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THE CONTRIBUTION OF CO-OPERATIVE
RETAIL SOCIETIES TO WELFARE
WITHIN THE SOCIAL FRAMEWORK OF
THE NORTH EAST COAST AREA.

Thesis submitted for the Degree
of Master of Letters

by
Peter A. Darvill.

November, 1954.

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List of Abbreviations used in the text.

C.S.	Co-operative Society.
C.W.S.	Co-operative Wholesale Society.
C.M.	Committee Meeting.
S.C.M.	Special Committee Meeting.
Q.M.	Quarterly Meeting.
G.M.	General Meeting.
J.H.	Jubilee History.

Introduction.

. In this thesis the geographical definition of the North East Coast Area given on pp. 1 and 2 of Norman Scott Ross' "The Co-operative Consumers' Movement in the North East Coast Area" has been used. He defined the North East Coast Area as

"a coastal stretch of about 100 miles between North Yorkshire and the Tweed bounded by three natural barriers, namely, the North Yorkshire moors to the South, the Northern Pennines to the west, and to the north west and west by the Cheviot Region."

His division of the area into four areas, namely, the Durham Coalfield, the Northumberland Coalfield, the Tyneside area and the Tees-side area has not been used in this thesis. The thoroughness of Scott Ross's work on the growth of co-operation from the statistical standpoint has enabled me to omit any detailed study of such matters as the growth in membership, sales and capital except where such detail is necessary to the understanding of a particular argument. Moreover the presence of such a statistical work has enabled me to concentrate on aspects of co-operation which were not dealt with by Scott Ross and which, although they might not be important from the statistical point of view, are all important in the consideration of welfare. Thus Chapters 5, 6 and 7, and to some extent Chapter 4, break new ground. The necessity of gathering a considerable amount of information on the social and economic history of the North East has not only provided a basis for judgment on such matters as house building and the relief of distress, but has made a re-exam-

-ination of such matters as the relationship between truck and co-operation possible...

The Northern branch of the Co-operative Union have bound copies of "The Co-operator" and "The Co-operative News" covering the period 1860-1910, and a thorough perusal of these gave a clear indication of which societies would require detailed investigation apart from giving a picture of co-operative development during these years. The Blaydon, Durham, Sunderland and Wallsend Co-operative Societies were to the fore in so many aspects of co-operative development, house building, education and the relief of distress, that a detailed investigation of their development was essential. Only in the case of the Durham society was this impossible, for it no longer exists and only a fragmentary record of its development can be pieced together. In addition it was essential to get detailed information on some societies situated in colliery, leadmining and agricultural districts, and the minute books and accounts of the Middleton-in-Teesdale, Murton and West Stanley societies provided such sources of information. These sources have been supplemented by information from the minutes and accounts of other societies, Jubilee Histories, and articles on the history of North Eastern co-operative societies in the "Co-operative News" and local newspapers. In all it has been possible to get at least a skeleton history of the development of twenty-six of the co-operative societies set up in the North East before 1914.

To some extent the chapters in this thesis are self contained, yet they are so arranged that so far as major changes in policy, primarily in investment, are concerned, they run in chronological order. Thus the chapter which includes an account of the productive ventures of the 'seventies follows the chapters on the origins of and the efficiency of consumer co-operative societies in the North East, and precedes^e the chapter on house building which in time is centred on the housing boom at the end of the nineteenth century. Chapters 5,6, and 7 deal with aspects of co-operation which lie, especially in the case of education, largely outside the boundaries of retail trading. In each chapter an attempt has been made to build up sufficient historical material so that a broad based judgment could be made of co-operative endeavours. In the matter of retail prices the attempt was largely abortive but in the matter of housing it was much more successful and consequently a much firmer judgment could be made.

Each chapter has its own appendix and in the case of Chapter 2, tables on the growth in membership, sales and share capital have been included so as to give a general picture of co-operative growth. Two Biographical Appendices have been included and form the basis of much of the comment made in Chapter 7.

Chapter 1.

The Origins of Co-operation in the North East Coast Area.

Whether it was the trains of packhorses slowly wending their way from the Tyne to the Pennines with their panniers loaded with flour for the Teesdale Workmens Corn Association, or, at a later date, the small cart returning with the first load of provisions to the anxious pioneers of the Cramlington Society - each brought to its district the glow of pioneering. Once the initial scepticism was overcome, co-operation flourished vigorously in the North East; and in a few decades the simple beginnings in front rooms, disused chapels and small shops, were replaced by the trappings of company life, the frosted glass, the board room and the dominating store building. The origins of consumer co-operation in the North East Coast area are to be found in the early history of key societies such as Blaydon, West Cramlington, Sunderland and Wallsend and the work of individuals such as Joseph Cowen Junior. The success of these societies and the energy of their committees were infectious and led to a rapid development of consumer co-operation between 1860 and 1880; a period of rapid industrial expansion and population growth.

1. See Table 1.

Table 1.

Numbers of Co-operative Societies situated in the North East Coast Area which were Registered between 1854 and 1926

<u>Year.</u>	<u>No. of Societies Registered.</u>
1854-59	3
1860-70	71
1871-80	49
1881-90	19
1900-1926	<u>4</u>
Total 146	

Source.- Co-operative Handbook, 1874, and Co-operative Directory 1878 and 1928.

The rapid development of industry in the North East Coast region in the nineteenth century, particularly that of the coal industry, and the accompanying rise in population brought about an expansion of retail trading. Norman Scott Ross stresses the importance of industrial expansion as a formative influence on the development of consumer co-operation, and shows how the location of the stores coincides with the area of greatest industrial development, namely the coastal strip of the North East Coast area. But since population growth and industrial expansion had been going on since well before 1860 in colliery districts, some explanation of the lack of co-operative development before 1860 is necessary. A study of the period

before 1860 shows that industrial expansion and population growth are in themselves not enough to bring about the growth of co-operative societies, their power as formative influences being governed by other factors such as the law, particularly that relating to Industrial and Provident Societies, the direction of working class endeavour, the presence or absence of capable leaders versed in co-operative principles and the nature of the retail distributive framework of the area.

The Friendly Societies Act of 1846 contained a 'frugal investment clause' which enabled early co-operative bodies to obtain legal protection. Matters were improved when the Industrial and Provident Societies Act was passed in 1852 - 'the Magna Carta of co-operative trade and industry' according to Lloyd Jones and J.M.Ludlow. In 1862 the privilege of limited liability was extended to co-operative societies and so far as the law was concerned, little then lay in the path of co-operative development. Some societies did experience difficulty in getting their rules accepted by the Registrar. The Sunderland Society had their rules rejected three times before they decided "that as J.Tidd Pratt had just passed the York Society's Rules, we should call a public meeting, read over the York rules, and, if approved of, send them to the Registrar."¹

1.R.Hindmarsh's "History of the Sunderland Society."

However, once such societies as Blaydon, Durham, Sunderland and Wallsend were successfully established, any formative difficulties could be settled by discussion between the committee of a society in the process of formation and the committee of an established society.

The legal position of co-operative societies was fairly secure by 1852, the year which, in the opinion of Richard Fynes, saw the end of the Miner's Union in the North East. The great strike of miners in 1844 had been unsuccessful, and together with the Chartist failure it appeared that the fortunes of working class associations were on the wane. No doubt militant working class activity had failed, and left the field clear for alternative types of association to grow, but there is no indication that co-operative growth coincides with the lull that followed the storms of the 'forties.² It is an illusion to assume that a clear field was all that was required for co-operation to flourish in the North East, for the peak period for the establishment of co-operative societies occurs

1.R.Fynes, "History of the Northumberland and Durham Miners" p.140. "The union might therefore be said to be almost at an end in the year 1852, with the exceptions of one or two collieries in the County of Durham, together with Seaton Delaval, West Cramlington and Cowpen, which held out till the latter part of 1853."

2.This discussion finds an echo in Beatrice Potter's "The Co-operative Movement in Gt.Britain." p.51. "Seeds of co-operative faith scattered far and wide by these enthusiastic disciples of Owen in the minds of the working class, and buried for a time beneath the rising Chartist agitation and the more dramatic methods of Trade Unionism awaited political disenchantment, industrial truce, and trade revival to yield fruit after their own kind."

between 1860 and 1870, a period which saw the rebirth of the Durham Miner's Association and the political activity which preceded the 1867 Reform Act.¹ The growth of co-operation was part of a general movement and in many cases co-operative leaders were engaged in political and trade union as well as co-operative activities.

The opening of Blaydon Main Colliery in 1853 marked the beginning of the expansion of Blaydon village and the growth of its industry and population went hand in hand after this date. Joseph Cowen Junior was able to persuade the watermen and colliers to set up working class associations and he was in large measure responsible for the start of the sister institutions, the Blaydon Mechanics Institute and the Blaydon District Industrial and Provident Society. The Mechanics Institute was begun in 1847 and eleven years later some of the members and their fellow-workmen attended a public meeting in Blaydon addressed by Joseph Cowen Jnr. He read them extracts from the works of George Jacob Holyoake and encouraged them to form their own Co-operative society. The Annual Report of the Northern Union of Mechanics Institutes for 1876 contains an account of this meeting.² William Douglass told the representatives

1. In his book "Memories of a Labour Leader", John Wilson Contends that there are four aspects of agitation in the 'sixties, the desire to extend the suffrage, greater educational opportunities, the spread of co-operation and the growth of trade unionism.

2. Vol 2. Bound Annual Reports of the Northern Union of Mechanics Institutes, 1873-80. The 1876 Annual Meeting was held at Blaydon.

that -

"our co-operative store at Blaydon was begun under this very roof by Mr. Joseph Cowen reading lessons from G.J. Holyoake's famous little work "Self Help" at some of our popular concerts held here about 18 years ago." ¹

Robert Eadie, who was Secretary of the Blaydon society, a member of the Northern Reform Union and the Blaydon Mechanics Institute, wrote a history of the store in 1864.

He said the men were diffident at the suggestion to form a store,

"but Mr. Cowen enlightened them and stimulated them by reading that valuable and highly instructive book written by Mr. Holyoake, "Self Help by the People." ²

At the 1873 Co-operative Congress Joseph Cowen Jnr. remarked,

"but I believe that the revival of the co-operative spirit of this district is owing chiefly to the publication of that admirable and useful book which was written by my friend Mr. Holyoake. That book had a wide circulation in this neighbourhood some 15 or 16 years ago; and in consequence of its being read aloud in workmen's societies and at their own firesides, it gave fresh impetus to the cause." ³

Joseph Cowen's remarks about the circulation of Holyoake's writings in the North East are borne out in the Jubilee

1. The view put forward by R. Fynes and C. R. Fay that the pioneer society was the one set up at Cramlington in 1861 is wrong for the Blaydon society was set up earlier, and more important it was for at least a decade after its formation a centre of co-operative propaganda and effort in the N.E. See R. Fynes account of the beginnings of the Cramlington society on p. 187 of his history of the Northumberland and Durham Miners, and p. 426 of C. R. Fay's "Great Britain from Adam Smith to the Present Day".

2. "History of the Co-operative Movement in Blaydon" by Robert Eadie, an article in the "Illustrated News of the World" Oct. 22nd, 1864.

3. "Co-operative News" Report of the 1873 Co-operative Congress.

Histories of some societies.¹ Since Holyoake was in regular communication with Cowen, and on occasions visited the North East,² both were able to stimulate co-operative growth in the late 'fifties, even though most of their energy was taken up with the activities of the Northern Reform Unione³

The Chartist workmen of Winlaton, who had prepared for the 1839 uprising by manufacturing their own pikes, had been replaced by a peaceful association whose prefatory address began -

"Union is strength; divine strength, if it be just and wise union for just objects. Be united and be wise; be just and you will be strong. Be wise therefore. Never forget that the safe way for the working man to raise himself is to raise his class."⁴

The dearth of material ~~among~~ operation among the Cowen

1.p.188, Richard Fynes "The History of the Northumberland and Durham Miners", mentions that "...a little work, published by Mr. G.J.Holyoake called "Self Help" was read and explained at one of the early meetings which preceeded the formation of the W.Cramlington Co-operative Society."

"A Brief Account of the Origins and Progress of the Newcastle Co-operative Society 1860-86" refers to the reading of "History of Co-operation in Rochdale" by G.J.Holyoake at an early meeting of the pioneers.

At North Shields, copies of Holyoake's "Self Help" were in the hands of many of the workmen at Carr's Pottery Works in 1860. Since each of these societies was formed by 1861, and is situated in or near the Tyneside area, it points to Blaydon as the centre of co-operative propaganda and example - the pioneer society of the North East Coast Area.

2.Holyoake gave a series of lectures in Blaydon, Newcastle, Middlesborough and Hartlepoons in 1855.

Source, "Life and Letters of G.J.Holyoake.

3.The Northern Reform Union sought "to assist in creating such as expression of public opinion as will necessitate the passing of a measure of Parliamentary reform, based on Manhood Suffrage and Vote by Ballot."

4.Rules of the Blaydon District Industrial and Provident Society.

Papers suggests that co-operation played a very small part in the career of Joseph Cowen Jnr. However, from the co-operative point of view, his part in the formation of the Blaydon store was all important, for the magnetism of his personality and his continued interest in the store ensured the success of co-operation of Tyneside.¹ The 1873 Congress held at Newcastle illustrates Cowen's value as a stage-manager - abundant publicity, sumptuous meals, a Central Board Meeting in a pleasure steamer on the Tyne, and to cap it all a 42-gun salute for the Board's 42 members - a little overwhelming for some co-operators but undoubtedly the movement was put in the public eye.²

Although Joseph Cowen Jnr. was foremost among the influential men who helped the pioneers of co-operation in the North East, there were in most districts men whose support did much to bring about the successful foundation of co-operative stores. By identifying themselves with

1.J.Cowen Jnr. was a moving force in the formation of the Blaydon store and the Northern Reform Union, and was behind the organisation of the 1873 Congress, but after this time, especially after the productive failures of the Ouseburn Engine Works and the Industrial Bank, his attitude towards co-operation chilled.

See the Figaro article, ~~Appendix to this chapter~~.

2.A full account of the preparations for this Congress can be gleaned from pp.94-5, Vol.2, "The Life and Letters of G.J.Holyoake" by J.McCabe. A series of letters between William Nuttall and J.Cowen Jnr., included among the Cowen Papers, gives further insight into the extensive preparations made by Cowen for this Congress, in fact Nuttall seems to fear that the delegates may have too much time taken up with festivities. A letter dated 31.3.1873 impresses upon Cowen that no Congress time should be wasted.

co-operation these men did much to commend it to the public at large. At Tow Law, Mr. Elliot, the manager of the Wear-dale Collieries, helped to foster the Tow Law store in its infancy, whilst at Whitfield in Northumberland, the Rector and his wife were most active in canvassing the neighbourhood to arouse support for the erection of a co-operative store. A Leslie Esq. presided over a meeting of the Hebburn Society in 1866 and encouraged the workmen of the district to join the store. At Middlesborough, the firm of Fox and Head, apart from encouraging profit sharing among their workmen, did a great deal to set the Newport Rolling Mills Co-operative Store on its feet.² The Radicals who were to the fore in so many spheres of reform, and whose activities extended to Parliament and beyond, included men of working class origin such as Thomas Burt, William Crawford, Richard

1. Jeremiah Head said of the co-operative store, "I do not know any other institution which is likely to do so much good in the future for the social elevation of the working man in this town, unless it be the School Board." Part of a speech by J. Head included in a pamphlet "The Co-operative Scheme of Messrs. Fox, Head and Co., Newport Rolling Mills, Middlesborough."

2. Other examples of important or respected men in the local community aiding the newly formed store are, firstly, the help given by the Rev. Thomas Dods to the Crook Society, (Crook J.H.), Secondly, the manager of North Seaton Colliery Mr. G.B. Forster, acted as adviser to the committee of the Newbiggin Society and was instrumental in arranging for the shop to be opened at North Seaton Colliery. ("Newbiggin's Democracy" by Tom Welsh). Thirdly, at Tantobie the Rev. Mathwin, the vicar, gave lectures on co-operation, and lastly, at Wallsend Charles Adam, the local schoolmaster, granted the society an old house at the top of Long Row for its early premises.

