will beg for indulgence or for a smaller repayment. To tie a purchaser down to a ten per cent. deposit and a seven-and-a-half per cent. repayment, means that a society will entirely shut out the poorest section of members who need help most. It is well, therefore, to let all pay a deposit who choose to do so, but to compel none; but this being so, it is imperative also to consider each application on its individual merits. To secure, among other minor points, that no deserving member of good character, but too poor to make a deposit, should be shut out, Mr. Vansittart Neale recommended to the Lincoln Society in 1883 to have no rules at all in respect to procedure by house purchasers, but to put as preface in each member's dwelling-house repayment book a condensed copy, which he himself prepared, of the mortgage deed. This opened the house purchasing department to the poorest section of the members, many of whom, indeed, were the first to avail themselves of its advantages—twenty-one of the first grants of £165 each having been made without the payment of a penny by way of deposit. Occasionally, during prolonged sickness, house purchasers on applying to the committee have been allowed to pay interest only; and in extreme cases of sickness or loss of employment, all repayments have been suspended for several months. The society has not lost anything by pursuing this generous policy, but it is obvious that it is a policy which must be pursued with discrimination, and that great responsibility for its being exercised with impartiality and discernment rests upon the committee of management. It is a condition that each application for an advance shall be made in writing, and that each member applying shall have not less than £5 in the society as share capital. Each application is accepted or rejected, as the case may be, according to the judgment of the committee of management. *No member is allowed more than one advance*, a salutary regulation which acts as a check upon house jobbing.

If a society undertakes to build ten or a dozen or twenty or more houses to order, for as many members, from a certain plan and at an approximate price, it may be set down as a foregone conclusion that the cost per house will come out considerably more than the intending purchasers expect, for they will order little alterations here and little improvements there, each one of which looks *so nice* and adds *so much* to the convenience, until the cost comes to be counted. Then the glamour is dispelled, and the cold reality of the extra cost makes the purchasers rue their bargains. For

these reasons, therefore, a society gives greater satisfaction to its members if it buys houses ready built that suit their fancy or builds by contract, adhering strictly to plans and specifications, and making no alterations in details to suit anybody. It is, indeed, as well in some extreme cases to go so far as to accept no application until houses are built and ready for occupation, for then the interference of numbers of amateur clerks of works is avoided, as well as of that class of people whose self-imposed mission it is to be continually giving advice unasked for.

It is often very speciously argued that co-operative societies supplying members with houses should establish workshops, and employ members who have the necessary skill to build for them. For some minds this course has a subtle charm which experience often rudely dispels, and the reasons are not far to seek, for unless a society can build and sell to its members houses as cheaply as those sold by any builder of good repute, it may be relied upon that the members will not buy, although the houses may be of the most excellent material and workmanship. Fulfilling these conditions, it is only under exceptional circumstances that a society can build houses as cheaply as a builder who has workshops and modern machinery, for he does it as a regular business for which he has everything necessary, experienced manual labour included, for securing cheap and rapid production; whereas the society has nothing besides ready money and skilled workmen. It is handicapped, also, by entering into a business which may be only temporary, and in which it is entirely at the mercy of employees, who will not work harder for a co-operative society than for any other employer. But, if a society has the necessary capital, if the demand from its members for houses to be built is likely to be fairly constant and permanent, if it has within its membership skilled workmen sufficient in number to form the nucleus of an intelligent and workable building staff—what more simple and natural outlet could there be for employing capital and labour co-operatively? The society, with a business in embryo of an assured and certain character, could safely build workshops and equip them with machinery, and it could then with some prospect of success compete with any builder for contracts if the neighbourhood is a growing one.

The possibilities of the greater development of co-operation are realised everywhere by minorities in our societies, but they have an uphill task to convince the bulk of the membership. This is a necessary concomitant of the pro-

gress of nearly everything which is solidly successful, and the only compensation for it is that it causes the results when they are achieved to be more valued than if they had been gained easily

HOUSE BUILDING BY CO-OPERATIVE SOCIETIES IN GREAT BRITAIN.

At the Co-operative Congress of 1900 the following figures were presented, showing what had been accomplished at that time by only 224 Co-operative Societies in England and Scotland having instituted building departments. The return is believed to be very incomplete, owing to the existence of building departments in other Co-operative Societies which have not sent returns. (See next page.)

Statement showing the transactions of the Building and Advance Departments of 224 Co-operative Societies.

NAME OF SOCIETY.	Houses Built and Owned by Society as Landlord.			Houses Built by Society and Sold to Members.				Money lent by Society to Members to Build Houses for themselves.				Conditions of Borrowing.				
	Number of Houses.	Average Value.	Total Amount.	Number of Houses Sold.	Total Value.	Amount paid on Account of Houses.	Amount remaining due to Society on Mortgage.	Average Cost per House.	Total Amount.	Amount Repaid.	Amount remaining due to Society on Mortgage.	Number of Houses on which Money has been advanced.	What Percentage on the value of a House does the Society lend?	How much in amount may any one Member borrow?	Rate of Interest Charged.	Terms of Repayment.
1 Daventry.....	1	270	270	5	1350	980	370	270	6993	204	6489	44	85	No limit	4	3s. per week per £100
2 Burton Latimer.....	3	200	600	...	...	...	...	...	5000	1317	3683	26	85	No limit	4 1/2	2s. 6d. & 3s. per wk. per £100
3 Desborough.....	11	166	1823	46	8603	2202	5401	187	4353	1768	2383	21	75-90	No limit	4 1/2	2s. 6d. per week per £100
4 Finedon.....	...	...	...	...	...	...	...	...	...	...	...	...	63 1/2-75	No limit	4 1/2	Optional
5 Coalville.....	5	172	860	...	...	...	...	...	...	...	...	...	75	No limit	4	3s. per week per £100
6 Enderby.....	20	300	6000	8	1480	994	486	188	4292	2165	2127	39	75	No limit	4	3s. per week per £100
7 Great Wigston.....	60	226	13552	70	19500	19000	600	280	8742	1070	5672	27	95	No limit	4	12s. per month per £100
8 Leicester.....	13	230	3000	1	230	25	205	230	7131	6331	866	30	90	No limit	4 1/2	2/9 & 4/2 per week per £100
9 Shepshed.....	3	270	810	10	2900	905	1995	230	22308	8796	13512	104	90	No limit	4	3s. per week per £100
10 Coventry Perseverance	6	180	900	...	...	...	...	...	...	...	...	...	90	No limit	4	3s. per week per £100
11 Kenilworth.....	8	280	2170	6	1725	438	1287	275	1585	710	875	7	90	No limit	5	£1 6s. per month
12 Rugby.....	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
13 Birmingham Industrial	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
14 Burton-on-Trent.....	6	223	1336	4	1120	390	730	280	1195	306	889	8	75	500	4 1/2	8 per cent. per annum
15 Stafford.....	65	205	13326	26	7608	3258	4655	282	1975	90	1885	15	75	300	3 1/2	12s. 6d. per month per £100
16 Tamworth.....	...	...	...	...	...	...	...	...	1835	15	1820	14	75	No limit	4 1/2	3s. per week per £100
17 Derby.....	...	...	...	...	...	...	...	...	177864	113431	63933	755	90	2 houses	4	2s. 6d. per week per £100
18 Ilkeston.....	...	...	...	...	...	...	...	...	1926	144	1782	10	90	350	4	2s. per-week per £100
19 Langley Mill & Alder-	...	...	...	...	...	...	...	...	6500	1307	5199	48	95	No limit	5	2s. 6d. per week per £100
20 Lea and Holloway.....	101	180	18245	...	...	...	...	...	550	9	541	2	75	No limit	4	2s. 6d. per week per £100
21 Long Eaton.....	1	300	300	...	...	...	...	...	31458	18018	13440	193	90	500	4	2s. 6d. per week per £100
22 Papley.....	10	220	2200	...	...	...	...	...	20948	10591	10636	106	95	300	5	2s. 9d. per week per £100
23 Hucknall Torkard.....	31	200	6181	1	250	250	17793	5157	12636	171	66 1/2	...	4 1/2	2 1/2 per cent. per annum
24 Lenton & Nottingham

* Advance, one house only.

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77 Hartlepool	4	75	300	8	1360	1360	...	170	38000	1000	37000	160	85	No limit	...	2s. 6d. to 5s. per wk. per £100
78 Marske-by-the-Sea	5045	1199	3846	28	80	500	5	£8 13s. 4d. per annum
79 Middlesbrough	320	320	320	4	80	No limit	4	2s. 6d. to 5s. per wk. per £100
80 Middleton-in-Teesdale	11649	5358	6291	80	80	400	4 1/2	13s. 4d. per month per £100
81 Stockton-on-Tees	11	2650	2860	11	2723	2664	...	50 247	26934	12869	15641	95	75-90	250	4 1/2	£5 per cent. per annum
82 Barnoldswick	27	280	7881	2	600	307	...	293 300	1458	1036	422	12	85	No limit	3 1/2	2s. 6d. per week per £100
83 Bingley	6	342	2050	2395	1915	480	14	75	400	4 1/2	5 per cent. on balance
84 Great Horton	6	150	900	136138	66946	69192	674	85	1000	5 1/2	2s. to 4s. per week per £100
85 Guseley	178	230	39023	567	141930	69756	72174	250
86 Leeds	8	227	1817
87 Oxenhope	8	275	2200
88 Rawdon	22	191	4200
89 West Bowling	63	220	15195	16	3823	1590	2243	240	49154	29150	20004	264	80	500	4	...
90 Windhill	2	200	400
91 Bamfurlong	7	197	1380	47	7377	7377	...	158	626601	396875	229726	*	75	1000	4	8s. 4d. per cent. per month
92 Bolton	9	174	1565	12	2406	2406	...	591 200	14172	7043	7129	117	75	500	4 1/2	8s. 4d. per cent. per month
93 Farnworth & Kearsley	8	231	1847	54	11306	8573	2753	209	1860	1061	769	14	92 1/2	250	4 1/2	3s. to 4s. per week per £100
94 Horwich	4	235	940
95 Hulton & Chequerbent	2	169	339	18	3066	1404	1662	170	240	...	240	2	80	No limit	4 1/2	8s. 4d. per cent. per month
96 Little Lever	44	134	8090	221	38367	29917	8456	174	280	280	...	3	70	No limit	4	3s. 1 1/2d. per week per £100
97 Radcliffe & Pilkington	42	180	7917	-7	1830	450	1380	260	170	150	20	2	80	300	5	£2 5s. 9d. per quar. per £100
98 Walkden	7	209	1463	13146	13146	11369	120	90	300	4	...
99 Westboughton Friendly	4	160	640	24515	13146	11369	120	90	300	4	...
100 Cragg Vale	276	56840	49926	6914	206
101 Halifax Industrial

* Cannot state number of houses, but have lent money to 2,430 persons. 1,197 persons have paid off their mortgages, leaving 1,233 accounts still open.
 † According to the last annual report, £711,110 had been lent by this Society for house building purposes, and there were then as many as 1,676 persons in Bolton owning their own houses who had been assisted by the Society to become owners of that property.

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128 Failsworth	153	180	27,949	3	460	321	139	153	24600	21525	2975	197	75	500	4	3s. per week per £100
129 Glossop Dale	9	156	1509	25417	20611	4806	...	85	500	4½	10s. per month per £100
130 Houghton Green	13	140	1820	2067	941	1126	...	10	50	5	£2 12s. per quar. per £120
131 Hollingworth	14	140	1960	4710	3748	932	62	80	4½	5	5 per cent. per annum
132 Hyde	20	193	3864	17191	11875	5316	87	90	750	3½	3s. 7d. per week; per £120
133 Manchester & Salford	16255	1830	14425	66	90	1000	4	10s. per month per £100
134 Middleton and Tonge	38	200	7609	2845	187	2758	...	90	500	4	3s. per week per £100
135 New Mills	17	173	2950	19	3660	2288	1372	192	18800	7471	11329	132	80	600	3½	£6 13s. 4d. per cent per ann.
136 Pendleton	22	235	5170	10134	5194	4939	44	90	300	3	2s. 6d. per week per £100
137 Prestwich	176	191	33554	65	15460	8356	7124	238	48652	30766	18186	...	85	No limit	4 to 5	...
138 Roe Green (Worsley)	12	165	1980	225000	163275	61725	2100	70.90	No limit	4.5	1d. per £1 per month
139 Accrington & Church	66	10890	10401	489	165	1180	910	270	10	75.50	No limit	3.4	...
140 Blackburn-Bank Top	9	160	1440	22854	22820	734	238	80	No limit	5	8s. 4d. per quar. per £100
141 " Grimshaw Park	31	130	3993	49	6323	5823	500	129	86155	60532	39622	500	90	No limit	4½	5 per cent. per annum
142 Burnley Equitable	31	165	5160	39	6200	6340	...	170	8975	3748	5227	63	90	300	4½	...
143 Colne and District	4	154	735	108402	124605	71857	1200	90	No limit	4	...
144 Darwen Industrial	34	232	7904	129	27720	21170	6550	220	53114	21438	11676	200	90	2 houses	4½	5 per cent. per annum
145 Nelson	27	284	7664	51	10031	10965	729	196	7140	85	No limit	4½	15s. per month per £100
146 Rishton	8	187	1500	5	1024	223	796	205	1	80.85	500	5	12/6 to 17/8 per mth. per £100
147 Fleetwood	1	294	294	240	3	237
148 Fylde Industrial	3	155	467	225	56	163	1	...	400	5	£2 5s. 9d. per quar. per £100
149 Lancaster and Skerton	36	235	8464	22	5055	4158	367	220	86406	54454	33192	336	85	No limit	4½	15s. per month per £100
150 Longridge	6	343	2061	18	4526	3966	560	251	1486	1045	441	11	80	No limit	3½	14d. per month per £1
151 Barrow-in-Furness	5	266	1330
152 Swithmoor and	4	207	830	11	2250	2250	608	204	2360	1306	754	22	90	No limit	4½	2s. 6d. per week per £100
153 Ashton-under-Lyne	66	147	9702	19639	12769	9064	128	90	500	4	14d. per month per £1

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179 Ashford.....	8	150	1200	995	109	924	6	80	No limit	4	12s. 6d. per month per £100	
180 Sittingbourne.....	21	353	7402	1949	242	1707	11	90	No limit	4	...	
181 Lewes Building.....	21	353	7402	...	1640	...	17s	150110	88694	70415	780	80	No limit	4	...	
182 Regate.....	21	353	7402	3645	132	3513	19	75	500	4½	...	
183 Shanklin Lake and Branston.....	5	200	1000	203	117	1	80	No limit	4	4s. per week per £100	
184 New Swindon.....	4	205	820	8	75	No limit	4	...	
185 Sawston.....	2	209	400	480	25	455	6	85	300	5	2s. 6d. per week per £100	
186 Luton.....	2	228	487	925	575	350	6	95	300	5	3s. per week per £100	
187 Beccles.....	4	100	500	230	18	212	1	95	No limit	5	...	
188 Norwich.....	4	125	480	940	23	927	5	90	300	4½	2/6 to 4/1 per week per £100	
189 Thetford.....	4	125	480	...	4000	9011	9s 9	120	10	120	2	75	No limit	4	...	
190 Halstead.....	4	125	480	230	10	220	2	75	No limit	4	...	
191 Ipswich.....	6	219	1315	115769	58140	57630	420	...	400	4	2s. 9d. per week per £100	
192 Stowmarket.....	193	175	331	175	1	75	500	4	2s. 6d. to 5s. per wk. per £100	
193 Brixham.....	194	2285	...	1854	14	75	200	5	...	
194 Buckfastleigh.....	195	2	75	200	5	...	
195 Plymouth.....	196	2	75	200	5	...	
196 Torquay.....	197	2	75	200	5	...	
197 Taunton.....	198	2	75	200	5	...	
198 Yeovil.....	199	2	75	200	5	...	
199 Aberdare.....	200	2	75	200	5	5 per cent. per annum	
200 Blana.....	201	2	75	200	5	£1 pr. mth for 1 house, £200	
201 Newport.....	202	2	75	200	5	£2 to £3 pr. quarter pr. £100	
202 Benth.....	203	2	75	200	5	...	
203 Carriok.....	204	2	75	200	5	...	
204 Dreghorn.....	205	2	75	200	5	£5 13s. 4d. per £100 per ann.	
205 Galsion.....	7	295	2075	10	2250	9250	80	...	4½	...	

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206 Kilbirnie	30	167	5000					£	£	£	£
207 Blantyre	18	167	3000					£	£	£	£
208 Dalziel	58	163	9443					£	£	£	£
209 Dykehead and Shotts	12	141	1700	9	1406	622	844	162
210 Armadale	8	158	1263					£	£	£	£
211 Leith	90	200	18000	9	1686	1441	245	187
212 Norton Park	9	230	2070					£	£	£	£
213 Tranent	11	200	2200					£	£	£	£
214 Uddingston	7	265	1864					£	£	£	£
215 Bonnybridge	3	150	450					£	£	£	£
216 Pathhead & Sinclair-town	16	169	2700					£	£	£	£
217 Vale of Leven (Alexandria)	4	...	1900					£	£	£	£
218 Arbroath West Port.	9	500	4500					£	£	£	£
219 Greenock Central	19	276	5237					£	£	£	£
220 Kilbarchan	4	1114	4456					£	£	£	£
221 Paisley Equitable	8	...	15466					£	£	£	£
222 " Provident	17	...	38117					£	£	£	£
223 Taurso	9	250	2250					£	£	£	£
224 Scottish Wholesale Soc.	18	201	3618					£	£	£	£
TOTAL	4247	...	917397	13709	827823	520367	274834	...	3402306	1959248	1530671	16082

The CHAIRMAN: The next paper is that of Mr. Goedhart.

MR. GOEDHART (Netherlands): Holland has as bad slums in its busy cities and towns as any other country, and, accordingly, the housing problem, with all its needs, all its urgency, and all its difficulties, has presented itself to people who wish to see the working classes properly cared for in the Netherlands as elsewhere. Philanthropists have endeavoured to bring about an improvement for a long time back. And self-help has been enlisted as a remedy. Some Friendly Societies set their hand to the work years ago, erecting small houses, which they let to working men at a terminable rent charge, to become eventually the tenants' own after 25 years. Societies of a different type were also formed, working in a more altruistic way. In 1896 the active and public-spirited *Maatschappij tot nut van't Algemeen* (Society for the promotion of general good) published an interesting report on the housing question, in which the prevailing state of things was discussed, and graphically depicted, and it was shown that there was a want of comfortable and sanitary dwellings for working men's families almost throughout the country. Legislation was also shown to be faulty, and in this respect a remedy was urgently asked for. Municipalities were furthermore appealed to to assist the movement for providing sufficient dwellings by grants of land to serve as sites, by facilities in respect of the formation of new streets and of improved sewerage, and by loans of money at low interest. A law enabling municipalities to do all this was actually carried in 1901. It authorises municipal bodies to issue regulations on sanitation and other matters to be observed in the building of houses, which regulations are now binding. It gives the municipality power to deal with insanitary dwellings, to seize such and also to expropriate land in private possession for building sites, to sell land suited for the purpose to societies which make it their business to build workmen's dwellings. Under this law, if a house is condemned as unfit to serve as a human habitation, expropriation entails payment only of the value of the materials. The municipality is also empowered to make advances of public money for housing purposes to societies for a term of 20 years, and to prescribe plans which have to be followed in building. Municipalities deficient in means may obtain the requisite funds from the Government.

This law ought to help co-operative house building societies a great deal. As a matter of fact for a long time

co-operative associations for building dwellings for working folk—and others—have been in existence in Holland, and they have done much good.

There are at the present time something like 90 co-operative building associations in existence. All of them are co-operatively organised. But all are not for the benefit of working folk. For middle class co-operation is strong in the Netherlands. And in places like the Hague the co-operative building associations formed, and often thriving, yield their benefits to military or civil servants. However, in other places, such as Haarlem, which alone possesses no less than 31 co-operative building associations, the work done is all for the benefit of *bona-fide* working men. Membership in these associations varies considerably. There are puny societies with seven or eight members, and societies also with more than a hundred. As a rule these societies sell the houses which they build to tenants by means of a terminable rent charge. However, people are coming to see that this method, however attractive it may appear at the first blush, does not promise to settle the housing difficulty permanently. The working-man owner of a dwelling may become a speculator in house property and a rent-sweater as well as any other man. We have seen how this is brought about in the *Cité Ouvrière* of Mülhausen. So now an opinion is growing up in favour of the other method, namely, of assisting the houseless by retaining the property in the houses in the hands of the association, and simply letting them to working folk for specified terms.

Co-operative building operations are likely to receive a considerable impetus from last year's law. Hitherto working men have been too feeble to undertake much. The new law opens a source of money to draw upon, in addition to making sites accessible. What work has been done under prevailing unfavourable circumstances is after all so satisfactory of its kind that there is reason to anticipate very good results once the powers given under the new law are properly turned to account.

The CHAIRMAN: Neither Mr. Ralph Neville nor Mr. Whichelo is here. We take their papers as read.

Mr. Neville's paper is as follows:—

Nowhere is the need of the application of co-operative principles more urgent than in the care of the two social problems known to us under the compendious, but inadequate, titles of "The housing of the working classes" and "Agricultural depression."

The knowledge that building or accommodation land fetches a much higher price than agricultural land is universal, but the fact that the difference in price is paid not to, but by those who create it, is but dimly discerned by the majority, while the possibility of retaining the value thus given away, for the benefit of those who make it, and the fact that it would suffice to meet all the expenses at present defrayed by rates and leave a large surplus besides, is little appreciated. It is common knowledge, however, that in the price of a building site in a prosperous town, the intrinsic value of the land, apart from its exceptional position, bears so small a proportion to the total as to be practically negligible, and it must consequently be obvious on reflection, that if any one had been far-sighted and public-spirited enough to purchase beforehand, for the benefit of the inhabitants, the land upon which a town has subsequently arisen, treating his outlay simply as a debt due from the community to himself, the townsmen would find themselves in the enjoyment of a property which would suffice, after satisfying their obligations to the original purchaser, to provide for their collective requirements upon a scale hitherto undreamed of.

It is upon the perception of this fact that the Garden City scheme is based. Recognising that the congestion of the towns and the depopulation of the country is due to the accelerated transfer of the population from agricultural to industrial pursuits, in obedience to economic law which it is neither possible to defeat nor desirable to oppose, its promoters look for the remedy, not in altering the occupations of the people, but in changing the conditions under which they are carried on. The former are the outcome of social development, while the latter are conventional and accidental. If the people therefore are to be brought back to the land, it must be by prevailing upon them to cease crowding into the existing great towns for the conduct of productive industry, and the inducement relied upon to attract them to a Garden City, is to be found in the dedication to municipal purposes of the increment in land value which a town population brings with it. A Garden City is, essentially, an area to which a town population has been attracted upon the terms that the increment in value which their advent occasions, shall be applied for the municipal benefit, and that a large proportion of the area shall be perpetually reserved for agricultural purposes. It is not, as the name might suggest, wholly or chiefly æsthetic, though the opportunities afforded by a fresh start, both for beauty and economy of design and construction, are obvious, and,

subject to the two conditions above stated, the methods by which the idea can be realised, are infinite.

There is no form of co-operation offering so large and immediate a profit as the combination of persons for the purpose of acquiring and settling upon a colony, whether at home or abroad, for the mere combination for the specific purpose creates a value of its own. If one man buys land and builds a house upon it, he adds to the value of the land the value of the house, and nothing more, but if 20,000 people combine to buy land and erect their houses, their shops and their factories upon it, in addition to the value of the buildings, they add to the value of the land the unearned increment of town lands. The Garden City Association seeks to afford an opportunity for such a combination. The tendency towards migration from the great towns amongst manufacturers on a large scale is already marked, but such a movement can only be extended to the smaller manufacturers by intelligent organisation for the provision and adaptation of a site.

The idea therefore formulated by Mr. Ebenezer Howard in his book "To-morrow," for the realisation of which the Association has been formed, is to purchase at agricultural prices an estate of, say, 6,000 acres (some three miles square) and thereupon to establish sites for the accommodation of an industrial population of about 30,000. This would require about 1,000 acres; the remaining 5,000 would be devoted permanently to agriculture. The town would be laid out in sections, which, when completed, would contain a central park, shops, dwellings, factories, circular railway, land to be left unbuilt upon, in successive concentric bands. Broad boulevards radiating from the central park would afford ready communication between all parts of the estate. Expansion would be met, not by overcrowding or encroachment on the agricultural part of the estate, but by the foundation of similar towns in direct communication with the first. The ground rents, after keeping down the charges on the first cost of the estate, would be devoted to the benefit of the community, to whom would be afforded an opportunity of taking over the whole concern for their own benefit when they were in a position to do so. The advantages of such a scheme are obvious. English towns have grown haphazard, without thought for the future, developed at the caprice of the landowner and by the adventure of the speculative builder. The difficulty of ever satisfactorily adapting such towns to the requirements of a constantly increasing population is practically insuperable. All construction has to be

preceded by destruction—a most costly process, while every effort of the inhabitants to secure breathing space is discouraged by the crushing pressure of inflated rates. Attempt to keep the workpeople near their work and you find it can only be done by piling family upon family in monster tenement buildings. These, though less squalid to the eye, are often as injurious to the health of the inmates as the houses they displace. Tenements, in many cases where sun never penetrates, where rooms are daily lighted by artificial light, where two, three or four pairs of stairs lie between the children and access to the open air. Accept the alternative and carry the population further from the industrial centres, and the time which the bread-winner should spend in healthy outdoor recreation is consumed in railway, tram or tube, often in an atmosphere worse than that of the factories and workshops where the day's work is done. Yet there is no escape from the position that either industrial production, with its allied trades, must be conducted under healthier conditions than can be secured in our present towns, or the physical condition of the increasing proportion of the population engaged in such production must suffer, while upon the satisfactory physical development of the people hangs the well-being of the country. No education bills, no constitutional reforms, no progressive enthusiasm can avail to save us in the long run, unless the physical degeneration of the race is arrested and the conditions under which industrial production is carried on rendered compatible with healthy existence.

Finally, I may point out that in dealing with the housing question on the bold lines of decentralisation of manufacturing industry, will be found the surest method of relieving agricultural depression, for it must bring to the agriculturalist an accessible market, the want of which is the chief obstacle in the way of a reasonable profit to agricultural industry.

Mr. Whichelo's paper tells the story of the Artizans' Dwellings Company:—

The body whose beneficent work is here to be briefly recorded is not a co-operative body. However, its work is so closely akin to that of co-operative societies, and so well calculated to prove of service to such associations as a practical example, that it may well claim a place among our Congress papers. Allowing only a fixed and limited rate to capital, administering its large property only for the class to be benefited, the Artizans', Labourers' and General Dwellings Company has succeeded in raising gradually about £2,500,000 for its object, and now provides cheap, com-

modious and sanitary dwellings for between 30,000 and 40,000 people, mostly working men earning from 25/- to 50/- a week. Some superior houses are let to tenants with higher incomes, and the tenants of the Leigham Estate, near Streatham, are generally of a slightly wealthier class.

The idea of forming such a society was first conceived in 1867 by a little band of working men who appreciated the much-felt want, and registered their little Company. In doing so they certainly did not err on the side of timidity, ambitiously fixing the authorised share capital at £250,000, to be raised in £10 shares. Their original scheme was to extend operations over a wide area, and building work was actually begun, not in London only, but also in Manchester, Liverpool, Birmingham, and Gosport. Subsequently it was found preferable to restrict work, in the main, to London. The provincial properties remain practically only as investments.

The first undertaking on a large scale taken in hand was the building of Shaftesbury Park, so called after the great philanthropist. It became a veritable "working men's town" with about 1,200 houses, at Lavender Hill, near Clapham Junction. The Company soon found itself in difficulties, owing to irregularities of some of its officers, who were duly tried in Court. Its credit sank very low, and but for the help of some good men it would probably have gone into liquidation. However, the perilous point was weathered, and under its present good administration the Company soon advanced, by leaps and bounds, to extraordinary prosperity. Large as have been the sums of money periodically raised to meet new requirements, as this or that scheme came to be taken up, it has not for a long time past (25 years) proved necessary for the Company to go for its money into the open market. Its own shareholders and their friends have always been only too glad to take up new issues. The capital of the Company now consists of £1,467,280 (out of an authorised amount of £2,000,000) in ordinary shares (of £10), on which 5 per cent., free of income tax, has been regularly paid since 1879; also of £772,580 in preference stock, 1884, and £250,000 in preference stock, 1879, both paying 4½ per cent. In addition the Company holds over £74,000 now in deposits at 2½ per cent.

The property of the Company consists of:—

(1) The Shaftesbury Park Estate, 42½ acres, 30 shops, 1,135 single houses, 33 double houses and one block of 22 tenements, yielding a collective annual rental of about £28,000.

(2) Queen's Park, Harrow Road, 76 acres, 116 shops, 2,076 single houses, 108 double houses, and a Public Hall, yielding an annual rental of over £63,000.

(3) Noel Park, Wood Green, 100 acres, 85 shops, 1,076 single houses, 174 double houses, covering altogether about half the area, and yielding an annual rental of over £35,000.

(4) Leigham Court, Streatham, 66 acres, 292 houses and 373 maisonettes (with two separate dwellings), yielding at present about £21,000. Shops and additional houses are in process of building.

(5) Ten large block buildings in different parts of London, comprising collectively 1,467 tenements with 3,495 rooms, and, in addition, 153 shops. The block buildings yield over £34,000 in annual rental.

