

**A MANUAL OF  
DISTRIBUTIVE  
CO-OPERATION**

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A Manual of Distributive Co-Operation by Carroll D. Wright

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**CARROLL D. WRIGHT**

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A MANUAL

OF

DISTRIBUTIVE CO-OPERATION.

[PREPARED IN ACCORDANCE WITH THE PROVISIONS OF CHAP. 51,  
OF THE RESOLVES OF 1885.]

BY  
CARROLL D. WRIGHT,  
CHIEF OF THE BUREAU OF STATISTICS OF LABOR.

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# Commonwealth of Massachusetts.

ACTS AND RESOLVES OF 1885.

## RESOLVES, CHAPTER 51.

### RESOLVE PROVIDING FOR THE PUBLICATION BY THE BUREAU OF STATISTICS OF LABOR OF INFORMATION CONCERNING CO-OPERATIVE DISTRIBUTION IN GREAT BRITAIN.

*Resolved*, That the chief of the bureau of statistics of labor be and he is hereby instructed to prepare and publish for distribution a pamphlet descriptive of the history, methods and present condition of co-operative distribution in Great Britain; and he may expend in the preparation and publication of the same a sum not exceeding eighteen hundred dollars.

*Approved May 12, 1885.*

[The valuable services of Mr. Horace G. Wadlin, in the collection of material for and preparation of the following manual, are gratefully acknowledged.]

# A MANUAL

OF

## DISTRIBUTIVE CO-OPERATION.

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Upon an order introduced in the Massachusetts House of Representatives, January 29, 1885, by Mr. Henry M. Cross of Newburyport, a Resolve was reported by the Committee on Labor, passed by both branches, and approved March 12, 1885, directing the Chief of the Bureau of Statistics of Labor "to prepare and publish for distribution a pamphlet descriptive of the history, methods, and present condition of co-operative distribution in Great Britain." Under that Resolve the account contained in the following pages has been prepared, and, besides its publication in pamphlet form, is also presented as Part I. of the Seventeenth Annual Report of the Bureau.

The publication directed by the Resolve relates to facts and not argument, and it has been our aim to present these facts with fulness. For that purpose we have not hesitated to reproduce the statements of others, generally in their own language, whenever such statements were concise presentations of the particular facts desired.

In regard to certain phases of the subject it has seemed best to let co-operators speak for themselves rather than to embody their ideas in our own words. In all such cases we have given due credit in foot notes, and in further acknowledgment we desire here to mention our indebtedness to the pamphlets and other publications of the Central Co-operative Board, Manchester, England; the annual reports of the Co-operative Congresses of Great Britain; the Annuals issued by the English Co-operative Wholesale Society; the works of George Jacob Holyoake, and to the little manual, entitled "Working Men

Co-operators", by Arthur H. Dyke Acland and Benjamin Jones.\*

The publications of the Central Co-operative Board, particularly those relating to practical details, are invaluable to any one desiring to engage in co-operative distribution. Full lists of these publications may be obtained upon application to the Secretary, City Buildings, Corporation Street, Manchester, England. The reports of the Congresses and the Co-operative Annuals contain much valuable statistical matter. The works of Holyoake, published by Trübner & Co., London, and to be obtained through any bookseller, are exhaustive and authentic as relates to the history of the co-operative movement in Great Britain, while the manual by Acland and Jones is a brief and inexpensive, yet exceedingly useful handbook covering the whole subject.

#### WHAT IS CO-OPERATION?

At the outset it is proper to define exactly what the subject is that we are to treat. The term co-operation as applied in practice at the present day is not used in its strict etymological meaning. Nor is co-operation as at present conducted what its early advocates proposed. Etymologically considered co-operation means *to labor together*. It has an industrial significance. On the contrary the co-operation of the present has won its greatest success in commercial rather than industrial directions. Its application to productive industry is still largely experimental, and the experiments that have succeeded are, in most instances, not purely co-operative.

Co-operation as proposed by its early advocates contemplated a social transformation, introducing into the operations of industry and trade, that is, into the operations of production and distribution, such principles as would overcome the evils that attend competition. It aimed to reconstruct society upon the communistic basis, its motto being "each for all and all for each," rather than the too common one of "every man for himself." Individualism it deemed contrary to the general good, and it sought to substitute for individualism some system of joint endeavor through which the laborer, the capitalist, and the con-

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\* Cassell & Co., Publishers, London, Paris, and New York, 1884.



sumer should be brought into relations of mutual help rather than remain in their usual position of rivalry. Ideally, something like this is still hoped for by ardent co-operators, but practically no such social transformation has yet taken place. Competition still flourishes, and the reconstruction of society upon the communistic basis is not to-day the chief end of co-operative endeavor. The co-operation of the present that is highly successful, and which we are mainly to consider here, relates to the distribution of products rather than to production. It is co-operative trading, not co-operative labor, if, indeed, the latter term is permissible. We shall show hereafter how success in co-operative distribution has, in some cases, paved the way to experiments more or less complete and more or less successful in co-operative production, but it is chiefly with distribution that we have to deal; and it is in this field that co-operation, in the sense of mutual effort, has won its greatest triumphs. The benefits obtained by those who have engaged in this form of co-operation are so great that its history, methods, and present condition are well worth our study and will amply reward our investigation.