Fynes, Lloyd Jones, James McKendrick, William Stoker and John Wilson. These are a few of the many capable men who, by their efforts in economic, political, religious and social movements, brought about a revolution in the lives of the people of the North East Coast.¹ Many societies had to win public confidence without the help of prominent men.

At Sunderland the store was partly a reaction to the depressed state of trade in the winter of 1858. Robert Hindmarsh reflected in his history that -

"In times of prosperity, when work is plentiful and wages good, it seems almost impossible to induce the bulk of working men to give any attention to social questions. It is rather in times of depression, when men are enduring the hard pinchings of poverty that they begin to look around for some means of ameliorating the hardships of their lot. Many a man has come to himself when he has been reduced to the husks that the swine did eat."²

Poverty might sharpen the appreciation of the advantages of co-operative trading, but it would make the accumulation of the necessary capital to begin a store doubly difficult. The twelve pioneers of the Sunderland Society canvassed for support in the winter of 1858 and found many sceptics, and many who "regarded co-operative stores as swindling concerns". The public meeting which was held on September 15th 1859 aroused the interest of sixteen people who contributed 6/- towards the capital of the society. Weekly meetings were

1. In "English Associations of Working Men" by Baernreither, the author concludes that between 1840 and 1880 "a complete revolution has been going on in the lives of a large number of English workmen, and that an improvement has taken place to an extent beyond the boldest hopes of even those, who, a generation ago, and today with grey hairs, but with that freshness of old age which is the reward only of an active and successful life look back with conscious pride upon the time of want, trouble and anxiety."

2. R. Hindmarsh. "History of the Sunderland Co-op Society."

held in a Temperance hotel and the capital of the society was laboriously built up. The pioneers were not daunted by the mere handfuls that attended their meetings, and their persistence was rewarded for by 1860 there were 59 members of the society and they had a share capital of £109:1:0. This is the characteristic beginning of a co-operative society in the North East Coast Area, the perseverance of the pioneers, the lack of capital and the triumph when the store suddenly becomes the focal point for working class interest, custom and capital. The gulf of bitterness which had yawned between masters and men in the 'forties was being bridged by men from all classes of society, and the non-political, non-religious co-operative society was foremost amongst the institutions which harnessed their energies to the work of social progress.

An examination of the retail distributive framework of the North East Coast Area in the period before the rapid development of co-operative retail societies discloses much information which, although it is scarcely relevant to the origins of successful consumer co-operation, does demolish certain conjectures made about the origins of co-operation and makes a clearer appreciation of the role of co-operative societies in the social framework of the area possible.

1. See N. Scott Ross for an elaboration of this difficulty of capital accumulation in the pioneer stage.

Such works as Richard Fynes' "History of the North-
 umberland and Durham Miners", John Wilson's "Memories of a
 2 Labour Leader" and the "Victoria County History of Durham"
 3 draw attention to the presence of 'truck' or 'tommy' shops
 in the colliery areas of Northumberland and Durham, but
 they do not indicate whether they were common or not. If
 'truck' was common in the North East, one might expect to
 find co-operation suggested as a remedy. An Owenite book,
 "The Collier's Friend" published in 1825 stated -

"It is well known that in many of the collieries a shame-
 ful imposition prevails, that of paying the men mostly with
 goods, which leaves them but a trifling balance; who have
 been the instigators of this it is rather difficult to det-
 ermine, some blame the masters, others the agents, and oth-
 ers the overmen (or inferior agents) the last power is
 mostly complained of, it is said, to effect his purpose he
 has represented to the agents and masters, that the workmen
 are all a set of drunken vagabonds, who neither support

1.R.Fynes refers to the 'tommy' shop on p.18 of his history,
 stating it "was generally kept by a relative of the viewer
 of the colliery, the pitman was compelled to purchase his
 provisions there, and his wages were confiscated at the pay
 day to settle any balance there might be due to the 'Tommy
 Shop' keeper."

2.p.31 of John Wilson's "Memories of a Labour Leader" states
 the the pitman was constantly cheated in the weight of coal
 drawn and in the food and other commodities that he was
 compelled to buy at his employer's 'tommy shop'.
 Oxberry Collection. "Recollections of Gateshead Fell" by R.W
 Hetherington, records that "A fertile source of complaint
 was the working of the truck system which was the undoubted
 creation of the viewers, or overmen with the viewer's con-
 vivance, for the purpose of gain."

The only concrete evidence given was a truck shop at Sheriff
 Hill.

3.p.246 states, "All the horrors of woman and child labour
 underground familiarized by Lord Shaftesbury were to be
 found in Durham, while the truck system and the countless
 fines deprived the miner of what little freedom was left to
 him under the system of the yearly bond."

"their families nor pay their debts, which may be the case among them as well as with any other body of men; by this or some other such report he is permitted to use what means he thinks best to prevent this partial evil, which is represented as being general, and for the sake of a few, his own interest considered, makes the whole suffer; he therefore commences a grocer's shop, which his wife, or some of his family, or friends can attend to, or if more convenient enters into partnership or confederacy with some person in the business who may be as great a rogue as himself; the workpeople are obliged to take their groceries where he appoints, or forfeit their employment; the weights are often unjust, the goods inferior in quality, the prices extravagant, and often charged for goods they never received, he is in no danger of losing anything by those customers being paymaster himself, whatever is their bill just or unjust he stops it on the pay day; to complain to one higher in power is of no use, having been tried and found ineffectual. Can tyranny itself conceive any greater violation of justice in a free country than this?"

Naturally, the remedy suggested by the author is the formation of "co-operative victualling societies".² The presence of overmen's shops or 'tommy' shops did not lead to the formation of co-operative societies between 1825 and

1. This booklet is signed:- "A Well Wisher to Society, North Shields."

2. See Appendix to this chapter for the details of the scheme.

1844, the date of the great miners strike. The account of the great meeting of pitmen of the Tyne and Wear on Town Moor, Newcastle in March 1831 contains this passage -

"In many places the overman or agent kept, some a public house, others a butcher's shop; some flour and grocery shops, to which the pitmen were tied, as those who purchased at these shops were always preferred in the employment and those who did not were entitled to nothing the agents could deprive them of."²

Other pamphlets point out that the pitman was not compelled by the terms of his bond to buy at the overman's shop, but like the soldier who fears the power of a vicious officer, the pitman was wise not to incur the displeasure of the overman by buying his goods elsewhere.³ The "Tyne Mercury" of March 26th 1831 records that a resolution to boycott

1. "Co-operative News" July 13th, 1901. A report on the opening of a new branch of the Walker Society states that the society began in 1870 and sprang from "what was locally termed 'the tommy shop'". The report continues, "for many years prior to 1870 there existed in this 'factory district' a small shop, at which the men could purchase the goods required by means of tickets supplied to them, on demand, at the works where they were employed, payment being retained from their wages on the next payday. These shops were called 'tommy shops', until the passing of the Truck Act made them illegal. Then it was that a few co-operators banded together, and purchased the stock-in-trade, and started a shop of their own." Significantly, the article does not attack the 'tommy' shop but merely records its extinction and the birth of the store. It does not seek to show the co-operative store emancipating the workers from the clutch of the 'tommy shop' keeper, and but for the Truck Act the 'tommy shop' might have remained undisturbed.

2. Bell Collection, Vol. 10. An account of the Great Meeting of the pitmen of the Tyne and Wear on Newcastle Town Moor on Mon.; Mar. 21st, 1831. The last resolution passed at this meeting contained the passage, "that no man should in future buy meat, drink or candles, from anyone connected with the collieries."

3. Such a comparison was made in "An Earnest Address and Urgent Appeal to the People of England in Behalf of the Suppressed and Suffering Pitmen." 1831. by W. Scott.

overmen's shops was passed unanimously'. The coal owner's meeting on March 28th, 1831 meets these charges with the resolution "that the workmen be paid their wages in money, as has hitherto been the custom, and remain at liberty to supply themselves with candles, gunpowder and shop goods, wherever they may think proper."² Both sides, the employers and the pitmen, were keen to strengthen their cases by magnifying the malpractices of their adversaries, and the 'tommy shop' comes to the fore in the 1831 and 1844 strikes. A close study of the existing evidence on these two strikes does show that truck was far less common than John Wilson imagined. Once the 1844 strike was under way the question of shops was raised by the "Miner's Advocate". The issue of April 20th hinted that "the pitmen may, hereafter open shops of their own in every district." The co-operative store can be visualised in such times as fulfilling the role of an arsenal, providing the evicted pitmen and their

1. The motion was "that in future no candles should be bought from these men (overmen) and that where they kept ale houses, flour shops, butchers shops etc., no pitman should countenance them, by buying from them."

2. Many societies situated in colliery areas sold powder and candles to their members, and it is possible that some societies, for example the Ashington Powder and Candle, and the Backworth Powder and Candle Societies, were formed solely for the sale of these two commodities.

Reference is made to these two societies in Cd.698, Report on Workmen's Co-operative Societies in the U.K., 1901.

families with a steady supply of provisions.¹ The "Miner's Monthly Magazine" of June-July 1844, which was edited by W.P.Roberts, the miner's advocate, asserted that-

"the promise of the masters in the neighbourhood of Durham, to "ticket" their men to the Durham shops, and make them buy their goods there, has not been lost sight of. The same trick has been tried at Newcastle as a bribe to the shopkeepers to refuse credit during the strike - and we regret to know, that in some instances the tempting bait succeeded. Before, however, we insert any letters, we must have real names and dates."

The last remark is significant, for Roberts seems eager to gather together a case against the masters on the matter of truck. The request for detailed information on 'tommy shops' in the two counties bore little fruit. The only instance reported in detail appears in "The Miner's Advocate" of November 1847, where it refers to the activities of the Old or Great Hetton underviewer, W.Bailey and his son, stating - "He is, with the said cutter, charged with evading the Truck Act, by keeping a Tommy shop, and compelling the miners to take their powder, candles and grocery, as well as drapery goods from him at, of course, his own price."²

This period, which is centred on the 1844 strike, was one in which both sides used to the utmost any means to forward

1.p.83,R.Fynes' "History of the Northumberland and Durham Miners" refers to Lord Londonderry's threat to the Seaham shopkeepers - His Lordship was aware of their importance - "On the 20th July he issued a notice to the effect that the tradesmen of Seaham Harbour, a town upon this noble Marquis' estate, should refrain from giving any credit, or affording any supplies to the miners no at work, not even to their families." The only answer to such tactics would have been pitmen's shops, but as in 1831, no shops are set up to meet future emergencies.

2.The article contains an extract from the letter received by "The Miner's Advocate", which states - "The men under his charge are told that they must purchase their goods at his shop, or otherwise they must seek other employment."

their cause. In such surroundings the absence of concrete cases of truck in the columns of the "Miner's Advocate" is surely testimony to the absence of truck in the colliery districts of the North East. Some years later, Samuel Tremeneere, the Commissioner of Mines in Northern Districts, became absorbed in the prevalence of truck in mining districts, and although he records the presence of many anti-truck associations in the Midlands there is never any mention in his reports of truck or anti-truck associations in the North East. A letter to the pitmen of the Wear and Tyne from William Cloughan of Holytown contained the statement-

"In contrasting you with the men in my neighbourhood I find that the principle difference is the truck system - you get your money down in the current coin of the realm, with the liberty of laying it out to the best advantage...."²

The failure of the Roberts inquiry, the absence of anti-truck associations and the comparison made by William Cloughan all point to the absence of truck in the North East, a conclusion which is confirmed in the report of the Commission of the Truck System, 1870-1 where, in Appendix 11 there is mention of only some twenty truck shops in the counties of Durham and Northumberland.

1. Tremeneere's reports between 1851 and 1854 record the presence of such associations in Dudley, Wolverhampton, Walsall, Tipton and Bilston. The comment in Ashton and Sykes' work on the coal industry in the C18, p.111, adds weight to the contention that truck was uncommon in the N.E. They state - "It may be that the group contract, and the truck system that came to be associated with it, were methods of overcoming the difficulties arising from lack of capital on the part of the mineowner; if so, it was natural that they should appear in the Midlands, where the employers were relatively poor, and that they should be absent in Northumberland and Durham where the employers were men of rank and property."

2. "The Coal and Iron Miners Journal" March 31st, 1843.

The newspaper accounts of the giant meetings of pitmen held on the fells refer sometimes to the support given to the miner's cause by shopkeepers. In the "Newcastle Courant" August 2nd, 1844, there is an account of a meeting of pitmen on Town Moor where resolutions were passed thanking shopkeepers who had helped the pitmen since their cessation from labour. An advertisement in the "Miners Advocate" of January 27th, 1844 read -

"Important to Families. Teas, coffees and groceries at a new reduced scale of prices arranged at the lowest remunerating profit to meet the distressed state of the times at W.C.Marshall's Tea and Coffee House, Golden Royal Arms. Ready money sales."

The advertisements of the groceries of G.Hedley and Co. were honoured with the Miners Union Crest, and considering their range of operation it does seem that miners had little cause to begin stores of their own, there were sufficient

1.A Broadsheet printed at the "Miner's Advocate" offices headed "G.Hedley and Co., Grocers and Flour Merchants, Newcastle", begins - "Having supplied their customers from the undermentioned collieries for the last 20 years, with their well-known flour, Groceries and General Provisions, viz., Walbottle, Benwell, Elswick, Kenton, Fawdon, Cox-lodge, Seaton Burn, Gosforth, Fenham, Lawson Main, West Moor, Camperdown, Cramlington, Seaton Delaval, Seghill, Walker, Winlaton, Felling, Urpeth and many others and having supported them during the late strike (1844) to a very large amount, proving that they have indeed been the Miner's Advocates, beg most respectfully to acquaint them that they still continue to supply them on the same liberal terms, trusting that they, the miners, as a debt of gratitude, will support them, knowing that "a friend in need is a friend indeed."

shopkeepers sympathetic to their cause.¹ Moreover there was no co-operative propaganda in the North East during the 'forties, only lectures by Robert Owen, which in one case led to a riot in Newcastle.³

Apart from the co-operative society formed by the wool combers and linen weavers of Darlington in 1827,⁴ no co-operative societies arose as a direct result of strike action, yet the Chartist agitation in 1839 brought about the growth of one or two stores. John Oxberry refers to the fate of the North of England Working Men's Joint Stock Provision Stores which was established in Newcastle "to enable the working man to obtain all the necessaries of

1. The obituary notice that followed the death of Alderman Fowler, a former Mayor of Durham, in Feb. 1894, referred to the 1844 strike stating that, "in that year the great miner's strike occurred and Mr. Fowler, throughout the dispute, supplied hundreds and hundreds of pitmen with the necessaries of life, on credit. This bold policy secured him a pre-eminent position amongst the men."

2. "The Coal and Iron Miner's Journal" April 29th, 1843, contains an article "Co-operation Necessary for the Miners". Co-operation is synonymous with association in this article but the article does discuss the shortcomings of truck and suggests the bulk buying of goods at markets. There is none of the detail of the Owenite booklet of 1825.

3. "Newcastle Courant" Feb. 3rd., 1843. R. Owen came to Newcastle to deliver some lectures on socialism. He was able to speak for a while, but the meeting ended in a riot.

4. p. 322. G.J. Holyoake, "The History of Co-operation in England". Holyoake notes that "The store traded under the name of Topham and Co., and after a few years fell into the hands of a few and ultimately became the affair of John Topham."

"life of the very first quality and at the lowest possible price - and at the same time to realise a profit to himself."

Oxberry laid the society's failure down to the fact that it was run by men who were politicians first and co-operators afterwards. Joseph Cowen referred to the dangers of mixing storekeeping and politics in his 1873 Congress address when he said -

"....co-operative societies were started in Newcastle thirty-five years ago. They were not successful. They were to a great extent connected with political organisations; their management was incapable and not very harmonious; and their death somewhat disastrous."

Although none of the stores begun by Chartists flourished in the North East there were successful stores in Scotland. In his account of Scottish Chartism Leslie C.Wright describes the successful Chartist store which was begun at Howick and which still exists as the "Howick Co-operative Society".² A non-political co-operative society pursuing the peaceful work of storekeeping, opening its ranks to all classes and seeking to replace competition by co-operation was to many the most commendable of all working class

1.Oxberry Papers. Article by John Oxberry, "The Stores and Politics."