The 'secret' of the success attained lies, as usual, in admirable management. The cottage settlements are all freehold. Most of the block buildings are leasehold, let to the Company on long terms at a reduced rent by large landlords. Extremely useful as the block buildings have been found to be, the cottage estates are considered the more successful. They attract a remarkably stable, permanent and particularly orderly and promptly paying class of tenants. Once in an Artizans' Company's dwelling, a tenant does not like to move. Houses are built, generally speaking, in five classes, priced accordingly, at from 6/- to 14/- per week. The houses on the Leigham Estate and some corner houses elsewhere are more pretentious, and fetch higher rents. Care is taken that all are well built with modern conveniences, according to the date of building. And, of course, the accommodation varies according to the price. In any case, these dwellings are considerably cheaper than similar dwellings in the neighbourhood, and that is why they continue always let and tenants are so remarkably prompt in their payments, so much so that sometimes there are absolutely no arrears. Never do the arrears amount to much. Also, there is no damage done to speak of by tenants, and there is no abandoning of dwellings. Each settlement has its own superintendent, living on the spot, who is a practical builder, and who is required to make a full report upon all that happens on his estate at regular, short periods. He is responsible for his settlement, and has a staff of collectors and officers under him. Also he has in his settlement two offices, one for "work," and the other for letting, receiving rents, etc. However, the collectors make the round of the estate on stated days. The small amount of arrears occurring is partly attributed to their being paid a

gratuity in addition to their fixed salary, according as the rent is more or less promptly collected. Repairs foremen also inspect the buildings and see what repairs are needed and whether damage is done. In addition, "Committees" of Directors periodically visit each settlement. There is no restriction as to tenants' occupation, except that no sale of intoxicating drink and no pawnbroking are allowed. The danger arising from fire has been found to be so infinitesimal that the Company has discontinued insuring anything but the shops, forming instead a fire insurance fund of its own, which now stands at about £5,000. The Company began by *selling* its houses (in the Shaftesbury Park Estate) to tenants, and, in fact, disposed in this way of between 300 and 400. However, it was found to the tenants' own advantage that this should be changed, since on removal for fresh employment they were left with the houses on their hands. Accordingly, most of the houses sold have been bought back, and at present no house is sold; all are only *let*.

The success of this Company must really be called magnificent. A well-known German professor of political economy visiting London some years ago, pronounced its settlements the most interesting sight that he had seen in London. Close upon 40,000 people well and reasonably housed is a great achievement, even in the overgrown Metropolis. And what the Company has done appears to point a practical way for co-operative societies engaging in similar work. The raising of additional capital by deposits or preferential securities is a matter of every day occurrence in our co-operative world.* And now that the deposits in the Savings Banks appear threatened, there seems an additional opening for the collection of the fruits of thrift. A co-operative society, commanding by its membership the market of tenants, and knowing their wants, might in this way do unspeakable good.

The CHAIRMAN: Mr. G. Foster, of the Royal Arsenal Co-operative Society, will now read the last paper on behalf of Mr. T. G. Arnold, the author.

MR. FOSTER: The Woolwich Building Scheme was at the outset suggested by an overabundance of funds. Since it was not considered well to ask members to reduce their holdings, there was no alternative but to find a new outlet. Accordingly

* It deserves to be mentioned that of the dividends paid to share and preference stockholders of the working class, a considerable portion are left in the Company's hands in the shape of deposits, so that evidently the Company's system acts as a stimulus to thrift.

in 1884 the Rules of the Society were so amended as to admit of advances being made to members on the security of land and houses. In the very first year the Society advanced in this way £2,345. Capital went on accumulating and the new outlet had to be widened. Fifty-two acres of land were purchased at £6,200, to be cultivated, at first, as a market garden, but with a view to eventual appropriation to building purposes. Advances were resumed in 1890, and after a break of three years, by the end of 1900, upwards of £170,000 had in all been advanced in the manner explained—£125,000 in the preceding five years alone.

The capital of the Society had, however, in spite of these large advances on mortgage, continued to increase, and the opportunity to purchase an adjoining estate having arisen, it was finally decided to do this at the price of £30,000, and £750 for expenses. The purchase, however, was subject to the consent of the Charity Commissioners, who, in accordance with their usual practice, advertised for offers. One offer was received, and in the competition for the estate which ensued, the selling price was eventually increased from £30,750 to £40,850.

The preparatory labours having been completed, the society had to consider how to deal with its property, to turn it to account for housing purposes. Three courses were considered to be open to it, namely:—(a) plotting the land and selling the freehold plots; (b) erecting houses and selling them subject to a lease; and (c) erecting houses and letting the same on weekly or other tenancy.

Method (a) was considered inexpedient, since it involved parting with the freehold of the estate. Method (c) was also considered impracticable, for the reason that it required excessive capitalisation. Method (b) was accordingly selected for adoption, as promising to yield the greatest benefit both to the Society and the purchasers of the houses. It was decided in carrying out the method thus adopted to include for the convenience of purchasers all legal costs and the cost of construction of the roads in the price of the houses. At the time it was anticipated that the Society would be able, with the assistance of its bankers, to advance liberally to members on the security of a mortgage upon the lease, and in order to make the terms of repayment as easy as possible, the period of repayment was extended so as to cover a period of 30 years instead of 20 years, as previously. The advance was in no case allowed to exceed 90 per cent. of the purchase price of the house.

Although the term fixed was 30 years, every opportunity was given, in the form of mortgage, to allow the mortgagor making the repayment in less than the maximum period, no fees whatever being payable by the mortgagor upon the determination of the mortgage at any time convenient to him.

In the scheme ultimately adopted, it was recognised that many of the poorer members, however ambitious to own the house in which they resided, could not acquire it owing to their inability to find the £30, £40 or £50 required before a start could be made. To reach this class it was decided to let the houses upon a tenancy agreement, with the option of purchase, charging rent at the rate of 3s. 2d. per week for every £100 of purchase money, plus the amount of all rates and taxes and other outgoings. The rent so paid is credited to the tenant, and after charging the account with 5 per cent. interest on the purchase money during the first year, and upon the annual balance during the next two years, together with ground rent, rates and taxes, and other charges, the balance is carried to the reduction of the principal. In about three years this sum is by this method reduced by 10 per cent., the lease being then granted and a mortgage executed for the balance then outstanding. Repayments are from that time forward made in manner before mentioned. By the same scheme the Society proposed to undertake the risk of fire through its insurance department, charging the purchasers of the houses such premiums as is customary upon cottage property, and this also was adopted.

It was, however, recognised that it was out of the question for the development to proceed satisfactorily under the Society's Rules, as then existing, as in accordance with those Rules purchasers of the houses would be entitled to dividend at the same rate as the purchasers of other articles, and the employees would also be entitled to a share in the profits at the same rate per £ on their wages. This would necessitate an increase in the price of the houses from, say, £300 to £345, an increase which would be sufficient to prevent sales. To work under those Rules would have been manifestly unjust, inasmuch as if the houses were sold at cost price, the share of profits to the employees engaged in their construction and the dividend to the purchasers of the houses would have had to be taken from the trading profits of the Society. The charges for holidays and share of profits for employees amount to about 13 per cent. on the wages, and as wages in the building trades amount to about 45 per cent. of the total cost of the work done, it can easily be seen that the method

applied in the retail departments of the Society, where the wages amount to from 5 to 8 per cent. of the sales, would not be applicable where the wages amount to so great an increased percentage. It was therefore thought essential that the Rules should be altered, and this was accordingly done, so that whilst the stipulations as to the observance of trade-union conditions were retained, the payment for all holidays and the participation in profits were discontinued so far as the employees of the works department and the purchasers and tenants of the houses were concerned. The wages of such employees, however, were increased by the payment of $\frac{1}{2}$ d. per hour above the recognised trade union rate. Resolutions embodying the leading features here expressed were carried by the members, and in accordance with those resolutions the Rules of the Society were altered where necessary. It was also decided that the whole of the houses should be erected by labour directly employed by the Society through its works department, and that they should be sold to purchasers at cost price.

The first brick was laid on May 28th, 1900, and the sales of houses commenced in the December following. The progress of the work, however, was not altogether satisfactory. There was a tendency upon the part of those coming to work for the Society to look upon their employer not as an ordinary builder, building to meet a demand to be supplied at the market rate, but as a municipal body where the supervision was not so strict, and the consequent output of work less. These difficulties, fortunately, were only incidental to the early period of the building operations, and could only be met by a judicious selection of men suitable for the class of work required to be done. There was, consequently, much weeding out of unsuitable men, until those who remained in the employ of the Society were the men most suitable for the erection of the class of property they were engaged upon. No stipulations were made that only trade unionists should be employed, but inasmuch as trade union conditions were observed, the Society's works department was looked upon by the employees generally as a trade union house, and in cases where men who were engaged did not happen to be members of their trade union, they were speedily given to understand by their fellow employees that they were expected to join. By this means practically the whole of the men engaged upon the estate eventually came to be members of their trade union, and, in practice, this has been found politic in order to prevent squabbles and petty disturbances that would otherwise result.

between the trade union and non-union labour: In other ways, too, matters connected with the labour employed required constant attention, and points had on several occasions to be settled with the executives of trade unions, who claimed from the Society more than they claimed from their competitors.

In spite of the early difficulties, however, building operations have gone on apace: In the early part of 1900 sales of houses were very numerous. The Society advanced in most cases the 90 per cent. as agreed, and the average of the amount so advanced during the first nine months amounted to 84.6 per cent. of the purchase money. It was seen that the capitalisation at this pace could not be maintained, and in September, 1901, the Society ordered that advances by the Society should cease, and that thenceforward purchasers would have to make arrangements with other societies in cases where they desired an advance to enable them to complete the purchase. This, with other conditions of a local character, immediately put a stop to the rapid rate of sales, although during brief periods there has been a recurrence of the old briskness. The rate of sales for April this year, for instance, averaged nearly one a day. In fact, 21 houses were sold in the first 21 days of April, and although this rate has again fallen off, yet at the time of writing the sales are averaging nearly three per week.

From the commencement of operations there have been twelve types of houses erected in order to meet the various wants of the different customers. At the time of commencing operations it was expected that the demand would be for a house selling at from £320 to £380, containing seven rooms and scullery, fitted for occupation by two families, this being the class of house most commonly erected in the district. As soon, however, as a smaller house was erected of 15ft. frontage, containing four or five rooms and scullery, and selling at from £205 to £270, it was at once seen that the keenest demand was for the smaller class of house specially built for occupation by themselves and family only. Almost as soon as this class of house was offered, the erection of the larger houses was discontinued, and in consequence of this many of them are not sold, and are, accordingly, occupied by weekly tenants.

Briefly summarised, the Society has now leased, or entered into contracts to lease, 153 houses, of the total value of £42,470, of which sum £27,125 has been advanced by the Society on security of a mortgage on the demised premises; upon which ground rents aggregating £576 2s. 6d. per

annum have been secured. Fifty-four houses have been let on tenancy agreement, of the aggregate value of £16,415, upon which ground rents aggregating £206 per annum will be secured, and in respect of which the Society has contracted to advance 90 per cent. upon mortgage. Fifty-two houses, of the value of £18,865, are let upon weekly tenancy, producing rack rents amounting to £1,658 16s. od. per annum, and 16 houses, of the value of £5,000, are practically completed, and available for sale with immediate possession, or, if unsold, for letting on weekly tenancy. In addition, 44 houses are either commenced and in various stages of progress, or have been ordered to be constructed.

The total cost of the various parcels of land, including the cost of roads and sewers, surveyor's and solicitor's charges and other capital expenditure, is £56,980, and £6,500 has been invested in the buildings, machinery and plant of the works department.

The housing problem in Woolwich has been a very pressing question during recent years. The need for houses in the Borough of Woolwich is shown by the fact that last year over 1,200 houses were brought into assessment. Rents have ruled abnormally high, compared with the cost of construction, as much as 15s. per week being charged for a five-roomed house conveniently situated. Even with the rapid augmentation of the supply of houses which has necessarily taken place on the outskirts of the Borough, rents in the centre of the Borough have not been materially affected, but rents on the outskirts have certainly been reduced, and that in spite of an increase in local rates.

One very important factor in estate development is the question of finance. Municipal authorities can borrow money to be expended upon housing for a period not exceeding 60 years at an interest of $3\frac{1}{2}$ per cent. per annum, this having been recently done by the Metropolitan Borough of Woolwich, but the only public sources open for individuals and public companies in England is that of the Public Works Loan Commissioners, who advance only 50 per cent. of the cost, and then subject to very stringent conditions. The law in this respect requires very considerable alteration, with the object of increasing the rates of advance to the total cost of the houses. Individual house owners may, under the Small Dwellings Acquisition Act, borrow from a municipality 80 per cent. of the cost of the house, but even this cannot be done if the legal estate is already vested in the person requiring the loan, as the Act is to enable persons of the working classes to *acquire* houses.

The advance under this Act cannot exceed a maximum of £300 for a house of not less than 99 years lease or freehold, or £240 if the lease is not less than 60 years. Leases of less than 60 years to run are not accepted as security. There are other stipulations, too, which render the Act practically inoperative in London, and which require either to be eliminated or considerably modified before the Act can be extensively applied to the benefit of the working classes.

The CHAIRMAN: That concludes the list of papers. The subject is open for discussion.

MR. E. O. GREENING claimed to say a few words. The papers read, he said, had detailed the plan adopted by the majority of their co-operative societies, which was to lend money to their members in order that they might become the purchasers and owners of their houses. The usual plan was to lend a sum up to nine-tenths of the value, and allow the tenant to pay it back as he would his rent. Other societies built houses and sold them to their members, and obtained money from outside building societies. Others built houses and continued to own them, thus making the property the collective ownership of the society. But none of these plans quite met the case of the working man. At times it was necessary for him to move his residence to another town, or to another part of the city too far removed to look after the tenant to whom he might let it. To meet that case, he (the speaker) had advocated for many years past that societies should adopt a system under which the man could still remain practically the owner of the house, or rather of the value of it, and yet go away without leaving his property unlooked after. The society created transferable shares, and the amount of monthly payments which the member pays in excess of the interest upon his loan was placed to his credit in such transferable shares, so that at the end of the fourteen years the man, instead of receiving the title deeds of the house, got a certificate of so many shares representing the value of that house. When he went away the society collected his rent, and remitted 5 per cent. interest upon it. The society was thus gradually accumulating a large number of houses, of which it was the collective owner. One such society was the Tenant Co-operators in London, and another the more recently-formed Co-operative Builders of London. The thing was acting admirably, and he hoped societies would be induced to consider the possibility of doing something in that direction. (Applause).

MR. G. BASTARD (Leicester) expressed the thanks of Congress to those who had prepared the papers; and thought

if summaries were taken home, societies engaged in the housing question would benefit thereby. Some societies conducted their work on the collective system—that was, building houses for members who would not purchase them on account of having no fixed residence, whilst others built houses and sold them to the members outright. He believed, with Mr. McInnes, in both schemes. Proceeding, he said no houses were built better than those erected by co-operative societies. (Hear, hear). If societies were to be successful in this work, they must endeavour to build according to the requirements of the members, and it would be found that different districts had a different type of houses altogether. Another point was that members felt they should be able to have their houses from the society as cheap as they would get those already in the market, built by men with every necessary equipment, and which placed them in a better position to build than co-operative societies, which had not a full equipment. They did not get, perhaps, so much out of those employed in their building departments as would a private builder, which was also a slight disadvantage to co-operative societies. As they did not believe in sweating of any kind, they must accept the disadvantages which he had named, and co-operators wanting good houses must be prepared to pay slightly more for them than what they would to ordinary builders.

MRS. BURY (Women's Guild) said some of them might think the women had nothing to do with the question, but really they had a great deal to do with it, because they lived in the houses much more than the men, and they knew exactly where the shoe pinched. (Laughter). She mentioned that for more than thirty years the society with which she was connected had been interested in the problem, and at the present time they had £85,000 out on mortgage in this respect. But co-operative effort, she thought, did not quite touch the worst side of the question, which they would have to tackle as citizens. There was need for greater powers to do away with slums. Speaking of the Darwen experiments, she said they had not produced the class of houses required. Houses with a rental of 4s. 6d. or 5s. had been pulled down, and houses letting at 8s. 6d. put up instead. She did not think a committee consisting of weavers and spinners were capable of undertake the building of houses. They should give the work to a qualified contractor. As to collective ownership of houses, she preferred private homes. A house purchased by the thrift of a man or woman added to the dignity of that man or woman.

In reply to Mr. Goedhart, Mr. Greening repeated several details of the scheme.

MR. MCINNES said Mr. Greening had indicated a very ingenious scheme. It was one which was applicable to large towns, such as London and Liverpool, and it had great allurements for him fourteen or fifteen years ago. Mr. Greening said that a tenant became the proprietor of a number of transfer shares, and he (Mr. McInnes) wanted to know what became of the owner of transfer shares of greater value than the house in which he lived, or what was done to prevent three or more absorbing all the transfer in the society. He would also like to know what would be done with a tenant, who had accumulated transfer shares to the value of one house, and who had to go and live, say, 150 miles away. Would that tenant get the full value of his share?

MR. GREENING said they would not allow any man to accumulate, in the first instance, more shares than the value of his house. This, he thought, was a very wise condition, and would prevent the accumulation of the whole or a large number of the shares in the hands of a few people. The next question asked him was how to deal with a case where it was necessary to sell the shares. To meet this he recommended the plan adopted by the Wholesale Society. When a society wished to withdraw its shares from the Wholesale Society—and the shares of that institution were transferable—the shares were held until a new society was ready to take them up, and thus relieve the one which wanted to go out. The same course would have to be followed in building shares. A society would constitute itself the medium by which a tenant leaving the district, and desirous of being relieved of his shares, could transfer them to the incomer.

MR. MAY (Rochester) asked a question of Mr. Greening as to how to determine the dividend on the rent that should accrue to those leaving the district, and whose houses were owned by the Woolwich Society.

MR. GREENING said the profit arising from the houses tenanted should be credited to those tenants.

MR. MAY: But we have no profit. You will have to show us how to make it first. (Laughter).

MR. GREENING, as a member of the Woolwich Society, said he would have to show them how to deal with the matter.

M. DUQUENNE (Roubaix, France): Our co-operative society in Roubaix makes it its business to build workmen's dwellings. Our method is as follows:—We issue debentures

tures of 100 francs each, bearing interest at 4 per cent. We set up houses which we let to our members. These are houses worth about 4,000 francs each, which pay the 4 per cent. due on the debentures, after deduction of other payments, by their rent. Supposing that the member is taken ill or becomes destitute, he may ask for his debenture money back. In this way we have set up more than 60 houses at very moderate rents.

Some questions being asked, M. CHIOUSSE explained :— As a rule the rent paid for houses includes a sinking fund to get rid of the debt on principal. At Roubaix the principal is repaid by the dividend which becomes due to the tenant from his co-operative society *on purchases of goods*. Once he has become the owner of a sufficient number of debentures to purchase a house he does so. The Roubaix society, then, is not a real building society, but a thrift society, which employs the savings made for the purchase of cheap houses.

MR. ANEURIN WILLIAMS said he regretted the absence of Mr. Neville, as he regarded the idea of "garden cities" as one which would have a great future. It was one in which co-operative societies could take an active part, as it was the development of the co-operative idea. They would recognise that in their large cities the housing problem had come to a deadlock. The cost of houses was so great that the people could not possibly afford to take rooms sufficient for their comfort. If they went out of the cities, and built houses for the workers, land was dear, and the workman had to go backwards and forwards at great expense. Therefore, the garden city idea was to remove into country places, and there build new towns to receive not only workmen, but such industries as could be removed. Many industries, he knew, could not be removed into the country, but a large number could. The Garden City Association proposed to buy a large estate, and lay out part of it as a town, to induce manufacturers and co-operative societies to come there and carry on their industries at greater advantage, and so build up a model place for working people to live in. The land round about would bring in considerable profit by reason of the unearned increment. It was not a commercial speculation, and the interest would be limited to a very moderate rate.

MR. T. CROSSLEY (Bolton) said they had had a variety of plans laid before them dealing with the housing question. He thought all of them might be useful, if, before their adoption, the circumstances and conditions in which different societies were placed, were taken into consideration. The

plan which suited the Bolton Society best was that of advancing money to members on mortgage for the purchase of their own houses. The society had a building department, and since its inception, over £800,000 had been loaned. They were now lending out to members for the purchase of property to the tune of £60,000 a year, at 4 per cent. interest, and the repayments were at the rate of about £45,000 for the twelve months, the interest being reduced pro ratio with the capital. The Bolton Society had tried both plans, and the one which they liked best was that of advancing money for the members to build the houses. He believed the time had now come when societies should deal with the land, as well as with the property which might be put upon it. It would be much better if those who had capital to spare would take hold of the land, and prevent chiefs from being placed upon it. They should help to stop jerry-building, which was so prevalent all over the country. Societies were accustomed to loan money for the erection of cotton mills and other private concerns, and he thought a better plan would be to send it to the Wholesale Society, who should undertake to loan it out again at reasonable interest to societies without spare capital, in order that they might be able to build cottages for their members, as well as purchase small plots of land.

MR. McNAB (Newcastle-on-Tyne) said he had been connected with co-operation for twenty years, but he never thought that the Edinburgh Company, spoken of by Sir Gilzean Reid, was identified with the movement. Co-operative sentiment would not permit of their thinking of a society paying 8 per cent. as one within the Union. The company employed slaters, joiners, and other workers, just the same as any other company; and should one of these workers happen to be a member of the company, then his only interest would be to increase the 8 per cent. to 14 per cent. He concluded by saying the tendency undoubtedly was towards collective ownership. There were many disadvantages in a workman owning his own house. For instance, he might have to leave his employment and have to go to another part of the country, and then sell his house at a loss.

MR. W. MAXWELL (Chairman of the Scottish Co-operative Wholesale Society) endorsed these remarks, adding that at one time the 8 per cent. rose to 14 per cent. Any company that gave 14 per cent. out of a scheme largely for the benefit of the working classes was not one that co-operators would endorse.

MR. MURPHY (Birtley, Durham) said he lived in a district where homes were given to colliers free. But some of the homes were dear at that price. Overcrowding prevailed in many pit districts, besides insanitary conditions. Birtley, he went on, did its own house-building, and contracted for private work when the members did not build. They possessed a few acres of freehold, which they were selling for 2s. and 2s. 6d. per yard. After remarking that they had a providential fire, which cleared out the slum premises, he said new buildings were to be opened this fall, built by themselves. They had, moreover, purchased an estate, which would even satisfy the æsthetic mind of Mr. Williams. They had baths, tennis grounds, gardens, etc. It was proposed to erect a few houses on this estate on the villa plan, and thus show an example in house reform.

MR. W. MAXWELL (Chairman of the Scottish Wholesale Society) moved the following resolution:—

“That this Congress, having heard and discussed various reports laid before it upon the methods in use in different countries for providing dwellings for working men and their families by co-operative means, is of opinion that co-operation offers the most useful method for providing such dwellings, urges co-operative societies in all countries to give their early and earnest attention to the matter, and holds that the employment of part of the working men’s savings accumulated in savings banks or elsewhere for advances to co-operative societies engaged in such work constitutes a very legitimate method of employing such money.”

He said the resolution perhaps left out of account some of the systems they had heard of that day, and very properly. Some of them had been little better than the old style of doing things before the co-operative movement was heard of. The co-operative movement offered facilities—and most advantageous facilities—for solving this question. It was a disgrace to the British co-operators and the foreign co-operators that they should have surplus capital at the present time lying in banks, and being used for the promulgation of other schemes, when so much required to be done for the housing of the people. What suited one age became unsuitable for another. Co-operators were now in a position to use their surplus capital for the benefit of their fellows and without loss to themselves.

M. A. MICHA (Chairman of the National Section of Belgium) seconded the resolution before the Congress, and was all the more willing to do so because he represented the Belgian people’s banks. These banks had more capital than

they knew what to do with, as the confidence in these institutions was so great that people were constantly bringing their savings. The banks knew of no better way of investing the money than in building dwellings for the working classes. (Applause).

The CHAIRMAN: The discussion must now close. I will put Mr. Maxwell's resolution to the Congress.

The resolution was carried unanimously.

MR. LORD (Droylsden) raised the question of a boycott set on foot by the St. Helens' tradesmen against the local co-operative society, and proposed to move a resolution.

The CHAIRMAN (interfering): I ought to have seen that resolution.

MR. F. HARDERN objected to the matter being brought forward in this way. It ought to be met with quiet dignity.

The CHAIRMAN: If Mr. Lord will give me his resolution we will consider it before our next meeting and decide if it may be taken.

MR. LORD agreed.

The sitting was closed at one o'clock.

THURSDAY, JULY 24th.

THIRD MEETING OF CONGRESS.

In the large Assembly Hall of the Manchester and Salford Co-operative Society, Downing Street, at 9-30 a.m.

Mr. Henry W. Wolff in the Chair.

The CHAIRMAN, referring to the closing incident of the preceding meeting, announced that the Central Committee had taken Mr. Lord's motion with regard to the boycott at St. Helen's into consideration, and had come to the conclusion that, whatever sympathy would readily be accorded to the boycotted, it was not expedient to discuss the matter at the Congress.

MR. LORD said he was quite satisfied.

The CHAIRMAN, continuing, said that, according to the rule they had adopted, individual members of the Alliance would cease to be so at the conclusion of the Congress, except in cases where the Central Committee judged that they ought to be allowed to remain. They did not want to lose them, and hoped that individual members would now become

delegates, and, as such, they would be delighted to keep them. He then called upon Mr. R. Winfrey to read his paper on "What can Co-operation do to assist in solving the problem of settling small cultivators on the land?"

MR. WINFREY: I am asked to give a report of what has been done in the Fens of Lincolnshire, and, more recently, in the County of Norfolk, to settle small cultivators on the land. And at the outset I must make it clear that there has not been any elaborate system of co-operation—but rather that groping our way from small beginnings we have set up by degrees a dual, but rudimentary, system of co-operation. Firstly, by getting the agricultural labourers and others to combine together to demand allotments and small holdings of land; and secondly, by getting together a small band of men willing, as far as possible, to supply the demand for more land after the supply by local authorities had been exhausted.

The result of our 15 years' effort in a small way, and with but limited capital, will, I think, demonstrate what much more might be done if co-operative societies up and down the country could be prevailed upon to invest the savings of their members in good agricultural land and let it out to co-operative bands of cultivators.

The few of us who are interested in this movement in South Lincolnshire and Norfolk for settling small cultivators on the land, believe it to be the chief remedy in preventing the exodus of workers from the agricultural districts. A land-less peasantry has proved a dismal failure—their condition has gone from bad to worse—as is shown by the startling fact that there are 473,000 fewer agricultural labourers than there were 50 years ago.

The cry of "three acres and a cow," raised about 20 years ago, was the first sign of the national awakening to the fact that if we are to have a prosperous and contented peasantry they must have something to look forward to beyond their weekly wages on a Saturday night; and that, at any rate, the experiment of giving them the opportunity to hire a plot of land at a reasonable rent and under fair conditions, so that they might attempt to work out their own salvation, was worth trying.

In November, 1894, at a conference held in London, I read a paper which was a brief record of our South Lincolnshire movement up to that date, and which I will now briefly summarise.

“From 1885 to 1887 we spent our time *in talking* about the advantages of three acres and a cow.

“At the close of 1887 I investigated the position in 19 parishes around Spalding. I found that in those parishes, covering an area of 143,576 acres, there was only about 130 acres of land under allotment cultivation—100 acres of charity land, and 30 acres let by private owners—most of which were in roods and half roods.

“On the passing of the Allotments Act in October, 1887, I commenced the formation of Allotment Clubs with a view of getting the labourers to combine and make their wants known. Within eight months no fewer than 1,600 labourers had applied to the Local Authority for an acre of land each. But, nevertheless, after two years of constant application to landowners and local authorities little progress was made. Still, as will be seen, this two years of hard work *did* bear fruit—it was the sowing time—the sowing of *new* ideas amongst landlords, land agents and farmers.

“At the close of 1890 I took another census of the 19 parishes with the gratifying result of finding that whereas in December, 1887, the total acreage of allotments was 130, in December, 1890, it had gone up to 560 acres, and a good proportion of the new allotments were let in one acre plots.

“At this juncture the Allotment Amendment Act of 1890, giving County Councils the power to step in and supersede the local authorities in cases where they had failed to obtain allotments, came into operation, and we commenced to make the best possible use of it. The years 1891 and 1892 were spent chiefly in holding local inquiries and in correspondence with landowners, but very satisfactory progress was made all along the line, and in December, 1893, when I again came to make my triennial census over the same area, I was able to report that the land under allotment cultivation had increased from 560 to 1,152 acres.

“The County Council, in 1894, added 172 acres more, bringing the total up to 1,324 acres. Thus the progress of the movement in these 19 parishes may be seen by the following table:—

	Acres.
In 1887 under allotment cultivation	130
“ 1890 ” ” ”	560
“ 1893 ” ” ”	1,152
“ 1894 ” ” ”	1,324

“Speaking in round numbers, I may safely say that 2,000 men have allotments to-day as compared with 200 in 1887.

"We now come to the Small Holdings movement which has been fostered and stimulated by the allotments movement.

"I ought, however, to say at this point that the most successful Allotment Club I was able to form has been at Spalding Common, where we fortunately had Lord Carrington, as landlord, to deal with. It was amongst these men that the demand for small holdings first came, and it has now extended to several other parishes where the men have outgrown the one-acre plots.

"The Small Holdings Committee of the County Council (of which I was at that time Chairman) set to work under the powers of the Small Holdings Act, 1892, but have been able up to the present to deal with only a small portion of the applications. Unfortunately the Act is permissive only; if the County Council can meet with landowners prepared to sell at a fair price, the Act can be put into operation; if not, the Act is a dead letter.

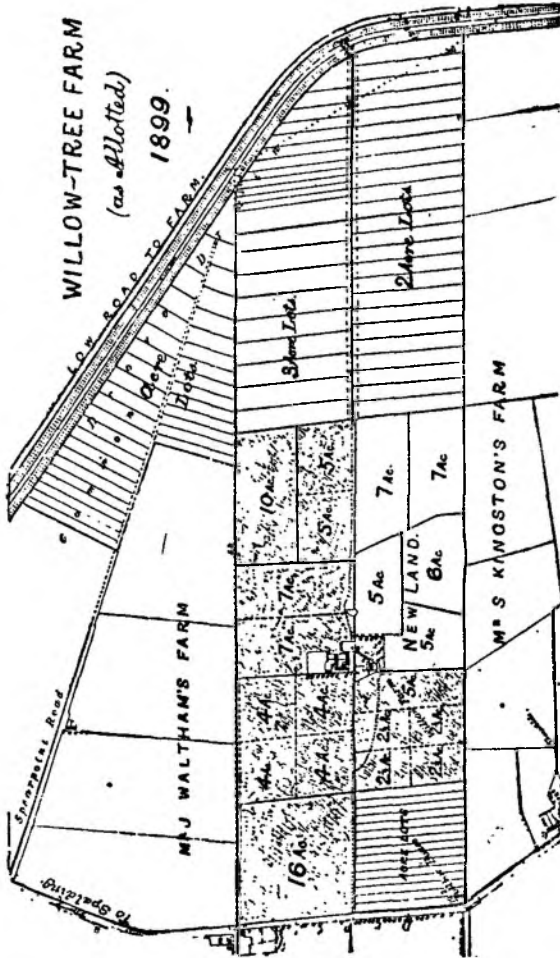
"Here, again, Lord Carrington came to our rescue, and sold the County Council a small farm of 88 acres on reasonable terms. We have also been able to purchase 48 acres near Boston. Owing to the large demand we have been obliged to let the whole of this land in small plots of two and three acres to 56 tenants, and even then there were many disappointed applicants. It will be observed that the County Council have put into operation *the letting* and not *the selling* clauses of the Small Holdings Act. We find that so long as tenants can be sure of fixity of tenure, they prefer to use all their capital to farm with."