One who by virtue of his experience, and his services to the co-operative movement, is certainly entitled to formulate a definition has presented the following :

“Co-operation, in the social sense of the word, is a new power of industry, constituted by the equitable combination of worker, capitalist, and consumer, and a new means of commercial morality, by which honesty is rendered productive.

“It is the concert of many for compassing advantages impossible to be reached by one, in order that the gain may be fairly shared by all concerned in its attainment.”\*

This definition which is comprehensive, while no doubt embodying the author's views, would not be accepted by all co-operators, many of whom are unwilling to admit the claim of the consumer, *as a consumer*, to a share of the profits arising from productive effort. However this may be, all are agreed that in co-operative *distribution* the consumer should share in the profits derived from his trade. This feature is essential in modern co-operative distributive associations and distin-

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\* Holyoake. History of Co-operation, Vol. I., page 2.

guishes them from early attempts in this direction, and from joint stock associations.

Joint stock associations divide profits by payment on capital, that is, *on shares*. Co-operative distributive associations divide profits on *purchases*, not on shares, and pay to shareholders a *fixed rate of interest* on the capital invested.

Applying to the scheme of co-operative distribution the spirit of the last clause of Mr. Holyoake's definition just quoted, we may define it as:—A union of many consumers for the purpose of securing in the purchase of commodities advantages impossible to be obtained by one, through an equitable division of the profits derived from their purchases.

Such co-operative unions are upon the continent of Europe termed "consumers' societies." As has been said by another, "they have succeeded in making 20s. of earnings go as far as 22 or 23 in an ordinary shop. The true problem of co-operation lies deeper, that is, how to secure the original 20s. in workshops under their own management."

Leaving for the present this deeper problem we shall describe the manner in which the distributive societies of England have grown up, their mode of operation, and what they have accomplished. Afterward we shall glance briefly at the other phases of the co-operative movement.

#### HISTORY OF THE MOVEMENT.

At the beginning of the present century the condition of the common people attracted the attention of certain social philosophers who, seeing the misery that often existed among the working classes, endeavored to devise some scheme for the reconstruction of society upon more favorable conditions. Among these social reformers Saint Simon and Fourier, in France, and Robert Owen, in England, each in his own way, hoped to re-create society upon an ideal basis by a sudden and radical change from existing conditions. It is now seen that it is only by gradual steps that society advances, and that numberless influences and the slow progress of years are necessary to effect important social changes. Therefore it is not surprising that none of these schemes succeeded, although some of them were, in their day, exceedingly attractive.

The influence of Robert Owen upon the co-operative move-

ment in England was immediate and important. He has, indeed, been credited with the origin of the term co-operation as applied to industry. "In no literature," says Holyoake, "before the active days of this social devisor, does any trace of this new industrial shibboleth, co-operation, appear."\* "The principles of co-operation were first put together and clearly stated by Mr. Owen in his earliest writings." †

But by co-operation, Owen meant a communistic organization of society for the mutual benefit of all. Between 1820 and 1830 great enthusiasm was aroused in England in this direction, having its practical outcome in the establishment of communities upon the co-operative plan. The first newspaper organ devoted to the theories then in vogue was the *Economist* in 1822, although Owen and others more or less inspired by him had previously published pamphlets unfolding their plans for social improvement. William Thompson, in 1827, produced a little work called "Labor Rewarded," in which he aimed to set forth a scheme for a more just distribution to labor of its share of product, and presented directions for the establishment of co-operative companies. Later the Combes and Robert Dale Owen, among others, aided the movement with their pens.

In 1824 the London Co-operative Society was formed. In its rooms were held meetings for discussion, and it also undertook the sale of goods made by provincial societies. In 1826 the *Co-operative Magazine* and *Monthly Herald* was established, this being the second co-operative organ in England, and two years later the *Co-operator*, a four-paged penny paper, was published. The latter, however, failed in 1830. Meantime other periodicals and a number of societies were established for the discussion and advancement of co-operative views.

The first co-operative congress was held at Manchester in May, 1830. Fifty-six societies were represented by delegates. These societies comprised 3000 members, who had by co-operative trading and weekly contributions acquired within fifteen months £6000 capital. ‡ Congresses continued to be held for several years.

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\* *History of Co-operation*, Vol. I., page 53.

† *Co-operative Miscellany*, No. 2, 1830.

‡ *History of Co-operation*, Vol. I., pages 150, 151.