Moreover, in the Windy Nook Jubilee Souvenir, John Oxberry recollects that an earlier attempt to set up a society in Newcastle failed. He said "it had its origin, I believe, at the Chartist Institute, Newcastle. That it failed was probably due to the fact that it was semi-political in character and was not the untainted type of co-operation that succeeded it later."

2.See p.72, "Scottish Chartism" by Leslie C.Wright.

associations. J.M.Ludlow and Lloyd Jones asserted,

"No other system is so intricate in its organisation, so complicated in its workings, so exacting in the demands it makes on the forethought and reasonableness of those who enter into it, and at the same time so completely the result of the working man's own thoughtfulness."¹

The bulk of the shopping facilities of the North East Coast Area in the middle of the last century were not so historically spectacular as the truck shop. Foremost among the facilities were the market towns such as Darlington, Stockton, Bishop Auckland, Durham, Sunderland and Newcastle, to mention the largest. It was to the market towns that the crowds flocked for their week-end shopping. As the author of "Pits and the Pitmen" points out,

"The population of the pit towns are supplied with the principle necessities from the large towns, whither the men and women resort in crowds upon Saturday nights, and where they make the cheap grocery and provision stores ring with their noisy bargaining."²

Special reduced fares on the railways, especially in S.Durham, enabled many pitfolk to visit market towns, and Tremenheere mentions how,

"at Killingworth and Burraton Collieries 7 wagons were sent to Newcastle on market days to bring home their purchases."⁴

1.p.131, J.M.Ludlow and Lloyd Jones, "The Progress of the Working Classes."

2.p.21, "Pits and the Pitmen".

3.The Bell Collection, Vol. 15. The pitmen of Coxhoe and nearby collieries expressed their wish to make Stockton their market town and obtained reduced railway fares on Saturdays. (Undated newspaper cutting of the 1840-50 period)

4.1846 Report of S.Tremenheere, Commissioner of Mines on the State of the Population in Mining Districts.

This week-end shopping was largely supplemented by purchases from travelling hawkers and the few village shops. The importance of hawkers, pedlars and costermongers being clearly shown in the analysis of the 1861 Census. The miner's wives had a difficult task to provide meals for their menfolk, for very often they were on different shifts. In his "History of the Durham Miners" Sidney Webb remarked that,

"Multiple shifts mean considerable upset for miner's wives - no one seems to have made an attempt to arrange it so that all the men resident in one house, or at any rate, all those of one grade, should always be working in the same shift. The consequence has been that where there is more than one man in the household the labour of preparing meals and drying pit clothes has to be undertaken every few hours the whole of the day and night."

Since the wives had little free time the combination of hawkers, who could bring provisions to the door during the week, and the market town visit of the week-end admirably fitted their needs. This distributive pattern may have fitted the needs of the pitmen and their wives before 1860, but as the population rose, the likelihood of its survival diminished. There were insufficient undesirable features

1. See Appendix to this chapter.

The importance of hawkers, pedlars and costermongers is further illustrated by the formation of Tradesmen's Protection Societies. Such a society was founded in Darlington in 1842 "to combat the activities of hawkers in the town." "Newcastle Courant" June 24th, 1842.

At a later date, 1882, John Coleman, when giving evidence before the Commission on Agriculture, drew attention to the isolation of the villages of Northumberland, stating, "...centres of population are very sparse in Northumberland, and they are therefore dependent upon the huckster who travels with his cart to the farms and sells the goods."

in the retail trading facilities of the North East to prompt a reaction towards co-operative store formation. Truck was uncommon, and during strike times there are indications that tradesmen went to some trouble to maintain their goodwill with the miners. Moreover, a lack of sustained co-operative propaganda meant that any likely opportunities during the 'forties and early 'fifties would be wasted through lack of information.

The co-operative retail societies which have developed in the lead mining areas of Alston, Nenthead and Middleton, have their roots in the eighteenth century when the London Lead Company had to introduce measures to deal with distress among their miners in the dales. After 1795 the

1. The Bedlington Iron Works offers another example of how benevolent employers could cater for the shopping needs of their employees. In the course of his evidence before the Commission on the Employment of Women and Children in Mines, 1842, Michael Longridge said, "When it is known that them men are in full employment and earning high wages, the keepers of public houses and small village shopkeepers offer too many inducements to extravagance by the credit which they allow. To counteract this we established a retail shop for the sale of groceries etc., this is let at an annual rent of £5 upon condition that the shopkeeper shall sell at reduced prices and give no credit." A brewery was built as well, and Longridge added, "the shopkeeper supplies people with ale at a reduced price any profit going to a fund for the school and surgeon."

Yet another example of benevolence in the iron industry is supplied by Tremenhoe in his description of the Consett Iron Works in his 1849 Report.

Company began to grant relief, which was supplemented by cargoes of grain bought in Newcastle or Alston. Arthur Raistrick records how the London Lead Company had, by 1800, determined on a definite line of action which was preceded by a careful enquiry into the causes of distress among the Company's workers. The retailing of flour to the lead mining population of the dales was a difficult task which involved the transport of grain from Newcastle, its storage in the dales, and its distribution to the dwellings of the lead miners and their families. Arthur Raistrick gives a clear description of how the Company, first in the interests of its own workers and then in the interests of the whole district, gradually took over the retailing of corn in the dales. He states,

"An enquiry proved the main source of distress to be the dearness of bread, resulting partly from the scarcity of corn but very largely aggravated by the exorbitant charges of the corn millers and flour dealers. Time after time the workmen had complained of this, until the company felt that they must find some real solution other than occasional charity. They finally decided in 1800 to buy the old lead mill and engine at Tynebottom, near Garrigill and to refit it as a corn mill to supply the whole district. The mill was worked under their supervision, and quite quickly reports were received by the Court that the whole district was benefitting by better ground corn and by just prices. The second source of complaint was that corn had to be brought by the dealers from Newcastle market, which none of the miners were able to visit (a distance of about 40 miles), and that the prices were increased almost to prohibitive monopoly levels. The Court ordered the agent at Nenthead to purchase £500's worth of grain, to store it somewhere in the offices, and to sell it to the miners and their families at cost price only. 8 casks of rice were sent from London to supplement this. Along with the operation of the Company's corn mill at Tynebottom, this relieved the situation for the time being, but soon other problems arose. It was difficult to provide this relief for the company's workmen and see the general population of the district still in the grip of prohibitive prices, so

"the scheme was soon enlarged and thrown open to all the residents in the district, whether employed in the mines or not."

After the Napoleonic Wars the new agent of the London Lead Company suggested, and was given permission to carry out, a scheme whereby the Company took over the whole of the work of corn supply. The corn was issued monthly and its cost deducted from the men's monthly wage. Mr Stagg was authorised to sell wheat

"as near as possible to cost price, but rye could be sold at a loss of about 5/- per boll."

The company encouraged their workers at Nenthead to form their own Corn Association in the 'hungry forties' and, as Raistrick adds,

"a similar corn association was formed at Middleton-in-Teesdale with equally good results."²

These corn associations received grants from the company and were, according to Raistrick, active until 1860. Apart from the corn associations the company established Ready Money Shops in Nenthead and at Middleton. Without the capable benevolence of the London Lead Company, the workmen's corn associations could not have been born, and without them, co-operative retail development would have been a much more difficult task. As it was, the retail society at Middleton developed out of the corn association.

1."Two Centuries of Industrial Welfare, The London Lead Co." 1692-1905 by A.Raistrick. p.35.

2.Ibid, p.39.

The debt the workmen's corn associations owed to the London Lead Company is recorded in rule 4 of the Laws and Regulations of the Government and Company's Teesdale Workmen's Corn Association.

"On making our views and wishes known to the Gov. and Company through the medium of their superintendent R. Stagg Esq. they have with their wonted kindness and consideration for the comfort and prosperity of their workmen, responded to our request, by causing an addition to be made (in proportion to the number of our individual families), to one month's regular advance money, and thus we have been enabled to carry our purpose into effect."

Every workman who received the extra advance money was obliged to use it for purchasing grain from the corn association and, apart from those members who grew some grain for themselves, members were required to obtain all their grain from the association. If they bought grain elsewhere they were liable to a fine of 5/- for each offence. The first three rules of the Teesdale Workmen's Corn Association outline how the necessities of life can be more economically purchased in association with other workmen. In its early days, membership of the association was restricted to the employees of the London Lead Company, and if any member was dismissed from the company he had to cease his membership of the corn association. The committee was given discretionary power to decide which, if any, of a deceased member's sons should succeed to his father's membership of the association. If the committee excluded them from membership

1. This extract is from the 1842 "Laws and Regulations" of the Gov. and Company's Teesdale Workmen's Corn Association.

it would pay them the deceased member's share of the bread and provision fund in money or corn. Full membership was acquired when a member paid his full share into the bread fund which was gradually built up by members paying an additional sum on each bushel of corn until their share of the bread fund, ~~on~~ trading capital, was built up and the committee put in a position "to make the requisite purchases with ready money."¹

A committee of eight, the Clerk and the Corn Buyer were to conduct the business of the association, their functions being carefully described in the rules.² The committee was to meet every month or "as often as business shall call for their attendance", and it was laid down that

"no private conversation one with another shall be allowed during the transaction of business; any member so offending shall forfeit One Shilling for the first offence, and Two Shillings for every succeeding offence, and the offending

1. The section of the rules which deals with the Contingent Fund authorises the addition of 4d. per bushel, which was to cease as soon as sufficient capital was built up for ready money purchases.

2. Section IV of the 1842 Rules deals with the Duties of the Clerk and the Corn Buyer -

The Clerk was to be the Treasurer of the Association, he had to give security and was to be "entrusted to the amount of £100." He was to accompany the Corn Buyer to market and to be present at the payment of all monies "whether for grain, carriage of grain, or other incidental expenses." His other duties were to "oversee the delivery of all grains brought to the granary" and the monthly delivery to members; and to be at the mill during the grinding of the corn and weighing of the flour. Once a month he had to lay a statement before the committee.

The Corn Buyer was to attend corn markets when required and he was provided with printed schedules on which he had to enter "the weight and rate per Boll, and the number of Bolis purchased", in addition "the signature of the Farmer, corn factor or miller, of whom bought", was to be affixed to each.

"member shall not be considered eligible to sit on the committee till the forfeited monies be duly paid."

The 1848 rules¹ make provision for the sale of,

"grain, provisions and other articles of necessary consumption"

which were to be retailed to the members at prime cost. The sale of

"bread-corn, oatmeal, bacon, hams, cheese, tea, coffee, soap and such other articles of consumption as the Committee may think proper to add to the stores of the Society",

is mentioned in a later part of the rules, and as in the case of the bread fund, a small charge was made on each thing sold so that the trading capital could be increased.²

Among the routine matters included in the minutes of the committee are the yearly agreements they made with local carriers who undertook to deliver their goods or bring supplies from markets. In William Alderson's contract he agreed

"to keep it dry and clean and to make up any loss that may take place after I take it into my possession and not to leave it on the road side or on the walls."³

In 1867 a pig meal department was set up with £50 from the flour and meal fund and in the same year membership appears

1. These rules are the first registered according to the law. A minute dated 18:3:1847 records that the committee "agreed that the Rules of the Gov. and Company's Corn Association be registered according to law."

2. "In addition to the selling prices, each member shall be required to pay 1d. per stone on oatmeal, $\frac{1}{2}$ d. per lb. on bacon and ham, $\frac{1}{2}$ d. per lb. on cheese, and $\frac{1}{2}$ d. on every shilling's worth of other articles purchased at the Society's store, until the full amount of six week's regular supply of articles necessary for his family be realized in the provision fund."

3. Lead Company's Teesdale Workmen's Corn Association Minute Books, C.M. 12:12:1868.

to be open in some cases to those not in the employment of the London Lead Company.¹ In 1873 a series of resolutions passed at a committee meeting held on January 7th point to the final transformation of the Corn Association into a co-operative society:²-

- " 1. That Aaron Lowes be Manager of the Grocery department, salary 25/- per week.
2. That the grocery department receive a loan of £250 from the Flour and Meal department, and to pay 4% for same in the 1st. quarter.
3. That Aaron Lowes draw £250 from the Savings Bank for the Grocery Department.
4. That all customers for the grocery department pay ready cash and that it be open to all comers.
5. That Thos. Allinson, joiner, prepare fixtures.
6. That J.French and A.Lowes be sent to Chester-le-Street to gather information and also to go to Newcastle C.W.S. to buy goods.
7. That there be an advertisement for a manager for the Flour and Meal department. "

Stocks of brushes, brooms, sewing machines and other hardware goods were bought in March and by November the society had bought and altered the old chapel which served as the first store. A circular was sent to members in May 1873

1.C.M. 25:10:1867. "that any person accepted as a member of the society not being the Lead Company's workman will have to pay their surplus fund at once before receiving any flour or meal."

2.In his short account of the Teesdale Workmen's Industrial and Provident Society, "A Century of Co-operation in Teesdale", T.W.Mercer states, p.5, "George Jacob Holyoake immortalised the "Famous Twenty-Eight" when he wrote his lively account of the early struggles of the Rochdale Society of Equitable Pioneers. It is a pity "G.J.H." did not also visit the small village of Middle~~x~~ in Teesdale, where canny Durham workers established a co-operative society two years before Rochdale weavers began their bold adventure in Toad Lane."

The changes of 1873 turned the Corn Association into a Co-operative Society and therefore Mr. T.W.Mercer has no right to claim that a co-operative society was set up in the village in 1842.

to ask whether the society should adopt the co-operative principle. Another minute of August 15th 1873 shows clearly that before 1873 the society did not justify the title 'co-operative society' for it lacked the essential characteristic of the dividend.¹ After 1873 the store and the mill kept their own accounts and paid separate dividends, a practice which has continued until the present day. The Nenthead Co-operative Society, although it lays outside the North East Coast Area, furnishes another example of a society which owes a great debt to the philanthropic work of the London Lead Company.² William Dalton, a quaker and temperance advocate, who was employed by the Lead Company as manager of the smelt mill, was largely responsible for the formation of the Nenthead Co-operative Society in 1869. The first store was a shed at Overwater, and from the small beginnings a flourishing society soon grew. In the isolated lead mining districts the existence of a co-operative store prevented local millers and other retailers from extorting monopoly prices from the inhabitants. Moreover, the early corn associations, and at a later date the co-operative societies, could do much to stave off the ill effects of a declining industry.

1.C.M.Aug.15th,1873. It was resolved "that the members of the Flour and Meal department be solicited to take shares of £1 each in the Grocery Department to whom will be paid 5% for such shares which will constitute them members to whom will be paid dividend on purchases."

2."The Jubilee Story of Nenthead Co-operative Society Ltd., 1869-1919." by Caldwell Harpur, refers to the work of the Company at Nenthead.

The negative points which arise out of the foregoing paragraphs are, firstly, that no successful societies of the Rochdale type existed in the coal or lead mining districts of the North East before the formation of the Blaydon society in 1858, secondly, that Chartism did not lead to the establishment of any successful co-operative stores, and thirdly, that truck was insignificant in its extent and influence upon co-operative development in the North East Coast Area.

Of the North Eastern co-operative societies, those in the Tyneside area, and particularly the Blaydon society, were a most powerful influence in spreading co-operative ideas, especially when their efforts were combined and directed by the Northern Union of Co-operative Stores. There were, apart from those in the Tyneside area, certain key societies whose success led to a remarkably rapid spread of co-operative retail trading between 1860 and 1880. In 1875 James McKendrick assessed the part such societies had played and were playing in the successful establishment of co-operation in the North East. He spoke of the go-ahead societies at Blaydon, Consett, Durham, Chester-le-Street, Wallsend and Cramlington, adding,

"Each of these stores is a little centre of power in its district and the public spirit of the leading men has contributed in no small measure to consolidating the co-op-

1. For further information see Chapter 3.

"-erative idea in the mind of the masses of the people."¹

These pioneer stores drew their members from the immediate vicinity and the surrounding sparsely populated districts. In many cases the growth of industry, particularly the coal industry, led to a rapid growth of population in the surrounding districts, and what had been mere pockets of population became villages justifying, by virtue of their size, the establishment of either a branch store or a new co-operative society. Thus either by branch development or the establishment of a new society the distribution of co-operative stores coincided in place and pace with population development. Much of the co-operative development that took place in E.Durham stemmed directly or indirectly from the Sunderland society. During its first year of existence the society sent a traveller to the surrounding colliery districts and it soon had over fifty members at Merton, besides a number in Ryhope, Seaham, South Hetton, Seaton Harrington, Easington Lane and Ludworth. In 1865 the Ryhope members formed their own society and Robert Hindmarsh charges the Sunderland society's officials with lack of enterprise for he says there was

"no valid reason why Ryhope should not have been worked as a branch of the Sunderland Society."²

1!"Co-op. News" Feb. 6th, 1875. James McKendrick, "Northern Letter". To this list, the names of the Sunderland, Tantobie, and Bishop Auckland Societies might well be added.