That, then, is a brief outline of our movement up to 1894. The demand for small holdings, however, still continued. There were over 100 members of our Spalding Common Provident Allotments and Small Holdings Club alone, whose wants were still unsupplied, and as I could not succeed in carrying my colleagues on the County Council with me in a scheme for the purchase of a farm of such considerable size as would meet this demand, I had to give up the hope of immediate municipal enterprise and devise another method.

FOUNDATION OF SMALL HOLDINGS SYNDICATE.

I succeeded in getting five friends to join me, and we determined on Lady Day, 1895, to lease a farm consisting of 250 acres, known as Willow Tree Farm, which was offered to us by Lord Carrington, with the intention of subletting to the members of the Club just referred to.

That farm has now been occupied for seven years, the first lease has just expired, and we have renewed it for a term of 21 years. So it may fairly be said that we have got beyond the experimental stage.



WILLOW TREE FARM DISSECTED.

The accompanying plan of Willow Tree Farm shows exactly how it is allotted to 100 tenants. The syndicate arranged to make two convenient tenements of the farmhouse, and adapt the buildings for the use of the largest

occupiers. This was readily done. About sixty acres in all are occupied by three tenants, two of whom reside in the house; then nine tenants rent from four to ten acres each, arable and pasture; and the remaining land is staked out in lots of one acre, two acres, and three acres respectively. The letting of the 80 acres of grass land has been progressive. Applications soon came in from the best of the tenants, and at present all the grass land is let to the small holders in 18 plots, varying from 2½ to 10 acres. The smaller plots are of a great convenience to higglers, and some of the tenants keep a cow or two. There are now about 60 head of stock belonging to the small holders on the farm. The grass fields are divided by strong posts and wire fences, which are put down by the syndicate, who gradually recover the cost of outlay in the rent. In the same way the rates, drainage, cost of dyking, and the slight expenses of management, are paid by the syndicate, and recovered from the tenants *pro rata* at the half-yearly rent audits. There are five miles of dykes on this typical fen farm, and the farm itself is upwards of a mile in length.

CONDITIONS OF SUCCESS.

The existence of the following conditions is largely responsible for the success attending the movement:—(1) The tenants are all men who thoroughly understand the cultivation of the soil; (2) They hired one acre first, and made that a success before taking a larger acreage; (3) They are men who have not been failures either in agriculture or other walks of life; (4) The land is adapted for small holdings and within a reasonable distance; (5) The rent is the average rent paid by the farmer of the district. We preferred not to overburden the experiment with too many novelties; we simply found reliable working men who knew their business, put them on good land under ordinary conditions, and left them to work out their own salvation. We contend that by this simple experiment we have solved the problem; how to keep the best and most skilled of the agricultural population on the land.

TENANTS AND THEIR CREDENTIALS.

The small holders are chiefly agricultural labourers who work during the greater part of the year for neighbouring farmers. The working blacksmith and carpenter and the small shopkeeper who needs straw and keeping for his cob, are also eligible, provided they are members of the Club.

Preference is, however, given to *bona-fide* labourers with approved credentials, but no hard and fast line is drawn. At the last rent audit it was stated that up to that time, out of rents received, amounting to £2,800, less than £4 had been lost. The system adopted is encouraging to thrifty men and good managers. Amongst a mixed body of men it would be surprising if a few did not shirk their obligations. To meet such cases there are two courses adopted, either a half-year's rent is deposited in the Club in advance, or the committee of the Club in nominating tenants guarantee that the rent shall be paid.

DOES THE LAND PAY THE TENANTS?

In reply to this, perhaps, I may be permitted to quote an extract from a speech I made at the first annual rent audit supper.

“ Well some of our friends who are not here to-night may ask, “ But does it pay? ” My answer to that is that you would not have asked for the land if it did not. I have gone into a few figures, but I will not mention names because I know you object to that. I will take six acres on the Willow Tree Farm. The crops were—wheat, two acres; oats, two acres; barley, one acre; and potatoes one acre. I find that from those six acres those men obtained in hard cash £18 2s. 8d. as a profit on their manual labour alone. When we remember that we have had to pay a pretty stiffish inventory this year, and leaving out the horse and team labour, I think that is a very satisfactory return for the manual labour which you yourselves put into the land. On the 160 acres under arable cultivation on Willow Tree Farm you have received £485 in actual cash for your own work. Taking 63 tenants, that means an average of £8 each. But, besides that, I find on those six acres £9 was spent in team labour, which means that £9 has been earned by some of you men who are in the fortunate position of owning a team, so that on the whole farm about £240 has been spent among yourselves in team labour, as well as £485 earned by the manual labour. This makes the total £725, which, I think, is highly satisfactory. There is another result which we have in the Spalding Common District. I do not think you want the Relieving Officer very often now in Spalding Common. (“ No,” laughter, and a voice: “ He drives through every week.”): But he does not stop, I should think. That shows the value of this movement, which many of us have been trying to promote for years past. It encourages us to go on.” (Cheers!)

But statistics are not conclusive—indeed, may be misleading; the tenant is well aware that his best policy is not to sell at all, but consume as much as possible of his produce in the form of potatoes, vegetables, home-baked bread, home fed bacon, and home grown broad beans, not to name a couple of domestic fowls occasionally on Sunday for dinner. In this way he avoids selling his produce in a bulk at a low figure, and having to buy bread and meat. His table can generally be well stocked with plain food from the land, leaving his wages free for other purposes. Straw, too, is a great convenience. It makes possible the Christmas fat pig. An old labourer told me that he had seen labourers get up on Sunday morning and walk two or three miles to steal a bundle of straw. He himself had gone a mile to fetch a bundle of twitch with which to bed his father's pig. Now most men have a little straw stack in their own yards. The most conclusive evidence of the value of the small holdings is the consistent demand for more land. Young men have continued to join this Spalding Common Provident Land Club, and year by year in this one district alone the land hunger has grown by what it feeds on. Despite the 88 acres supplied by the County Council, and also the 250 acres obtained by the syndicate, the demand is still maintained, and this Lady Day (1902) we (the syndicate) are leasing another farm next to Willow Tree Farm, of 300 acres in extent, and taking over the management of 100 acres previously let by Lord Carrington in allotments, so that from now the syndicate will have in South Lincolnshire no less than 650 ACRES OF LAND in a ring fence, LET TO UPWARDS of 200 TENANTS.

THE NORFOLK EXPERIMENT.

Emboldened by the success in South Lincolnshire, a Norfolk Small Holdings Association was formed two years ago to continue the experiment on the lighter lands of that county. There are up to the present ten members of the Association, and as we have not succeeded in leasing land, we have had to purchase in the open market.

This we have done in three parishes as follows:—

Swaffham	...	...	133 acres.
Watton and Carbrooke	...	...	109 acres.
Whissonsett	...	...	97 acres.
			<hr/>
TOTAL	...	...	339 acres.

The tenants have now been in occupation 1½ years, and at the first annual rent audit supper held last December, the rents were all duly paid, and the greatest satisfaction expressed on all hands at the success of the first year's working, notwithstanding the fact that the dry season of 1901 has been most unfavourable to farming on the light lands.



FARM AT WATTON AND CARBROOKE.

The second farm at Watton and Carbrooke, a plan of which is here shown (with a small farmhouse and three cottages) was let to 12 tenants last March, but it is, of course,

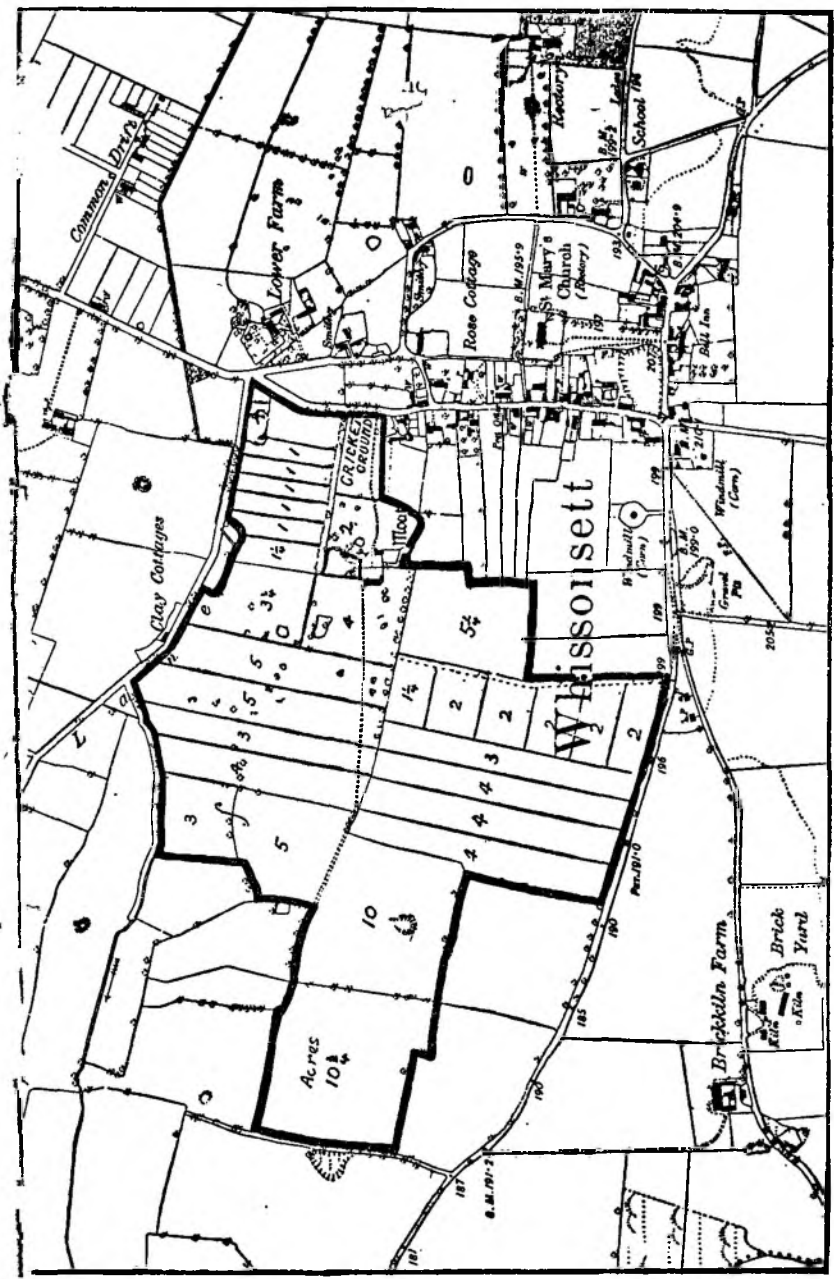
too early to say anything of this undertaking. With the exception of one small paddock, this farm is also entirely arable.

The third farm, of 97 acres, at Whissonsett, contains 40 acres of grass land, and, therefore, the experiment on this farm, which we took possession of at Michaelmas last, will be of a somewhat different character. The farm is divided into 30 lots, and is let to 21 tenants in holdings varying in size of from one to 17 acres. The grass land was so eagerly sought for that it was necessary in one field to actually divide it into one acre lots. The village of Whissonsett is a small one, and the population has shrunk by one-third during the life of the present generation. Yet we could have found tenants for a farm three times the size.

On all these Norfolk farms the rents do not exceed the average rent of the district, the land has cost from £20 to £25 an acre. There are useful buildings for the use of the larger tenants requiring them, and the Association will have no difficulty, after paying management expenses, in obtaining 4 per cent. on the outlay.

CONCLUSION.

This experiment in South Lincolnshire and Norfolk is only a small one, but it shows what could be done by the co-operative leasing or purchasing of land in good agricultural districts. During the last ten years several thousands of acres of the finest land in England has come into the market in South Lincolnshire, which could have been purchased and readily let at remunerative rents to labourers, who would have been willing to form themselves into Provident Clubs and given a joint security for the rent. When once the land has been obtained, and men placed upon it who understand how to cultivate it, the setting up of a system of co-operation to deal with the produce is only a question of organisation. I have not myself troubled so far about that, because up to now our 200 tenants in Lincolnshire have found no difficulty in getting a market for their produce. The question of the co-operative purchase of artificial manure and feeding stuffs is now engaging the attention of our steward, and will doubtless be shortly adopted. As also is the question of forming a co-operative bank. If this movement of getting the people back to the land could be extended on a wider scale with the capital at the disposal of the large co-operative societies, I am convinced that it would bring about nothing short of an industrial revolution. (Cheers).



The CHAIRMAN: I beg to thank Mr. Winfrey for his most interesting and useful paper. The next business is Dr. Perussia's paper on "Surigheddu and Crocevia. Two Experiments in Co-operative Land Settlement."

Dr. Perussia's paper is as follows:—

Most gladly do I respond to the invitation which has been addressed to me on behalf of the International Co-operative Alliance to prepare a report upon what has been done within my ken in respect of land settlement in Italy. What I have to tell will show that co-operation, however humble be its beginnings, and however feeble its initial strength, has, when properly guided and steadily maintained, the power of acting effectively and beneficently in this sphere as in others.

The Co-operative Society, whose work I have to record, is now a comparatively prosperous, well-endowed organisation. However, at its beginning, eleven years ago, it found itself one of the humblest of undertakings. From the outset it was prompted by a high sense of patriotic and philanthropic duty.

The decline of Italian agriculture, and the widely diffused distress which it engendered, had become a byword in Europe. The fertile expanses which had served as "granaries" to populous Rome, the broad acres which had inspired Virgil's Georgics, had become little better than a waste. Fever had depopulated the whilom productive and habitable *Campagna*. As population, generally speaking, increased, agricultural production kept pace in an inverse ratio, growing steadily less. And the cultivating folk who ought to have found a living in the tillage of the soil and reared from it riches for their country, were struggling on in "chronic famine" (*cronica fame*).

Of the 28,664,843 hectares (71,662,107 acres) which made up the soil of Italy, fully 18.72 per cent. had become of no practical value. As much as 3,734,392 hectares (9,335,980 acres) was "abandoned," yielding little or nothing. Such "abandoned" territory abounds more particularly in the South, in Sicily and in Sardinia.

The Government tried to remedy such a distressing state of things, but it failed to show energy proportioned to the case. It reclaimed, first, and settled, when M. Chimirri was at the head of the Department, the wild forest of Montello, in the province of Treviso. Later it granted the miserable sum of 20,000 lire (£800) to settle a few families of Venetian labourers in Sardinia. This enterprise broke down from sheer weakness. As long ago as 1860 an attempt of a differ-

ent sort had been made, which may just deserve mention. The Government had organised ten penal settlements in the provinces of Leghorn, Foggia, Sassari and Cagliari, in order to reclaim waste lands by means of convict labour. That cannot possibly mean "land settlement" — outside Botany Bay. The result has been, that in forty years, 20,229 hectares (something over 50,000 acres) of public land have been reclaimed, in areas varying from 170 up to 6,523 hectares. But no "settlement" has been effected. That can be done only by free labour.

In Lower Italy, under some ancient laws, waste land belonging to local bodies may be assigned to small folk for cultivation. As much as 609,380 hectares (1,523,450 acres) had in course of time been so disposed of, but not with any abiding result. The settlers had not the means, nor the knowledge, to make their new holdings answer. Their efforts were, moreover, disunited, and so frittered away. Their little properties fell an easy prey to the usurer, the confiscating tax-gatherer, or neglect and abandonment pure and simple.

The Government and Parliament had not, then, evidently, acted wisely in their endeavour to remedy what was amiss. About the period now referred to they had conceived the further scheme of reclaiming the high table land of the Asmara for the benefit of the labouring classes.

Persuaded that that enterprise must prove a failure, I publicly combatted the proposal, and I ventured to hold up to Italians what I conceived to be at the same time a more promising and a nobler scheme.

Self-help remedies had, as it happened, already achieved some little successes in Italy. The Co-operative *braccianti* of Ravenna had established a land settlement in the swamps of Ostia, which then looked promising. The late Francesco Cirio, a great believer in self-help, had organised his co-operative *Colonia Elena* near Terracina, which likewise bade fair to succeed. Signor Cirio's death put an end to the enterprise. And some Lombard cultivators were actually trying to colonize the *Agro Romano*. My scheme was this: "Let us help ourselves!—*Facciamo da noi!*—Let us seek our 'Africa' at home! Let us redeem, reclaim, civilize, colonize on Italian soil!"

My appeal appeared in print on 15th February, 1891. And on the 1st of March following I published the details of a scheme. To put the matter briefly, I sketched out three distinct lines of advance upon which we might proceed. The first was by reclaiming land neglected, abandoned, or gone

out of cultivation, re-peopling it and creating collective holdings with the aid of contributions, which might be small individually, but ought, in their totality, to yield considerable sums. The second was to come to the rescue of small cultivators of all kinds—owners, tenants or *métayers*—providing them with the capital which they required for turning their land to account at a fair interest, and at the same time with good and cheap manures, feeding stuffs, implements, machinery, etc. The third was to help the agricultural labourers by “capitalising” income from cultivation, and by financial assistance given, so as to provide for them a small secure income to last them through life.

And in any case we were to keep the public interest, the general welfare of the working and cultivating classes well in view, to labour for the country and this class; to stimulate the creation of small capitals by an accumulation of savings and to make the labouring folk direct sharers in the yield of our estates.

My programme was, on the whole, well received. And on the 22nd July, 1891, a small handful of people met to give it effect. The upshot was the formation and formal registration, as a properly constituted society, of the *Cooperativa Agricola Italiana di coltivazione, rifertilizzazione e colonizzazione interna*, whose title tells its objects and aims. There were, at the outset, only 31 members to join, taking up, among them, 45 shares of 540 lire each, thus giving the society a prospective capital of 24,300 lire (£973). The shares were fixed at 540 lire in order to permit members to pay them up by monthly instalments of three lire at a time within 15 years. (In addition, 10 lire was charged as entrance fee per member). A long period was allowed in order that membership might be accessible to people even of very small means. And the maximum number of shares was advisedly fixed at nine. No interest or dividend was to be claimable till the full share had been paid up.

The society has grown rapidly. By the 31st December, 1891, the number of members had increased to 102, holding 120 shares, corresponding to a capital of 64,800 lire. Within a further twelvemonth the figures had trebled. And on 30th April, 1902, the society numbered 1,231 members, holding collectively 1,421 shares, representing a capital of 767,340 lire (£30,692).

We soon found practical work for us to do. As fortune would have it, at Surigheddu, in Sardinia, there was a property in the market, covering 455 hectares (about 1,137½ acres), and belonging to the German Minister of Marine,

Admiral von Tirpitz. It consisted mostly of waste land with a stiffish clay soil, resting on an impervious clay sub-soil, and rendered unmanageable by the presence of a large number of stones and pieces of rock, being, moreover, unlevelled and covered with scrub and patches of dwarf forest. The resident population consisted of a few goatherds and shepherds. Part, however, was even then under cultivation in the hands of *mezzadri*, that is, tenants who find the labour only and pay rent in kind, proportioned to the bulk of the crops secured. Their husbandry was of a very primitive type.

We took this property on lease on 1st October, 1892, at a rental of 6,000 lire, and eventually, in February, 1897, we bought it altogether, paying down 96,000 lire, or, in all, including live stock, something above 100,000 lire (£4,000).

The *mezzadri* established on the property have not been disturbed in their tenancy. But their position has been materially improved by facilities given for the better sale of their produce, by the gradual improvement of their breeds, the purchase of artificial fertilizers, implements, etc., as well as by technical education. One of the first things done was to establish a co-operative store on the property.

Next, in 1894, a co-operative "cheesery" was set up. Attention was promptly devoted to dairy management, and under skilled guidance the Surigheddu women have been taught to treble the production of milk and to make a superior Gruyère cheese, which has already conquered for itself a good position in the market as a special brand. Afterwards work was provided for hands unoccupied. Sheepskins are now prepared for sale as rugs, etc. Wool is also woven by the women on the property—who do *not* work in the fields except occasionally in very light occupations—into a rough kind of cloth which the society brings upon the market, and for which it has found a sale.

In 1896 we opened a store for the sale of produce in Milan, and at the same time we organised a co-operative society for the sale of produce (*consorzio produttori*). The upshot of all this now is that the face of things has been completely changed, even on parts which we do not ourselves directly cultivate. Crops have grown heavier and of superior produce. And plantations of orange trees have been made, which already yield a goodly amount of fruit, which is turned into pulp. The technical classes instituted and the itinerant lecturers sent about are very much appreciated, and leave their mark upon the fields. As for the improvement of the live stock, the wretched little horses of bygone days have been replaced by better. The goats

have been got rid of, and replaced by cows. A bull of the famed brown race of Schwyz has been put upon the estate, tups of the Apulian race of milkyielding sheep, Yorkshire boars have been purchased for the common good, and the breeds of poultry have been improved. Furthermore, meadows have been levelled and manured. Swamps have been filled up. Buildings have been repaired and new ones set up.

However, the main work to be performed was that which had to be done on the land up to then not yet reclaimed, and from thenceforth farmed by the society itself. Reclamation proved tough work indeed. Rocks had to be blasted, stunted trees, shrubs, brushwood and bramble to be grubbed up, ditches to be cut and swamps to be filled. To do all this work we had to import our labourers from a distance. One of the principal drawbacks to Sardinian agriculture is, that labouring folk live, as a rule, in their little huts scattered far and wide over the country, at a considerable distance from their work. To meet this inconvenience, together with other farm offices, a row of good dwellings was set up for families, and a sort of barrack for unmarried labourers. Nothing was ever more appreciated. The labourers hired for the work and settled here are all natives of Sardinia. Only the men at the head of the business are Italians from the Peninsula. The labourers have made themselves comfortable. They keep their dwellings neat and clean, deck them out with flowers, pictures, etc., and generally make them look nice.

And when anyone talks to these people about leaving the settlement, they laugh him in the face and tell him they are not thinking of leaving. The climate was in the original condition of the island so dangerous to health, that the society, in making its agreements with its "hands" had to undertake to find quinine and other febrifuges, such as the *Esanofele Bisleri*, which consists of quinine, arsenic and steel, gratis. But in this matter cultivation and drainage are to bring about an improvement. As a matter of fact, a sensible change for the better is already discernible.

The labourers are engaged under a mixed system of remuneration, being paid partly in cash, and partly in kind, at the rate of 10 per cent. allowed them of the principal crops reaped, which consist mostly of beans, wheat and maize. Dwellings are given to them free of charge. The native race being by nature sharp and intelligent, as well as industrious and contented, know how to make the most of the advantages offered them in the interest alike of employer and employed. The change brought about in the general

aspect of Surigheddu has been described by Professor Signorini as "absolutely astonishing." Professor Cusmano, Agricultural Director of the penal settlement of Sardinia, visiting our little colony only last month, expressed himself equally delighted and perfectly satisfied that the property will pay well. By the middle of 1901, of the 455 hectares, 120 had been fully reclaimed, and put under a proper five-course rotation, 135 partially so, and 200 were still in the early stages of reclamation, but steadily progressing. We have ninety people settled in the place. The village of Surigheddu itself has attained, with a substantially increased population, sufficient importance to cause the authorities to constitute it a distinct civil parish (*borgata*) with its own self-governing Council. It has given it the name of *Milanello Sardo*, that is, the "Little Milan of Sardinia." And for a period of twenty years we have been exempted from every kind of taxation. Our live stock now embraces 30 horses, 90 cows and bullocks, about 500 head of sheep. We also have pigs, doing very well, in a model piggery, and our "up-to-date" cheesery with all necessary farm offices to boot, of modern style.

The gross profits have risen from 12,130.63 lire in 1893 to 26,284.38 lire in 1900, and promise to reach 50,000 lire or more in the present year. We put the estimated net profits at 12,000 lire, which would be at the rate of about 4 per cent. on our capital at present. For Surigheddu stands us in about 290,000 lire, but we hope to do better in the future.

Whether under *métayage* or under paid labour, the property has come to wear a different face, and it promises to prove remunerative as well as civilizing and instructive to the rural population of the island. The labouring folk are contented and happy. And whereas they came to us ignorant enough scarcely to be able to tell their right hand from their left, we have, in a manner, made skilled cultivators of them. Education is provided for their children far better than what is usual in Sardinia, and the classes are well attended. Although in the matter of actual returns, a good deal has still to be left to the future, the leaders of the society are confident that the right path has been struck out, and shareholding members are satisfied that they are doing good.

Although we are now managing the property as a large collective farm, we intend to give our labourers an opportunity of acquiring out of it small properties for themselves, as soon as they are in a condition to do so, making the purchase price payable by easy instalments, so as not to impose a serious tax upon their living.

For the sale of the farm produce a shop has, as already observed, been opened at Milan. To attract the necessary custom it has proved advisable to add other goods for sale. We hope in this shop to develop a remunerative sale for the wine produced on our own property and elsewhere in Sardinia. For the society is to help agriculture generally as well as its own.

So satisfactory were the first results of the bold enterprise ventured upon at Surigheddu judged to be, that our society decided to repeat the experiment on other soil. For this purpose a smaller property, of only 260 hectares (about 690 acres), was acquired on the battlefield of Solferino, near Medole, in the province of Mantua, in December, 1900. It has its centre in the "cross roads" of Solferino, and has hence been given the name of "Crocevia." This undertaking is still in too primitive a stage for me to be able to say much about results. The region is, indeed, very different from that of Sardinia. The soil is very much lighter—a sandy soil resting on shingle, capable of bearing lupins, topinambours, yellow clover, but also very fair lucerne. Mulberry trees thrive very well on this soil, and we have already planted 2,500, hoping to establish successful production of silk-cocoons. We also hope to produce good vineyards on the sand. Although the soil is, of course, less fertile than that of Surigheddu, it lends itself much more readily to cultivation, and does not necessitate anything like the same labour in reclaiming. The local authorities and the local people, promptly detecting the prospective utility of our organisation, have received us with open arms. Some of the local residents have become shareholders, and the Communal Council have passed a formal vote of welcome, promising us support.

We lost no time in beginning operations. In the very next month after taking possession, we began setting up farm offices, providing for the live stock first, by means of stabling for ten horses and a cowhouse affording room for fifty cows and bullocks. We have begun constructing dwellings for our farm "hands," and have gone on to barn, sheds, and so on. Thirty hectares (75 acres) have been laid down permanently in lucerne. Almond trees have been planted. We propose to provide regular irrigation. We are manuring the land freely with artificial fertilizers and ploughing in lupins. Within five years from this we believe that all the work will be accomplished—"the whole property being turned into valuable farmland in six years in all," so exclaims in astonishment Signor Eugenio Laschi, a well-known agri-

culturist of the Veronese, "which has withstood cultivation for centuries!" We reckon that the property will then stand us in about 300,000 lire, and that it will yield us 20,000 lire net profit, which will be at the rate of $6\frac{1}{2}$ per cent., without counting the 10,000 mulberry trees, which will by that time be planted, and whose yield will be over and above this. And of the 260 hectares, we are laying out 50 in as many small holdings for our farm folk, one hectare to each, with buildings, and wells, and roads, and all that belongs to a proper little farmstead, found.

The *Cooperativa Agricola Italiana* then has, in my opinion, already sufficient results to show to prove the utility of its work. That work is no longer an ideal. It has become a fact. While the Government and Parliament could apparently do nothing but argue and talk, we have acted. We have improved agriculture and brought help to the small cultivator. We have shown that collective farming is possible, and may, probably, be made remunerative. Of course we intend to extend our operations. And we are also confident that we shall inspire imitation.

What we have done has proved the continuing truth of the old saying that two are stronger than one, and that many small forces, properly joined together, become a large one. Of course, a mere union of forces is not all that has to be aimed at. There must be sound organisation, clearness of vision in seizing and pursuing a promising aim, steadiness to one's cause, and practical sense. If I may be permitted to summarise what has led us to success, I should say that it has been: (1) a prudent audacity, aiming high and undertaking boldly after considering carefully; (2) practice based upon scientific experiment; (3) a large capital gradually formed; (4) patience in the prosecution of the work. We have known how to dare, to study, to collect, to wait. And by these means even in apathetic Italy we have succeeded.

What we have done in Surigheddu and in Medole, others can easily by the same means accomplish elsewhere. The work is waiting to be done. Let us hope that in imitation of our example it will be!

The CHAIRMAN: I now call upon Sir Robert Edgcumbe to read his paper on "How to create Small Holdings."

SIR ROBERT EDGCUMBE: So much has been done in recent years by building societies to help small capitalists to become the owners of their homes, that, at the first blush, it appears strange that little or nothing of the kind should have been attempted on any

large scale to assist other small capitalists to become the owners of land for the purpose of cultivating it. The real reason, no doubt, is due to the fact that where a demand for houses exists, a supply is generally forthcoming. A single acre of ground affords sites for many small houses, but is not extensive enough for even one small holding. Moreover, land converted to building purposes is immediately worth double and treble its former value. Conditions so favourable to the building of houses render the acquisition of sites a comparatively easy matter. With small holdings it is otherwise. Twenty families or more may be comfortably housed on an acre of land; but twenty families planted on small holdings of, say, ten acres each, require 200 acres of land—that is, a superficial area a mile in length, and nearly one-third of a mile in breadth. Furthermore, in the case of small holdings, there is no special inducement in the form of a largely enhanced selling value held out to landlords, though, unquestionably in very many cases, land marketed as agricultural land, will, when sold, bring more in small quantities than in large blocks. Again, in dealing with land for the purposes of small holdings, it is essential, if many holdings are to be created, that the land should be situated fairly near a town—say, within a zone of from two to five miles from a market, yet not so near as to give the land an accommodation value, or attach to it a prospective price due to its possible requirement for building purposes. Owing to these surrounding circumstances, the supply of land for small holdings must be gradual; the demand for them will not, of itself, create a supply, as in the case of sites for houses.