2."History of the Sunderland Co-operative Society" by Robert Hindmarsh.

At a later date the Murton Society was set up and soon a constellation of societies surrounded the pioneer Sunderland store. At Blaydon a similar growth of new societies in the surrounding districts is observable - W.Wylam and Prudhoe (established in 1872), Burnopfield (established in 1889) and Throckley (established in 1892). In other places discontent and the urge for independent existence seem to have been factors which led to the establishment of a new society rather than a branch store.² The Leadgate men did not want to join the Consett society, they wished to be independent;³ the Low Moorsley society would not deliver goods to their members who moved to Pittington;⁴ The Cornforth and Coxhoe society got the idea of co-operation from the men at Crook⁵ - in each case a neighbouring society played a part in the formation of a new store. Whether the new store was regarded as a young member of an ever growing

co-operative family

1. Each one of these societies followed the example of the parent society in devoting large sums to education. See Table 1 in the Appendix to Chapter 6.

2. Discontent among the members of the Bishop Auckland society who lived at Willington and Tudhoe led to the establishment of separate societies in both places. The Willington C.S. was established in 1872 and the Tudhoe C.S. in 1884. The W.Cornforth society was set up in 1893 because the Cornforth and Coxhoe C.S. would not open a branch at W.Cornforth.

3. Leadgate J.H.

4. Pittington J.H.

5. Cornforth and Coxhoe J.H.

co-operative family or as a fresh rival to contend with, the link remains - the older society acting as an example to be followed or bettered.

The origins of many of the early societies lay in the day to day discussion of working men whose working fellowship was one of the foundation stones of co-operative association. A nucleus of working men engaged in one particular trade or place of work is a feature of many of the groups of co-operative pioneers. At Barnard Castle there was a nucleus of men who worked at the Bridge End Flax Mills; at Bishop Auckland it was a group of miners; at Chester-le-Street it was the moulders and engineers at Murray's Old Engine Works; At Darlington the workmen at the carriage works of the Stockton and Darlington Railway; At Durham the men at Henderson's Carpet Factory; at Middlesbrough the workers in the Newport Rolling Mills; at Newcastle a group of cabinet makers; at South Shields some men at Readhead's shipyard; at Wallsend the workers in the Linseed Oil Mills; and at Windy Nook it was the quarrymen - in each case there was a group of men who shared the same satisfactions and trials of a working day and by this experience had built up a knowledge of, and confidence in each other, both of which were essential to the birth of a new association. Their day to day contact enabled

1. The Tantobie Society sold the branch store at W. Stanley to the new society at cost price and advanced the cash for purchase at 5% interest - a good example of the 'family' relationship. As in the case of the Blaydon societies the W. Stanley society followed the example of the parent society in house-building and educational work.

them to give immediate attention to the difficulties which faced their venture and thereby avoid much of the prejudice and rumour which would exacerbate their difficulties if given the time in which to act. This nucleus gave a basis of confidence, comradeship and prompt action to their venture - just the qualities which perpetuate and accelerate the spirit of association.

Landowners such as the Duke of Portland placed restrictions on the erection of dissenting schools and chapels and co-operative stores, and the "Newcastle Chronicle" when describing the villages of Ashington and Pegswood, remarked that,

"...the royalty is held under the usual restrictions as to schools and stores and, however the dissenters of the village may strive to get an unsectarian school in the place, they may depend on it there will be no site for them to build on."

But the men of Ashington were nearly all co-operators, for the carts of the Choppington and Cramlington stores penetrated

"even into the sacred preserves of his Grace of Portland."

At North Seaton, similar restrictions were in operation so that the pioneers had to register their society at Newbiggin, under the name of the Newbiggin Industrial and Provident Society Ltd. The tide of co-operation was strong in the formative period, and instead of restrictions

1. "Newcastle Weekly Chronicle" Sept. 6th 1873. "Our Colliery Villages." LXIV.

preventing co-operative growth they seem to have spurred the pioneers on. The loyalty to the store was spiced with a healthy antagonism to the landlord.

The striking feature of the beginnings of co-operative retail trading in the North East Coast Area is that it was a drive towards something new. Co-operation was not a reaction to the wrongs of the truck system¹ or the pinchings of poverty, it was the seizure of an opportunity created by the growth of industry and population in the North East. Inspired and guided by prominent Radicals the working classes of the North East harnessed the power of co-operative association to their need for shopping facilities

1. The relationship between industrial development, truck and co-operation is referred to in C.R. Fay's books "Co-operation at Home and Abroad" (p.272) and "Great Britain from Adam Smith to the Present Day" (p.423). The conclusion that truck had little or nothing to do with the beginnings of co-operation in the North East does not invalidate the conclusions reached in these books but adds information about the North East to the more generally known pattern of development that took place in such areas as Lancashire and Yorkshire.

See also footnote 1. p.17.

and their hopes for social elevation.¹ Speaking of the past,

Lloyd Jones said -

"...when men, whose position imperatively demands improvement, voluntarily discard the old methods of revolt, of violence, and revolutions of blood, and put on themselves the duty of promoting necessary change in a spirit of peace, it is wisdom on the part of the governing and comfortable classes not to condemn or antagonise them in an unfriendly spirit."

His reflections on the future were equally cogent, for he maintained that British society had yet to discover how to make

"....the resources of society fully available for the promotion of general welfare."²

But unfortunately the possibility of co-operative societies becoming a focal point of working class aspirations receded as the attraction of the dividend drew in an increasing volume of members who wished to reap nothing but the pecuniary benefits of co-operative trading.

1. At the end of the first volume of "An Economic History of Modern Britain", J.H. Clapham makes this comment on the co-operative societies of the 1840's. He said - "As compared with the trade unions, still more as compared with the friendly societies, the co-operators - who, as individuals, might well be both trade unionists and friendly society members - were still a feeble folk; but if creative faith, combined with sober peaceable good sense, ranks before the power to fight, in a cause however just, and before the rather obvious, if admirable, quest for good fellowship, a little help in sickness or old age, and decent burial; then these scattered democratic stores; with simple routine and great hopes, may perhaps stand first among the self-made social institutions of British wage-earners in the bleak towns of the 'forties." (p.599)

Those North Eastern co-operative societies which grew up in the 'fifties and 'sixties deserve the same sober praise.

2. "Newcastle Weekly Chronicle" April 8th, 1882.

See also March 18th, 1882 for a further discussion of the "popular movements of the 19th century."

Appendix.

Details of the Co-operative Scheme put forward in "The Collier's Friend" by a Well Wisher to Society, North Shields Dated December 16th, 1825.

On p.22 the author begins his recommendation -

"What I would recommend is a victualling society, which is a number of householders residing in one place, to deposit a sum into one fund, with which they stock a shop, with provisions and other necessary articles, and appoint a qualified person to attend to the business as shopman at reasonable wages, who should be under the inspection of a committee of management by this means every ^{member} can purchase his goods at the very lowest wholesale prices and with 5% profit pay all the incidental expenses; in the formation of such a society there might be many who would feel inclined to become members, and could not advance the sum required, to answer the convenience of all, a time might be appointed when the society would commence business, and in the interval arrange their affairs by seeking a suitable shop and shopman, - electing a committee - enquiring the wholesale price of goods - forming and printing rules - paying their money by instalments, - and other necessary business; should the society consist of one hundred members, on an average taking eighteen shillingworth of goods per week, it would amount in a year to £4,680, - 5% deducted £234, which is more than sufficient to defray all the expenses, - for example:-

Shopman's wages at 30/- per week	£78. 0. 0.
Rent and Taxes	£14. 0. 0.
Licence	£ 0.15. 0.
Carriage	£20. 0. 0.
Paper, Twine etc.	£10. 0. 0.
A/c books, fire, candles, pens ink, etc.,	£ 7. 0. 0.
Total	<u>£129.15. 0.</u>

....5% or 1/- per pound is not more than a quarter of what many colliery grocers are charging at present; if there were more than 100 members, so much the better, where there is not so many the expense would not be so great, the shop could be kept in an apartment of a dwelling house and an active woman could attend to it, at wages proportionable, - by giving a competent salary, the honesty of the shopkeeper is in a great degree secured, for having a sufficiency, there is comparatively no inducement to act improperly, whereas necessity causes some people to do what in other circumstances they would never think of. There are many people who might not feel disposed to become members who would take their goods as customers, those who have large families, could take two shares, if one was not sufficient. £2 each share might do to begin with, but it would be commendable after things were arranged to have £4 as it would make each member more interested,

and also strengthen the society's capital, which would be found necessary at times, either when the members individually or collectively were out of employment, or to give an opportunity of purchasing any bargain that might offer, or laying in a stock of any article that was likely to rise in price, much might be said on the utility of such an institution. I have known many, who from many years of experience allowed they were not only calculated to answer the purposes for which they are now recommended, but other ways profitable, as each person had something to receive, either in money or goods at the years end. I think little more need be said to prove the use and practicability of a victualling society among the colliers, what is now wanted is for each person, who sees the necessity of it, to use his influence in furthering it, as far as he can; each interested person could suggest what ideas he thought best on the subject. It is unnecessary for me to swell the size and price of my little book, by giving a long list of articles; in every colliery there are men sufficiently qualified, who could attend to this. Should a wish be generally expressed to have a copy of articles from a society, whose rules are the result of long experience, which would no doubt be of great service, as I am acquainted with many residents in the collieries, and occasionally visit certain of them, I would certainly hear of it; and will willingly write to my acquaintances on the subject, who I am sure would send me a copy which could be reprinted, at a small expense...."

Extract from a report in "Figaro"

(Undated, but probably Nov. 1891 as it is referred to in the "Co-op.News" in that month.)

"Mr. Cowen on Co-operation Practice as opposed to Principles."

Cowen is reported to have said the following at Stella Hall-
"But of all the meannesses in God's creation and the sweating practised therein, the modern co-operator is the worst living embodiment. I know of things done and being done by societies in the North here, of dishonest dealings, of underpaying, of sweating the life's blood out of the employed, of a wanting of the littlest of the doctrines of honest commercialism, that make one despair of the success of great schemes over the baseness of human schemers. Co-operation, as they spell it, killed Dr. Rutherford, the best friend to me, to all and to everybody that ever lived."....."And as for its non-competitiveness Mr. Cowen illustrated the condition of things at the neighbouring borough of Gateshead, where the shopkeeper had been ruined, and in whose beggarly array of wretched streets the emblem To Let persistently met the gaze."

Source - The Cowen Papers.

An Analysis of those engaged in Distribution in the
County of Durham. 1861.
Source - 1861 Census.

4,000

Mercker

Chapter 2.

The Efficiency of Consumers' Co-operative Societies in the North East Coast Area.

The appeal that co-operative trading made to the people of the North East coast in the middle of the last century was direct, and is well illustrated by Joseph Cowen's definition of a shopkeeper who he called -

"a channel that keeps or absorbs half the stream that flows through it."

If this was the case, people would readily form co-operative stores and so long as their affairs were reasonably conducted, the stores could secure for the consumer the profits which otherwise would have fallen into the hands of the private trader. The favourable conditions of the formative era of co-operation brought about a rapid growth in the number of stores in the North East, and even the small, the isolated or, compared to its neighbours, the inefficient co-operative store¹ offered a dividend to those who bought at its counters.

The formation of a considerable number of co-operative societies could be expected to bring about changes in the retail distributive framework of the North East. The growing population of the North East Coast Area, especially on Tyneside and in the coalfields, was the opportunity for the stores firstly to secure their existence as economic institutions, and secondly, to

1. See Chapter 3 for Professor Marshall's comment on the management of co-operative societies. Footnote 1. p. 112.

utilise their economic and social power in the service not only of their members needs, but in the service of the ideals of the movement, which ~~at~~ their loftiest sought to alter fundamentally the structure of human society.

The growth of co-operative retailing in the North East has been statistically recorded in Norman Scott Ross' work, "The Co-operative Consumer Movement in the North East Coast Area." The presence of such a rich source of statistical information is invaluable in determining the factors which influenced the efficiency of co-operative trading before 1914. There are four possible standpoints from which to judge the efficiency of a co-operative society, that of the member, that of the society itself, that of the retail framework of the area under investigation and that of the ideals of the co-operative movement.¹ The efficiency of a co-operative society cannot be judged thoroughly if an investigator assumes it is nothing more than a bridge which lies between the consumer and the producer. Henry Smith defines the function of a retailer as

"Bridging the gap between producer and consumer; on the one hand bringing to the consumer at the price and in the quantities most convenient to him the good which he desires, on the other informing the producer of the requirements of the consumer."²

1. See Chapter 8 for a discussion of the fourth standpoint.
2. "Retail Trading" by Henry Smith. Chapter 1 p.

This definition puts the retailer at the mercy of consumer desires and if it is accepted it is readily understandable why a retailer is obliged to resort to advertising, leading lines and ostentatious fittings to attract his customers. In many instances this is not, and certainly need not, be the case with co-operative societies which, potentially, could eliminate much of the uncertainty and waste which is inherent in retail trading. The co-operative society is an associative device whereby private retailers can be replaced by a group of consumers who elect out of their own number those who shall manage the society. Unlike the customer at the private shop the member of a co-operative society has an active foothold in the business of retailing. Furthermore the co-operative society, relying upon the loyalty of its members, can exercise a much stronger influence over consumer habits than the private trader can, and since the society has to keep a close check on all purchases its members make, it has at hand the raw material for measuring consumer demand. The democratic link between the society and its members is the means to eliminate much of the wastefulness of retail trading. This link is the means whereby a determined committee of management could change consumer habits. Credit trading could be eliminated or confined to the limits of members share capital; the necessity of keeping shops open until late at night could be stopped by co-operative initiative;

and positive virtues such as thrift could be encouraged. Few private traders could afford to do this if they wished to maintain their profits! Henry Smith's definition is admirable for an analysis of private retail trade, but since it does not take account of the unique democratic link between the co-operative society and its members it is an inadequate basis for a study of co-operative retail trade. Co-operative trade must be viewed from the standpoint of the member and the society, for their interaction determines not merely how efficiently consumer demand is met, but the character of the demand itself. The necessity for investigating the growth of co-operative societies in the North East before 1914 from the standpoint of the retail framework of the area becomes apparent when the tendency of shops, like rabbits, to increase at an alarming rate, is taken into account.² Lastly, although this will be dealt with fully in the final chapter,

1. The Blaydon society was instrumental in stopping the practice of shops in that district keeping open until the last night train from Newcastle arrived at Blaydon.

2. The opening paragraphs of Chapter 22 of "Consumers' Co-operation in Great Britain" by Carr Saunders, Sargent Florence and Robert Peers, points out that retail costs may be unnecessarily high because of an excessive number of middlemen between producers and consumers. As they state in the opening sentences of this chapter, "No part of our present industrial organisation has received more criticism than the distributive system. Not only socialists but also scientists, engineers and other technicians, are constantly urging that the problem of distribution stands in the way to prevent the benefits of modern invention reaching the consumer."

one cannot ignore the ideals of the movement, for it sought to replace competition by a co-operative system of trade. In the words of Dr. Fauquet, it was the task of "rehumanising and remoralising the economic relationships between the sellers and buyers of goods."¹

If the standpoint of the consumer is taken, the dividend is certainly the most powerful factor in securing his regular custom at a co-operative society. Moreover, where a consumer has a choice between competing co-operative societies, the dividend is and was the most powerful factor in **influencing** that choice. Graph 3 illustrates how the average dividend paid by co-operative societies situated in Durham and Northumberland rose between 1880 and 1895, and declined gradually until a few years before the Great War, when a slight rise took place. The highest dividends were paid by societies situated in the Durham coalfield area, and significantly it was here that co-operative trade secured its firmest hold.² The strength of the Member's desire for high dividends was very clearly illustrated in the 'nineties, when many management committees tried

1. A phrase used by Dr. Fauquet in "Le Secteur Co-operatif".

2. See Graphs 3, 5 and 6. Norman Scott Ross shows in Table X how between 1878 and 1914 the Durham Coalfield had the highest proportion of co-operative membership in the North East Coast Area. 46.5% of Total Membership in 1878, 38.1% of Total Membership in 1914. Tyneside, the area with the next highest proportion of Total Membership had 28.6% in 1878 and 28.4% in 1914.

to secure members' assent to the payment of lower dividends and reduced prices.¹ In all cases but one, such a change in trading policy was rejected. In the one society where such a policy was pursued over a period of years the dividend was cut from 4/4d in the £ in 1895 to 2/4d in the £ in 1897, and maintained at 2/6d in the £ from 1898 to 1911.² If out of over a hundred societies, only ~~Murton~~ **Murton Colliery Co-operative Society** could deliberately pursue such a policy, then high dividends were not only the surest way to satisfy existing members, but the most likely way of attracting new members. The Murton committee of management had requests from the Backworth and Station Town Co-operative Societies for information on the 'small divi. system' and for a short while, for 6 months in 1910, the Backworth society followed their example and paid out a 1/6d in the £ dividend. During the first quarter of the experiment the sales of the Backworth society increased but later in the year a motion that the committee resign was carried by a large majority. The results of a ballot held at the Birtley society in April 1906 on reduced prices of high dividend are an apt illustration of the overwhelming support North Eastern co-operators gave to a high dividend policy.³

1. See Chapter 5 pp. 172- 176.

2. See Graph 5.

3. W. Stanley J.H. The results of a ballot on whether prices should be reduced, taken in Jan. 1912, were, in favour of a reduction, 855; against, 2,406; majority against, 1,551.

Out of 3,661 ballot papers, 2,774 were in favour of a high dividend and only 673 voted for reduced prices. The minutes of the Murton society contain a report on a conference held at Hetton Downs in 1910, the subject under discussion being "Low Dividends". During the course of his address Mr. Wetherall said,

"Committeemen and officials generally admitted that a small dividend was best, but they believed that their members would not permit them to adopt such a course, and, either for fear of unpopularity or defeat, they did not care to take the initiative in recommending it to their members. Where the dividend was increasing members naturally expected such a state of things to continue, and it was a difficult task to persuade them to any other way of thinking than that the value of co-operation was to be measured by the amount of dividend and interest paid."

The conclusion reached was that

"on the whole agreement was expressed with the low uniform dividend idea, but it was thought that it would have to be brought into reality by the education of the members."

Such statements as those made by Councillor Rule of the Gateshead society and Mr. Thirlwell of the Seaton Delaval society are, in words, what the Birtley members expressed in their votes. Councillor Rule maintained -

"People will go where dividends are highest and stores should not try to undersell the private trader."²

Mr. Thirlwell admitted he

"liked a good dividend. He was a co-operator simply because it was to his advantage to be one."³

1. Report contained in the Minute Book of 1910.

2. "Co-op. News" Dec. 32rd. 1889. Conference held in South Northumberland.

3. "Co-op. News" Sept. 22nd. 1894. Conference held in South Northumberland.

The members of North Eastern co-operative societies valued high dividend above reduced prices and had in their voting power the means of ensuring the continuance of high rates of dividend even though management committees might try to persuade them otherwise.¹ Although they are a reminder of the Irishman who lengthened his blanket by cutting off a piece from the top to sew on to the bottom, high dividend rates would maximise the painless saving which provided either for items which fell outside the normal weekly expenditure, or a reserve of capital which could be fallen back on in times of stress.¹

Credit trading was common in the North East before the establishment of co-operative societies, and it was a cardinal point of co-operative policy to establish cash trading. The struggle that ensued between consumer habits and co-operative principles is important, for although credit trading as carried out by co-operative societies did not affect costs to the extent it did in private retailing, it ended in the wide spread establishment of credit trading, and to many co-operators this was yet another defeat for co-operative principles. The disadvantages of credit trading and, incidentally, its power to promote co-operative trading, are illustrated by a description of the origin of the Whitfield

¹ See Chapter 8, pp 244-5 for a full discussion of these points.

Co-operative Society in the November 1864 issue of

"The Co-operator". It reads -

".....the great majority of us were, therefore, as you will see, entirely at the mercy of the village shopkeeper, of the numerous talley-men who infested the place.... it was not till our Rector and his lady, who only came amongst us in 1860, seeing the evils of the system we had been going upon, the enormous prices we had been paying, the credit we had been allowed, and the consequently increasing score of our shopbooks, and getting a wrinkle from an article in "Macmillan's Magazine" in the early part of 1862, determined to try whether something could not be worked out for our physical as well as our spiritual advantage."

Credit trading was partly responsible for the collapse of an early co-operative society at Stockton, and at Birtley and Chester-le-Street prospective members had to settle their accounts with private traders before joining the store.^{2,3} Credit trading persisted in the face of co-oper-

1. The Stockton J.H. gives three reasons for the failure of this early society, lack of capital, insufficient loyalty among the members, and credit trading. Also "The Co-operator" May, 1868. The decline of the Consett Co-op. Society is held to be caused by the management encouraging credit transactions.

2. "The Co-operator" Sept., 1864, in a report of the 11th quarterly meeting of the Birtley society, states that the society "...has assisted hundreds of poor families to pay off increasing shop scores and also enabled them to form a reserve fund."

3. "Co-operative News" Aug., 1878. Report on Chester-le-St. Conference and Exhibition. During an address given by James Wilkinson, manager of the Chester-le-St. society, he remarked "...but when the time arrived (to get) the capital necessary for commencing business, it was found that the tally system was so much in vogue, as only 8 members turned up, the excuse of the remainder being principally that as soon as they got themselves out of the books of the shopkeepers they would fulfil their promises and join."

-ative principles even in the pioneer era. In 1866 the Bedlington Committee of Management passed the resolution that

"credit be strictly prohibited from this time henceforth, both in the shoemaking and drapery departments, and that all grocery bills must be paid within 3 days of delivery."

This was not the end of the trouble, for in January, 1876 the committee resolved

"that no more credit be given to anyone, except on their fortnightly parcels."²

Resolutions aimed at the elimination of credit trading were like New Year resolutions, difficult to keep. A strict definition of credit was given in the article on credit trading in the "Co-operative News" of June 15th, 1889. It stated that credit was given if the society parted with goods

"without their equivalent in money, if only for an hour".

On the basis of this definition it was estimated that in 1889, 721 out of 1,255 co-operative societies gave credit. In 1904, 969 out of 1,345 societies in England and Wales gave credit.³ If on the basis of such returns the conclusion that co-operative principle were flouted on a large scale was reached, it would ignore certain social factors, some of which were peculiar to certain areas of the North East. In addition, the practice of allowing members to have goods on credit up to the amount of their

1. Bedlington Co-operative Society J.H.

2. Ibid.

3. "Co-operative News" May 28th, 1904.

share capital takes the sting out of the arguments of those who condemn credit on business or on moral grounds. This practice eliminates the bad debts which would worry the business man, and meets the moralist's objection that credit encourages people to live beyond their means. In the leadmining areas credit trading was wide spread;

1. The Board of Trade Report on Workmen's Co-operative Societies in the United Kingdom, Cd. 698. 1901 states, "The Rules of Co-operative Societies usually give the society a lien upon a member's share capital for debts due by such members to the society, and that to this extent the societies are secured against loss by bad debts."

The following extracts are examples of the practice of allowing members to have goods on credit up to the amount of their share capital, and illustrate the change of opinion that took place over the years.

Stockton J.H. records a resolution of Dec. 23rd, 1865, "that no member receive more than three-quarters of the value - in goods - of his share or shares from the stores of the society."

Felling J.H. records a resolution in 1874 which stated that - "credit be allowed in the shops from week to week only, and if not cleared off at the pay, no more orders to be taken, all old standing debts, if not paid in 2 months from the date, will be kept off the members pass-books."

Sherburn Hill Quarterly Report, June 1885. "All goods must be paid for on delivery, unless the member has cash invested in the Society to the amount, or the signature of some responsible member to stand on security for them."

A Newcastle minute of April 10th, 1888 has complete details of 'clubs'. a) each club was to have 24 members and payments were to be made over 24 weeks. b) Clubs were to be drawn by directors. c) Minimum subscriptions were to be 6d. per week, maximum 3/-. d) Members could subscribe to more than one club. e) Goods were not to be supplied in excess of the amount standing to the members credit in the books of the society. f) Goods to be drawn from the local branch if possible.

"Co-op. News" July 14th, 1906. Mr. Taylor of Felling went so far as to say "that he did not agree that a society should be considered to give credit if it was restricted within the limits of its share capital."

the reason was clearly stated by John Parker of Consett in a prize essay he wrote in 1868. He stated that -

"Although there are many strenuous advocates of the non-credit system of co-operative societies, yet I suggest that ready-money transactions cannot be consistently carried out in all places, and under all circumstances, with the progress of co-operation. For instance, there are numbers of lead ore mines in the counties of Durham, Northumberland, Cumberland and Westmoreland, that receive the total of their earnings monthly, quarterly, and, in some instances, half-yearly. Now in such localities co-operation is not likely to make much progress except if some system of credit is adopted."

The London Lead Company's scheme to advance to their miners a months wages so long as the money was used to set up and perpetuate a corn association, dispersed the credit traders in the dales, as Arthur Raistrick observes,

"with the success of the Ready Money Shop the credit traders practically disappeared, and the miners had the advantage of choice of a very large stock of goods at a very moderate price."

Credit trading in isolated districts such as Whitfield, Middleton-in-Teesdale, or Nenthead could be very expensive to consumers if it was in the hands of unscrupulous private traders, in the hands of a co-operative society it could be an advantage to the whole district. Credit was essential to the farmers who bought animal feeding stuffs from the Middleton-in-Teesdale Mill, which in the

1. "The Co-operator" March 7th, 1868.

2. p.39, "Two Centuries of Industrial Welfare" by Arthur Raistrick. The rules of the Nenthead Co-operative Society, which is situated in the lead mining dales, registered in 1905, affirm that "the ready money rule is dropped as unenforceable and credit is allowed to the extent of the members share capital."

course of time turned from corn milling to the retailing of animal feeding stuffs. It still continues its practice of allowing one months credit, and this is of inestimable value to the farmers of the dales. Other general considerations about credit trading were dealt with by Thomas Tweddell when he spoke on this subject in May 1904. He said

"We have to remember that we do not live in an economic paradise - that tens of thousands of possible co-operators are living to-day below the poverty line - that tens of thousands of actual co-operators are living from hand to mouth on slender wages which are paid weekly or fortnightly - the week's income barely sufficient to meet the week's necessities - the financial equilibrium so delicately strung that sickness, an accident, the loss of work - any of the mishaps to which a working man is exposed will destroy that equilibrium for months, and plunge the household into misery and privation."

Lack of care in the control of credit trading could lead to a large number of bad debts, and, as happened in the cases of the Bee Hive society at Amble and the Seaton Hirst Co-operative Society, it could lead to a society's² downfall. On the other hand, the benefits of credit trading to those who might have not merely low wages but a fortnight or month interval between pays, were great, and so long as the amount of goods supplied on credit was

1: "Co-operative News" May 14 1904.

2. " " " Jan. 7th, 1905.

never more than the members share holding, no serious harm could be done to the financial stability of the society.¹

The consumer's standpoint emphasises the attraction of the dividend and invites inevitable comparisons with the pioneer period - an active stream of voluntary effort growing into a sluggish silt-laden river of dividend seeking. But it was most difficult for a movement which achieved remarkable success in retail trading to expect to persuade its members to use their dividends and their voting power in any other way than that which promised individual rather than social benefit, for self help had a different meaning when the co-operative societies of the North East were firmly established, prosperous institutions. Loyalty was defined in terms of purchases and the co-operative consumer was character-

1. The development of giving credit up to ~~the~~ part of, or the whole of the amount of a member's share capital was wide spread in the North East, and bears out at an earlier date the conclusion of Carr Saunders, Florence and Peers' "Consumer Co-operation in Great Britain" (p.373 (v) the cost of Credit), that the costs of credit trading tended to be less in co-operative ~~movement~~ than in non-co-operative organisations.

See also B. and S. Webb, "The Consumers' Co-operative Movement", p.293, for a discussion of the disadvantages of credit trading.

-ised by an efficient selfishness which acted as a powerful brake on co-operative experiment. It is only when the conclusions reached from other standpoints are taken into consideration that the consequences of rigid consumer desires can be thoroughly appreciated.

From the standpoint of the individual co-operative-retail society the question of efficiency is fundamental. An enquiry into this point must cover not only the efficiency of the co-operative societies themselves, their bookkeeping, their management, their costs, but must try to assess how far co-operative societies in the North East met the range of consumer needs, and how near they came to maximising the purchasing power of a member's income, and lastly, how efficiently they utilised members' capital in the service of members' needs.

Many of the prominent co-operative pioneers in the North East were aware of the dangers that faced inexperienced committees, particularly in the realm of accounting. John Hopper, Secretary of the Sunderland Co-operative Society, believed that the success of co-operative trading

1. "Co-operative News" May 23rd, 1908. Thomas Tweddell captured the views of many co-operators in the North East when he said they regarded co-operation as "a sort of patent money box, a skilful contrivance for promoting thrift, while thousands regard it as a clever device for eliminating the middleman and reducing to its lowest denomination the cost of living." The poorer co-operative member would have good reason for disagreeing with the last remark, for in the North East high dividend raised his cost of living.

"depended in a very great measure on working men understanding and having a good system of bookkeeping,"

and he added that he had drawn up a booklet on the subject.

At a later date, in 1875, H.R.Bailey, who was one of the compilers of "The Manual of Auditing" and "The Central Board System of Bookkeeping" urged societies in the Northern Section to establish a uniform system of bookkeeping.²

H.R.Bailey, who was employed as an accountant by the C.W.S. seems to have put into practice the scheme suggested by Joseph Cowen in 1862,³ for he visited many societies in the North East and helped them to overcome accounting difficulties.⁴ Even with the services of men such as H.R.Bailey, B.Tetlow and J.Thirlaway⁵ and those of the C.W.S. and the Co-operative Union at their disposal, some societies failed to institute efficient systems of accounts. The

1."The Co-operator" March, 1862. Letter from J.Hopper.

2."Co-operative News" Dec.4th,1875. Letter from H.R.Bailey of Newcastle on "Uniformity of Bookkeeping." He says, "Having made these two most important points certain, by means of general experience - that is, having found out that we can trust each other, and that we can rely upon our principles - our thoughts now ought to be given almost wholly to the consideration of sound practical arrangements for the purpose of consolidating and working to perfection the business we have in hand."

3.See Chapter 3, pp.94,95,96.

4.H.R.Bailey visited the Bedlington society in 1880 and suggested many changes, including the appointment of an auditor (Bedlington Equitable Industrial Co-operative Society J.H., 1861-1911). H.R.Bailey, when he was Secretary of the Sunderland Society, brought their books "into clear and intelligible form" and in 1885 was called in to go through the books of the society.(Robert Hindmarsh's "History of the Sunderland Society". See also p.58, Windy Nook J.H.

5.See Biographical Appendix for an account of their work.

consequences could have been grave and the results of the C.W.S. examination of the books of the Haswell society illustrate how slack a society could be in these matters.

They reported that the society

"had no proper system of accounts, had made no summary of members' accounts for many years past, and had not compared pass books with ledgers." ¹

Yet another tendency, though not wide spread, is illustrated by the progress report issued to members by the Sherburn Hill Co-operative Society in 1905. Amongst other difficulties it mentions overestimated stocks, and it is important to note that firm management overcame this and all the society's other troubles.² Such shortcomings were not common in co-operative trading, and when compared with other sources of inefficiency, were relatively easy to overcome.