Fourteen years ago I purchased a farm of 343 acres, known as Rew, in the parish of Winterbourne St. Martin, situated a little more than three miles westward of Dorchester, the county town of Dorset, and about six months later I re-sold it to some twenty-seven small purchasers, in quantities varying in size from two to thirty acres. This experience satisfied me that there is a large field for successful operations of a similar character, were those who have land to market disposed to deal with it in a similar manner. But here arises a difficulty, as those who have land to part with have only a limited quantity. It is not in the nature of a crop which they bring annually to market, consequently they are novices at marketing it, and, for the most part, terribly afraid to move without legal assistance, which means expense. Moreover, the lawyer and the auctioneer when approached on the subject of selling in small lots, hesitate to recommend a sale piece-meal. Some lots may hang on hand,

and, in any event, the dealing with it in small portions, though it may increase the price to the landlord from 20 to 30 per cent., must entail increased trouble to the agent employed in the sale, out of all proportion to the increase in his commission on the larger price. Yet, speaking generally, the smaller the lots the better the price. It is the old story of a penny each for match boxes and a dozen for eightpence. In cases where a landlord not only sells in small lots, but is prepared to take payment by instalments spread over five, seven, or nine years, he may still further increase his price, as many purchasers will come forward who would not be in a position to pay down all the purchase money at once. Payment by instalments does not necessarily mean delay in payment to the full extent of the time allowed, for in any group of buyers some will find it convenient to pay up in full at once, while others may want to raise a sum of money in order to build upon their land, and to procure such an advance they will have to make good their title by paying up their instalments and getting their deeds of conveyance. But, easy and simple as it should be for the landlord, who wants the best price for his land, to obtain that price by selling his land to small purchasers, one enormous difficulty stands in the way, and, so far as one can see, is likely to block his path for a considerable time yet, namely, the existing cumbrous system of land transfer with its endless pitfalls.

At every turn our antiquated system of land transfer besets the landlord with difficulty when he seeks to market his land to the best advantage. Quite recently an agreement for the sale of three small houses came under my notice, an agreement of the most simple character, which any two intelligent men could have arranged on half a sheet of note paper, yet this agreement covered two sides of a folio page, and the solicitor had inserted in the agreement, as part of the conditions of sale, that the purchaser should pay £2 2s. for it, and for the full conveyance a sum of £5 5s. for the first £100, and £1 1s. per £100 for the rest of the price. For a total outlay of £900 the buyer was to pay £15 15s., besides £4 10s. for stamp duty. Imagine for one moment what trade would be if a farmer, for instance, had to pay similar charges when he sold, say, 400 sheep. Although the charges are bad enough, it is not the cost alone which makes dealings in land so difficult, but the endless delays and difficulties which crop up naturally in a soil so fouled with weeds of legal growth. In the Channel Islands and in the Colonies and abroad, the purchase and sale of land is merely

a matter of a visit to the land registrar's office. Half-an-hour or less will complete the transfer, and the fees are relatively light. The system, or want of system, which still holds good in England, makes for sales in large estates to big purchasers, to the injury alike of the would-be small purchasers and of the landlord, who has, as a consequence, a much restricted market in which to dispose of his land.

Rew Farm stretches out, north and south, in a long narrow strip—two fields wide—about a mile and a half long and some third of a mile in width. At the northern end it abuts, just three miles from Dorchester, upon the main road from Dorchester to Bridport. About the middle it is crossed by the main road from Weymouth to Bridport, and at the southern end by the road from Dorchester to Abbotsbury. All that was needful to open up the farm from end to end, was to construct a road north and south, connecting these three highways, which traverse the farm at either end and in the middle. The making of this road, nearly a mile long, was a considerable undertaking, and cost £340. The materials—chalk, gravel and flint—all came off the farm. When once made, the whole of the land was immediately accessible. Every holding could be so arranged as to have a frontage on the new road.

The Rew soil is of the class of light Dorset soils, a thin black earth on chalk for the most part, though some of it is richer, almost of a loamy character. The lightness of the soil is an advantage to small people, as it enables them to plough without "shire horses." One-third of the soil may be classed as good, two-thirds as poor, though by no means worthless.

Riding over the farm a few days before it was to be sold, I was struck by the ease with which it might be adapted for small holdings, provided a roadway was driven through it. This determined me to bid for it, and it was knocked down to me for £5,050. Tillages and tenant right added £490 to the price. In addition to this I had to lay out the sum of £340 upon the roadway already mentioned, £120 on wells, and £140 upon a survey, maps, and law costs. The cost of the farm then stood, in round figures, at £18 per acre.

The survey was more elaborately done than was necessary, and cost, with the lithographed maps, £129. It was plotted out in this survey into parcels of about three acres each. The new Ordnance Survey, which gives the acreage of each field, was not then published, and if we had had this to work from, £70 or £80 of the outlay might have been

saved. The survey included the valuation of the land parcel by parcel, at prices sufficient to reimburse the average outlay of £18 per acre. In pricing the land everyone advised me that the good land would sell readily, but that the poor land would probably remain on hand. As all seemed agreed about this, the valuer fixed the price for the good land relatively a trifle higher than the poorer land, and *vice-versâ*, in order to make certain of getting a sale for the poorer land. In the result I sold all the poorer land (200 acres) within the space of a few days, and had I had more I could have sold four times the quantity, whereas some of the better class land hung on hand for three or four months. On a holding of the better class land, some of which sold at £25 per acre, the owner, an ex-blacksmith, not long since sent to the village harvest festival two turnips, one weighing 9¾lbs. and the other 12lbs., and he told me that the land is better than he thought it when he purchased it.

Some of the poorer land was sold as low as £7 per acre, and the delight of those who possessed themselves of some five acres each for a sum of £35 is not easily forgotten. With regard to the very prevalent opinion that poor land is dear at any price, I am disposed to think that though this may be perfectly true as regards a farmer who has a labour bill to pay, to the small man who works for himself early and late, it represents only the difference between a lesser and a greater return for his labour, and not a difference between profit and loss.

The cost of advertising the sale of Rew in small holdings was trifling. The fact became widely known at once. Applicants were directed to make applications in the first instance in writing. They were then supplied with a lithographed plan of the estate, and directed to write, stating what portion they desired to take up, whether they wished to pay by instalments spread over nine years, over a shorter period, or in full, and what occupation they were following. Almost all elected to pay by instalments, and the terms were, one-tenth of the purchase money paid down before entry, the other nine-tenths to be paid by eighteen half-yearly instalments, together with interest at 4½ per cent., paid half-yearly, upon all instalments unpaid. Thus, every half-year the interest they had to pay became less as they paid off their instalments. In the agreement for sale, it was stated that the price agreed to be paid for the land was to cover the cost of, the complete conveyance, including stamp duty. There were accordingly no "extras." This gave the utmost

satisfaction to all purchasers. About 10 per cent. of the applicants proposed to pay up in full, and another 15 per cent. offered to pay up within five years. The rate of interest on the unpaid purchase money was fixed at $4\frac{1}{2}$ per cent., so as to put it on a business footing, and to make it worth their while to pay off their instalments as soon as they could conveniently do so.

By means of the written applications for the parcels of land, it was possible to sketch out a partition of the estate, more or less in accordance with the wishes of the applicants. Then three consecutive days were fixed for interviewing them, and they came in battalions. One would come accompanied by his wife and his father-in-law; another accompanied by his wife, his two sons, and his brother; and so on. They all took such a keen interest in the business that each applicant wanted to bring—and did bring—his whole family to the interview. Yet the whole business gave me surprisingly little trouble. If they could not get exactly what they wanted, they readily took the next holding offered them. The moderate prices, no doubt, facilitated matters. Two-thirds of the estate were sold at prices from £7 to £20 per acre. £20 an acre is only one penny for each square yard, and the illustration that a few glasses of beer would, at these prices, pay for quite a nice little garden, appealed to them. Of the whole of the applicants only one old gentleman showed any irascibility. When I told him the field he wanted—just under two acres, priced at £22—was sold, he was in the greatest dudgeon, and when I offered him an adjacent two acres for £25, he protested that nothing would induce him to purchase an inch. Expressing regret, I remarked that I had another applicant for the two acres waiting to see me, and that I had given him the prior offer because of his disappointment as to the other field. His bluster was immediately over, and in two minutes he had left me radiant because he had done the other man!

When the several applicants were interviewed by me, it was clearly explained to each of them that they could not rightly expect a small holding to provide them with sufficient to maintain them, and at the same time, leave them with a sufficient surplus to meet their half-yearly instalments. In the result, out of twenty-seven purchasers, only three determined to attempt what was represented to them to be impossible. One was a labourer, one a market gardener, and the third a small general dealer. All three of them failed to keep up their instalments, after every indulgence

was shown them, yet these three men made something of a success of it after all. One of them had purchased a good cottage and 30 acres of very fair land. Failing to maintain his family and at the same time pay his instalments, he was obliged to raise £300 on mortgage at £4 per cent. This enabled him to pay off his purchase money in full, and liquidate his current debts. He is now free of debt save his mortgage, and gets his cottage and 30 acres accordingly for £12 per annum. This "rent" he can pay comfortably and maintain himself and his family on his holding. Another purchased 18½ acres. He built himself a house and has cleared off all his instalments by borrowing £250 at 4 per cent. He, likewise, can meet his interest (rent, so to speak) of £10 with ease, and maintain himself quite comfortably as well. Both these failures are really qualified successes. The third man (a market gardener), with only five acres, failed altogether to better himself, and sold out his interest in his land to a railway ganger, from whom he now rents it and somehow contrives to make a living on it and pay his rent. All the rest of the twenty-seven small holders made a thorough success of their purchases, and not only met their instalments with regularity, but several of them applied from time to time to make speedier payment. So that some six-and-a-half years after the property was sold out in small lots, only £400 remained due to complete the whole of the payments for the land. At the end of the nine years the whole of the purchase money was paid off, without any reduction or allowance. The twenty-seven small holdings averaged in size 11 acres each. The farmhouse of Rew was sold off with four acres of good land to a lady purchaser. The only other portion of the estate not sold to a small holder was the water meadow, some twenty-six acres in extent. This was plotted in portions for sale, but difficulties as to water rights and irrigating it, proved insuperable to its being sold in portions. Then an attempt was made to treat it as a common meadow, making a charge per head of stock for user. But as this did not prove acceptable, it was ultimately sold to a neighbouring landowner.

All sorts and conditions of men took up the Rew land. Farm labourers predominated; of these there were eight. There were three gardeners, two coachmen, two stonemasons, two watchmakers, a carpenter, a small shopkeeper, a postman, a policeman, a blacksmith, a cooper, a carrier, a porter, and a general dealer. One bought his land for the purpose of a bee farm. One of the gardeners, besides his house, erected several large greenhouses. The glass

and wood for these were bought in the rough, and the houses put up with the help of a jobbing carpenter. The lime for the mortar was burnt out of chalk dug on the land. The owner of this field gave as much as £35 an acre for it. It was first rate land, and worth quite £2 an acre to rent, so that, estimated on a 4 per cent. basis, it was worth £50 an acre.

It is very pleasant to notice the way in which these little farmers have for the most part readily helped each other. The blacksmith helps others with their implements. One man often ploughs for another. They arrange together to get the threshing machine, so as to follow on with their several crops. The postman has developed into a regular carrier, and this is the greatest convenience for everyone.

When asked as to how they have their health in their new homes, it is a general remark among these people that they were never better in their lives. One of the masons when he bought his land had one leg in the grave. He purchased it for the sake, as he said at the time, of his son. But the interest he took in his purchase, and the change of employment it gave him, completely restored him to health and made him a new man again.

After the first trouble was over of apportioning the land to the satisfaction of the several applicants, matters went very smoothly. In two respects only have any difficulties arisen. First, in respect of boundaries, and secondly, in regard to tithes. At the time of sale some of the boundaries were not particularised with very great exactitude. When parting with land at the price of about one penny a square yard, it did not seem important to settle the boundaries to a foot. But as time passed on, several informal applications came before me to decide upon boundaries, and I then found that every inch of ground possessed infinite value in the eyes of the respective claimants. To settle these points to the satisfaction of those interested was not always an easy matter. So far as regards the tithes and their apportionment, my troubles were considerable. The estate was subject to a comparatively light tithe, under a shilling an acre, and there was no land tax on it. The cost of redeeming the tithe in Consols would have run up to £500, and I hesitated to add so large a sum to the selling value of the land. So the tithe was left with a view to obtaining its apportionment under the Board of Agriculture, the department which has to deal with these matters. The Acts of Parliament do not facilitate the apportionment of tithe for small holdings as

much as they might, the minimum apportionment being fixed at 5s., so that the purchaser of, say, five acres, with a tithe of 4s. 3d., must be conjoined with an adjacent owner, and both are always liable to pay the combined amount at the choice of the owner of the tithe, the tithe-payers being left to wrangle over their respective liability as between themselves. So far as concerns the field-apportionment of the tithes, the Board of Agriculture seems to act upon the principle that tithes should be redeemed and not apportioned, raising tiresome red tape difficulties upon applications for apportionment.

One word as to the advantages of small holdings, from the rural population point of view. When I bought the farm in 1888, the farmer dwelt upon it with three labourers and their families. The population on the farm, all told, was then 21. Since then fourteen dwellings have been erected by various purchasers, and, in addition, the four cottages and farmhouse on the property are also occupied, the four cottages by four separate small purchasers and their families. So that the population on the farm is now about 80, and likely to be increased, as further houses are to be built.

Another word as to the advantage of small holdings, from the ratepayer's point of view. The area of the parish of Winterbourne St. Martin is 3,546 acres. Rew Farm is a fair sample of the pasture and arable land of which the parish consists. When I purchased Rew, the outgoing tenant was in hopeless financial difficulties and could not make it pay. It was rented on an old lease at £240 per annum, but the general opinion of those best able to judge was that the farm would not then let to a new tenant for more than £200. But, taking the then rent of the farm at £240, its net rateable value then was £215. Since that date, 1888, the rateable value of the parish, as a whole, has steadily declined, but, while the rateable value of the whole parish has been steadily dropping, the rateable value of Rew Farm has been steadily rising. In 1888, the net rateable value of the parish was £2,807, and now (1902) the rateable value of the parish is £2,073, a fall in fourteen years of 26 per cent. in value. In 1888, the net rateable value of Rew was £215, and to-day (1902) it is £346, a rise of 60 per cent.

The small farmers upon Rew express entire contentment with their condition, and constantly the question has been put to me, "When will another farm be sold out in small lots, as so-and-so wants a piece?" If a movement of this description had taken place in rural districts in recent years

on any considerable scale, it would have helped to stay the decrease of the agricultural population.

That there is room for such an enterprise on a large scale is clear from the simple fact that we purchase annually from across the sea the smaller agricultural produce, such as eggs, cheese, fowls, ducks, hams, bacon, and so on, to the amount of £36,000,000.

A Dorset Squire, who recently wished to dispose of about 10 acres of good land, determined to follow the Rew precedent. He got from his lawyer a draft conveyance, and made it known that he would sell in lots of half-an-acre at the rate of £50 an acre. He expressed his surprise at the rapidity with which he sold it all, intending purchasers coming with bags of twenty-five and fifty sovereigns, and wanting to go back with their deeds in their pockets.

Many may naturally ask, why land is not frequently sold to small holders in this manner if it is so simple a transaction. One reason is this. It is absolutely necessary for the vendor to be absolute owner of his own land, that is to say, he must hold it free of all incumbrances. Most people are reluctant to part with their land, and probably, in the majority of cases when agricultural land comes into the market, it is at the time of sale subject to a mortgage. Sellers of land in such cases are obliged to sell for a lump sum down in order to discharge their mortgages. They are thereby precluded from selling in parcels upon the system of payment by instalments, which is so important to little purchasers. Then, in many cases where agricultural land has to be sold, but is subject to no mortgage, it has to be sold for the purpose of paying legacies or otherwise partitioning the capital value, and in such cases it is inconvenient to sell it except for an immediate cash payment. The result is, that it is only in the case of those who want to sell off some outlying land that vendors are in the position to sell land free from any incumbrance, and, at the same time, wait for gradual payment. These considerations reduce very largely the amount of land that can possibly be dealt with in parcels under the purchase-by-instalments principle.

When, however, we come to the comparatively few persons who can sell their land in this manner, we are met by the difficulty that they get precisely the same advice that I got, namely, that "the good land would sell readily enough, but the poor land would remain unsold." A great landowner just recently had a property to sell exactly

suitied for small holdings, and I suggested to his agent that, as the owner was a wealthy man and not in immediate need of his payment, it was a capital opportunity for selling the property in small holdings. He replied to me that the matter had already been fully considered, but that "there was some poor land on the property, and that they had been advised that they would readily sell off all their good land and be left with the bad land." Now, this advice, which is tendered with one consent by the most experienced land agents, is, in my opinion, absolutely erroneous as far as concerns small holders. It is perfectly sound advice, if the land is looked upon as to be purchased by owners who will not work it themselves, and who will farm it out to tenants. To a tenant who pays a fixed rent, there is a risk in renting poor land, but to the small holder there is no risk, for he has no rent and no labour bill to pay, and any crop is to him a profit. But in this country, those who advise as to land, have practically no knowledge of the small owner, and they argue in regard to him precisely as they do in respect to a rent-paying tenant, whereas the two classes are entirely distinct, and what is true of the rent-paying tenant is quite untrue of the owner who tills his own land. So it comes to this, that in the comparatively few cases, where landowners are in a position to create small holdings, and could thereby not only get a better price for their land, but add to the rural population and the rateable value, they are warned off by those who are supposed to be able to give a sound and reliable opinion as to the risk attaching to such an undertaking.

From the experience I have had, I feel confident that anyone who has the courage to sell his land in small holdings, provided it is not in too remote a situation, may feel assured that he will be no loser thereby, and that he will be adding not inconsiderably to the sum of human happiness. (Cheers).

The CHAIRMAN: We have not received Dr. Micheli's paper, which should follow next in order. There remains Major Poore's paper upon "The Settlements at Winterslow and Bishopstone."

The paper is as follows:—

About ten years ago, with the view of settling small cultivators permanently upon the land under conditions in which they were likely to thrive and work together for common ends, I purchased on credit a farm of 195 acres, known as "Cooper's Farm," at Winterslow, in Wiltshire.

Winterslow, I should say, is not altogether an ordinary village. There is a good deal of money earned there in the adjoining woods at hurdle-making, etc., and the opportunities given for earning have nurtured there not only habits of industry and thrift, but also a spirit of independence.

Before the purchase took place a very strong committee had been formed by dividing the village into sections of about ten houses. Each section constituted a committee, choosing its own chairman—the chairmen of the sections collectively became the committee of the village. As soon as the sections were told off, I went to each one to explain the organization.

In this manner, when the matter of land purchase came to hand, there was a committee really capable of placing all the facts before me.

I had previously placed the matter before them, calling them together, stating the probable cost of the farm, and putting the question to them whether a small freehold scheme had any chance of success. The village committee unanimously decided that the farm was the very thing the people required. The entire farm being more than was likely to be immediately wanted, 83 acres were sold off, leaving 112 acres for the freehold colony.

I had paid £10 an acre for the land, and it was now agreed that it should be re-sold at the price of £15 an acre, as the basis of valuation of the 112 acres. Some of the members of the committee were told off to divide the land into plots, and put a value on each piece. This bold, but in its result, wise action, met with success. The men were put on their judgment, and, almost without realising the responsibility of their action, made an assessment of relative valuation, such as even a professional valuer could not have improved upon, and which, moreover, gave satisfaction to buyers and sellers alike. The size of the plots, as set out, ranged from 16 acres to a quarter of an acre. Many of the would-be freeholders not possessing money enough to buy outright, I offered to sell the land by a process of deferred and graduated payments, the money to be paid by half-yearly instalments, in advance, and the interest to be at the rate of 5 per cent. The following table will illustrate how this can be done :—

Table showing how a sum of £10, advanced at 5 per cent. interest, can be repaid at the rate of £1 per annum, to include interest and part payment of principal, and the balance left due at the end of each year.

YEAR.	Amount of Principal and Interest paid.	Interest.	Principal repaid.	Balance of Principal due.
End of Year...1	1 0 0	0 10 0	0 10 0	9 10 0
2	1 0 0	0 9 6	0 10 6	8 19 6
3	1 0 0	0 8 11 $\frac{1}{2}$	0 11 0 $\frac{1}{2}$	8 8 5 $\frac{1}{2}$
4	1 0 0	0 8 4 $\frac{1}{2}$	0 11 7 $\frac{1}{2}$	7 16 10
5	1 0 0	0 7 10	0 12 2	7 4 8
6	1 0 0	0 7 2 $\frac{1}{2}$	0 12 9 $\frac{1}{2}$	6 11 10 $\frac{1}{2}$
7	1 0 0	0 6 7	0 13 5	5 18 5 $\frac{1}{2}$
8	1 0 0	0 5 11	0 14 1	5 4 4 $\frac{1}{2}$
9	1 0 0	0 5 2 $\frac{1}{2}$	0 14 9 $\frac{1}{2}$	4 9 7
10	1 0 0	0 4 5 $\frac{1}{2}$	0 15 6 $\frac{1}{2}$	3 14 0 $\frac{1}{2}$
11	1 0 0	0 3 8 $\frac{1}{2}$	0 16 3 $\frac{1}{2}$	2 17 9
12	1 0 0	0 2 10 $\frac{1}{2}$	0 17 1 $\frac{1}{2}$	2 0 7 $\frac{1}{2}$
13	1 0 0	0 2 0	0 18 0	1 2 7 $\frac{1}{2}$
14	1 0 0	0 1 1 $\frac{1}{2}$	0 18 10 $\frac{1}{2}$	0 3 9
15	0 3 1	0 2 0	0 3 9	
TOTAL ...	14 3 1	4 5 9	10 0 0	

With the exception of about eight acres, the land was purchased upon these terms. Nine men bought outright. All the rest paid down their first half-yearly instalment in advance, and in the April following (1893) the second instalment. By May, 1893, a very perceptible change had already come over the Winterslow farm, which the *Salisbury Times* described as follows:—"There were already unmistakable signs of progress. Adjoining the road, near the common, a chapel had been built on one of the plots of land, and close by a bakehouse was being erected, chalk, with straw mixed, being used for the walls. On another plot there was a new-cow-shed. One small freeholder early set to work, his house, a good-sized building, being almost up. Upon a 16 acre holding another house was being erected. This is the great advantage—the homestead on the farm. A number of men were at work in the fields. Under the old *régime* three labourers were employed on the 195 acres forming Cooper's Farm, whereas, now, nearly fifty men are interested in the same land; and, all of them, exercising their wits as to how they can make the land most productive. The buildings

bespoke confidence." The improvement has been maintained.

Beyond disposing of the land I was desirous that there should be a surplus fund. There is no man of business, and particularly in land, but understands the vital importance of a credit fund. It was to this end that a surplus fund was provided for, nor would I have touched the land, with a view to permanence, without a provision of this sort.

To administer this fund it was that a joint stock company was registered as "The Landholders' Court." The reason why I made this reserve was that I saw that no one quite grasped the end I was aiming at, and, while not interfering with the enterprise of the men on the land, it establishes a common interest, gives me an absolute veto as to the surplus, leaves my hands free for any further development, and prevents the question of dividing it.

For purposes of organising the "Landholders' Court," the landholders, numbering something over 40 labouring men, were told off into five divisions, according to the lie of their land, the holders in each division being a committee appointing a chairman and vice-chairman in each. These chairmen and vice-chairmen are *ex-officio* directors of the company. They are responsible for collection of rent, etc., supervision of dealing with surplus fund, arranging difficulties or any matter connected with the common interest of the Court. The experience which they gather diffused a considerable amount of knowledge of business among the small community.

Membership in the "Landholders' Court" is not compulsory; neither does the being a shareholder interfere with any interest already in existence. It entitles, however, to a voice in the distribution of any surplus, on the sale of the estate, which may arise. When any holding, or part thereof, is re-sold, the share reverts to the company, to be re-granted to the new purchaser, if the directors endorse the purchase. Every landholder is a shareholder, and is, as a matter of fact, a member of the Court. The principal object of all this is, to form a common interest which shall encourage individual effort, and, at the same time, show an easy method of united action for mutual trade purposes. Small holders, standing alone, are too weak to become permanent institutions; whilst, on the other hand, collective ownership (*Municipalization, Nationalization*) of land interferes with individual action, and gives rise to disagreements, which, eventually, though for a time a strong hand may successfully hold it

together, must break up the association. The chief object, therefore, of the Court is to give the small holder a full responsibility, and a direct and sole interest in the land he holds, and, at the same time, to set up a common, or mutual, interest, which, while conserving the personal interest, shall build up an insurance, by teaching the judicial method of bringing every mind in unison for common benefit.

One of my main objects was to create binding ties, and for that purpose to create, or restore, the organisation of the family, and, for that purpose, to give an administration in the land Court that individual families might apply to themselves.

I have always considered that the tap root of pauperism is to be found in the dislocation of families and their destruction as a responsible administrative unit, so that the young are isolated without an administrative training, and, consequently, launched in life without the experience of those who have gone before. Experience is a thing that cannot be conveyed by words. If it is to become a man's own, it must be worked into him by practice, and this is what the administrative family can do.

I may now be asked what have been the results of this work of mine. The outcome has thus far been that over 30 cottages have been built by the men themselves, with a rain tank to each, giving the families a fixed home of their own with consequent stability. My liability has been paid off. So the experiment has practically cost me nothing. There are practically no arrears. There has been no friction in administration, the men have responded nobly in their effort—undoubtedly it has been a hard one, but, as they say themselves, their condition would have been harder if the occasion had not been given them. The surplus credit amounts to about £800. At the last census, 1901, Winterslow was 14 over the census of 1891, instead of there being a large decrease, as was the case in the other rural parishes of the Salisbury Union. Undoubtedly without the 30 cottages added by the men this would not have happened, and, though the experiment is on a very small scale, the neighbourhood would find it difficult to get on without Winterslow labour. Though farmers can employ a certain number all the year round, on occasions they require a strong supplement. It is this supplement that requires a permanent living besides.

I also started another farm of about 170 acres at Bishopstone, in the Wilton Union—partly because it was the only way I could answer the argument that Winterslow was

exceptional, and the experiment would not run elsewhere. This farm was certainly not promising to look at—a long strip of poor Down land—and I did not know the men. But my excellent friend, Mr. Dibben, took a great interest in the scheme, and practically managed it, and the land was all taken up, though in larger lots than at Winterslow.

After £600 of the £1,800 the farm has cost had been paid off, as the place was too far off and my health was not good, on their agreeing to give their joint security to the Bank, I handed it over to the occupiers, who had taken it up under similar conditions to Winterslow.

The CHAIRMAN: The subject is now open for discussion.

MR. ALDRIDGE (Guildford) said it was with great pleasure that he welcomed the manner in which the question of the cultivation of the land had been brought before that Congress. He had felt like a voice crying in the wilderness. Everyone agreed that labour needed attention, but they all seemed so much occupied with the development of co-operation that they had no time to give to the great problem of the improvement of the position of the agricultural labourer. The rural question had special claims on co-operation, because it was in the attempt to apply co-operation to the land that Robert Owen and other early co-operative pioneers learned their great lesson of distributive co-operation. They owed a great debt to their friends of Denmark, who had set them a great example, and the best thing they could do was to copy that example. In Holland and Belgium they were also setting British co-operators a splendid example in distribution, and co-operative societies for the purchase of manures. If they could only see some of the magnificent work being done in France for the peasant workers, they would be astounded. The work of the German co-operators in people's banks also claimed their attention, and they owed a great debt to their chairman for the untiring zeal with which he had entered into this question, and the work he had done in extending a knowledge of it. There was always a tendency in co-operative experiments to test the results in terms of the work done. Their idea should be not so much the amount of work, as the raising of the standard of the comfort of the labourer. (Hear, hear). In conclusion, he again urged co-operators to endeavour to build up a better condition for the workers on the land, as a matter of duty and social well-being. They would then be doing a good work. (Applause).

PROFESSOR FOWLER (California), who was loudly applauded on announcing that he was the representative of the Rochdale Wholesale Company, said it was strange that at this great Co-operative Congress nothing had been said of the great co-operative work being done to-day in New Zealand and Australia, especially in the matter of land tenure. Why was there no representative present from these great English colonies? Speaking of his own country, he said the same problems existed there as in our own country. There was the same overcrowding of cities and the depletion of the land. The idea was held largely in this country and in Europe generally that there was plenty of land in America. That was truer of America years ago than it was to-day. The Government of the United States had given away acres of land for men to go and settle on, and they had been taken up by thousands from Europe, who had emigrated, and were welcomed. They had had their farms given to them. But farms were scarce now, except in the great arid districts, where a new problem had to be solved—namely, the irrigation of these arid spots; and this problem was being taken in hand by the Government. He instanced the reservation of American Indian land, which, on the Indians dying out, or settling down to business, was parcelled out. There were 13,000 allotments, and for these there were 157,000 applications. Did they want land in America, then? They had the same troubles to deal with as in other countries, and many men, societies and institutes were doing their best to solve the matter. The States were dividing and sub-dividing land; and he mentioned the case of two gentlemen in his own State. They bought 12,000 acres, and inside of three months it was divided into ten, twenty, thirty, forty, and a few eighty acre plots. He recommended the members to study the work in New Zealand.

The CHAIRMAN: I have just received a telegram from the representative of the Russian artisans of Ekaterinoslav to the effect that he is profoundly sorry not to be able to be present as he intended, and in the name of the organised artisans he expresses to the Congress sincere sentiments of fraternity, as well as to the organisations of co-operation in England. I presume that you will want me to send him a return message. (Hear, hear). I will now call upon Mrs. Diggs.

MRS. DIGGS (Kansas): Curiously enough, the other delegate from the United States has brought out the very two ideas which I had in my mind to utter. And yet, perhaps, it is not curious, for Professor Fowler and I are neighbours in

America, only separated by about eighteen hundred miles. (Laughter). I come from the middle States, and represent the Western Co-operative Association. Our efforts are now directed towards mobilising our scattered forces, and we are further engaged in precisely the same kind of work which co-operators in England have carried on for so many years—namely, production and distribution. We own a farm of 1,000 acres, which has been under our management for a year, in connection with our agricultural college, which is located in the State of Missouri. The trend of co-operation in the States has been towards the country, whilst the trend of commercialism has been citywards. We believe that a home without a garden and a playground for the children is no home at all. (Hear, hear). I went on the picnic yesterday, and it was a pitiful sight to see the children with the grime of the slums on their faces begging for bread and coppers. The spirit of co-operation is to help these children to the best of our ability, and to bring back to them the blessings to which they are entitled as a birthright. (Hear, hear). There is one point which I desire to emphasise—even in England—and that is the development of a stronger public sentiment. (Hear, hear). The writer of one of the papers has referred to the failures of attempts to get a county council to co-operate in the purchase of land. In such cases, I urge you to make your demands as electors, and give local authorities to understand that they are elected, not to rule, but to serve the interests of humanity. (Hear, hear). I am an elector in my city, and I ask you to see that your local authorities shape their policy so that slums will be cleared away and all that is good developed to the fullest extent. (Applause).

The CHAIRMAN: I have just received an invitation for any of the delegates desirous of doing so, to visit the Garden City Conference to be held at Port Sunlight on Saturday. Those wishing to go should communicate with Mr. James Johnston.

CAPTAIN ST. JOHN (London) said attention so far had been called mainly to one method, that of individual ownership. They should remember that there were other methods. Individual ownership was doubtless a necessary step. There was the method of individual tenancy, which had been tried with some success, and there were further steps in the direction of the realisation of the communistic idea. Experiments in this direction had met with great success in Canada, and also in Europe and Asia. The point he wanted to make was that

experiments in all these directions might very easily be made by co-operators. The Scotch co-operators had, he understood, purchased a large tract of land. It was well within the power of co-operators to possess themselves of large tracts of land for the purpose of making experiments in this direction. The English Wholesale had an estate at Roden, and he asked why that should not be used as an experimental farm for the purpose of circulating information throughout the United Kingdom? The ideal of co-operators was surely not to multiply the number of people who owned something, but to enable people to work together to use the resources of nature. If they wanted to reorganise agriculture they would have to do that along with the reorganisation of all the industries of the country. (Applause).

The CHAIRMAN: My attention has been called to the fact that thus far no foreigners have taken part in the discussion. I want to point out, in partial explanation, that the land settlement question is to a much less extent a foreign question than an English. Abroad land is far more subdivided and more easily obtainable. When we put this question upon the programme a French member of the Central Committee objected, asking: what on earth do you mean by the "land settlement" question? No Frenchman will understand that.

MR. VIVIAN urged the desirableness of having the advice of the foreign delegates. The village problem, he said, would only be solved on a satisfactory basis, as far as this country was concerned, when the cultivation of the soil became more like skilled industry. Some people talked about landlords running away with all the gains from the land, but he believed that in many cases if they gave the workers all the result obtained from the soil, including that which went to the landlord and all that went for the rates, that they would still not have a decent wage. There was the social side of the question, too. They must endeavour to make life more attractive in villages to the worker, who did not go to the town merely on account of better wages, but because he got more pleasure out of life. Co-operators, he thought, might do something with the large sums of capital they had lying idle.

M. S. HÖGSBRO (Denmark) said the land question was of some consequence to them in Denmark, and for many years it had had their attention. About twenty years ago they got an Act passed through their Parliament by which two credit societies were established, one for each part of the country. From these institutions a small farmer, whose

house and ground were worth not more than 6,000 crowns (about £300), could get a loan up to half their value at 4 per cent., the State acting as guarantee, which was practically State aid. Furthermore, four years ago they got another Act passed, according to which the State granted 2,000,000 crowns (about £100,000) a year, to aid agricultural labourers to purchase small farms. The men themselves must procure the land and build the house, and they could borrow to the extent of nine-tenths of their value at 3½ per cent., which was also practically State aid. He proceeded to tell the delegates of the importance co-operation was to those small farmers, who sold their produce, principally milk, to the co-operative societies. When there were any pigs to be disposed of, they were sent to the co-operative slaughteries, of which there were twenty-six scattered over the country. A few years ago a society was established for the exportation of eggs, and they would, no doubt, have heard of that society, as most of its produce was sent to England. There were also about a thousand distributive societies in Denmark, which were of great benefit to the small farmers, especially to those who had no means of driving to the city for their purchases. (Applause).

MR. HOLYOAKE moved the following resolution, which he described as practical, concise, comprehensive, and, he hoped, conclusive:—

“That this Congress having heard and considered various reports laid before it upon the methods in use in various countries for settling small cultivators on the land, is of opinion that co-operation, more especially in the joint purchase of land for sub-division and re-sale among small cultivators, so as to secure comparatively early repayment of the money employed, affords a very useful method for attaining the said object, and urges upon co-operative societies having substantial funds at their disposal, the employment of such funds in such or some similar way, towards the end indicated.”

M. GOEDHART seconded the resolution. Though, he said, in his country they had not much experience in the matter, they felt that it was a very important one, because their own towns swallowed up the landed population from the country, which was a very bad thing, and full of evil consequences. (Applause). He hoped, therefore, his fellow-countrymen would undertake the study of this question, and bring it into the sphere of practical co-operation. (Applause).

MR. GREENING: The reports published in the Congress volume are full of interesting matter. They ought to be

carefully studied. They practically explain the entire position of things. In England we find that in about 60 per cent. of the rural parishes population is decreasing. People go into towns. The matter of land settlement is accordingly one of first public importance. There is one point which will presently become one of urgent public importance. You remember when Sir Robert Edgcumbe read his paper. There was one thing which stood out very prominently. In connection with the experiments which he initiated, he said that where 20 people had been employed before on the land there were no less than 80 people now, an increase of no less than four times in the population. Mr. Winfrey did not bring out the same point. However, I have asked him the question, and he tells me now that on the 650 acres of land referred to in his paper, there were no less than 200 tenants, which is the same large proportion of growth as Sir Robert Edgcumbe has mentioned.

MR. WINFREY: Two hundred families.

MR. GREENING: That is even a stronger case, for the population is now probably 800. We have not had the advantage of having read to us the paper by Dr. Perussia, of Italy. I advise every delegate to carefully read that interesting paper. It tells you how co-operation has grown in that country until there are now 1,200 members, with a capital of £30,000. I advise delegates also to read Major Poore's paper. Major Robert Poore deals with some land where the population had gone down until there were only three people left; and there are, at the present time, no less than fifty people on the land, whereas under the old state of things we have had going on through the length and breadth of the country, and through other countries, a most lamentable shrinkage of population. Vast tracts are being deserted as though the country had been laid waste by an enemy. It is very evident that if the movement spreads, as it must spread, because it is a financial success, the question will then be: How are we going to house these people? The old homes, to some extent, have fallen into decay, and those remaining in the country districts are most lamentably insanitary. They don't come so prominently before the public attention, but the condition of the houses in these villages and on the farms is something deplorable. Mr. Winfrey may be interested to hear the results in his own district. I hear that attention to this matter has become urgent; that insurance agents, who are the best possible authorities, say that there are indications of overcrowding in this settlement. That is a matter evidently that Mr. Winfrey will have to deal with

The business of providing good homes must be seen to very quickly. What we want is public attention arousing, so that the County Council can act promptly and not allow people to be herded together in insanitary conditions. As regards our co-operators, what I suggest is that our societies that are interested in the experiments being carried on be got together in conference, so that their surplus capital might be brought to bear upon it.

M. WAUTERS (Waremmé): You will have observed in M. Micha's paper what is being done in Belgium in respect of agricultural co-operation, with the help of co-operative dairies, Raiffeisen credit associations and co-operative insurance. In my district of Hesbaye, as in England, we found that agricultural labourers left the villages in order to settle in towns. We established co-operative associations, and, thanks to them, we found that those fugitives lost no time in coming back. Since these men are, as a rule, tolerably well educated, it was not difficult to make them understand the advantages which co-operation affords them. We have started distributive societies, and in nine months, with a capital of only 1,500 francs, we have done business to the amount of 62,000 francs. In disposing of our goods we have by slow degrees, but steadily, entered into closer relations with the rural population. We have sold to them fertilisers, seeds and other agricultural articles. They asked that we should in exchange take their agricultural produce. But that was not altogether an easy matter. We have as yet neither corn mills nor butcher's shops. However, co-operative societies in industrial centres might help us a good deal in this respect. We have lately decided to take corn and potatoes, which are in the district produced in great quantities, from our agricultural friends for re-sale. If we do not manage to sell these things they rot and spoil. However, we manage to retail the potatoes, to our members' profit. We are also now purchasing perfected machinery and implements. By this means we hope to arrive at a point when we shall have both mills and meat shops, and shall therefore be able to dispose of all the staple agricultural produce of the district. However, if this is to be accomplished there will have to be co-operation also among the agricultural cultivators, to reduce the cost of production. That is what has been done at Jolimont, and by such means in that locality something has been brought about which very nearly resembles agricultural communism. (Loud cheers).

The CHAIRMAN: In justice I am bound to call on Mr. Winfrey to say a few words in reply.

MR. WINFREY: I must say, from the discussion I have heard this morning, that I am more than ever led to the conclusion that it is wise for municipal and co-operative societies to be purchasers of land to lease and let out to those who want to cultivate it. Under the Small Holdings Act of 1892, any small holder can rent it to become the owner by going to the County Council, who are obliged by that Act of Parliament to lend four-fifths of the purchase money upon that holding, that is in case the man wants to become the owner. That Act has been in existence ten years, and, so far as I know, it has not been put into operation. Mrs. Diggs really touched a corner of the subject, and that is to try more and more to compel local authorities to act for us, to do their duty in this matter. In Holland, in Lincolnshire, the County Council were got to get three farms. The tenants will recoup the County Council at the end of fifty years with the profits out of the rents. You would have thought after that that they would have continued to purchase in the open market. Nothing of the sort. The devil a bit can you move them. (Laughter). I believe in the system of County and District Councils getting hold of land and then leasing it to tenants. But I want co-operative societies to work side by side with the municipal authorities. I say: "Here, come and invest some of your savings." There is splendid land in South Lincolnshire. Co-operative societies could get the land, and lease it, and get 4 per cent. on the money. What more do co-operative societies want than that? And you who live in towns could have a little excursion into the country and see what your tenants are doing. (Laughter).

SIR R. EDGCUMBE replied to the discussion. He said: I entirely agree with the American lady delegate that we ought to move the local authorities, but the difficulty is to move them (hear, hear), and I fear, in some instances, this will take a very long time. I believe, as Mr. Winfrey has said, that the land should be divided into estates, and am of opinion that it can be made a financial success. There are no better co-operators in the world than the small holders. If they cannot make a success of the holdings in themselves, they can act together, and the only way they can do this is to co-operate as you understand the word. I was struck with the remark of one speaker, and that is with reference to the dullness of parish life, which drives people into the towns. I am afraid, were I an agricultural labourer, earning, perhaps, 14s. or 15s. a week, and not allowed any privileges, that such a life would be dull to me. But country life will not be dull if you will help to make it otherwise. Let the labourer

enjoy a few privileges, and he will be all the happier, and there will be less chances of him going to the town.

M. LEVÉQUE (Brussels): I propose the omission of certain words in the resolution.

The CHAIRMAN: The matter has been privately discussed on the platform. Some members object to the words in the motion "more especially in the joint purchase of land for sub-division and re-sale among small cultivators, so as to secure comparatively early repayment of the money employed." In order that there may be unanimity, the mover and seconder agree to the suppression of those words. The resolution will accordingly read as follows:—

"That this Congress, having heard and considered various reports laid before it upon the methods in use in various countries for settling small cultivators on the land, is of opinion that co-operation affords a very useful method for attaining the said object, and urges upon co-operative societies having substantial funds at their disposal the employment of such funds in such or some similar way towards the end indicated."

Before putting that to the vote I wish to mention, since reference has been made to the "dulness" of village life, that my friend, M. Garibotti, is trying to remedy that in Italy by co-operation with every prospect of success. I am sorry that he is not here to explain his proceeding himself. But I hope that we shall have a paper from him dealing with the point to embody in our report. M. Garibotti has adopted in Italy the Belgian system of *Maisons du Peuple*, and is now applying it in the country districts. The *Case del Popolo* are to be co-operative societies supplying practically every want—retailing goods, purchasing produce, renting land in common to re-let at wholesale rents to small cultivators; and they will set up in every parish a "People's House," a centre of local life, in which members are to meet daily, gossip, talk, transact business, consult a library, hear lectures, have entertainments, and, of course, discuss politics. That, I think, will bring life into the villages.

I put the resolution to the vote.

It is carried unanimously. (Prolonged cheering).

That closed the business of the day.

The Congress adjourned at one o'clock.



PROFESSOR CHARLES GIDE.
Member of the Central Committee.



G. J. D. C. GOEDHART.
Member of the Central Committee.



FRANK HARDERN.
Member of the Central Committee.



S. HÖGSBRO.
Member of the Central Committee.

FRIDAY, JULY 25th.

FOURTH AND CONCLUDING CONGRESS MEETING.

Held in the large Assembly Hall of the Manchester and Salford Co-operative Society, Downing Street, at 9-30 a.m. Mr. Henry W. Wolff in the Chair.

The CHAIRMAN: Before we proceed to business I wish to call the attention of those present to the Co-operative Library which we have begun to form, as belonging to the International Co-operative Alliance. Many of our members appear to be ignorant of the fact that there is such a Library. We are anxious to collect books and printed matter of all sorts bearing upon co-operation, and I beg those who have such to give away to be good enough to think of us.

I now call upon Professor Fowler to make a communication, which, I think, will interest you all.

PROFESSOR FOWLER: The co-operative movement in the United States is practically only just beginning. Attempts have been made in the past to introduce co-operation into America, but these have generally failed through defective organisation and many of the societies getting into the hands of a few men. I will not attempt to deal with the whole of the United States, but proceed immediately to California, because, on the Pacific Coast, we have the largest organisation that there is in America. It is called the Rochdale Co-operative Organisation. The Rochdale co-operative movement in California grew out of a convention of the Pacific Coast Co-operative Union, which was held in November, 1899. A few hopeful spirits, inspired with the ideas of the Rochdale Pioneers, and observing the growth and strength and advantage of the co-operative movement, which has grown from humble efforts, called the friends of co-operation to assemble in convention, for the purpose of considering the feasibility of launching the movement in California. Articles of incorporation were drawn up, and the Rochdale Wholesale Company opened its doors for business on January 1st, 1900, in the city of San Francisco. We have thus been organised a little over two-and-a-half years. We opened our Wholesale before we had any retail trade, though the organisation of retail stores was at once commenced, and these have steadily progressed, until now there are about sixty of them. These stores are independent organisations, though all have equal ownership, equal vote, and equal share in the Wholesale Society. They have, further, almost uniform by-laws, and are, therefore, working

on the same plan. They are called "Rochdale" stores, as, *e.g.*, the "Oakland Rochdale Company." The membership fee, or share, is 100 dollars, of which ten dollars must be paid at joining. The balance is paid at the member's option, or as per agreement. A share in the Wholesale Society is 1,000 dollars, of which 100 dollars must be paid on entering the Society. Profits in the Wholesale or retail stores are divided—first, on the amount of share paid up, and, second, on volume of purchases. The Wholesale has steadily added to its volume of business, making it necessary to remove into more spacious quarters. The retail stores have developed quite uniformly, and grown stronger month by month. Trade and confidence in the stores have increased, and given a renewal of faith in the success of the movement. I think California a very hopeful field for co-operative effort, owing to the character of her horticultural and viticultural productions, and her distance from the markets where her products are largely consumed. To protect her growers, and to give them reasonable remuneration for their toil, it has been found necessary to bring the growers of the various products together co-operatively. Thus we have the "Raisin Growers' Association," the "Southern California Trust Exchange," the "California Cured Fruit Association," the "California Fresh Fruit Exchange," the "Olive Growers' Association," the "Grain Growers' Association," and several minor associations. Some of these have distributed large sums of money to the growers, as the "Southern California Fruit Exchange," which has distributed over thirty millions of dollars in the last six or seven years, and the "Raisin Growers' Association," which has paid its members about 12,000,000 dollars. These associations are co-operative organisations, but are not organised closely enough to make them as powerful as they should be singly; nor can they be federated under their present form of association. It is the hope of the Pacific Coast Co-operative Union to aid these associations to re-organise under the general plan of the Rochdale companies. We have a journal called the "Co-operative Journal," published at Auckland, California, which is the organ of the co-operative movement, especially of the Rochdale form. The "Rochdalers" of California are justly proud of the progress they have made in the short period of their existence, and look hopefully forward to the development of co-operative ideas, and the federation of associations, until Rochdale co-operation shall become a power for the good of all through the length and breadth of the Golden State, as it is in the United Kingdom. What is now wanted is not

only the development of which I have spoken, but also that we shall get into close touch with our fellow co-operators in other countries, and especially with the English Wholesale Society. You will gather from what I have said that the co-operative movement is making some progress in the United States. I hope that next Congress, or the one following, we shall be able to report greater progress. In many parts of America the people are ready to take hold of the co-operative effort, and push it to a successful issue, just as you have done in your country. (Loud cheering).

The CHAIRMAN: I thank Professor Fowler on your behalf for his very interesting communication. (Cheers). The next business is the election of new members of the Central Committee. The following gentlemen retire by rotation:—Messrs. Wolff, Greening, McInnes, Plummer, d'Andrimont, Blem, Buisson, Rostand, Dr. Crüger, Dr. Havenstein, Peereboom-Voller, L. Reece, N. O. Nelson, Professor Schär, Piernas y Hurtado, Avramovitch, Comm. Cavaliere, Comm. Ponti. There is also a vacancy occasioned by the retirement of M. Boutcoulescu, of Roumania; and M. Piernas y Hurtado, of Spain, desires not to be re-elected. The Committee propose to you the following names:—Messrs. Wolff, Greening and McInnes (Great Britain), MM. Rostand and Barré (France), Dr. Crüger, Dr. Havenstein and Herr H. Kauffmann (Germany), Mr. G. J. D. C. Goedhart (Netherlands), M. J. Salas Anton (Spain), MM. L. Ponti and A. Maffi (Italy), Count Károlyi (Hungary), M. L. d'Andrimont (Belgium), M. Blem (Denmark), Dr. L. Reece (West Indies), Mr. N. O. Nelson (United States), Professor Schär (Switzerland).

M. BERTRAND (Belgium): I should like to point out that the three Belgian candidates given in the proposed constitution of the Central Committee for the ensuing year do not represent any of the societies which have sent delegates to this Congress, but some banks, one of which is bankrupt. They do not represent the great co-operative movement of Belgium, and I, therefore, submit the name of M. Serwy, Secretary of the Belgian Co-operative Wholesale Society.

The CHAIRMAN: We should only be too delighted to have the assistance of M. Serwy; but I think it will be a serious matter not to re-elect M. d'Andrimont, who has supported us from the beginning of the Alliance. There are three representatives from Belgium on the Committee, and the rule is that half of each country's representatives retire at

each Congress. This, of course, is not possible with Belgium, and, therefore, two retired last year and one this.

MR. MAY (Rochester): I should like to know, in view of the resolution *re* the constitution of the Alliance, how we stand with regard to the Committee as a whole under the new rule.

The CHAIRMAN: I have previously stated that it will probably take some time to get over the change. After this Congress the Central Committee will doubtless give the matter their attention.

MR. MAY: I think a far better plan will be to waive the election until the Committee have considered the whole matter, and decided which countries shall have individual representation.

The CHAIRMAN: That is absolutely impossible. We must have the Committee constituted before we can ask it to consider the matter.

MR. LORD (Co-operative Wholesale Society): I suggest that each country be allowed to elect its own representatives.

MR. JOHNSTON: Are the new rules in force now? If they are, the election should be in accordance with them.

The CHAIRMAN: No, the new rules do not come into force until after the close of this Congress.

M. GUILLEMIN (Paris): I consider that the retiring French delegate should not be re-elected, and my reason for this is similar to that advanced by the Belgian delegate. The Co-operative Labour Exchange and the societies in the North-West of France, which are represented at this Congress by two delegates, are large organisations founded exclusively by working men, with no middle-class element in them at all. I want to propose Mons. Héliès, of the Association Coopérative Bellevilloise, a society near Paris, with six thousand members.

MR. MCNAB (Scotland): It is not a democratic practice for a list of eighteen names to be submitted, and then for the Committee to say that that is the proposed constitution of the Central Committee for the ensuing year. Let the names be proposed from this Congress. I want to see Scotland represented on that body, and submit the name of a man who is well known and respected by British and foreign co-operators. I mean the name of Mr. William Maxwell. (Hear, hear).

M. GIDE (Paris): M. de Boyve and myself have been nominated for seats on the Committee. Personally, I agree with what has been said, and think, if the rules sanction it, all organisations should be represented on the Committee.

For myself, I will welcome the presence of representatives of socialists and labour exchange co-operative societies on the Committee, as well as those holding other and different opinions.

The CHAIRMAN: The Rules provide for a Central Committee of thirty-seven, and the number cannot be increased unless the Rules are first altered. Therefore, if a representative of a new association is to be elected, it will mean the restriction of the representation of some other organisation.

MR. GRAY: I have seen the growth of many promising movements checked by the use of red tape, and I think we stand in some danger of it this morning. The Central Committee have not done more than what is right, and it is only after patient inquiries that they submit for your approval the proposed constitution of the Committee for the ensuing year. The Rules provide that the Committee be composed of thirty-seven members, and that one-half of the representatives of each country retire at each Congress. The representatives of Great Britain are:—Messrs. Wolff, Greenwood, Hardern, McInnes, Greening, and myself. Three of these six—Messrs. Wolff, Greening and McInnes—retire at this Congress, and the others at the next. And it is the same in the other countries. We have brought the names forward to facilitate the progress of Congress. You can nominate other candidates, and I suggest that the countries be taken separately.

MR. GREENING: I desire to make a personal explanation, which will enable Congress to carry out its wishes in perfect freedom. Three representatives of Great Britain retire this year, as Mr. Gray has already stated; they are Mr. Wolff (our Chairman), Mr. McInnes (Lincoln) and myself. Mr. Wolff is absolutely indispensable. He knows three Continental languages, and all the people connected with the Alliance, and cannot very well, without injury to the Alliance, be dispensed with. Mr. McInnes has a unique position in co-operative affairs in Great Britain; and I would prefer that you allow me to retire in favour of Mr. Maxwell.

MR. GREENWOOD: I shall be pleased to retire in order to make room for Mr. Maxwell.

M. DE WEYDLICH (Russia): I think it will be better to adjourn the election to the end of the Congress.

The CHAIRMAN: That would not do at all. We will take the countries separately.

MR. CROOKS (Blaydon): I move the re-election of Mr. Wolff.

MR. MCNAB: I propose Mr. Maxwell for Great Britain.

MR. BASTARD : I move the re-election of Mr. McInnes.

MR. MAY : We don't want to nominate and vote for the candidates one by one. Let us have all the nominations first.

MR. VIVIAN : Two candidates have been nominated by this Congress. You should invite other nominations. We don't want to take as nominations the fact that the Central Committee have suggested all these gentlemen.

The CHAIRMAN : It was our duty to propose candidates. However, every delegate is entitled to send in a nomination.

MR. POLLITT (Eccles) : The matter is quite simple. The countries will be taken separately. If one candidate resigns, he drops out. Should Mr. Greening refuse to stand, he cannot go to the vote, in which case there will be no need for Mr. Greenwood—whose term of office has not yet expired—to retire in favour of Mr. Maxwell.

The CHAIRMAN : Mr. Greenwood is willing to retire to make room for Mr. Maxwell. I put it to you whether that will not meet your view. Mr. Greenwood is at perfect liberty to retire.

MR. GREENING : I again say I do not care to stand, for I do not want to oppose Mr. Maxwell.

Messrs. Wolff, McInnes and Maxwell were then elected.

The CHAIRMAN : France is the next country. The Central Committee suggest the re-election of M. Rostand, and the election of M. R. Barré in the place of M. Buisson, who retires by rotation.

M. GUILLEMIN : I propose M. Héliès.

The CHAIRMAN : I will put the names to the vote in alphabetical order. M. Barré (105 votes); M. Héliès (101 votes); M. Rostand (12 votes). Messieurs Barré and Héliès are elected, and will, with Messieurs de Rocquigny, de Boyve, Gide and Ladousse, represent France on the Committee.

The CHAIRMAN : The next country is Germany.

MR. GRAY : I move the election of Dr. Crüger, Dr. Havenstein and Herr Kauffmann. (This was agreed to).

The CHAIRMAN : The Netherlands. You will see that the Committee propose the election of M. G. J. D. C. Goedhart, in place of M. Peereboom-Voller, who retires. (Agreed to).

The CHAIRMAN : Spain.

MR. GRAY : I move the election of M. J. Salas Anton for Spain, in room of M. Piernas y Hurtado, who resigns. I may say there are three delegates from Spain present, the most active of whom is M. Salas Anton. (Agreed to).

The CHAIRMAN : Italy. The proposed candidates are

M. Ponti, the retiring member, and M. A. Maffi, the Secretary of the Italian *Lega Nazionale*, which corresponds in a manner to our Co-operative Union. (Agreed to).

MR. GRAY : Hungary is the next country. Up to now we have had no representative from Hungary on the Committee, and I propose that one be elected by this Congress. An interesting communication from Count Károlyi will be read later on, and I move, on behalf of the Central Committee, that he be elected to represent Hungary. I may say that Count Károlyi is the President of the Agricultural Co-operative Union of Hungary.

MR. MAY : May I ask if this is an addition to the number of the Central Committee?

MR. GRAY : Count Károlyi, if elected, will take the place of an Australian representative, whom we do not recommend for re-election, as no work has been done in that country.

The election of Count Károlyi was agreed to.

The CHAIRMAN : Servia. The Central Committee recommend the re-election of M. Avramovitch. (Agreed to).

MR. GRAY : The Central Committee have a new proposal to make with reference to Denmark and the West Indies, each of which has one representative on the Committee. It is thought, however, that Denmark is not sufficiently represented—a fact which makes the co-operative cause in that country weaker than it should be. Denmark is one of the best organised countries in connection with the Alliance, and it is suggested that M. Högsbro be elected, and M. Blem re-elected, for Denmark, and, for the time being, we leave out the representative of the West Indies.

The CHAIRMAN : Dr. Keece has done good work in the West Indies, but I recognise that it is desirable that Denmark should have two representatives on the Committee. (The election, as proposed, was agreed to).

The CHAIRMAN : Switzerland. The Central Committee's recommendation for Switzerland is the re-election of Prof. Schär. Dr. H. Müller is also on the Committee for this country, his term of office not expiring at this Congress. (Professor Schär was elected).

The CHAIRMAN : The United States. The Central Committee recommend the re-election of Mr. Nelson.

MR. FOWLER : I have been sent here to nominate Mr. N. O. Nelson for re-election for America.

MRS. DIGGS seconded.

This was agreed to.

The CHAIRMAN : We now come to the last on the list—Belgium. The Central Committee recommend M. d'Andri-

mont for re-election, while Messieurs Micha and de Quéker remain on the Committee.

M. BERTRAND: M. de Quéker is in my opinion not a suitable person to represent my country. His connection with co-operation is that he is an officer of the People's Bank of Brussels, which is actually in liquidation.

The CHAIRMAN: We have no knowledge of that. M. de Quéker was properly elected last Congress.—I am just advised that M. de Quéker has not complied with the Rules of the Alliance, and that neither he nor his society is on the list of members. Therefore, we cannot regard him as legitimately a member of the Alliance, and not being a member of the Alliance, he cannot be a member of its Committee. There is, therefore, actually a vacancy, and the Belgian members are free to propose a gentleman of their choice.

The BELGIAN MEMBERS: M. V. Serwy.

The CHAIRMAN: Very well. I put the names of M. d'Andrimont and M. Serwy to the vote. (Both are elected).

The following is a full list of the members of the Central Committee for the ensuing year:—Messrs. Wolff, McInnes, Maxwell, Gray, Greenwood and Hardern (Great Britain); MM. Count de Rocquigny, de Boyve, Charles Gide, Ladousse, Barré, and Héliès (France); Dr. Crüger, Dr. Havenstein, Dr. Häntschke, and H. Kauffmann (Germany); M. G. J. D. C. Goedhart and Dr. A. E. Elias (Holland); M. J. Salas Anton (Spain); MM. L. Ponti, Luzzatti, Guasti, and A. Maffi (Italy); Count Károlyi (Hungary); M. Avramovitch (Serbia); MM. D'Andrimont, Micha, Serwy (Belgium); MM. P. Blem and Högsbro (Denmark); Messrs. N. O. Nelson and J. Rhodes (United States); Prof. Schär and Dr. H. Müller (Switzerland); M. Karl Wrabetz (Austria); Col. Gérébiatieff (Russia); M. G. H. von Koch (Sweden).

The CHAIRMAN: I have now a communication to submit to you from Mr. Hodgson Pratt, Chairman of the last Peace Congress, held at Monaco last April. The communication is to this effect:—

At the Eleventh Peace Congress, held at Monaco, from the 2nd to the 6th April, 1902, the following Resolutions were adopted:—

" 1. The Congress considers that it is very desirable that steps should be taken to ensure the active co-operation of the working classes in the Peace movement; because, first, these classes are very interested in the success of the Peace work; second, an alliance between the working men's organisations and the groups for the Peace propaganda would reinforce the latter considerably.

" 2. The Congress, consequently, recommends the Peace Societies in all countries to enter into communication with the Workmen's, Industrial, Political, Co-operative and Socialist Societies to discover up to what point, and in what manner, official relations might be created with them.

" 3. In the same current of ideas, the Congress desires the International Peace Bureau to put itself into communication with the working men's associations in the different countries, such as the Co-operative Union and the General Federation of the Trade Unions of Great Britain, to discover up to what point it would be possible to form official relations between them and the Bureau. A report on this subject would be submitted by the Bureau to the next Congress.

" 4. The Congress considers further that whenever a Congress of the Peace Societies is convoked in any town, the local Organising Committee should examine whether it were not practicable to invite each of the principal workmen's unions or federations of societies instituted in that town to be represented at the Congress to take part in its deliberations.

" 5. The Congress also expresses the desire that copies of the present Resolutions be sent by the International Peace Bureau to all the Peace Societies, with the request to inform it of their view of the matter, in order that the Commission of the Bureau may take note thereof, and prepare such common action as it shall think suitable to recommend."

A Resolution will be moved with regard to this matter.

PROFESSOR CHARLES GIDE moved the following Resolution :—

" That this Congress notes with satisfaction the Resolutions passed by the Peace Congress recommending the International Peace Bureau to act in concert with Co-operative Societies, and on the part of the International Co-operative Alliance declares its readiness to enter into relations, as desired, with the International Peace Bureau, and to co-operate with it for the establishment of universal peace."