In the pioneer era the committee of management would buy supplies, erect the first fixtures, weigh out goods, compile the first rudimentary quarterly report, deliver goods and thoroughly enjoy the steady purposeful

1. Quoted by Norman Scott Ross, Chapter 7, from the Minute Book of the C.W.S. Newcastle Branch, December 1890.

2. May 1905. The Report began, "Twenty five years ago the above society was just emerging from the verge of bankruptcy owing to heavy debts, overestimated stocks, insufficient capital, lack of members' confidence in management, employees carelessness and indifference together with many other drawbacks, the society had for a considerable time to struggle hard for an existence. The C.W.S. who proved a friend in need, assisted admirably to lay a sound foundation."

prosperity that rewarded their efforts. By the turn of the century many of their duties had fallen into the hands of full time paid officials and employees, although the scale and age of the society determined the number of duties a committee could conveniently retain. Carpenters, grocery assistants, a secretary, cartmen and others freed the committee of management from the everyday work of shopkeeping, but even in the largest of the co-operative societies in the North East their work was never so straightforward and general as those of a C.W.S. director, whose work was described by William Maxwell as being -

"a matter of watchfulness, and framing policy, and that sort of thing." 1

The extent to which the committees of management were immersed in the work of the store is evidence of their industry, but such immersion had its dangers. It could prevent the policies recommended at national and regional levels receiving support in the consumer societies, for important matters could easily be swallowed up in the succession of routine affairs. The Minutes of the Murton Colliery Co-operative Society are an especially valuable record of co-operative development, for they are precise and detailed and bear the stamp of a resolute group of men determined to curb wasteful consumer habits. They illustrate how a tradition of firm management was established

1. Report from the Joint Select Committee on Municipal Trading, July, 1900. Minutes of Evidence, para. 4305.

in this compact colliery village society. The compactness and size of the society - it had no branches and some 1700 members in 1914 - simplified the management's task, but this does not dim the impression that the resolution, industry and sympathy of successive committees won the confidence of members and enabled the committee to carry out most of the policies it formulated. The committee dealt firmly with gossip, it regularly sued its debtors in court and its efficient handling of the difficulties that arose during strikes gave them a position of respect and authority in the village. Their society had a flexibility which was largely the result of efficient management. This flexibility enabled the committee to bring in low dividends, to minimise the effects of strikes on their members' lives - to use their association so as to direct economic power to its most fruitful use. Here,

1. Special Committee Meeting, Oct. 23rd, 1877. "That the frivolous matters that have been discussed go off the board, and we move a vote of confidence in our Manager."

2. A regular feature of the society's minutes is illustrated by the resolution of 11th Feb. 1882, C.M.

"That all members owing 10/- and upwards to the society, be sued in the County Court for the payment of same."

This practice was modified in 1893 when a resolution at the September Q.M. stated, "That the committee be empowered to send to all the members a circular two fortnights before the end of the quarter informing them that if all bills are not paid, their dividend will be stopped, and also their goods until all bills are paid and further that the committee be empowered to investigate extreme cases."

3. See Chapter 5, pp. 164-168.

so far as it can be judged from the minutes and accounts, was an efficient management committee, yet even they were unable to establish an education department, and low dividends only became a reality through the wholehearted support of the poorer members. The Murtom committee of management had to run against the tide of consumer desires and willingness to steer such a course must have been based in part on the knowledge that they could bend these desires to their will. Leadership of this nature could be achieved but it was a difficult task. Foremost among the difficulties was that of getting the members to play some part in the affairs of the society either through the education department or, in the years between 1883 and 1914, through the guilds sponsored by such departments. Moreover, an elected committee of management was always liable to be ejected from office if it pursued policies which did not enlarge the dividend. In one of a series of provocative articles, "Verb Sap" stated,

"Committee men, with all the assurance which comes from limited knowledge, sit in pre-judgement upon anything which does not bear the hall-mark of precedent, and which is not capable of demonstration with mathematical precision in terms of profit." He added, "In such an atmosphere thorough efficiency cannot be evolved."

Such a lack of initiative, and rigidity, and it was by

1. "Co-operative News" June 23rd, 1906. "Short Studies on Management, Its Relation to Efficiency" by 'Verb Sap'.

no means uncommon in the North East, could be a result of members' indifference or opposition. Their indifference to the management of the society's affairs could lead to committeemen falling a prey to temptations, whereas their opposition on the disposal of profits, whether in dividend or interest on share capital, could place a serious impediment in the way of co-operative development.

During the period between 1860 and 1914 the control of day to day business in co-operative societies was gradually passing from the hands of the management committees to those of the general or departmental managers. By 1914, in many cases, the management committee

1.R.Hindmarsh's "History of the Sunderland Co-operative Society", Chapter 7. H.R.Bailey was called in to investigate the accounts of the Sunderland society in 1885 as there was a deficiency of £688. A member of the executive had been defrauding the society and received 12 months imprisonment.

A commoner temptation was that of accepting bribes from wholesale dealers, usually in goods, and the Co-operative Union warned societies in the Northern Section on the dangers of this practice. (Such a printed warning is contained in the minutes of the Murton Colliery Co-operative Society) "Co-operative News" July 29th, 1899. In a Newcastle court a commercial traveller declared on oath that he had given £310 as commission to co-operative buyers during the previous 7 years and made presents to the value of £148 to committeemen and their wives.

"Co-operative News" Feb. 10th, 1900. During the course of a case in which the Consett Co-operative Society sought to recover £24 from G.Bell, its drapery manager, Ambrose Barker, a salesman employed by Messrs. Hickson, Lloyd and King of Manchester, was questioned. His terms were to receive 5% commissions on all orders received from ordinary tradesmen, and in addition 2½% extra on all business transacted with co-operative societies. When asked why he got the extra 2½% he replied "The extra 2½% was given as bribes to the buyers of Co-operative Societies to secure their custom, with instructions to recoup ourselves by charging the stores the extra amount for the goods sold to them."

were left, so far as shopkeeping was concerned, with little more than the duties of policy making and the general control of the staff. At the same time the general manager became a most important factor in determining a society's success. Out of 46 societies, the 33 which employed general managers had higher average purchases per member than those that did not have a general manager.¹ On the face of things it appears that a general manager would be, so long as he retained the confidence of the committee of management,² in a far stronger position to bring about efficiency

1. Norman Scott Ross, "The Development of Consumers' Co-operation in the North East Coast Area." Table 20. The average purchases per member in the 46 societies was £37:3:0; in the 33 with general managers the figure was £38:10:7; in the remaining 13 societies which did not have a general manager the figure was £34:13:0.

"The Grocery Trade" Vol. 2, by J. Aubrey Rees (Editor of "The Grocer's Assistant") Published 1910. p. 227, Mr. Rees gives the private trader's point of view on co-operative management. "One would imagine that shopkeeping required no training, but could be successfully conducted by a board of amateurs whose previous experience had been confined to weaving, engineering or bootmaking. As a matter of fact, however, such success as has attended the grocery departments of the co-operative stores has been largely due to men who have been trained in the grocery trade having taken service with the stores."

2. Cramlington J. H. The Cramlington Committee of management experienced difficulty in getting their managers to carry out their resolution to buy from the C.W.S. The author of this history remarks "Unfortunately, the resolution did not coincide with the desires of the managers. They showed a strong disinclination to move out of the old grooves, and it was not until some time had elapsed that they refrained from buying so largely in the open market as hitherto."

See p. 117 Chapter 3 for an example of the practice adopted by the Newcastle Farm Sub-committee to deal with managerial troubles. Another practice adopted by the Cramlington society was that of a committee member accompanying the manager to market when he bought goods for the society. (Cramlington J. H.)

within the store than the committee with their limited term of office. This conjecture needs to be modified a little before it can be accepted as a statement of fact, for the record of committee membership, even in societies where committee members were obliged to stand down for a while by rule, shows that a nucleus, generally the most trusted and capable, were regularly re-elected, and often their years of service outnumbered those of the managers!

Table 2.

The Length of Service of Committee Members in Four Co-operative Societies.

Number of Committee Men Serving:-

Name of Society	Years Analysed	Under 5 Years	From 5 to 9 Years	From 10 to 14 Years	15 Years & Over.
Bishop Auckland	1860 -1910	85	28	12	6
Crook	1865 -1886	70	9	3	-
West Cornforth	1893 - 1904	59	5	-	-
Sherburn Hill	1881 -1887	28	5	-	-

1. See Chapter 7 .

They constituted a permanent residue of experience and counteracted any ill-effects which, during a period of years, a constantly changing membership might have brought about. "Verb. Sap." might have looked upon them as an anchor keeping many a co-operative ship at rest, yet in many cases they could provide both the power and the navigation necessary to co-operative progress, within and without the boundaries of shopkeeping!

The powerful desires for increased dividends and a high rate of interest were factors which only a few management committees persistently sought to overcome, and fewer still had this persistence rewarded. The rigidity and strength of these desires set limits outside which a committee of management would rarely go, except when external factors enabled them to present policy changes in a profitable light. Thus large scale investment in house property by North Eastern co-operative societies only became common between 1895 and 1910, a time when economic factors combined to make house property a profitable investment. Moreover, the efficient management of co-oper-

1. An example of the work management committees did outside their duties concerning shopkeeping was that of inspecting and valuing property. A minute of the Newcastle Board Meeting of 23rd. June, 1890 reads - "Application for the advance of £100 upon the security of a house situated at 11, Mill Street, was submitted. Mr. Proctor reported that he had along with Mr. Gibb inspected the House and it was of a very indifferent kind."

Resolved that the application be not entertained.

-ative societies depended upon the character of the liason between the elected committee and their manager or managers. This liason could, if too slack, lead to managers taking advantage of the society, whilst if the committee kept too tight a rein they could prevent managers from performing their duties efficiently. Slackness could lead, as in the case of the Newbottle society,¹ to the manager being given blank cheques, whilst on the other hand committees could cling to powers which they as part-timers could not properly wield. No firm conclusion can be reached on how far the elected management committees furthered or retarded the efficient development of co-operation. Measured against potentials their record might seem mediocre but this ignores the strength of consumer desires which could, through the democratic framework of societies, ensure the perpetuation of trading policies which satisfied their desires. The presence of more and more paid managers amongst the staffs of North Eastern co-operative societies appears to have increased the efficiency with which consumer desires have been satisfied, but in the more difficult task of influencing these desires few management committees can record much success.

The increase in the cost of running a co-operative retail society during the period between 1850 and 1914 was

1. "Co-operative News" Jan. 6th, 1894.

inevitable. In the early days when voluntary effort was at its maximum costs were low, but as the society expanded it had to meet not only the cost of the erection and upkeep of a large store with many departments, but additional costs which improved the service it gave to its members. Two examples of these additional costs are the provision of delivery services and the installation of refrigeration. The former seems a justifiable addition to cost on the grounds of convenience, the latter on the grounds of preservation and the prevention of waste.¹ Labour costs would tend to rise as trade unionism took a stronger hold amongst co-operative employees² yet the costs of what B.Jones termed 'domestic production'³ would tend to decline. Societies could dispense with the services of skilled workers

1. "History of the Sunderland Co-operative Society" by R. Hindmarsh. In 1861 the society commenced butchering and suffered a loss of £9:0:0 in 3 weeks as too many beasts were killed and after 12 weeks the pickle tub was full and further losses had been incurred. Another butcher was engaged but by August 1862 butchering had ceased. In 1882 this trade was done through a local butcher. The carcass was sent to the society cut into joints which were numbered and drawn for among the members. Refrigeration would have solved many of these problems.

2.p.323, N.Scott Ross refers to the Congress decision to establish minimum wage rates for various classes of workers in societies. In 1912 only 100 societies throughout the country had adopted the rates laid down by the Co-operative Union in 1908. The Amalgamated Union of Co-operative Employees adopted a militant policy from 1911 onwards and wrested advances from many societies.

3. See Chapter 13, Domestic Production, Benjamin Jones "Co-operative Production" 1894.

such as tailors, milliners, boot and shoe makers, and replace them with unskilled labour as ready made clothing and machine made footwear became more common. Furthermore, since co-operation was a working class movement, committees of management were obliged to do their best to improve the wages and conditions of their employees. If they carried out such obligations the cost of labour would tend to be higher amongst co-operative than amongst private traders. William Maxwell charted the course in this matter when he said -

"Let members of committees cease comparing their own conditions with those of their employees, rather let there be friendly rivalry among societies, as to who will give the best conditions so that among other good results, the traders in your locality will be shamed into following the example of the co-operators."

The figures in Graph 10 bear out the general conclusion

1. "Co-operative News" June 12th, 1897. Report of the President's Inaugural Address given by W. Maxwell.
Robert Hindmarsh's "History of the Sunderland Co-operative Society." Chapter 5. In July 1886 a proposal by J. Hopper, that after the 31st. July employees should have a half day holiday each week, was put into effect. Hindmarsh remarks that the Sunderland society was the pioneer of half day holidays for shop assistants in Sunderland. He adds, "of course this is as it ought to be. Co-operation ought to lead the way in relation to every social question which comes within its sphere."

that the expenses of co-operative trading gradually increased between the pioneer era and the Great War, and what is more important, this manner of expressing expenses introduces sales, and supplies a possible means of comparing the efficiency of co-operative societies.

Since the North East was a high dividend and a high price area any attempt to measure the efficiency of co-operative retail societies by the amount of expenses incurred for every £'s worth of sales must proceed with extreme care, for co-operative selling prices might be artificially inflated to produce dividend. A consequence of this practice is that the figure of expenses as expressed in terms of sales is lowered, and therefore could give an impression of a degree of efficiency which was not actually present.

1. One of the costs that co-operative societies could avoid was advertising, for they could depend upon the loyalty of their members, which in many societies was enforced by rule. Such economies however, would tend to be small before 1914. A.C. Pigou, "The Economics of Welfare" p.288 remarks, "The Purchasers' Association, however, has a considerable advantage over an ordinary joint stock company, because it is able to offer to those who join it, not only cheap goods, but also a certain sense of part ownership in an important corporate institution. Such advertisement as it does undertake, therefore, is likely to prove more effective, and less of it is needed to achieve a given result. By so much its efficiency is, *certeris paribus*, greater than that of its rivals."

An interesting comparison of the expenses involved in retailing coal by private and co-operative traders is included in the Appendices to Vol. 3 of the Report of the Coal Commission, 1925, p.346. The conclusion was expressed in the words, "...I formed the impression that, generally, the co-operative societies would have a less expensive organisation than the merchants. This would presumably be due partly to the merchants having to make greater efforts to obtain business,"

2. For further information on the rise of expenses see N. Scott Ross, Table XLIV.

The essence of the matter is that efficiency judged in this way can be achieved by maximising sales¹ and minimising costs, yet the manner in which co-operative retail societies could increase sales would invariably involve them in additional costs. These additional costs could result in, firstly, an increase in membership and sales potential,² secondly, an increase in sales amongst existing members, thirdly, in additional convenience, which is not presentable in money terms, and fourthly, in an addition to the costs of retailing of the North East Coast Area without necessarily any corresponding gains to the consumers in the area. The first two might result in increased sales and in a diminution of expenses per £ of sales, the third might be justified on the grounds of convenience, but the fourth consideration takes the discussion beyond the scope of this method of measuring efficiency. Expenses per £'s worth of sales is a guide to the efficiency of co-operative societies and no more, and if it is used as a means of comparing the efficiency of individual co-operative

1. Robert Hindmarsh, in "History of the Sunderland Co-operative Society", remarks in Chapter 7 that there was dissatisfaction at the rate at which working expenses were increasing (1/3 in the £ in 1887). He adds that the only way to decrease this figure was by an increase in sales - by 1889 this had been achieved.

2. Cramlington J.H. The management arranged, at members' request, a systematic delivery to outlying villages and this led to a marked increase in individual purchases. The average weekly sum spent per member rose to over 16/- (early 1860's).

societies, their location and size must be taken into account.

The full range of consumer needs could not be met in the pioneer days, but as societies grew they could utilise their capital to achieve such an end. Norman Scott Ross states that

"the rate of progress in this direction" (the expansion in fresh channels of supplying goods and services)"depended on the size of the trading membership, the extent of the capital resources of the society, and the enterprise of the committee."

By 1905 the Newcastle society, the biggest in the North East, had, in order of establishment, the following departments:- grocery, drapery, boot and shoe, butchering, coal, tailoring, greengrocery, furnishing, hat and cap, jewellery, farm, dairy, bakery, confectionary, chemist and cafe.² At Seaton Delaval and Cramlington they had their own gas works,³ and at most colliery village societies they sold gunpowder⁴ and at Brandon the society met the members' need for entertainment by the establishment of a theatre which later became a cinema. Many societies

1.p.149, N.Scott Ross.

2.Table 36, N.Scott Ross.