Those among you who were present at Paris in 1900 are aware that on that occasion we received a communication from the Chairman of the International Society for the Establishment of Peace, appealing to co-operative organisations in all the world to support the League in its labours for the abolition of warfare. We have to-day a similar communication to deal with. The Paris Congress passed a resolution recommending its Bureau to enter into relations with the Committee of the International Peace Society for the purpose of furthering its objects. We are invited to-day

to give our support to the same cause, and to place ourselves at the disposal of the International Peace Society for purposes of co-operating with it, with the humane object of bringing about universal peace and putting a stop to wars. I hold that it is needless to make a speech in support of this proposition. (Cheers).

DR. SLOTEMAKER (Netherlands): I beg to second this resolution in the name of my country, the Netherlands. We, who are assembled here, can have no other thought but that of the abolition of war. We, who are co-operators, have only one war to wage, and that is the war with capitalism. (Hear, hear). Once capitalism is abolished, wars must cease. Belonging as I do, to a race which has fought manfully and persistently to defend its freedom, I hold out my hand loyally to British co-operators. For they of themselves, had they only been sufficiently numerous, might have averted this horrible war. I ask you, then, to support enthusiastically the resolution which has been submitted, adding on my part that the surest way of bringing about peace is to abolish capitalism. (Hear, hear).

M. E. DE BOYVE: I do not wish to prolong the discussion, nor do I desire to make a speech. I simply want to read you a statement which has been sent to me for the purpose from the *Familistère de Guise*. It says: "Considering that International Co-operation has for its necessary foundation the security of international relations on earth and sea, the free exchange of products, the health of workmen in their workshops, cheapness of raw material, abundance of capital, and free consumption of goods, which are inconsistent with the general impoverishment which results from the perpetual increase of charges for military service, and also many other conditions closely linked to the maintenance of peace among nations; moreover, that such peace, if it is to produce good results, must be permanent and stable, and independent of all political dangers and of all schemes suggested by covetousness or ambition, and that, in consequence, it must necessarily be built up upon the solid rock of human relations which represent law, and be effectually safeguarded by juridical institutions (Boards of Conciliation and Mediation, permanent Arbitration Boards and the like) as being alone calculated to decide international conflicts by the standard of Right, the Congress of the International Co-operative Alliance, held at Manchester on 21st to 25th July, 1902, places on record its sympathy with the propaganda undertaken in all civilised countries by societies championing Peace and Arbitration, adheres fully to all

measures taken which tend to the juridical organisation of peace among nations, and more particularly to the permanent Arbitration Court at the Hague, and resolves that a copy of this resolution be sent to M. Élie Ducommun, General Secretary of the Bureau International de la Paix, having its seat at Berne.”

This resolution really expresses very much the same thoughts that are embodied in the one before you, and thus requires no commentary. (Loud cheers).

The CHAIRMAN: I will put the resolution, which has been moved and seconded, to the vote. I declare it carried unanimously. (Prolonged cheering).

The CHAIRMAN: There is another communication which I have to submit to the Congress. It comes from Mr. Thomas Barclay, late Chairman of the British Chamber of Commerce at Paris, and has reference to that gentleman's proposal that there should be a permanent Treaty of Arbitration concluded between the United Kingdom and France. The proposal really speaks for itself. But I want to add that it has met with the approval of, I believe, literally every Chamber of Commerce in England and all the principal Chambers of Commerce in France, besides many other representative bodies and distinguished persons such as Sir F. Pollock, Professor Westlake, Mr. Montagu Crackanorpe, K.C., Mr. Broadhurst, M.P., Lord Charles Beresford and Professor Lavisse.

I will read you a resolution passed with regard to this proposal by the Manchester and Salford Trades and Labour Council, which is to the following effect:—

“The disastrous war in South Africa being now concluded, this Council is of opinion that the time is most opportune for the formation of a Treaty of Arbitration between Great Britain and France, and earnestly urges the Government to take steps to establish by such means a permanent peace between the two nations referred to, and other nations where negotiations and ordinary methods of diplomacy have failed.” (Loud cheers).

The CHAIRMAN: I call upon Mr. Bland, Vice-President of the English Co-operative Wholesale Society, to move a resolution.

MR. T. BLAND (Vice-Chairman of the Co-operative Wholesale Society): I have been requested to move the following resolution:—“That this Congress, composed of delegates from a large number of countries, being advised of the proposal made by Mr. Thomas Barclay (late Chairman of the British Chamber of Commerce of Paris), in favour of a

permanent Arbitration Treaty between the United Kingdom and France, and being of opinion that the conclusion of such Treaty would constitute an inestimable benefit not only for the two countries concerned, but for the whole world, and would serve as a telling example, endorses most heartily the proposition made, and expresses the wish that it may be carried into effect at as early a date as is at all possible." I have great pleasure in moving that resolution. I am old enough to remember very vividly the disastrous Russian war; and I can see in my mind's eye to-day many of the men in the streets with arms off and legs off. I followed that war perhaps more keenly than the last disastrous one, and the impression it left on my mind is that there never was a war but what could have been avoided, if only people had reasoned previously on both sides. (Applause). When we have done our fighting, the vanquished has to come to terms even then. While I don't say that I should carry out the principle of turning the other cheek to be smitten, yet I pass amongst my friends as a peace man.

The CHAIRMAN: I beg to introduce to you M. Romanet as seconder. He has a notable record as a co-operator. He represents the Co-operative Society of Lithographers of Paris. This Society has twice been on the verge of bankruptcy, once for a very heavy amount. The members might have dissolved and started afresh without liabilities, but they preferred to pay off the money, and they did, every shilling of it, with full interest. It was a work of years, but they did it so as to face the world with a clear conscience. (Cheers).

M. ROMANET (Paris) seconded the resolution very briefly. He said he was not an orator, or, indeed, a speaker of the most humble pretensions. But he very heartily endorsed the resolution moved.

DR. LAGERSTEDT (of Sweden, speaking in English): I come from one of the small countries, one of the smallest of the co-operative countries. It is a great pleasure to me to support this resolution. Arbitration will give us the peace that we all want, and which will be the foundation of the coming new commonwealth; and it is the desire of all of us to bring it to a reality.

SEÑOR J. SALAS ANTON (Barcelona, of the Co-operative Union of Spain): I endorse the resolution with enthusiasm. If the Spanish people had been all co-operators, there would have been no war with the United States of America. (Cheers). Wars are always the fault of the Governments. The world cannot consider itself civilised until we reach that period of progress when war shall be impossible. (Cheers).

M. C. DE WEYDLICH (Russia): I have but one word to say. I share the opinions of the previous speakers. The progress of civilisation will mean the progress of co-operation between nations, and will further the cause of peace. (Applause).

MRS. DIGGS (United States): It seems to me a peculiarly opportune time for a delegate of the United States to rise immediately after a delegate from Spain and heartily express approval of the resolution. I stood upon the steps of our State capital when the news came of Dewey's victory, and my heart went out to the mothers of those Spanish boys who had been sent to the bottom of the sea. (Applause). I am just here to say that I approve of the gentleman who says there never was a war, that, if taken in time, might not have been avoided. After you have killed enough mothers' sons, broken enough women's hearts, and desolated enough homes, then, after all is over, you have got to go in and settle it with your God-given reason. Why not settle it before? Why all this barbarity of cutting, slashing, maiming human beings? Why are we foes, you and I, because we are of different nationalities—I, an American; my brother, because he is a Spaniard. Because I am an American and you are English, are we to be foes? It is against Nature; and Nature is universal; and "one touch of Nature makes the whole world kin." (Applause). We are to fight hunger and cold, misery and trouble. That is the fight for human beings. They are the natural enemies of mankind; and it is for the purpose of combating these that we co-operators are banded together, to fight to the death the enemies of humanity, and to raise our voice against war between two brothers of the great human family. (Applause).

The CHAIRMAN: I will now call upon M. Anseele (Chairman of the Federation of Socialist Co-operative Societies of Belgium). I may say that M. Anseele is a distinguished member of the Belgian Parliament, and is always to the front whenever questions concerning the interests of the workers are being dealt with.

M. ANSEELE: It will occasion no surprise to you to hear me say that the Co-operative Socialist movement in Belgium is a declared foe to war. We have, in fact, one motto, and one motto only, and that is: All for one and one for all. We are of opinion that war should be banished from Society. We believe that the exploitation of man by man cannot possibly serve as a stable foundation for Society. Society can be built up only upon an understanding among the

intellectual and material forces of humanity, such as alone is able to bring about prosperity and wealth. (Cheers). Co-operation of this kind alone, among all the intellectual and material forces, can provide securely work for all and assure to working men their own subsistence and that of their wives and children. As a delegate coming from a small neutral country, which stands in need of peace, in order that it may not be eaten up by the larger countries, I have to tell you that we Belgians have the greatest possible interest in seeing arbitration take the place of war. Our independence has been guaranteed by five nations. But that does not seem sufficient for our military party, who, in the Chamber and elsewhere, seek to make capital out of the fears entertained that no faith can be reposed in the validity of treaties. We are made, all the same, to arm, and add to our armaments, to the ruin of the best elements of the nation; in order that we may be able to defend ourselves in the time of danger. Our militarism *à outrance* absorbs the best resources of the country. These are the reasons why we representatives of the co-operative socialist party in Belgium cannot do otherwise than support heartily this resolution in favour of arbitration. (Prolonged cheering).

DR. SLOTEMAKER (Holland) also spoke, urging the joining together of all co-operative forces, which would prepare the way for universal arbitration.

M. ENDRÉ (Hungary) endorsed the views already expressed.

MR. E. O. GREENING: I have lived through two wars, the Crimean and the recent Boer war, and I have seen and felt the horrors of them. I took my part forty years ago, as Secretary of the Union Emancipation Society, in preventing the direst of all wars—that between the United States and this country. We saved our country from that dreadful possibility, and I hope we shall never see a war between any sections of the English race. (Hear, hear). This last war has put us back more than we, at this moment, can possibly tell. I hope better days are in store. I beg to support the resolution.

The CHAIRMAN: We have heard representatives from all the countries here represented with the exception of Switzerland and Germany, and I understand that the delegates from those two countries are not in the room at this moment. I will, therefore, put the resolution. (Enthusiastic acclamation, and all hands held up). It is carried unanimously. (Cheers).

The CHAIRMAN : I think it will be desirable to send the resolution, not only to Mr. Barclay, but also to the Foreign Secretaries of France and this country. I am told that the adoption of this course may have good results.

PROFESSOR FOWLER suggested that the resolution be sent to the Foreign Secretaries not only of the two countries mentioned by the Chairman, but to all the countries represented at the Congress, which was agreed to.

The CHAIRMAN next called upon M. de Boyve to read his paper on "The necessity of the International Co-operative Alliance as a means of drawing together those who desire the solution of social questions by peaceful means."

M. DE BOYVE : The International Co-operative Alliance has, since its first formation, undergone repeated changes. The cause of this evidently is that a plainly defined programme has not been laid down for it at the outset. The result is, that we see some fresh modifications of our rules proposed every year. And this is likely to continue until the ideal at which we aim is understood by all who belong to the Alliance.

It is important that it should be known that all our efforts tend towards bringing about an era of justice, of peace and of community of interests for all the world, and that to the accomplishment of this work we invite all co-operators, no matter to what party, what class, what country they belong. To enable us to carry through this work it is necessary that we should keep a lofty ideal ever before our eyes, lighting our path like a star which may be seen from all parts of the globe, and which we may look to for guidance, all of us, on the same day, in the same hour, at the same instant.

To bring before you clearly the thought of those who were the first to conceive the idea of an International Co-operative Alliance, I cannot do better than cite the words of the most honoured and most loved of them all—I mean our friend the late Vansittart Neale.

Before doing this, to avoid all misunderstanding as to the object of co-operation, allow me to set it forth in very few words. It is to transform, by degrees, and by peaceful means, the existing state of society into a state of society in which capital and intellectual and manual labour are all to be united, and in which the distribution of wealth will be regulated in the most equitable manner. In other words, the aim of co-operation is to replace the existing state of war by a state of peace, in which people will be united by a community of interests, and will help one another instead of tearing one another in pieces.

Has anyone the right to pronounce this aim Utopian, a vision of a state of things that can never be brought about? Any co-operator who should say this would, in any case, be a co-operator without faith and without ideal, and, consequently, unworthy of a place in our Alliance. Those who are likely to make the Alliance prosper are those who adopt the principles of the poor weavers of Rochdale, the principles which are also ours in the French Central Committee, in the co-operative "school of Nimes, and, I hope, among co-operators of other countries who have enrolled themselves in the Alliance.

The originators of the first attempt to form an International Co-operative Alliance were moved by the idea of opposing to the followers of the "Internationale," who preached class hatred—from which nothing but violence, ruin and murder could possibly issue—a new "Internationale" of a very different type, having for its object to preach the fusion of the best elements of all classes. By its means, thanks to the beneficent and moralising influences of co-operation, the ideal of justice dreamt of in 1844 at Rochdale may become realised. No doubt its attainment may for the moment still appear remote. But it will be brought nearer and nearer in the same degree that members of the Alliance become more united and strive to do their duty.

Now please listen to the first mention of the matter, made at the Congress of Plymouth in 1886, in the name of the Central Committee of the French Co-operative Union:—
 "It is high time that this alliance between French and English co-operators should be carried into effect, and that the co-operators of other countries should be invited to join it. I declare to you that what was useful two years since has become urgent, and there is not a minute to be lost. Do you not hear the cries of hatred breathed forth in all parts of the world against their employers by certain employees, sometimes, alas, excited by agitators whose only impulse is hatred, whose only aim is the destruction of all that exists, in the hope that something may spring out of the ruins. Then, on the other side, look at the often inconsiderate opposition of the employers. How many, after years of prosperity, on account of a few months crisis, close their workshops and abandon their workmen. Folly on one side, selfishness on the other. Can we behold with indifference our brother workmen carried away by the sway of passion, without telling them that the means they use are keeping them from the end they desire to reach, while pacific means

would lead them to it?"* And our appeal concluded with an invitation addressed to the co-operators of all countries to proclaim, each in his own home, the principles of co-operation, of arbitration in industrial conflicts, and to unite in one thought, viz., to hasten the advent of co-operative organisation in the whole world.

These ideas, no doubt, have only a moral value. But before attempting to deal with the material side of the question, is it not necessary to begin by giving it a soul, which may point out the ideal which ought to be aimed at?

In the preface to the Report of the Co-operative Congress of Plymouth, edited by E. V. Neale, your General Secretary expressed his approval of this proposal to form an International Co-operative Alliance, and "the hope that it will be adopted at the French Congress of Lyons and taken into consideration at the Congress of Carlisle."† In his preface to the Report of this latter Congress, held in 1887, Vansittart Neale wrote:—"This Congress might be called the Congress of the International Co-operative Alliance."‡ In agreement with Dr. Schneider, he proposed the publication of a newspaper written in four languages, English, French, German and Italian. He added that "this suggestion has already been made by Schulze-Delitzsch. . . . But apart from the creation of such an organ," so he continued, "which would require for its success a union of conditions, financial, intellectual and moral, difficult to attain, the International Union, if it gets beyond its initial stage, must, I think, bring about the enunciation of some common principles affirmed and generally accepted as the recognised creed—the profession of faith by which we distinguish ourselves from the mere upholders of our present institutions on the one hand, and, on the other, from those who would inaugurate their gospel of social progress by a clean sweep of all the actual results of the advance of mankind from the struggle of natural forces towards the concert of reasonable order, which constitutes what we call the progress of civilisation."§

In his preface to the Report of the Congress of Ipswich, held in 1889, Vansittart Neale once more expressed "the desire to see a general programme adopted, in which might be authoritatively opposed to schemes of state, socialism

* *The Eighteenth Annual Co-operative Congress, 1886, Plymouth.* Edited by E. V. Neale. Page 13.

† The same. Preface, page iii.

‡ *The Nineteenth Annual Co-operative Congress, 1887, Carlisle.* Edited by E. V. Neale. Preface, page iii.

§ The same. Page 5.

and anarchical revolution ; and form a basis of union among men of all political shades of opinion who believe that social reform, if it is to be a permanent blessing, must be the result of a gradual and peaceable evolution—the expression of a social order, nobler than the present order—the realisation of a sense of a moral obligation which combines with the liberty of contract, the foundation of our present order, the profounder sentiment of human solidarity.”* He expresses a hope that such basis might be formed at the then forthcoming Congress of Paris.

We now arrive at 1892. The Congress of the British Co-operative Union met in that year at Rochdale, the very cradle of co-operation. Charles Robert and myself on that occasion represented French co-operation. Our regretted apostle of profit-sharing observed in the course of his address to the Congress :—“ We are quite certain that we are in agreement with you in what we think when we say that the banner of International co-operation represents in the world, in the most complete manner possible, the great ideas of justice, peace and liberty.”†

Taking advantage of the presence of Charles Robert, the apostle of profit-sharing, Vansittart Neale invited Messrs. E. O. Greening, J. Greenwood, G. J. Holyoake, T. Hughes, Charles Robert and myself to a meeting held outside the Congress, at which he declared that by reason of the opposition of the English Co-operative Wholesale Society to all idea of profit-sharing, it might be well to form a new International Co-operative Alliance, appealing to all who favour the sharing of profits with workmen.

Such appeal, signed by Messrs. Vansittart Neale and Greening, was issued and addressed, not only to co-operative societies, but also to all persons known to be in sympathy with this system of division of profits, which, so the signatories stated, was bound to contribute, assuming that the distributive and productive co-operative societies would make common cause, to the disappearance of the excessive inequality of wealth in the shortest possible time.

Vansittart Neale, by reason of his influence and his possession of an independent fortune, would assuredly have made the programme of the Alliance to prevail. However, death overtook him, in that very year, and put a stop to his work.

* *The Twenty-first Annual Co-operative Congress, 1889, Ipswich.* Edited by E. V. Neale. Page 7.

† *The Twenty-fourth Annual Congress, 1892, Rochdale.* Edited by J. C. Gray. Pages 9 and 10.

Mr. Wolff, our respected chairman, attracted by the good results which this Alliance promised, looked first to the practical side of the question, and set about travelling about in France, in Germany, in Italy, with the object of establishing commercial relations among these several countries. The Alliance now entered upon a new path, which, no doubt, possessed considerable importance. But, once more, notwithstanding that Messrs. Holyoake, Greening and Charles Robert strongly insisted at the Congress of London upon retaining unchanged the Rochdale programme, it has no well defined object.

I therefore beg to propose that the Alliance should adopt a banner, and that on that banner should be inscribed in plain letters the objects aimed at, namely, as it is important to know :

(1) That we do not preach class hatred, but union, among men of good will, whatever may be their class, their religion, or their country, with the object of perfecting commercial and industrial organisation on co-operative lines, in accordance with the principles of the Rochdale pioneers, which are also those of our French Co-operative Union. This Alliance has its foundation in true brotherhood, which knows of no distinctions between classes.

(2) This Alliance does not aim at the disappearance of distinct nationalities, but at their moral and intellectual development, with the idea and the hope of instilling into all a horror of murderous and barbarous wars, in order that such may be replaced by peaceful struggles of nations vying with each other in harmony to carry the loftiest principles of co-operation into realisation.

M. GUILLEMIN (France): I am commissioned by the *Bourse coopérative socialiste des coopératives de France* to make on its behalf the following statement, in conjunction with my brother *rapporteurs*, the citizens A. Béguin and L. Héliers, the latter a delegate from *La Belle-villoise*. The *Bourse Coopérative*, as its name implies, is an institution which is outspokenly socialist and has proclaimed its programme frankly at several Congresses. It demands from the societies which join it that they should accept its principles of international socialism and make a contribution every year to a propagandist fund for the diffusion of its ideas. We make this declaration at the opening of our statement in order that we may be well understood, and that the import of what we have to say may be the more fully grasped. Our theories are merely the outcome from social

iniquities which exist. We are, therefore, thoroughly convinced of their having an influence upon economic evolution of the present epoch in general, and upon the co-operative movement in particular. But we are none the less aware that among the philosophers and innovators who have helped to develop the idea of co-operation, which we consider to be an excellent means of socialist propaganda, there are men of various classes. Yet, although Robert Owen and Fourier were undoubtedly of a different class from Saint Simon, we nevertheless group them under one and the same banner, that of universal solidarity. Whether they spring from gentle stock or from simple, once men help to bring about the happiness of mankind, we see in them only men endeavouring by such means as they have at their disposal to transform our society, which is so stepmotherly towards the feeble, into a better. And from the moment that such men try to improve the lot of one portion of mankind, they clearly establish the fact that that portion is suffering; the proof is conclusive; it makes it evident that there are men who exploit and there are others who are exploited. Thus two quite distinct classes of men are placed over against one another, and the existing condition of things tends to strain relations between the two more and more.

Therefore, quite evidently there is a struggle between classes. More than anyone else we deplore this condition of things, because it is we who suffer by it. More than anyone else we would have these rivalries between classes vanish, because we are their victims. The *Bourse Coopérative Socialiste* accordingly gladly recognises the necessity of having an International Co-operative Alliance, hoping that a little of the breath which animates it may be communicated to the members of the Congress, and that by such contact a more active desire, a new energy, a more manly enthusiasm may be infused into these people, and that after that they will communicate the same stimulating powers to those with whom they come into contact, who, as yet, apparently take no interest in social misery, to dealing with which co-operators themselves devote time, which assuredly might be worse employed. This is not the only reason why we recognise the necessity of the International Co-operative Alliance.

There is another point in our programme, the point which actually creates the separation between classes already referred to, and which infuriates the possessing classes, I mean the socialisation of the means of production or the transformation of private into collective property. By its active propaganda in favour of co-operation, the Alliance

helps to establish, over all points of the globe, co-operative organisations which, collecting into groups, become veritable centres of revolution in the province of commercial and industrial order, substituting the principle of "one for all and all for one" for that of "everyone for himself." Beyond this, thanks to such slow and methodical substitution, which tends to suppress the "agio," which is at the bottom of all great fortunes, also competition, which is the origin of the exploitation of man by man, the sophistication of articles, which is the cause of physical enfeeblement, and, finally, wage labour, which is the cause of moral enfeeblement, co-operative federations of the sort spoken of, which set up factories of their own and establish common farms, are the best schools for bringing home to people the claims of working men. By introducing the eight-hours day in workshops and instituting arbitration, old age pensions, sick insurance, etc., we create embryo specimens of the Society of the future, and we demonstrate in the present, the practicability of that, which, as yet, appears impossible to legislators. By means of these successive endeavours, which by slow degrees raise up powerful collective organisations out of small unions, a transformation is brought about in human ideas, and that which at one time appeared an unattainable Utopia becomes real and tangible, a model which all may accept. The demonstration is made from below. Working men make clear by a series of facts the logical justice of their demands. Nothing is left but to accept the established fact.

And what has brought all this about is simply the discovery that collective interests represent the interests of everyone, and, therefore, vice-versa, to labour for all means to ensure one's own happiness. There is no argument which will hold good against this reasoning. On the day upon which men become sure of having their subsistence for the morrow secured, and that they will be freed from material anxieties pertaining to their existence, progress will advance with giant strides, ushering in everywhere an era of happiness and felicity, from which suspicion, calumny, jealousy, envy, with all their following of vice and acts of cowardice, will be banished. By all these temporary attainments we exercise weight upon the decision of legislators, by our common understanding we influence public powers, with the idea well formed to conquer them in the end, and in doing this we do no more than follow the programme of Robert Owen, whom, we are satisfied, no one in this gathering will wish to repudiate.

It is for these reasons, as well as for those previously

stated, that the *Bourse Coopérative* recognises the necessity of the International Co-operative Alliance, in which people without fortune, men of all conditions, meet in friendly understanding to create one of those instruments which promise to level everything, one of those weapons which will help us to conquer "the new city," in which health will be fortune, wholesome, agreeable and strengthening labour pleasure, in which the faculties of every individual will combine in harmony to establish the well-being of all.

From all that has been said it follows that the co-operative movement is a proletarian movement. Then what is there more reasonable than that the national organisations of each country should combine to establish international relations? By merely accepting existing material facts, placing ourselves on the ground of an exchange of goods, we, in fact, put it on record that the Alliance has been well advised in appealing to 'productive societies' to exhibit their wares so as to facilitate sales and make their products known. We find that in 1901 in the Co-operative Union of Great Britain the purchases from abroad reached the figure of 73,458,350 francs. One might well wish that all the goods thus bought abroad may have come from co-operative workshops. That cannot be, because foreign co-operative production has not yet developed to such a point as to admit of this. However, since co-operative distribution has become powerful and flourishing, now is the time for the co-operative theory to be put to practical application! France alone, a country so much favoured in respect of situation and climate, that almost every kind of produce that is grown at all upon earth may be raised in it, could furnish much in the way of produce that is not to be got elsewhere. On your part, you might from your factories and workshops, in your ships, and, thanks to your commercial superiority, return us other articles.

All that exists, exists for a purpose. May the International Co-operative Alliance continue to serve as a connecting link among various countries! From such interchange of relations more correct notions of our several positions will spring up, which will, we are fully satisfied, assuage the rivalries of races, which can have no attraction for anyone except those who have an interest in the reign of exploitation of man by man, which, in fact, helps to maintain their prerogatives.

We know of nothing better to serve as a conclusion to our present communication than to give a picture of the situation of the working classes in our country.

Owing to a variety of circumstances our French peasantry desert the fields in order to settle in towns, which draw them into their organism as an octopus does its victims by its tentacles, where industry, oversatiated with labour, turns back workers, and where want of employment is rife to such an extent that unemployed working men can muster by thousands in monster meetings, and suicide and prostitution grow at such a rate as has never been known before. That does not prevent people from exhibiting in plenty, as if in mockery, allegorical figures representing rich harvests reaped of corn and grapes, and composing songs about "happy" agriculture and its green shoots and variegated hillsides. If one were to raise this attractive curtain at only one corner, what misery would one discover! How one would see that, although Nature is prolific and kind, the man who makes it produce its fruit, the peasant, is a miserable drudge bled almost to death by middlemen such as co-operation has set itself to extirpate! It is the same in the case of the town labourer. His lot is as miserable as that of his brother in the country. And all this because the world is content to feed a host of parasites that it should get rid of, in order that the towns-folk with their large wants might purchase directly from the rural producers, that the enormous commissions earned by middlemen might be shared between producers and consumers, or that all gain might be turned to account to benefit social enterprises, in which all would find their advantage. Systematised co-operation might inspire a tendency aiming at this point; it might ensure benefits arising from this cause. By such means a more active tendency would result towards the organisation of labour, the peasant now so refractory, so much outside the pale of higher civilisation, might be led to approach his brother of the towns, and by such common understanding all the powers now kept apart might be made to unite to form a solid barrier against the shameful exploitation practised by capitalism. True to its programme, the *Bourse Coopérative Socialiste* expresses the following wishes:—

(1) That co-operators of all countries be so organised as to create a real force of working men pointed against employers, and to insist that it must be above all things the labourer who shall fix his own wages in accordance with the principles ascertained and settled by his union.

(2) That distributive societies should purchase their goods from productive societies, on the condition that the latter be formed on wide and humanitarian principles, that they observe the foregoing condition in respect of being

organised in unions, and that a dividend be allowed to the distributive societies every year in proportion to their purchases, in order that the latter may in such way acquire shares which will entitle them to take part in the management, so that eventually supply may direct and regulate production, and over-production, which creates want of employment, may thereby be averted.

(3) That co-operative societies should every year pay out of their profits a share towards the work of social education.

We ask for nothing that is impossible; we believe that the Congress in adopting these wishes will do useful work, and will demonstrate the necessity, and, above all things, the utility, of the International Co-operative Alliance.

M. DE WEYDLICH (Russia): I share the opinion of those who discover in co-operation the only instrument for getting rid, by pacific means, of the struggle between Capital and Labour, for I am of opinion that every struggle eventually comes to an end, once those who have fought one another are brought to appreciate their several rights and perceive that after all there is a community of interests subsisting between them. Thus M. Paul Bureau, in his latest work upon the "Contract of Labour," shows the employers that their interests coincide with those of workmen, which prompt the latter to ask for collective in the place of individual bargaining. English employers, compelled to it by the Trade Unions, have generally accepted this principle, and do well under it. It is in this way that one ought to reconcile what now appear conflicting interests, and arrive by peaceable means at a solution of social difficulties. I shall try to do the same thing. Industry could not exist without the intellect which creates and guides it, without capital which provides buildings and machinery, and also working funds, and, in conclusion, without labour, which will, to the end of the world, remain what the Romans called it, namely, *nervus rerum*, the nerve of all activity and progress. We shall have to realise that everything which contributes to production has a title to remuneration proportioned to the goods produced. Intellect, labour and capital must join together for all production, and do so as a rule, because they all find it to be to their interest. Otherwise they would seek other employment. What is wanted is to equilibrate these three factors in such a manner that none of them may trench upon the other, and all may share equitably in the profits earned. That is the ideal which we have to strive for. Can we attain it? The answer will depend upon the surroundings in which we find ourselves. Wherever capital is scarce, and repre-

representatives of labour are not organised, it is almost impossible; whereas where capital is abundant and seeks for profitable employment, and representatives of labour, thanks to co-operation, have a solid organisation, and are, moreover, aware, what they may reasonably ask for and insist upon, the ideal of which I have spoken is almost already attained. I am a mathematician, and the solution which I have sought may, I think, be expressed by a mathematical formula. I call it the capitalisation of labour. I will explain the meaning of this term. //

Say that the salaries and wages paid to employees in a factory amount annually to 150,000 francs. We may look upon this figure as representing the interest on a capital which we shall find by capitalising interest at the current market rate of money, say 3 per cent., which would make it 5,000,000 francs. These five millions represent the labour of all employees capitalised. It is a capital not represented by specie, but none the less real and entitled to consideration on an equal footing with the capital which has gone into buildings and the working of the factory. We will suppose the latter to stand at three millions. So we shall have collectively $3 + 5 = 8$ millions employed in the concern. To pay interest on this three millions it would be necessary to take the proper amount by a first charge upon the profits accrued. That interest must be at the rate of what is paid on debentures, if there are any, or of what one would have to pay for an actual loan of money. That rate will differ according to the character of the peculiar industry, to the current price of money and the risk involved. What remains of the profits after this interest has been paid ought to be shared between capital and labour in the ratio of three to five, as has been shown. And the share which individual employees receive must be in proportion to their salaries or wages. Since every industry is subject to economic crises, and there are sure to be years in which there will be no supplementary profits, and probably not even enough to pay what is necessary, part of the surplus, when there is any, ought in common prudence to be laid up in a reserve fund. That reserve fund, of course, must be recognised as belonging in part to capital, in part to labour, that is, to each employee. The idea which I have expressed about the capitalisation of labour affords to my mind the only method of settling peaceably the differences existing between capital and labour. The share in the profits which the employees would receive would enable them to improve their standard of living. The employers would benefit. The risk attending

their business, would be reduced, because the employees, being interested in its success, would do their best to neutralise it. There would be peace and progress on all sides.