3.pp.150-152, N.Scott Ross.

4.Two societies seem to have been set up primarily for the sale of powder and candles to their members, they are the Ashington Powder and Candle Society and the Backworth Powder and Candle Society. The only evidence of their existence is the mention of their names in the tables giving membership of co-operative societies in the Report on Workmen's Co-operative Societies in the United Kingdom., Cd. 698. 1901.

in the area made arrangements with private traders to supply members with goods not kept in stock by the societies. In most cases the suppliers agreed to allow discount and so the society not only enlarged its range of services but secured its members valuable reductions in price without incurring the expense of erecting and maintaining additional departments. In 1910 the sales on commission at the Darlington Society reached the figure of £20,000, 11.9% of the society's total sales.² In his recent book "The British Co-operative Movement in a Socialist Society", G.D.H.Cole makes the point on p.41 that,

"The aggregate of co-operative trade continues to grow, but certainly not more than in proportion to the total trade done by all kinds of agencies in the fields which the co-operative movement actually attempts to cover. This means, in effect, that the Co-operative Societies' share in the total expenditure of its members is tending to fall; for, even apart from the effect of food subsidies in reducing the proportion of total income spent on food, consumers expenditure has been shifting steadily as living standards have risen and as new wants have emerged."

1.N.Scott Ross gives a variety of instances from the minutes of the Newcastle and Darlington societies, ranging from the offer in 1891 of a dentist to supply the members of the Newcastle society with false teeth at 20% discount to an offer to the Darlington society to supply its members with wallpapers at 20% discount. p.159 et seq.

See also p.63, footnote 1.

2.N.Scott Ross, p.159 et seq.

Such a process had not begun, or was only just beginning in the period before the Great War, and so far as the grocery trade was concerned the significant changes had taken place when a succession of Gladstone budgets had established Free Trade¹. Moreover, these changes, which led to a rapid increase in the consumption of many articles, particularly sugar and tea, also led to a rapid increase in the manufacture of such articles as table jellies, jam and confectionery. These changes took place before or during the formative period of co-operation in the North East, and so far as the period before 1914 is concerned there was a great increase in the range of co-operative trading - societies even met their members' need for good quality houses.

The extent to which a co-operative society could stretch the purses of its members depended on a variety of factors, in particular the members' loyalty to the store. An analysis of the effect of co-operative trading on the purchasing power of a member's income can be made in Stanley

1.J.Aubrey Rees, "The Grocery Trade" Vol. 2, p.238.
 "Fifty years ago, in the days when Free Trade was but a new and as yet untried principle, the grocer's stock was still but limited in range. The principle articles sold were tea, coffee and cocoa, dried fruits, raw and refined sugar, rice and perhaps tobacco, wines and spirits (in some cases). With the growth of the population, with the increase of prosperity, with the multiplication of facilities of transport both by land and by sea, and with the developments of the colonies as sources of supply, the grocer was to see not only the area from which he drew his supplies extended, but the purchasers multiplying and their powers of spending vastly magnified."

for the Year 1913, when Mr. Burnett Hurst carried out his survey in Stanley and other towns.¹ A somewhat acid letter from a Newcastle Guild member illustrates a common attitude, both inside and outside the co-operative movement, when purchasing power was the subject under discussion.

The member complained,

"We cannot afford to give 20/- for 18/- value and wait four months to have 2/- returned to us for the privilege of attending two or three squabbling meetings."²

The argument that dividend was wholly a product of a deliberate high price policy, and did not represent the economies of co-operative trading, does not commend itself to commonsense, but in the absence of detailed information the claim that the high dividends of the North East were largely a product of a deliberate high price policy would be difficult to combat. The details that can be gathered together from the survey conducted by Mr. Burnett Hurst, and the records of the West Stanley Co-operative Society, do, for this town, take the argument into the realm of reliable generalisation. Mr. Burnett Hurst estimated that the average wage of 247 adult males in Stanley in July, 1913, was 31/- per week.³ The average purchases per member per week for the half year ending July, 1913, amounted to £1:2:2⁴₄d., only 8/9³₄d. short of the average wage - a clear

1. Bowley and Burnett Hurst, "Livelihood and Poverty" 1915.

2. "Co-operative News" January 19th, 1901.

3. Table 5, p.150, "Livelihood and Poverty".

4. Half-yearly Report, July 1913, W. Stanley C.S.

indication that the people of Stanley took full advantage of the benefits of co-operative trading. Since there are no figures of prices in the North East for 1913, an estimate of the place of the West Stanley Co-operative Society's prices in relation to the price level of the North East cannot be made. However, Mr. Burnett Hurst¹ estimates that

"food prices were 5% higher in Stanley than in Northampton and Warrington while the cost of clothing was much the same."

Furthermore, since the West Stanley Co-operative Society was powerful enough to determine the price level², especially of foodstuffs, it appears that, in comparison with these other two towns, the maximum deliberate inflation of price was 1/- in the £5 or 5%. The dividend on all purchases at West Stanley was $3/8\frac{1}{4}$ ³d so even though, in comparison to prices at Northampton and Warrington, a West Stanley member paid more for his food, he saved at least $2/8\frac{1}{4}$ d on every pound he spent. The economies of co-operative trading are clearly established in this case, and if further detailed local studies had been made before the Great War, the likelihood is that they would have produced similar results. At Stanley, loyalty, measured in purchases per member, was high, not

1.p.155, "Livelihood and Poverty"

2.p.140, *ibid.* The population of Stanley in 1911 was 23,294, whereas the membership of the W.Stanley C.S. was 4,427. If one assumes firstly, that only 1 member of each family joins the society and secondly, that a family is composed of 4 members, it is clear that a bulk of the working people of Stanley will be members of this society, which despite its name has its headquarters in Front Street, Stanley.

3.Half-yearly Report, July 1913, W.Stanley C.S.

only in relation to the income of members but in relation to the average purchases per member in the Durham Coalfield and in the North East Coast Area.¹ Loyalty enabled members to maximise purchasing power, and since poverty was negligible² in Stanley as compared to other districts, the beneficial effects of the high price, high dividend policy in terms of saving would outweigh its detrimental effects on the numerically small group below the poverty line.

As soon as co-operative trading was firmly established in the North East, the difficulty of obtaining capital disappeared, and within a short time the problem was not one of scarcity but of abundance. The comment of the Cramlington society's Jubilee History upon the choice that faced societies is important. It has this to say on capital:-

1.N.Scott Ross. "Development of Consumers' Co-operation in the North East Coast Area." Table XXX. Average amount of Co-operative Retail Sales per Member in Gt. Britain and the N.E.Coast Area, in sub divisions, 1883-1934. In 1910 sales per member in the Durham Coalfield amounted to £43.1; in the N.E.Coast Area to £36.6. Whereas at Stanley sales per member per annum amounted to over £58 in this year 2.p.156 "Livelihood and Poverty", A.L.Bowley and Burnett Hurst. "Placing the income of families in relation to these two standards, it is found that 11 families fall below both and that one other falls below the York standard. These 12 households contain 6% of the working class population investigated; so that we may state that from 4% to 8% of the working class population of Stanley are below the standard necessary for the maintenance of physical health. This result compares very favourably with Northampton and the other towns. But nevertheless poverty does exist, though, as in 5 out of the 12 cases poor relief is known to be given, it would be wrong to say that 6% of the working class population are in distress."

"Its manipulation in a satisfactory way is at all times most important, and often extremely difficult, because of the many sides from which it may be viewed and the manner in which it can be used. There are those who believe that the capital of a society should always be kept at a minimum, whilst there are others who contend that it should be accumulated and utilised for the purpose of gaining power in every truly Co-operative productive concern which has for its object the betterment of the conditions of the worker."¹

In the 'seventies, co-operative production on the lines laid down by Dr. Rutherford seemed not only a profitable but an ideal way of investing the rapidly growing capital resources of co-operative societies in the North East.² The promise of such outlets for surplus co-operative capital soon faded, and after the failure of the Ouseburn Engine Works and the Industrial Bank, co-operative retail societies were reticent to hazard their capital in similar undertakings. It is significant that Norman Scott Ross takes the low average share capital per member during the period 1880-1885 to be an indication of the amount of deliberate restriction of capital accumulation going on in the North East.³ Such restriction may well have been due to the setbacks of the 'seventies - committees of management preferring to restrict capital accumulation rather

1. p.136.

2. See Chapter 3, pp.97-113.

3. Table 26, N.Scott Ross.

than run the risk of further losses. Societies could put a check on the accumulation of capital either by restricting the membership to one person from each household or by fixing the maximum shareholding below the statutory limit.²

Yet, as Norman Scott Ross remarks,

"there is no indication that committees manipulated the rate of interest in order to adjust the total supply of capital to their requirements."³

The conclusions of Chapters 3 and 4 complete the picture of the trends in co-operative investment in the North East between the pioneer era and the Great War. Towards the end of the 'eighties investment in house property and mortgage advances to members grew in importance as avenues of investment and became the most important avenues in the building boom at the turn of the century,⁴ but once the conditions that favoured house building declined, more and more capital was invested in the Co-operative Wholesale Society, and by 1920 this was the most important outlet for the capital of retail societies in the North East.⁵

1. See Chapter 3 pp.110-112 The repercussions of these productive disasters were considerable and although the lack of alternative outlets for investment may have led to capital restriction being imposed in many societies, the effect of the failures would be such that ambitious co-operative schemes involving risk would be regarded with suspicion and it might also lead to societies investing their capital outside the co-operative movement, e.g. Crook C.S. and Seaton Delaval C.S. invested in railway shares.

2. N. Scott Ross quotes the case of the Gateshead committee who in 1885 instructed the Treasurer to receive only 1 member of a household.

3. p.97.

4. See Chapter 4, Graph 3.

5. See Chapter 4, Graph 4.

When a comparison is made between the ambitions and achievements of North Eastern co-operators, the gap is wide. Their leaders knew its width, and not only that, they knew what stood in the way of their attempts to close the gap. The disasters of the 'seventies, the Engine Works and the Industrial Bank, may have led to restrictions on capital accumulation, but it does not explain why many practical schemes received such meagre support. Such restrictions did not solve, but merely delayed the solution of the surplus capital problem. House building schemes were suggested years before the building boom, but it was only when investment in house property paid handsome dividends that co-operative capital flowed readily into this channel of investment. At a conference of delegates from West Durham and South Northumberland Societies held in November 1895, Councillor Crooks of Blaydon made this characteristic contribution to the discussion on interest on capital.² He said -

"....interest was of very serious moment to co-operative societies, and they ought to seriously consider the matter with a view of reducing the rate paid to members for the use of their capital. The Wholesale Society paid about 3% upon loan capital yet we paid to our members in retail societies as a rule, 5%. Why should we do this? It was not equity. Then again, in connection with productive co-operation we asked for 5% or even 7½% before we would invest and this, to an extent, crippled that phase of co-operation we were anxious to develop. We would not put our money into farming, fearing that the profits from same might prevent our paying the customary 5%. We should encourage our members to invest up to the £200 at, say a little more than the market rate of interest."

1. See Chapter 4

2. "Co-operative News" Nov. 16th, 1895.

The final resolution was -

"That this conference is of the opinion that the rate of interest generally paid by the majority of societies is considerably in excess of the market value of money, and therefore has a detrimental effect upon the progress of the movement, seeing that its tendency is to prevent the advancement of co-operative production and investments in land, houses, etc., and would request the sectional board to call a sectional conference to further consider same and take action thereon."

The rate of interest was the subject of a Congress paper given in 1896 by another prominent Northern co-operator, W.R.Rae of the Sunderland society. His conclusions were similar to those of William Crooks. He said -

"There are great possibilities for the movement and our principles in connection with the land, and our well being as citizens very materially depends upon its proper cultivation therefore it is our manifest duty as the vanguard of democracy to take our proper position in the ownership of this necessity, which we have the power to do to a considerable extent by our surplus capital; but so long as we expect a return of 5% clear profit in the shape of mere rent we are doomed to failure. And in connection with the production of our requirements we are handicapped in the same way. We wisely confine our operations to the manufacture of articles of everyday use, and in which the risk is comparatively small, and as a consequence the profits are correspondingly low, yet, besides a high rate of interest we expect a decent dividend, forgetting that in this production we are competing with those who can get their capital at a considerably less cost. We have also our part to play in providing houses for our members, and here again we are doing far short of our duty by our high rate of interest, this action of ours re-acting on house rents generally in some districts to the detriment of the community."

The realisation that a general lowering of the rate of interest paid on capital would depend upon the ability of committees of management to pilot such resolutions to success in a general meeting prompted Mr. Rae to give the following advice -

"In connection with this question we take the liberty of advising that a certain amount of caution be exercised in taking this step. Local circumstances have a very important bearing on this question, and where societies have generously depreciated their property in the past, and are thereby giving their investing members a good security, which has possibly resulted in them being overburdened with capital, this action may be taken with safety, and we believe this position has been attained by the great bulk of societies in our section. But where societies are not in such a satisfactory position we would strongly recommend that they await the action of those societies more favourably conditioned and follow their lead."

Local circumstances were interpreted in another way by Mr. Cockburn of Gateshead, for his society had attempted to lower the rate of interest to 3 1/3%, but he added "the members had gone dead against such a course."

As in the case of innumerable resolutions on a uniform dividend of moderate amount, the General Meeting proved to be the graveyard of resolutions which aimed at reducing the rate of interest.

The effects of an unduly high rate of interest were two-fold. Firstly, it restricted investment to those channels which promised high returns and which, although they might ensure satisfaction amongst members with sizeable shareholdings,² might prevent capital from flowing into channels which could give benefits which were not solely represented in monetary terms. In other words a high rate of interest meant that such worthwhile projects as house building could only be undertaken on a large scale when economic conditions were favourable, and that the development of

1. "Co-operative News" Feb. 1st, 1896. Conference of delegates from E. Durham.

2. See N. Scott Ross, Chapter 4. p. 113 et seq.

co-operative farming was almost impossible so long as a high rate of interest existed. Secondly, the necessity of getting high returns upon capital was partly responsible for societies restricting capital accumulation, which, in the absence of high interest rates, might not have been necessary. The rate of interest, like the rate of dividend, was a potentially flexible instrument, but it was kept high often in the face of economic common sense and social needs. The members of co-operative societies, by their reticence to follow the suggestions of their leaders, severely hampered the development of their own movement. They made it extremely difficult for societies to realise their social aims in unfavourable economic conditions and, conversely what the movement achieved in favourable conditions would always face the charge that profit had been the motive and that the resulting social betterment was no more than a by-product.

Before judging the efficiency of co-operation in the North East from the standpoint of the area as a whole, one further matter, essentially one that concerns the societies themselves rather than the retail framework as a whole, that of overlapping, needs to be examined. Norman Scott Ross cites two types of overlapping, firstly, the opening of shops by two or more societies in a single neighbourhood, secondly, the delivery of goods and/or the canvassing for trade in an area covered by another society.

1. See Chapter 7, N. Scott Ross.

The disadvantages of overlapping were summarised in a Co-operative Survey Report which stated -

"Overlapping not only represents duplication of effort, but leads to the development of an un-co-operative spirit in the relationship of neighbouring societies."