The CHAIRMAN: These speakers gave notice of their speeches several days ago. I did not think they would speak at quite such length. (Laughter). The question is the resolution submitted by M. de Boyve.

PROFESSOR GIDE: I have been asked to second the resolution. I do so with all the greater pleasure that I absolutely share all the ideas which have been set forth in it. M. de Boyve, I hear, in order to meet certain objections, consents to the excision of the words about class hatred, which makes the resolution read as follows:—

“That we preach union among all men, whatever may be their class, their religion, or their country, with the object of perfecting commercial and industrial organisation on co-operative lines, in accordance with the principle of the Rochdale Pioneers. This Alliance has its foundation in true brotherhood, which knows of no distinctions between classes.”

After that there ought to be no difference of opinion whatever, and we ought to be able to adopt it unanimously. (Hear, hear). /

The CHAIRMAN: I will put the resolution, as amended, to the vote.

It is carried unanimously.

MRS. DIGGS asked the Chairman to put the resolution which she had moved, condemning military drill in the schools of England and America.

The CHAIRMAN: It does not concern us as co-operators, and we haven't time. An Irish question has also been put to me, but that concerns politics; and politics are forbidden by our Rules.

I have to state that I have received an invitation addressed to the Alliance by Count Alexander Károlyi, of Budapest, asking us to hold our next Congress in that city. His letter is as follows:—

Rue Esterhazi, 21, Budapest,

July 15th, 1902.

Dear Sir,—Having had the pleasure of meeting you at the International Congress of Agricultural Syndicates in

1900, I beg, while bespeaking your kind remembrance of our meeting, to submit to you a suggestion which may possibly meet with your approval and the adoption of which might prove of very great advantage to the cause of co-operation in Hungary.

It is possible that it may appear agreeable to you and your brother co-operators now assembled at Manchester, to fix the next international gathering of co-operators at Budapest at such time as you may yourselves choose to appoint.

It is possible that people from your countries of the West, knowing the East of Europe very little, may find it of interest to spend a few days at Budapest, a city placed on the boundary between East and West, where many co-operators, who would desire to be present at your next International Congress, might easily satisfy themselves that in coming they would be carrying out a mission of propaganda, which would have the result of encouraging the co-operators of Hungary to struggle against the hindrances which accumulate on their path. Your presence would serve as a fresh proof showing that co-operation is becoming to a larger extent every day the form of organisation which supplies to feeble persons who would, without co-operation, if left to themselves, speedily perish, the force necessary for resistance and for maintaining themselves.

A struggle has already begun between small banks in this country and the co-operative credit associations of the Raiffeisen type. It threatens to become acute between distributive village societies and the dealers, who, side by side with their genuine commerce, practise that of usury. It is to be foreseen that strife will become even more keen still between dealers, on the one hand, and co-operators who wish to organise in order to provide themselves with granaries in which to store their produce, so as to be able to await the favourable moment for selling.

We should wish to form productive societies, not only among agriculturists, but above all things among artisans; we should wish to promote the formation of working men's associations to execute collectively earthworks and agricultural and industrial enterprises.

If, then, there should be people in your countries who would come here to speak of association and co-operation, and who, while discussing the various doctrines which interest them, might select one or two among them which would be likely to stimulate more particularly our people of

Hungary to fight with greater vigour, and not to allow themselves to be intimidated by those who have every interest to hinder the development of our cause, you would, I think, be serving the cause singularly well in uniting the efforts of Hungarian and Eastern co-operation with the efforts of those who in the West and South of Europe have long before us managed to carry so admirably to a good end the work of social salvage, which will, in my opinion, for a period, mark the particular form of progress peculiar to the future.

You see, by what I tell you, dear Mr. Wolff, that I attach much value to your coming, and that I, and, indeed, all of us who in our federation of agriculturists busying ourselves with co-operation, should be most happy to offer our hospitality for your next International Congress. We should make you welcome in receiving you in this city, and I have no doubt that part of the funds necessary for the expenses attaching to such a Congress as that of which we are speaking, would be quickly and easily collected.

All that I tell you about the advantages which the Congress of which I am speaking might have for us Hungarian co-operators, is to me a matter of no doubt whatever. It is certain. And it is not on that score at all that I feel any misgivings. I am not equally sure that a Congress meeting at Budapest would be after the mind of those who will have to decide where the next Congress is to take place.

I submit to you all that has been said above with the desire that you may do what may be most agreeable and most useful, begging you kindly to let me know what you have decided upon.

Believe me,

Yours very truly,

COUNT ALEXANDER KAROLYI.

Henry W. Wolff, Esq.,

Chairman of the International Co-operative Alliance.

No doubt as well as to the Hungarians we might do good also to their neighbours in adjoining countries. And I want to remind you that in the surrounding Slav countries there are very good co-operators.

M. ENDRE (Hungary): I am anxious, as a Hungarian, to support Count Károlyi's proposition. You could not do better than go to Budapest. I can assure you that you will have a cordial welcome. And please do not run away with

the impression that Budapest is out of the world. You can get there in 36 hours from Manchester; in less time from London, from Belgium and from France.

MR. VIVIAN (Labour Association): I suggest that the choice of the next meeting place be left to the Central Committee.

The CHAIRMAN: According to the Rules, if the Congress fails to decide where the next Congress is to be held, the decision rests with the Central Committee. Do you agree that the matter be left to the Central Committee? (Shouts of approval). Very well. That concludes the business so far as the order of the day is concerned.

MR. SCHLOSS (Labour Department of the Board of Trade): I think the resolution which I have to propose will meet with an absolutely unanimous reception. I propose that the best thanks of this Congress be given to the Reception Committee for the excellent arrangements they have made for the comfort and entertainment of the members of, and visitors to, the Congress; to the Co-operative Wholesale Society, to the Rochdale Equitable Pioneers' Society, to the Hebden Bridge Manufacturing Society, and to the Manchester and Salford Society for their hospitality.

DR. JOHN H. GRAY (United States Labour Bureau): I second the resolution, as a representative of a foreign country. (Laughter). There is no other country to whom Americans are bound by ties of greater gratitude than to England, especially to the people of Manchester, of Lancashire. No American can visit your community without remembering what you and yours did in the dark days of '62 and '64, when you had it in your power to decide for peace with slavery or starvation with freedom, and you preferred starvation. (Applause). We have enjoyed your hospitality, seen your magnificent shops, admired your balance sheets, and rejoiced in them. Two things have impressed me more than anything else, the housing problem and the sweating question. There are no two greater problems; and no two other problems that the co-operative movement is doing so much to solve. We have enjoyed seeing your shops, where you have goods well made, and you show the conditions under which people can and ought to work. The great co-operative movement, as someone said to me this morning, is a Standing Committee of the two Houses on the sweating system. In proportion as the movement spreads, so will this great question be solved.

The resolution was carried unanimously.

MR. J. C. GRAY : It gives me great pleasure, as one of the Hon. Secretaries of the Alliance, to move a hearty vote of thanks to Mr. Wolff for his services. (Hear, hear). Those who know Mr. Wolff in this connection know that in attending to his duties he stints neither time nor labour. He has given us freely of his time, energy, and ability, and also spent money freely in the cause of the Alliance. I would remind you that one of the highest honours which co-operators can pay to any man is to ask him to preside over a gathering such as the International Congress, where representatives of all nationalities meet with one common object—the object of humanity. We have gladly accorded this honour to Mr. Wolff. (Applause).

MR. HARDERN : It is a very pleasing duty indeed to me to second the vote of thanks.

MR. WOLFF, on rising to respond, had an enthusiastic reception. He said : I desire to return thanks for the honour you have conferred upon me this week. The Congress has been the most successful yet held, and will prove, in all probability, the most useful. When we remember the small gathering at the Crystal Palace in 1893, and think of the large attendance which we have had here, I consider there is something to be thankful for. A firm foundation has now been laid for the Alliance, and I hope and trust we shall march on, and that the Alliance will prove of great influence in the future. (Applause).

The Congress is closed.

FOURTH PART.



EXCURSIONS

AND

ENTERTAINMENTS.

Excursions and Entertainments.

A SERIES of excursions had been arranged in connection with the Congress, with a view of showing visitors some of the principal productive establishments within easy reach of Manchester, most of them belonging to the English Wholesale Society, and, therefore, calculated to give something of an insight into the working of that great institution.

On Tuesday, July 22nd, 153 members of the Congress visited the Soap Works at Irlam, on the Manchester and Liverpool Ship Canal, where they were received by Mr. J. E. Green, Manager of the Soap Works, and Mr. Fairclough, on behalf of the Directors, and shown over the premises.

The Co-operative Wholesale Society began manufacturing soap at Durham in 1875, believing that its extensive trade in this article would justify such step. Events have proved that they were right, for the business grew to such an extent that it became imperative to provide even larger accommodation.

The Directors of the C.W.S. then decided to avail themselves of the advantages of the Manchester Ship Canal by erecting a new soap factory on its banks, containing every modern invention necessary to turn out a high-class article. The site is admirably adapted for its purpose, being contiguous to both rail and canal. The canal serves its purpose of bringing direct shipment of raw materials very satisfactorily. The extent of the land held is about thirteen acres.

As one result of placing the works in close proximity to this great waterway, a considerable saving in carriage and dock and harbour dues is effected. A "lay-bye" has been built at a cost of £8,000, which is capable of accommodating two large steamers. The process of manufacture adopted is as follows :—

The tallow, after being melted out of the barrels by a jet of steam, is pumped to the top floor of the main building, called the pan-room. The pans, or receptacles in which the soap is boiled, are great iron tanks about 15 feet square, and contain 50 tons. They are heated by steam, and, from the first charge to the perfect soap occupies about fourteen days. After the completion of the boiling operation, the soap is pronounced "finished," and is allowed to descend by means of wooden shoots or troughs to the frame-room. This room derives its name from the moulds or "frames" into which the liquid soap is poured. They may be described as cast-

iron boxes with removable sides, capable of holding about 15 cwt. each. There are troughs running between each row of frames, and opposite each frame is a slide which, when raised, permits the soap to flow into the moulds. As the soap cools it solidifies, and then the sides of the frame are removed, disclosing a hard and firm block. This is then cut into bars, branded, and packed.

One special room is devoted to the preparation of toilet soap. This is made of the best pure soap, which is reduced to shreds or "ribbons" in a "milling" machine. Colouring matter and perfumes are added, and the soap is then compressed into bars and tablets.

The recovery of the glycerine from the residues, after the soap is run off, occupies a large department. The distilling and refining gives either "dynamite" glycerine or "chemically pure" glycerine at different stages.

Candles are also made in considerable quantities, principally of paraffin scale, a by-product in the purification of burning oils.

An interesting feature at Irlam is the making of the soap boxes, which is done by machinery in a most ingenious and expeditious manner.

On the same evening the Co-operative Wholesale Society gave an entertainment to members of the Congress at the Botanical Gardens. The Directors received their guests in the Palm Houses, where refreshments were served. Later in the evening, after strolling and conversation, to the strains of music, a gathering took place in the Entertainment Room under the presidency of Mr. Shillito, Chairman of the English Co-operative Wholesale Society. Various speeches were made in the intervals between vocal music by Count de Rocquigny, Dr. Hans Müller, Herr Högsbro and others.

On Wednesday, 23rd July, one party of excursionists visited the Broughton Factories, another the Crumpsall Biscuit and Confectionery Works, both proceeding subsequently to the Tobacco Factory in the Rochdale Road, Manchester.

The Broughton Factory represents a veritable colony of C.W.S. workshops. The first established was the Cabinet Factory, started in 1893. The principal goods made here are sideboards, bedroom suites, stands, and tables. Every effort is made to secure excellence of workmanship both in regard to appearance and durability. In addition to furniture, a considerable business is done in shop fittings, also in fixtures for libraries and offices.

One very interesting feature in the employment of labour at Broughton is the treatment of women— There are nearly 1,000 female workers employed in the various workshops in trades in which, outside, notoriously “sweating” is prevalent. From the first day the C.W.S. began to employ women and girls a steady and consistent policy has been adopted of making their wages and conditions of labour such as intelligent working men would desire for their own sisters and daughters. The unique position of the C.W.S. in being owned and controlled by working men with a first-hand knowledge of the employment of women derived in their own homes and families, has been the great secret of its success in dealing with this question. On the one hand it has not erred in extravagant and fantastic appearances of reform, while on the other hand it is safe to say that no serious grievance has missed attention; withal the fact that women were being dealt with has in many small ways led co-operators to wish to err if anywhere on the side of generosity.

The Crumpsall Works were actually the first productive venture of the Co-operative Wholesale Society. The present appearance is already a great contrast to the original buildings, but eventually the whole of the premises will be reconstructed. The visitors were first conducted to the room where the flour—obtained mainly from co-operative mills—is stored. As an indication of the great quantity consumed in the works it may be mentioned that sixty sacks are used weekly for the production of only one kind of biscuit—the Cream Cracker. There are over 250 various kinds of biscuits made here.

In the flour room there is a flour blender, into which sacks of flour are put, and in connection with which is sifting machinery. After the flour has been blended and sifted it is elevated into the room above, where it is conveyed to various hoppers, from the hoppers to the automatic scales, from the automatic scales to the mixing machines in the room below. Hence it will be seen that from the time the flour leaves the mill it is not touched by hand until it is in the dough ready to be made into biscuits.

On the first floor is the biscuit machinery. There are the mixers in one line, kneading brakes in another line, cutting machines in a third line, and the travelling ovens in the fourth line. The machinery and ovens are all of the very latest type; no machine is more than two years old. In this room also there is a combination rout press, for

making such biscuits as "Café," "Rose," "Shell," "Colonial," "Chatsworth," &c., &c. Here also will be found the dropping machine, where are made "Fairy Cakes," "Butter Drops," "Queen Drops," &c., &c. On this floor there is also a very complicated machine for making Ice Wafers.

The biscuits are put in at one end of the oven, and travel through from beginning to end, about fifty feet, emerging from the end of the ovens perfectly baked. The speed of these ovens ranges from four minutes to two hours. After the biscuits have cooled they are taken up by the hoist into the packing-room, where they are packed in tins and in packets by girls.

In the icing room, just below the biscuit packing-room, are the girls ornamenting biscuits and cakes. There is also a machine here, new, and worthy of notice, for "icing" biscuits.

In the Cake Factory there are twelve draw-plate ovens (three more are being added). Here are made all the hand-made biscuits and cakes of every kind— $\frac{1}{2}$ lb. cakes to slab cakes and wedding cakes.

In the Boiled Sweets Department are two vacuum pans and several steam pans, besides a few pans boiling over the fire. In this department every kind and colour of toffy is made.

Other works situated at Crumpsall are the Dry Sweets Department, Jelly Department, Lemon Cheese Department, and Drugs and Sundries, in which departments almost everything is packed that is sold in Drug and Sundries Stores.

The Tobacco Factory is situated in one of the most squalid parts of Manchester, called Angel Meadow. Here, with the aid of 440 workers, the C.W.S. helped the Chancellor of the Exchequer to get £197,000 last year from co-operators. Nearly £300,000 worth of tobacco was manufactured here last year. The Factory started in 1898, since when it has been greatly enlarged, and at the present time it is beginning to be hampered for want of space.

The visitors to the Factory were taken first to the leaf room, where the hogsheads and bales of raw material are opened out. The bulk of the stocks of various tobaccos are held, not here, but in bonded warehouses in Liverpool, Manchester, and London. Most of the American leaf is stored in Liverpool, the Asiatic in London. The treatment of the tobacco varies considerably, according as it is to become a cigar, smoking mixture, cigarettes, or plug, roll, or cake. For

cigars the leaf is used almost exactly as imported, the least possible amount of moisture being added to make it workable, as it would be too harsh and brittle otherwise. Smoking-mixtures and cigarette tobaccos are made up after being moistened and steamed. In all these the separate portions of leaf are quite easily recognisable. But the British working man likes best of all to smoke the tobaccos known as cake, plug, roll, pigtail, flake, &c. The characteristics that most readily distinguish these are that the colour is usually black, and the tobacco is consolidated into a dense mass in which the separate leaves are no longer to be recognised, but here and there a light coloured speck marks a bit of the smaller ribs of the leaf. It should be noted that the stout midrib of the tobacco leaf is always taken out before manufacture, except in the case of delicate Turkish tobaccos, where the leaf is extremely small. The black tobaccos go through various processes of damping, stoving (or cooking), pressing, and cutting to fit them for use.

A most interesting machine for making up packet tobaccos has just been installed.

On the same evening the Local Reception Committee entertained most of the foreign members of the Congress and a number of British, about 120 in all, at a Banquet in the Albion Hotel. Mr. D. McInnes, Chairman of the Local Reception Committee, occupied the Chair. After the Banquet a number of speeches were made. The Chairman gave "The King," and Mr. E. O. Greening "Manchester and its Institutions." The latter toast was responded to by Professor Hopkinson, of Owen's College, and Mr. J. K. Bythell, of the Manchester Ship Canal Company, and Mr. Shillito, Chairman of the English Co-operative Wholesale Society. Mr. Bythell incidentally mentioned that Lancashire had intrusted £8,000,000 of money to his Company. Mr. Shillito said: You no doubt remember that Robert Owen's first employment was here in Manchester as a cotton spinner. Over a hundred years ago he left Manchester for New Lanark. He never lost his connection with Manchester—and just a hundred years ago he established the first co-operative store in New Lanark. It is very remarkable that this year of the International Congress is also the centenary of the first establishment of the first co-operative store. Manchester took its part in the co-operative movement in 1829, and over 100,000 are now associated with this institution in this district, plainly showing that it had a natural groundwork.

Mr. W. Maxwell (Chairman of the Scottish Wholesale Society) proposed "Our Guests," to which Mr. Fowler (America), M. Micha (Belgium), Herr Blem (Denmark), Comte de Rocquigny (France), Herr Kauffmann (Germany), M. Goedhart (Holland), M. de Weydlich (Russia), Señor Salas Anton (Spain), M. Pronier (Switzerland), and Dr. Lagerstedt (Sweden), replied.

Professor Fowler remarked: I hope co-operation will soon be sufficiently strong in America to bring you to our shores, and then we will give you something to remember, some idea of our hospitality. No hotel from the Atlantic on the one side to the Pacific on the other, will ever close its doors to a co-operative association. He concluded: Here to-day we stand as brothers, Englishmen, Scotchmen, Americans, Frenchmen. And all for what? For the one noble principle that must eventually sweep round the world. M. Micha said in the course of his observations: We are all friends of co-operation, but followers of different social movements. Count de Rocquigny in his speech said: It is natural to travel to Manchester to study the works of Robert Owen and of the Equitable Pioneers.

On Thursday, July 24th, a considerable number of Congressists visited first the Jam and Pickle Works at Middleton, belonging to the Co-operative Wholesale Society, and afterwards the establishments of the Equitable Pioneers at Rochdale.

The Middleton Works are an outcome of the success obtained at Crumpsall. The Co-operative Wholesale Society first manufactured their jams, jellies and marmalade, at Crumpsall, in a separate department. The success of this, as well as the other branches of manufacture, soon made it evident that fresh premises must be secured and the business divided. A large plot of land was bought at Middleton Junction. Here a splendid factory was erected. In June, 1896, the manufacture of jam was started just in time for the fruit season, and about 3,000 tons were made in the first twelve months. The venture has been an unqualified success all through. Subsequently a department for pickles was opened, and also one for the production of candied and other peels. Roughly speaking, the year's work is divided into three seasons—summer and autumn for jams, winter for marmalade and peels, and spring for pickles, &c.

The fruit arrives at Middleton at the rate of 5,000 packages a day during the busy season. A special railway

siding is attached to the Works, where goods can be delivered and despatched direct. Owing to the facilities offered by the railway, fruit can be received here at six o'clock in the morning which was growing in Kent (about 250 miles away) at noon on the previous day. As in all the productive works of the C.W.S., the materials used at Middleton are of the best and purest obtainable.

The large room used for sorting, picking and examining, coring apples, and stoning plums is capable of accommodating 800 workers, and during the season over 400 women and girls are employed. They work four at each table. The fruit is taken in trolleys from the picking tables, where it has been cleaned of all leaves, stalks, tops, as in the case of currants, strawberries, &c., and conveyed to the boiling-room. There the fruit is weighed and placed in pans, with its due proportion of pure cane sugar, and boiled. The boiling being completed, the contents of the pans, now converted into jam and only needing cooling and packing, are turned into large wooden vats. Here the jam is cooled while incessantly stirred to keep it uniform and homogeneous. From these cooling vats it is run into travelling vats and taken to the filling-room. The girls fill boxes of jam pots, which, when cold, are covered by tissue paper to keep out dust, and stored until wanted for despatch. The jam is covered, tied, and labelled only when required to make up an order.

At Middleton Works, besides jams, the principal articles manufactured are bottled fruits, marmalade, pickles, and candied peels. To enable people to have gooseberry tarts at Christmas and circumvent Nature generally it is necessary to adopt some method of preserving those fruits which are short-lived, such as gooseberries, currants, raspberries, &c. This is done by taking the best fresh-gathered fruit, sorting and cleaning it, then boiling it in bottles, which are submerged in a large tank of water. The fruit retains its juice and flavour, and being hermetically sealed after boiling will keep perfectly until opened.

The visit to Rochdale, the starting place of modern co-operation, kindled a great deal of enthusiasm among the foreign guests. The party reached Rochdale at 5 p.m. They were received on the platform by members of the Committee of the Rochdale Society. These conducted them to the old house in Toad Lane in which the original "Pioneers," seven at the outset, started business fifty-eight years ago. It is an

old brick building, three storeys high, occupied at present by a fanciers' supply store, and not particularly sightly. However, it was gazed upon with respectful interest by the foreigners from abroad. One of them described it as "the most prominent building of the town." The party next proceeded to the present central store of the Society. This was specially decorated for the reception of the visitors. The embellishment gave in clear lettering a short history of the growth of the Society. Under this, in still bolder letters, were to be seen the words:—"A hearty welcome to all." A meat tea was provided in the large assembly room. When the Society's guests had taken their seats, Mr. Brearley, the President of the Pioneers' Society, spoke a few words of cordial welcome, saying how glad the Pioneers' Society was to have the opportunity of entertaining representatives of co-operation on the Continent. At Mr. Brearley's suggestion grace was sung according to English fashion. The familiar verse beginning "Be present at our table, Lord," was heartily rendered by the British delegates, the whole company standing.

After the meal the foreign delegates requested Professor Gide to act as their spokesman in expressing their thanks to their hosts.

Professor Gide said: Ladies and gentlemen, I beg leave to address you on behalf of the foreign delegates, not merely with the intention of thanking you for your kind hospitality, but also to express to you the sentiments which the glorious name of the Pioneers of Rochdale awakens in the heart of every co-operator.

I remember that it is just twenty-five years since I delivered my first lecture in public. That lecture had for its subject the very subject which suggests itself to-day: the Rochdale Pioneers. Since that time I have had to repeat it I do not know how many times. Indeed, there is no history, except it be that of the Gospel, which has been, and still will be, repeated as often, in all languages spoken by men, as the history of the Equitable Pioneers. It is, therefore, not without veritable emotion that, when our train arrived in the station of this town, I read on the board the name of "Rochdale." And there is, assuredly, not a single foreign delegate here present, of those in whose name I speak, who has not experienced the same emotion.

The features in the history of the Pioneers which extort admiration are, in the first place, the undoubtedly practical

sense with which these weavers of flannel have known how to piece together out of the patches at their disposal and under circumstances which appear to have been unfortunate, the Rules of a Co-operative Distributive Society. Since their day, in the same manner that each several nation has taken its place in the co-operative movement, it has brought into it its own distinctive genius, and has, at the same time, sought to learn how you were doing. However, experience has taught us that the best thing that anyone can do, whether it be in distant India, or at the other end of the world, in California, is to adopt what has been called the Rochdale system, and that there is danger in deviating from it. There are people here who have sold on credit. But the warning word went out to them: "Take care! The Rochdale Pioneers have made it their rule to sell only for cash." Elsewhere distributive societies may limit their aim only to cheapness in selling. Once more we must say to them: "Take care! The Rochdale Pioneers made it their principle to sell at the current market price, and in such practice alone do you find a promise of a future." Once more, elsewhere there are co-operators who lay it down that in distributive co-operation there is only one interest to be considered, namely, that of the consumer. Again I say: "Take care! The Rochdale Pioneers never separated in their programme the interest of the producer from that of the consumer!" And if you decide to-day in your distributive societies to address yourselves to the building of working men's dwellings, you will have to be careful to apply this principle embodied in the Rochdale programme. And I say that if unhappily there are too many societies which neglect the education of their members, that is because they forget that the Rochdale Pioneers have laid it down as a standing rule that $2\frac{1}{2}$ per cent. of the surplus accruing must in any case be devoted to educational purposes.

Thus in all countries we find co-operators groping and feeling their way, with the result that in the end everyone acknowledges that one cannot do better than return and sit down at the feet of the Rochdale Pioneers, as a child sits down at the feet of its teacher. Everywhere else, in every economic, political, scientific movement you find the original inventors outstripped in the progress of which, in truth, they have been the authors, by those who come after them. You see them dropping off on the road that you follow, and left more and more behind. It is altogether different in the case of the Rochdale Pioneers. We have not outstripped them. We have not even yet come fully up with them. Though

they are dead and gone, they still lead in the movement, and we do not find it altogether easy to follow. Yes truly, even in the present day, they are our superiors in virtue of their practical sense, their high ideal, and the comprehensiveness of their programme, every article in which requires a generation to be fully carried out.

At the period when the Rochdale Pioneers formed your society, there were not wanting in the world, either in France or in England, great economists and great socialists. Let me recall to your memory John Stuart Mill, Bastiat, Proudhon! Probably they had heard of what was actually going on in Toad Lane. But they never understood what kind of movement it was that was being prepared there, and they would have been astounded, indeed, if anyone had told them that a day would come when no more disciples would be found for their learned systems, no more readers for their books, whereas the faithful followers of the Rochdale Pioneers would then number by millions!

Oh Pioneers! I thank you, not only for having given us an admirable organisation, which has procured a little more comfort and material help in the battle of life to millions of beings, but above all things for having shown us by your example that all our sciences, all the science of learned men and of writers, all the science which is extracted from books and from laws, the sciences in the name of which we teach where we govern, is nothing worth in respect of clear foresight and creative power, by the side of the simple faith of some humble workers, who were absolutely without book-learning, but who lived, worked, toiled and hoped resolutely even against hope!

M. Gide's speech was loudly applauded.

Mr. Brearley, on the part of the Society, expressed his acknowledgments to M. Gide and his colleagues. He said, among other things, that for years and years past the Pioneers had set their faces sternly against a very high dividend. Unfortunately they had had to meet with competition in the town, and that competition had seemed—he was almost saying to the shame of co-operators—to have progressed in a greater degree than their own. But if they took into consideration that two other societies, besides the Pioneers, existed in Rochdale, he thought it showed that co-operation was not going backward in the town. In Rochdale, with a population of just over 80,000, co-operative societies did a trade of nearly £500,000, and within a radius:

of three miles from the centre of the town there were 14 or 15 small societies, whose trade would total something like £40,000 or £50,000 a year more. Reviewing the history of the Society, he said that in the first year (1844) the Society's trade amounted to £712; last year it totalled £286,809. The trade done since the commencement of the Society was £11,630,395, and the "profit," including interest repaid to members, amounted to £1,791,785. The Society's membership was 12,570, and the members' share capital £276,182. Apart from finding room, lighting, and heating, the Pioneers had devoted a sum of £33,758 to educational purposes. They had 74 shops in existence—37 grocery, 22 butchery, three drapery, eight boot and shoe, and one each devoted to the sale of tailoring goods, furniture, confectionery, and hats and caps. They had also a coal department, with a yearly trade of between £30,000 and £40,000; a central newsroom, and a library containing about 18,000 volumes; 21 branch newsrooms, to each of which was attached a reference library; a bakery, where all their confectionery and bread was made; and a tobacco manufactory doing a trade of something like £30,000 a year. The Society employed over 300 persons in its productive and distributive work. So far as housing was concerned, the Society owned over 300 houses, the rents of which ranged from 4s. 6d. a week to £20 a year, so that they were able to supply their members with various kinds of dwellings. They likewise had a building department, and members who wished to buy their houses were helped to do so. A vast amount of the Society's money was out in that way.

The visitors subsequently formed themselves into parties and were conducted over the Pioneers' central premises, the bakery, the slaughter-houses, and the tobacco manufactory; and a considerable number also spent a short time at the Rochdale Corn Mill. They left Rochdale for Manchester by special train at half-past eight o'clock, all of them expressing themselves delighted with what they had seen in Rochdale, "the cradle of co-operation."

On Friday, after the conclusion of the Congress, about two hundred Congressists travelled across the Yorkshire border to visit the Nutclough Fustian Manufacturing Co-operative Society at Hebden Bridge. A special train conveyed the party from Manchester, and on arrival they were welcomed by Mr. Joseph Greenwood, Mr. Joseph Craven and Mr. Leonard Stocks, respectively manager, president, and secretary of the Society, and nearly all the Directors.

The visitors at once proceeded to the works, which were in full operation, and were shown through in batches of twenty.

The Hebden Bridge Society was started in September, 1870. It originated among a few fustian cutters, who hoped by a subscription of 3d. per week to raise capital enough to employ themselves. At the end of the first year the share capital amounted to £83; trade done, £55; and profit, £3 1s. 8d., after paying £6 11s. 10d. formation expenses. The number of members was 95.

The Society carried on its work in rented premises until 1874, when the Nutclough Estate was purchased at a cost of £7,000, and a department was added for dyeing and finishing fustians. In 1886 a weaving shed was built by the Society, which now holds 232 looms for the manufacture of fustians, &c. The trade of the Society, which, in the first half year amounted to £55, at the end of 1901 had reached the sum of £44,170. The total turnover of the Society since its formation amounts to £907,979. The total number of members is 871, made up as follows:—

Co-operative Societies	...	...	...	342
Workers	...	...	...	336
Individuals	...	...	...	193
				871

The number of workpeople employed by the Society is 340.

At the end of December, 1870, the total share capital amounted to £83. At the close of December, 1901, it had risen to £28,918, as follows:—

				£
Co-operative Societies	...	...	...	11,383
Workers	...	...	...	9,367
Individuals	...	...	...	8,168
				£28,918

The profits are divided as follows:—5 per cent. to capital, and the remainder, after providing for reserve, insurance, and educational funds, is divided at an equal rate per £, between Co-operative Societies who are members of the Society, *in proportion to the trade done*, and the workers, *in proportion to the wages earned*. The total profits of the

Society since its commencement amount to £81,380, and have been divided as follows:—

	£
Interest on Shares... ..	33,689
Dividend on Purchases	23,765
Dividend on Labour	9,621
Reserve and Insurance Funds	13,405
Educational Fund	900
	<hr/>
	£81,380
	<hr/>

The profits of the workers are credited to share account till they amount to £20; this is compulsory by the rules of the Society, but, in addition to this, they are allowed to increase their shares to £100, which is the maximum. At the present time the workpeople hold shares to the extent of £9,367, or nearly as much as the total amount paid to labour since the commencement of the Society; this gives an average of £27 11s. for each worker, 38 of whom hold the maximum £100.

The following table shows the present position of the workers:—

	£	s.	d.
Total amount of Bonus on Labour	9,620	16	0
Total amount of Interest... ..	<hr/>	6,177	13 8½
	<hr/>	£15,798	9 8½
		<hr/>	

Of this amount the sum of £10,954 7s. 10½d. has been withdrawn, and £4,844 1s. 10d. has been credited to share account. Since their formation the workers have subscribed £14,880 2s. 9d. on account of shares, and withdrawn £10,285 18s. 4d., the present amount held by the workers being £9,367.

The inspection of the works was begun in the top room. In this room there are about 170 females making up fustian into garments. The materials are cut by the men, and part of the work is done by hand and part by machinery; all the sewing machines are driven by a gas engine. Lower, on the fourth floor, is to be seen the fustian cutting, which is done by a long sword-like knife; the cord looks much better, and wears better, too, than it would if finished uncut. On the same floor is the warehouse, where the stock of pieces and

finished garments are kept ready for customers. On the third floor is another stock of finished pieces ; there are also machines for finishing fustian after it has been dyed ; machines which brush up the pile, fold and measure and leave it ready for the tailors in the top room. Adjoining this room is a stock of grey goods just as they come from the looms. On the second floor are the winding and doubling machines. It is in this room that the first process is commenced by the Society. They buy the cotton yarns from the spinners of Lancashire in the single thread, and the doubling and twisting machines make it two or three-fold as required. Adjoining this room are machines for raising and shearing the pieces, and in the bottom room are machines for brushing the cords and preparing them for the dyehouse.

The next place visited was the dyehouse, in which all the various dye boxes, &c., required for the proper dyeing of fustians are kept. The steam engine providing the motive power is named "Thomas Hughes," and was so christened by the Marquis of Ripon ; it was started by E. Vansittart Neale in 1887. Adjoining the engine-room is the drying-room where the pieces are dried and the size is put in, which gives to fustian its objectionable smell.

Outside the Mill is the weaving department. In the room underneath the weaving shed are the necessary machines for making the warps of the pieces ; and in the weaving shed there are 232 looms of various kinds weaving the different sorts of material required to make up the garments in the sewing room.

The visitors appeared intensely interested in what they saw, and some were heard to remark that they could not have believed that such a large body of men, women and young people, could be so happy at their work in the mill. The inspection ended, tea was served in the Industrial Society's Hall, and a little souvenir in the form of a booklet giving a descriptive account of the works visited was presented to each guest.

Mr. Joseph Greenwood, in a few words, heartily welcomed the guests on behalf of the Society, and gave a brief resumé of the Society's career.

M. Ansele (Belgium) then delivered a short speech in the name of the foreign delegatés. He returned thanks for their reception. He said that at Rochdale the previous day they saluted the cradle of distributive co-operation, and that day they saluted the birthplace of productive co-operation.

After visiting the admirable installations of the Wholesale Co-operative Society in Manchester, they had come to Hebden Bridge to hail the advent of the solution of the war with the classes which Socialists had long expounded. They realised how immensely difficult was their task. To compete against capital, to try and produce a cheap and yet a sound article, and to do that with little or no capital to start with, was a tremendous work, nay, a work of genius. It was difficult enough for workers to perform their labours in a satisfactory manner when they had employers and task-masters holding strict discipline over them, but when workmen had no task-masters or employers over them, it was still more difficult for them to do their work properly and conscientiously. The greatest difficulty, however, was to acquire the sense of duty to do the work. That sense of duty obtained at Hebden Bridge. They were creating a condition of society when the workman would be his own employer, his own task-master, criticise the value of his own work, and decide what use and destiny that work should be put to. It was a grand ideal. A humane and moral evolution to attain. No one to compel them to work, only their own consciences and sense of duty. It was a tremendous work they had attempted, and the world would look on with interest. He admired them for it, he thanked them for the example, and he would return to Belgium to emphasize the same thing. He hoped to be soon able to invite the Congress to come and see what they were doing in Belgium. Distributive co-operation was already a gigantic success, and productive co-operation must grow if carried out on the ideal laid down. It would be a means of uplifting the workers to the highest altitude, making them noble and more useful members of society. In honour of their enterprise, and in the hope of this salvation as well as emancipation of the working classes throughout the world, he drank to the success of universal co-operation.

M. Anseele's remarks evoked repeated applause.

Mr. J. C. Gray (Co-operative Union) responding to the call of the Chairman, referred to Mr. Greenwood as his "father in co-operation." It was not often, he said, that Hebden Bridge was privileged to meet with an international assembly. When he came into the town that day, and saw the streets pretty well occupied with lookers-on, he began to ask what they had come to see. Then he learned that they were attracted out of curiosity to see the foreign friends coming. It seemed to him, however, that they were very

much disappointed that some of the foreign visitors had not dark skins and variegated clothing, and made a show something after the style of an imperial procession, like they had in London, when passing through the streets. Some were rather disappointed also because they came soberly along, just like ordinary co-operators. All this had its lesson. It proved that co-operators made the whole world akin. That whether they came from Denmark, Sweden, Belgium, Holland, France, California, Australia, Spain, and he did not know how many more nationalities were represented that day, they met in one common assembly with one object in view, to celebrate the victories achieved by co-operation. With the growth of the International Alliance they would find that the nations became more united, and they would be able to make their influence felt the world over, help to bring together the principles of equality and justice, and not see the nations looking upon each other with envious feelings and a grasping spirit. It would create a new era of justice and equality throughout the world. That was the object of the Alliance. On behalf of the Congress, he heartily thanked the Nutclough Society for entertaining them, and he hoped some lessons could be taken back by their foreign friends from the visit to Hebden Bridge.

Mr. Aneurin Williams seconded the resolution. He remarked that it was a privilege to meet Mr. Greenwood and Mr. Craven, two of the founders of the productive co-operative movement. In his mind, Hebden Bridge was one of the finest examples of co-operative principle and co-operative success. They could not but be struck with the great commercial success attained by the Society since it begun very little more than 30 years ago.

The vote was carried with great acclamation.

Mr. Joseph Craven, responding, called attention to the fact that the Society had during the 31 years of its existence distributed over £80,000 in profits to the workers, Society members, and added to the reserve fund. Besides that, they had written off about £20,000 in depreciation, and made their works and machinery up-to-date in every respect.

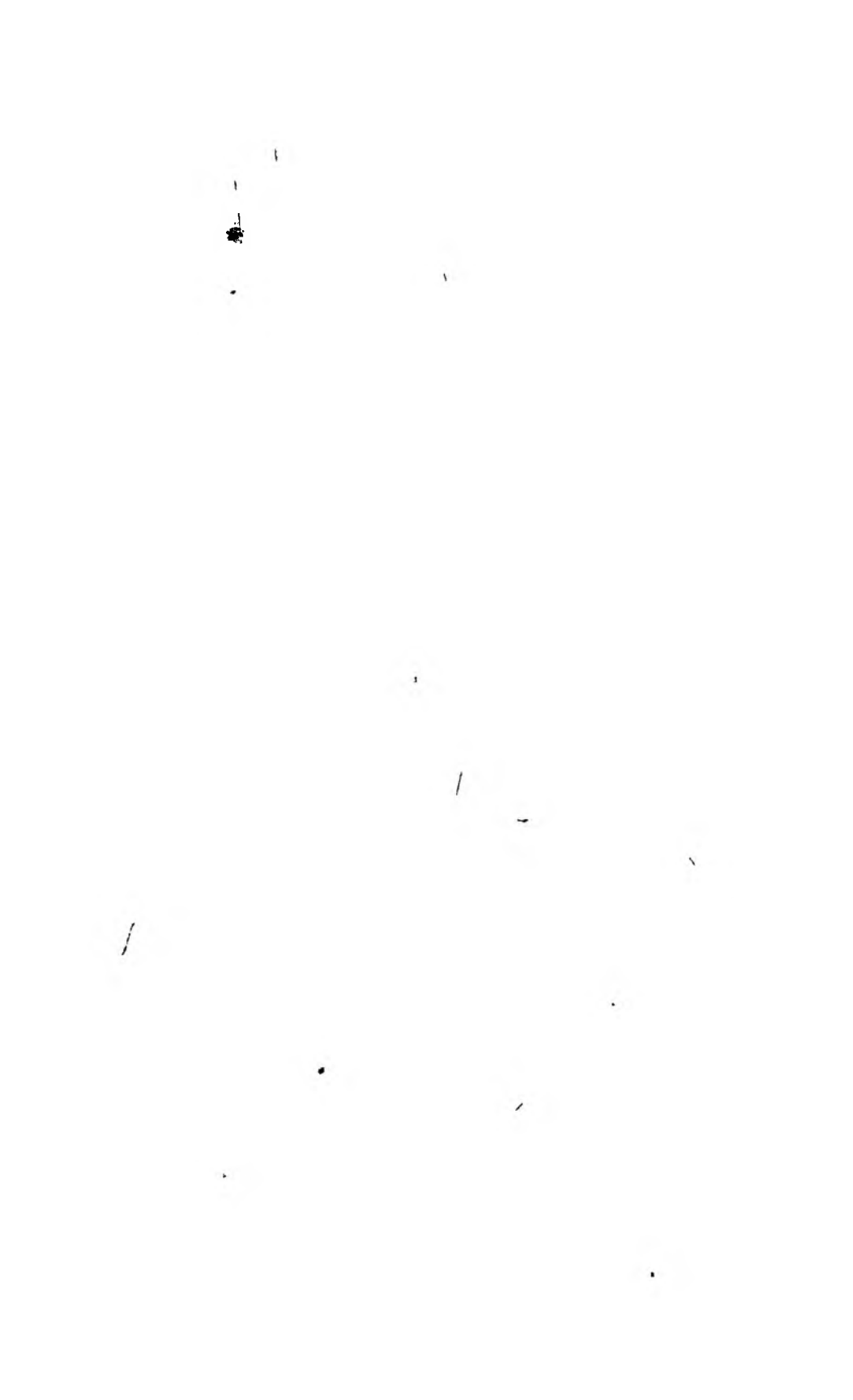
A visit to the Printing Works of the Co-operative Wholesale Society at Longsight had been placed upon the programme for Tuesday. Owing to the objectionable weather it was postponed to Saturday, 26th July. Only a few Congressists took part, but a fair number visited the Works during the Congress week.

These Works were opened because the demand for books and stationery by a firm selling £17,000,000 worth of goods in a year appeared sufficiently great to justify the Society's starting printing works to supply its own requirements.

The work was begun on a small scale in a warehouse near the Central premises, but the rapid growth of the department soon made it necessary to find better accommodation. The Longsight Works were accordingly built. Their main building is 220ft. square, and forms practically one immense room. This is divided into three portions—the centre being occupied by the compositors, and the two sides by the machines and bookbinding, &c. The machinery department is remarkable for the absence of wheels and shafts usual to such factories.

This establishment was the first of its kind in this country to be wholly driven by electricity, and is frequently visited by persons interested in the application of electricity to machine driving.

About equal space is devoted to letterpress machines and those for lithographic work ; in all cases these are of the most modern and efficient type. In a distinct portion of the building are the ruling machines, and the machines for folding, cutting, sewing, and other work, besides the bookbinding proper. There is an abundance of light and air in the building.



FIFTH PART.

INTERNATIONAL
CO-OPERATIVE EXHIBITION.

International Co-operative Exhibition.

FOR the first time in the history of Congresses of the International Co-operative Alliance, an Exhibition of Produce and Manufactures issuing from co-operative fields, workshops and factories was held at Manchester in connection with the Fifth Congress. A similar Exhibition had been suggested in 1896 in connection with the first Paris Congress; but the idea could not be carried out. At Delft, in 1897, some samples of co-operative produce were shown. In respect of the present Congress an Exhibition was decided upon at an early date, and with the approval of the Central Committee, its preparation and organisation were entrusted by the Executive Bureau to a local Committee of Organisation, consisting of representatives of various co-operative bodies,* to act in concert with the Executive Bureau.

Under the able management of that Committee, and thanks to the very liberal support given by various co-operative organisations and the Co-operative Union, in the shape of ample funds, the Exhibition proved a decided success. It is considered to have been the best Co-operative Exhibition yet held. It was certainly the most largely attended. For in addition to delegates and members of the Congress, more than 50,000 people are reported to have visited it, as many as 17,000 in one day. The exhibits were very numerous. There were 32 foreign societies exhibiting and 59 British and Irish. The large St. James' Hall was filled with tasteful displays of the most varied goods, which really represented only a portion of what was offered. It is said that fully twice the space might have been occupied, had it been available. This certainly constitutes a telling argument in favour of Exhibitions to be held whenever there is a Congress, and a conclusive answer to those timid counsels which have hitherto elsewhere been advanced in resistance to such proposals. And there can be no question that the Exhibition has proved most useful in bringing co-operative production under public notice, and so serving as a stimulus to the sale and interchange of goods by which co-operators, productive and distributive, benefit.

Of course the exhibits of British societies covered by far the largest space of ground. Being in the country, such societies were in a position to send many, as well as choice,

* See page 22.

articles. As usual, the two Wholesale Societies claimed the lion's share both of space and of attention, having set out their exhibits with their accustomed good taste. The variety of goods exposed to view by them excited the admiration of foreign visitors. The pyramid of soap from the Irlam works at once fixed the attention of every visitor. Although most talked of outside the Exhibition, it proved, however, inside it only one among quite a number of telling displays of goods—biscuits and confectionery, textile fabrics, boots and shoes, groceries, spices and condiments, chocolate in all sorts of qualities and shapes, piece goods, clothes, ærated waters, baskets, and the larger exhibits of upholstery and furniture. These collections of articles were well calculated to give the visitors from abroad an idea of the very comprehensive nature of production as carried on in Great Britain in the immediate service of wholesale distribution. Not the least interesting exhibits were the displays of work actually in progress, girls from the Sharp Street Tobacco Factory engaged in manufacturing cigars and twisting cigarettes, employees of the Irlam Soap Works perfuming and finishing toilet soap, women and girls of the Broughton Factories making up clothes and underclothing with the most perfected sewing machinery. The automatic tea weighing and packing machine also attracted a great deal of attention. The varied exhibits of the Scottish Wholesale Society excited the interest of many, apart from their intrinsic quality, by the thought that this society allows to workers a share in the profits, and that in the matter of shirt-making it managed signally to overcome, in the most trying time, the difficulties which used to make this trade peculiarly a prey to "sweating."

There was very much else, however, to arrest attention and interest visitors—products of what is sometimes called "individualist," that is, independent, co-operative production as well as of the productive departments of such powerful distributive societies as those of Leeds and Rochdale. The variety of boots and shoes, turned out as specialities, for men, women and children, stout hob-nailed articles for hard wear, or delicate *chaussures* intended for the ball room, from Kettering, Leicester, Desbrough, Glenfield, Nantwich, Rothwell, and Barwell. The woollen, cotton and silk goods from Huddersfield, Paisley, Bradford, Delph, Eccles, Wellingborough, Kettering, Leek and Leicester were very much admired. The fustians from Hebdén Bridge naturally appealed particularly to visitors' fancy, in view of the coming visit to the Nutclough Factory. Then there were : furniture

from Accrington, Bradford and Bolton, pianofortes from Bristol, cutlery goods from Sheffield, Walsall padlocks, the Agricultural and Horticultural Association's seeds and samples, Alcester needles, Coventry watches, Basford and Leicester wicker articles, Dudley fenders and Keighley mangling and wringing machines, British flour goods and cakes, shortbread and wedding cakes, appropriately set off by the best Irish butter, account books and stationery, pickles, jellies and sauces from Droylsden, and, no less, fully up-to-date corsets from Kettering and Desborough of the latest American type.

The Foreign Section, kept distinct in a separate annexe, was mainly agricultural and viticultural. There were eggs and butter from Denmark, butter and fruit from France and Holland, a huge round of cheese from Switzerland, and some monster ears of spring and winter wheat and oats, as well as potatoes, from Italy. The Charente sent some of its choicest Cognac, the Midi, the district of Beaujolais, the Pays Messin, Libourne, the Department of the Marne and the Alpes Maritimes sent samples of their well-known wines, from the princely Ermitage at 10s. the bottle (co-operative price) and Damery Champagne, down to the lightest *vin ordinaire*. But there were industrial exhibits as well. Everybody admired the exquisitely fine specimens of lithography sent by *La Lithographie Parisienne*. The Dutch Co-operative Federation sent samples of soft soap from its newly-established factory of Ryswick. The Co-operative Society of "Officers of the Imperial Guard," of St. Petersburg, exhibited boots and shoes in various processes of manufacture, so as to show how they were made. The Nunspeet Society, "De Veluwe," so devotedly captained by that indefatigable co-operator, M. Molijn, exhibited specimens of its excellent paint and enamel, which have secured a good market in England, being used, among other places, on the King's yacht. Holland and Belgium exhibited specimens of basket work.

Very much more, of course, ought to have been sent from foreign countries. And had productive societies abroad been aware what a splendid success the Exhibition would prove to be, and how admirably exhibition would have served them as an advertisement, no doubt they would have sent a great deal, for they have a good deal to show.

The exhibiting Societies were as follows:—

BELGIUM.

1. The Brotherly Basketmakers' Society (Tamise). Baskets of various kinds.

DENMARK.

2. Danish Farmers' Co-operative Egg Export Association. Three cases of eggs.
3. Elbodol Co-operative Dairy Society (Jutland). One cask of butter.
4. Hanning Co-operative Dairy Society (Jutland). One cask of butter.
5. Horreby Co-operative Dairy Society (Falster). One cask of butter.

FRANCE.

6. Central Association of Co-operative Dairies of Charente and Poitou. Two baskets, two boxes, and five kegs of butter, also views of Dairies.
7. Statistical Tables of Co-operative Agriculture in France (M. Rozeray). Statistical tables.
8. Co-operative Winegrowers' Society of the Alps and Provence-Arles. 20 bottles of wine.
9. Co-operative Winegrowers' Association of Libourne. 120 (half-bottles) wine.
10. The "Equitable" Winegrowers' Society of Bas-Languedoc, Montpellier. 60 bottles various wine.
11. Co-operative Society of "Viticulteurs" of Cognac and Charente. 60 bottles Brandy.
12. Co-operative Society of Agricultural Producers (South-East Union), Lyons. 60 bottles of wine, also preserved vegetables and dried fruits.
13. Co-operative Society of Winegrowers (Beaujolais and South-East), Lyons. 72 bottles of wine.
14. La Lithographie Parisienne, Paris. Lithographs.
15. Syndicat agricole de la Manche. Several baskets and jars of butter.
16. Coopérative des Producteurs Agricoles le Peage-de-Roussillon (Isère). Peaches, apricots, pears, etc.

GERMANY.

17. Co-operative Winegrowers' Society of Pays-Messin (Metz). 72 bottles of wine.

ITALY.

18. Calvenzano Agricultural Society. Ears of wheat and oats, potatoes, reports, rules, etc.

NETHERLANDS.

19. Birdaard Co-operative Dairy Society. Butter.
20. Co-operative Basket Makers (Schiedam). Baskets.
21. "De Veluwe" Co-operative Paint Manufacturing Society, Nunspeet (Gelderland). Paint and enamels.
22. Dutch Co-operative Federation (Rotterdam). Soft soap and chemicals.



THE INTERNATIONAL CO-OPERATIVE EXHIBITION.

23. Frisian Co-operative Society (Leeuwarden). Butter.
24. "Klimop" Dairy Society (Winsum). Butter.
25. Lybrandaburen Dairy Society. Butter and 20 boxes of cheese.
26. The Agricultural and Milk Society (The Hague). Sterilised milk, butter.
27. The Hague Co-operative Society. Aerated waters.
28. Vorden in Gelderland Dairy Society. Butter.
29. Wommels Dairy Society. Butter.
30. Ruinen Dairy Society. Butter.

RUSSIA.

31. Co-operative Society of "Officers of the Imperial Guard" (St. Petersburg). Boots.

SWITZERLAND.

32. Co-operative Society (Basel). Emmenthaler cheese.

UNITED KINGDOM.

1. Accrington and Church Industrial Society. Bedroom suite and clogs.
2. Agricultural and Horticultural Association (London). Seeds, manures and oil-cakes.
3. Airedale Worsted Manufacturing (Bradford). Dress goods.
4. Alcester Needle-makers. Needles and pins.
5. Andrews Watch Manufacturing (Coventry). Watches and jewellery.
6. Banbury Co-operative Society. Flour.
7. Basford Wickerwork Manufacturers. Wickerwork baskets, furniture, fancy goods, etc.
8. Bolton Cabinet Makers. Bedroom suite and other furniture.
9. Bradford Cabinet Makers. Dining room and bedroom suites.
10. Bristol Pianoforte. Pianos.
11. British Bone Brush Manufacturers. Tooth brushes.
12. Burnley Self-Help. Cotton goods.
13. Co-operative Newspaper (Manchester). Publications.
14. Co-operative Printing (Manchester). Specimens of printing.
15. Co-operative Productive Federation (Leicester). Publications.
16. Co-operative Sundries Manufacturing (Droylsden). Pickles, jellies, sauces and other household necessities.
17. Co-operative Union (Manchester). Publications.
18. Coventry Watch Manufacturing. Watches.
19. Delph Woollen Manufacturing. Woollen goods.
20. Desborough Boot and Shoe. Boots and shoes.

21. Desborough Corset Manufacturing. Corsets.
22. Dudley Bucket and Fender. Buckets, fenders, galvanised goods, etc.
23. Eccles Manufacturing. Bed quilts.
24. Glenfield Progress Boot and Shoe. Boots and shoes.
25. Halifax Flour. Wheats and flour.
26. Hebden Bridge Fustian Manufacturing. Fustian goods.
27. Huddersfield Brush Manufacturing. Brushes of every description.
28. Ideal Clothiers (Wellingborough). Clothing.
29. Irish Agency (Limerick). Butter.
30. Keighley Ironworks. Washing, wringing and mangling machines.
31. Kettering Boot and Shoe. Boots and Shoes.
32. Kettering Clothing. Clothing.
33. Kettering Corset. Corsets.
34. Kettering Union Boot and Shoe. Boots and shoes.
35. Leeds Industrial. Furniture, boots and shoes, mill products.
36. Leek Silk Twist Manufacturing. Sewing silk, skirt bindings.
37. Leicester Anchor Boot and Shoe. Boots and shoes.
38. Leicester Basket Makers. Baskets, hampers, chairs.
39. Leicester Boot and Shoe. Boots and shoes.
40. Leicester Hosiery. Hosiery and underwear.
41. Leicester Printing. Specimens of printing.
42. Leicester Self-Help Boot and Shoe. Boots and shoes.
43. Macclesfield Silk Manufacturing. Silks.
44. Midland Productive Tinsplate Workers (Birmingham). Tin, iron, brass and copper goods.
45. Nantwich Boot and Shoe. Boots and shoes.
46. Oldham Star Corn Mill. Flour.
47. Paisley Manufacturing. Woollen and cotton goods.
48. Rochdale Tobacco. Tobaccos.
49. Rochdale Corn Mill. Diagrams, samples of wheat and flour.
50. Rothwell Boot and Shoe. Boots and shoes.
51. Sheffield Cutlery. Cutlery.
52. Sheffield Federated Cutlers. Cutlery.
53. Sowerby Bridge Flour. Flour, bread and confectionery.
54. "Sperope" Boot and Shoe (Barwell). Boots and shoes.
55. Thomson, Wm., and Sons (Huddersfield). Worsted and woollen goods.
56. United Baking (Glasgow). Cakes, biscuits and oat cakes.
57. Walsall Padlock. Padlocks.

58. Co-operative Wholesale Society (Manchester). Cigar and cigarette making, soap finishing, clothing making, cakes, biscuits and confectionery, preserves, boots and shoes, printing, bookbinding, cardboard box making, flour, furniture, tea, coffee and cocoa.
59. Scottish Co-operative Wholesale Society. Groceries, tobaccos, drapery, clothing, boots and shoes, furniture.

The Exhibition was formally opened by the Lord Mayor of Manchester (Mr. Alderman James Hoy, J.P.), on Friday, July 18th, at 2-30 p.m.

The Lord Mayor was supported on the platform by Mr. Shillito, Chairman of the Co-operative Wholesale Society, Mr. Llewellyn, of the Exhibitions Committee, Mr. J. C. Gray, General Secretary of the Co-operative Union, Mr. Henry W. Wolff, Chairman of the Congress, Mr. J. Johnston (Manchester and Salford Society), and others.

MR. JOHNSTON read a letter which he had received from the Bishop of Manchester. The Bishop said: I regret my inability to be present at the International Co-operative Congress. I have been an active supporter of the movement for many years, and think that co-operative production is the best solution of our labour troubles. I have brought the matter before one of my ruri-decanal conferences during my present visitation. The subject was fully discussed, and I think that both clergy and laity were heartily in favour of the movement.

ADDRESS BY THE LORD MAYOR.

In opening the Exhibition, the Lord Mayor said, when he was asked to come there and declare open that Exhibition, two things attracted him, one of which was that it was a productive exhibition, more or less international in character. Had it been a distributive exhibition, he thought it would have been found impossible for him to accept the invitation, for they all knew that, so far as distribution was concerned, the co-operative movement had done exceedingly well. Nor did he think it had been very hard to bring about that success, for most people would get on if they had a large number of regular customers. At the same time, he thought it would be unwise to pass any animadversions on co-operative distribution. He remembered well the enthusiasm with which friends of co-operation, such as Judge Hughes, looked upon production, and thought they would agree that this side of the movement had not made the advance expected of it in the early days. Still, he looked upon it as a force towards the solution of a very serious problem. They all had their organisations. The organisation of capital had

accomplished much from the capitalists' point of view, and he supposed, on the other hand, trade unions had done a great deal towards improving the conditions and hours of labour and remuneration of employees. Yet, one did not see that the joining together of the two elements—those of capital and labour—had been accomplished in a manner to suggest great and far-reaching results. If they looked at the programme of proceedings for that Congress, they would find that production hinged largely upon distribution. Co-operation had not touched the great staple industries of the country. His sympathies had always been in the direction of securing to those who did the work not only a return for their labour, but a vital part in the organisation of the various large concerns in which they were employed. (Applause). This provided the possibility of making the labourer a thoroughly interested party in the work in which he was engaged. He, for one, had sprung from labour, and had always taken a keen interest in anything that would affect the position and prospects of the great teeming masses of population to be found in the various centres of industry in the country. He supposed at that time, in the present state of public feeling, it required some courage to talk about anything of an international character, but he looked to the progress of the great masses of the people in the various countries of the world as the main hope for removing international difficulties. Anything that brought working folk together more closely tended, in the first place, to break down the barriers of nationality, and to touch the common springs of human nature, and make men feel that, over and above nationality, there was a tie of human kinship which ought, and, in the long run, would, knit men so completely together that the present horrible means of the solution of international difficulties would, bye-and-bye, be done away with, and a more reasonable and human state of feeling engendered. In its way, that International Exhibition would be of use in cementing the ties of kinship between nation and nation, and it was his pleasant duty to declare it open. He hoped it would be an extremely fruitful one for everybody concerned. (Applause).

MR. H. W. WOLFF at this point took the Chair as President of the Congress, and said he did not like to let the opportunity pass without telling those assembled how very gratifying the encouraging words just spoken by the Lord Mayor must be to every co-operator, and how much he himself and his colleagues of the Central Committee of the International Co-operative Alliance felt indebted to the local

Committee for the splendid work that they had done in connection with this Exhibition, to which it was due that they could on that day make such a magnificent show. With regard to what the Lord Mayor had said, he would remark two things. In the first place, although no doubt the Exhibition showed co-operative production as a successful and progressing force, still, knowing foreign societies as he did, he must add that the Foreign Section did not give anything like an adequate idea of what co-operative production had actually accomplished in foreign lands. Foreign societies might have, of themselves, constituted a brilliant Exhibition. But probably they had not been aware what a success this show was going to be. In the next place, the drawing together of man to man, nation to nation, with a view to accelerating the hoped-for advent of universal peace was distinctly a plank in the Alliance platform, one of the tasks which it had set itself to do. Please God in this task it would succeed. He called upon Mr. Shillito to move a vote of thanks to the Lord Mayor.

MR. SHILLITO (Chairman of the English Wholesale Society) moved a vote of thanks to the Lord Mayor, and in doing so he said he had no doubt his lordship would be deeply interested in the Exhibition. He had only one observation to make, and that was that the Lord Mayor would be familiar with the great speeches delivered in Manchester fifty years ago by Cobden and Bright, and their enthusiastic appeals to the crowned heads of Europe and other statesmen to bring about a state of free trade betwixt nation and nation. They all knew the results of that agitation, and co-operators were now joining together to bring about a condition of affairs far more satisfactory than what was achieved by the efforts of Cobden and Bright.

MR. W. LLEWELLYN (Exhibitions Committee) seconded the vote of thanks. He said the Lord Mayor had spoken of the want of success in co-operative production, but he thought his lordship would be glad to learn that they had improved somewhat in that department, and had before them a record Exhibition. They were seeking in the co-operative movement to better the lot of the worker, by giving him improved conditions of labour, and by so doing got from him the best kind of work to put on the market. That was the object of the co-operative movement, and, as the Lord Mayor had spoken in sympathetic terms of their work, they could claim him as one of themselves.

The LORD MAYOR replied.

The Exhibition was visited by more than 50,000 people.