Overlapping was certainly a barrier to the integration of co-operative effort in the North East, but when it is considered in relation to the satisfaction of consumer demand in a given area, and secondly, when the origins of overlapping in certain parts of the North East Coast Area are taken into account, the matter becomes complex and no longer solvable purely in terms of abstract principles. The presence of branch stores, or the delivery services of two or more societies in a single neighbourhood is not necessarily a drawback for it is well within the realms of possibility that one society catered inadequately for the needs of the neighbourhood and the presence of a branch store or delivery service of another society might very well increase the efficiency of retailing in that neighbourhood. It was after the formative period that overlapping became a problem for North Eastern co-operative societies and their Minute Books record many meetings with neighbouring societies which were arranged to find a solution to this problem, but no matter how persevering they were the problem was never overcome. Internal migration within the North East, especially in the coalmining districts, was perhaps more marked than in other parts of Great Britain, for whilst the fluctuations of the coal trade determined the fate of the collieries

and might often lead to large scale removals from one district to another, its customs, particularly the free house system, would minimise the inconvenience of removal. In many cases members wished to maintain their link with the society in the neighbourhood they had left and in some cases this led to delivery taking place within the boundaries of another society. Many members of the Leadgate society moved to Chopwell when the Consett Iron Company extended its operations in that area and these members insisted on remaining in the Leadgate society.² As a consequence the Leadgate society set up premises in Chopwell village, which was already served by the Blaydon society. During a quarterly conference held in South Durham in May 1908, Mr. Stead of the Pittington Amicable Society gave his reasons for opposing a motion designed to curtail overlapping. He said -

"If the suggestions were carried out it would be a serious thing for them, as, owing to the stoppage of certain collieries in their immediate locality, they had been obliged to go further afield in following their members, and their plant had to be utilised or they would suffer serious loss. On these grounds, they were reluctantly obliged to vote against the resolutions."³

The adherence to members' wishes at Leadgate and the struggle for economic existence at Pittington may seem arguable grounds for engaging in overlapping in colliery districts, but once these are admitted as justifiable grounds the case

1. See Diagram 2, Nos. of members joining and leaving the Sherburn Hill Co-operative Society, 1904-1914.

2. Leadgate J.H.

3. "Co-operative News" May 30th, 1908.

against overlapping can be destroyed piecemeal. It becomes a matter of members' preferences and these rarely include a consideration of their effect upon the efficiency of co-operative retailing in the whole area. The Murton and Wallsend societies did not, as a matter of principle, extend their operations beyond the immediate neighbourhood, The Wallsend Jubilee History declaring that, "the management, however, were opposed to going outside the boundaries of Wallsend, as there were societies already established in these places and it would have been entirely contrary to the principles of co-operation....."

In 1879 the Murton Committee of Management were quick to note that the Sunderland traveller had been in Murton making suggestions "calculated to injure our society." In 1889 the committee resolved that

"we allow the rolley to go to Seaham Colliery and surrounding districts to our own members and get new ones if possible."²

By 1900 they had curbed their desire to do a little poaching and resolved

"that we do not send any goods to Shotton seeing we have already refused to send goods to other districts",³

and in December of the same year they refused to send goods to Silksworth.⁴ In 1909 they had petitions from Easington Village, Easington Colliery and Horden, requesting them

1. Minutes of the Murton C.S., C.M. Feb. 24th, 1879.
2. Minutes of the " " C.M. Sept. 7th, 1889.
3. Minutes of the " " C.M. March 10th, 1900.
4. Minutes of the " " C.M. Dec. 8th, 1900.

to set up a branch in the vicinity of these places but they did not comply with the requests. In June 1909 the Murton committee received a letter from the Seaham Harbour society stating that

"if the Murton Co-operative Society would agree not to take any more members from the Seaham Harbour Society they would agree not to take any more members from the Murton Co-operative Society."²

This suggestion was agreed to by the Murton committee and the agreement lasted until December 1909, when upon receiving information that the Seaham society had accepted Murton members, the Murton committee decided

"to write to the Seaham committee withdrawing from the agreement....."³

It is not easy, once the origins and efforts to overcome overlapping are appreciated, to view the matter from the standpoint of the North East Area and deliver judgment that far too much overlapping existed. That it existed there is no doubt, but it is almost impossible to discover how much of it was deliberate poaching. One of the most important suggestions made at the South Durham Conference on overlapping⁴ was that of a uniform dividend, for a significant difference in the dividend rates of neighbouring societies could have a magnetic influence, especially in the boundary areas of such societies. Such a difference in dividend

1. Minutes of the Murton C.S. Q.M. May, 1909.

2. " " " " " C.M. June 19th, 1909.

3. " " " " " C.M. Dec. 30th, 1909.

4. "Co-operative News" May 30th, 1908.

rates existed in East Durham where the Ryhope and Silksworth society's dividend never fell below 3/8d. between 1894 and 1914, and this compared very favourably with the Sunderland society's dividend, which, during the same period never rose above 2/2 $\frac{1}{4}$ d., and with the Murton dividend, which from 1897 to 1911 never rose above 2/6d. Diagram 1 illustrates the progress of the Ryhope and Silksworth society and the Sunderland society, and without composing similar comparisons for other neighbouring districts such as Murton, Seaham or Easington, it reveals the influence of high dividend on membership, and how overlapping was its inevitable consequence! Yet another speaker at the South Durham Conference on overlapping, after paying tribute to the arguments of Mr. S. Whiteley, said,

"but they must, in the first place, go upon business lines. Sentiment was all very well, but they could not conduct their business on sentiment."

The narrowness of the majority, 23 for the resolution, 21 against and 4 neutral, indicates that at least in South Durham, there was considerable opposition to any solution

1. A minute of the Director's Meeting of the Newcastle C.S. on Jan. 27th, 1880, illustrates how sensitive they were to the prices charged by neighbouring societies. They noted the Gateshead C.S. charged 1d. to 1 $\frac{1}{2}$ d. less for best joints, yet charged more than the Newcastle society for coarser joints. The butchery sub-committee were given power "to make any readjustment in prices they might consider desirable."

Furthermore, the "Brief Account of the Progress of the Newcastle Co-operative Society, 1860-1886" deplores the habit of Newcastle people flocking across the High Level Bridge so as to obtain the higher dividends of the Gateshead C.S.

to the problem of overlapping. No solution was found before 1914, although many meetings were held at which the evils of overlapping were roundly condemned. The solution was enforced by economic circumstances after the Great War, when during the depression some of the weaker societies amalgamated with their stronger neighbours.¹ The sturdy independence of many of the North Eastern co-operative societies was a shortcoming at the regional level,² for however many resolutions were passed condemning overlapping, there was no executive machinery to enforce such decisions, and consequently the position of such regional bodies was analogous to that of the League of Nations, which could not execute any of its decisions except in spheres where no fundamental interest of any constituent party was at stake. The inability of the co-operative societies of the North East to solve the problem of overlapping by rational means showed that they were in this matter incapable of raising themselves from the level of the competing private trader.

It is fortunate that the Board of Trade carried out

1. See Chapter 7, The Integration of Co-operative Effort, N. Scott Ross, for further information on amalgamation in the post Great War period.

2. For an illustration of the overlapping existing in the Durham and Tyneside area after 1914, see pp. 68-69, fig. 5, Carr Saunders, Florence and Peers, "Consumers' Co-operation in Great Britain."

a series of enquiries into Working Class Rents, Housing and Retail Prices, and published the results in 1908,¹ for otherwise there would be no way of estimating either the effect co-operative trading did have upon price levels, or what the effects of alternative co-operative price policies might have been. This report contains information about 8 towns in the North East Coast Area, namely, Darlington, Gateshead, Jarrow, Middlesbrough, Newcastle-upon-Tyne, South Shields, Stockton and Sunderland. Before entering into an enquiry on the effect co-operative societies had upon the price levels in these 8 towns, certain important facts about the co-operative societies of the North East must be borne in mind. In the first place, in all these towns except South Shields,² the co-operative society held a very strong position amongst the working class, and therefore, with the exception of South Shields, would be in a position to influence the price level of the necessities of life, particularly groceries. Secondly, although these co-operative societies occupied this powerful position they did not utilise it, for on the one hand they did not believe in undercutting the private trader,³ and on the other

1.1908 Report of an Enquiry by the Board of Trade into Working Class Rents, Housing and Retail Prices, together with the Standard Rates of Wages prevailing in certain occupations in the Principal Industrial Towns of the United Kingdom.

2.Since the Tyne Dock and the Equitable Society had a total membership of only 3,508 and the population of S.Shields was 97,263 in 1901, they have been excluded from Tables 1 and 3 in the Appendix to this Chapter.

3.See p.44, the comment of Councillor Rule.

hand they relied upon high dividend rates to attract their members. These two ideas knitted neatly together and prevented co-operators in the North East from seeing the logic of their position, for if they had combined a low dividend, low price policy with the parallel aim of catering for the full range of consumer needs, they might, since most societies were set up at a time when the retail framework of the area was in its infancy, have secured for the population of the North East a retailing system which was efficient not only in meeting the full range of working class demand, but efficient in the sense that it prevented an undue multiplication of retail outlets which could add to the retailing costs of the area as a whole. Two other considerations, which are important in urban areas where working class demand was of a much wider range than in colliery districts, concern the quality of goods sold and the income groups of those who shopped at the stores. The co-operative societies generally sold only the higher grades of flour and tea and only prime English meat. They would be selling therefore, articles which, apart from dividend earning considerations, would come near to the higher end of the price range of the basic foodstuffs consumed by the working classes. Secondly, partly as a consequence of the co-operative policy of stocking only the higher quality foodstuffs, and therefore the higher priced foodstuffs, the poorer section of the working class did not shop at

the co-operative stores. This fact is strikingly illustrated by the results of a Women's Guild investigation in Newcastle in 1902¹, and confirmed not only by the history of the Sunderland Poor Store² but by the Board of Trade Enquiry.³ The co-operative stores in the urban areas of the North East did not meet the needs of the very poor. It was no use offering them high quality, high priced articles which, although they ensured you a dividend three or six months hence, meant that you sacrificed present needs for the sake of the future. Judging from the disclosures of Margaret

1. "Co-op. News" April 26th, 1902. The members of the Women's Guild collected information from poor families living in the vicinity of the City Road Branch of the Newcastle C.S. and those in the Rosedale district. Out of 115 families in the buildings near the City Road branch there were only 18 co-operators, 3 of whom belonged to the Gateshead society. In the Rosedale district Miss Hunter found no co-operators, she remarked, however, that "some had been members, but could not afford to continue. The general idea in both neighbourhoods was that the prices were too high for the people to be members."

See also Chapter 5, p.176 et seq.

2. See Chapter 5.

3. The comments of the Board of Trade Enquiry into Working Class Rents, etc., 1908 on the Jarrow and Gateshead societies are particularly interesting. The Enquiry estimates that the Jarrow society had over 75% of the working class of the area dealing in its stores. Furthermore it noted, p.243, "Only British or home killed meat is sold by the Co-operative Society but there are several shops in the town including branches of the chief 'multiple' firms, at which foreign and colonial meat may be obtained." The report on Gateshead makes the same points on the strength of the society amongst working people and on the type of meat sold. It reads, p. 193, "In Gateshead, however, the co-operative society is strong, the membership for the year ending December 1905 being 11,782, a high figure for a town of a hundred and twenty thousand inhabitants..." "Only English or home killed meat is sold by the Co-operative Society; but there are many shops in the town, notably the branches of the 'multiple' firms - at which foreign and colonial joints may be obtained."

Llewelyn Davies, the poor had no future but the present, they could not afford, and would be foolhardy to make the sacrifices required to shop at a co-operative society. Since no urban co-operative societies except Sunderland, and that only for a short while, made an attempt to cater for those at the bottom of the income scale, these societies were inefficient in meeting working class needs!

The co-operative societies of the North East could have, if they had relied upon the attraction of low prices rather than high dividends, influenced price levels in the area much more than they did. A cursory glance at the results of the Board of Trade Enquiry - its high price indices for North Eastern towns, particularly for groceries, and its habit of remarking on the strength of co-operation amongst the working class - seems to point to the conclusion that co-operative prices would be largely responsible for the relatively high cost of groceries and meat in the North East. Before such a conclusion is accepted or rejected, account must be taken of factors which cannot be assessed in a precise manner, and which, if known in detail for 1908, might very well upset such a conclusion. In the first place information on the prices co-operative societies charged for their goods during this period is almost non-existent, only scattered advertisements of a few co-

1. See also B. and S. Webb. "The Consumers' Co-operative Movement" p.297.

-operative products on quarterly and half-yearly balance sheets exist, and these are so few in number that they are only useful as confirmatory material. Moreover, the absence of information on private traders' prices makes any comparison between co-operative and private traders' prices impossible. Since this basic information is missing, the only possible means of attempting to assess the effect of co-operative trading upon the price levels in the North East is to take dividend rates as a rough guide to the prices societies charged. Since the order of price indices in Table 1 of the Appendix to this Chapter conforms roughly to the order of dividend rates there does, in the case of these North Eastern towns, appear to be a definite relationship between dividend rates and price indices.¹ Such a conclusion would be considerably strengthened if similar results could be obtained in another region where co-operative trading had a strong position amongst the working classes. Cheshire and Lancashire provide such an area, but the results of a similar enquiry throw grave doubts upon the value of taking dividend rates as a guide to the effect co-operative prices had upon the price levels of a town or region, for in the case of Cheshire and Lancashire there is no ordinal relationship between the dividend rates and price indices. An alternative approach is to isolate those factors which might disturb the expected ordinal relation-

1. See Note after Table 5. in the Appendix to this Chapter.

-ship between dividend rates and price indices. If co-operative statistics are taken first, the most important unknown quantity is co-operative prices. Dividend rates are not a true reflection of co-operative prices for firstly, a proportion of a society's profits, and this varies, is generally salted away in reserve funds, secondly, a low dividend is not necessarily allied to a low price policy; it can be a direct result of high costs in an inefficient society, and thirdly, a high dividend is not necessarily allied to a high price policy; it could be wholly or partly a result of low costs. Furthermore if the type of goods sold by co-operative societies are taken into account, an additional difficulty is added. Since co-operative societies sold the higher grade foodstuffs, their price policies would affect the top part of the price range, and consequently it is dangerous to compare a price index which is a product of the whole price range of particular foodstuffs with co-operative prices which cover only a part of the price range. Lastly, the assumption that all co-operative members were working class people is only broadly true, for the societies served the better placed working class people and may well have served some who would be termed middle class. If these factors are set beside the known policy of co-operative stores, namely, to conform to the price level of the area except when they are driven to maintain a customary dividend rate in the face of rising costs and therefore raise their prices a little above that level, then

clearly not only have they abdicated a powerful position for influencing prices, but that abdication makes any assessment of the effect of co-operative prices on the price levels of the North East Coast Area a task of some delicacy where the effect of unknown factors will be at their maximum. Co-operative writers were willing to admit that their movement had missed its chance to influence the cost of living. As a writer in the C.W.S. Annual of 1915 said,

"There seems to be something lacking when a concern with such a large turnover has to follow in the wake of others, and dare not take the initiative and fix prices for itself. The demand for high dividends has much to do with the impotency of the movement in this direction. It is not possible for prices to be reduced when dividends of 3/- and 4/- in the £ have to be maintained. This shuts out from the benefits of co-operation a vast multitude of the poorer classes to whom the first cost is a considerable item. It is all very well for the artisan; he can afford to wait until the end of a quarter or half year for the return of his share of the profits in the shape of dividend.....Owing to the high prices in vogue with some societies, the private traders are themselves enabled to put up their prices, it may be only a small percentage, comparatively speaking, but they are thus in a position to make a little more profit out of the consumer. This craze for high dividends is without doubt one of the reasons why the movement has not more control than it has in regard to prices."

On the evidence available in the North East no conclusive answer can be given to the question "What was the effect of co-operative trading upon the price levels of the North East?" Undoubtedly co-operative prices were higher than they needed to have been but that does not mean that they were the determining factor in the relatively high cost of food-

1.C.W.S. Annual, 1915. "The Cost of Living. The Co-operative Movement and its Mission." by H.Clement Gray, p.535.

-stuffs at the time when the Board of Trade carried out its enquiry into the cost of living.

The most regrettable facts about the growth of co-operative trading in the North East between the establishment of the pioneer store at Blaydon and the outbreak of war in 1914 are its lack of flexibility, experiment and initiative. Norman Scott Ross cites many instances of co-operative societies being galvanised to action by the rapid rise in prices which followed the outbreak of war in 1914, when, despite the rise in costs, many societies decided that they would pass on the benefits of co-operation in the form of lower prices rather than high dividends. This demonstrates very forcibly the inherent advantages of co-operation and the failure of the societies in the North East to explore the practical outlets for co-operative belief, even when they were reiterated annually at Congress and discussed regularly at regional meetings, is a clear indication that these societies were content to ignore their social and economic power, content to be nothing more than shops that paid a dividend to consumers and lip service to co-operative ideals. Democratic shopkeeping had failed, with a few exceptions, to reach the foothills of social and economic progress, and the few times that societies did reach these foothills it was only because they had been

1. See pp. 111-3, N. Scott Ross.

driven there by economic circumstance, and once the pressure relaxed the gain was surrendered. It is a grim fact that it was often the members who, in defence of their own individual interests, prevented more enlightened policies reaching even the experimental stage. They may well have sacrificed not only their own best interests, but those of others outside the co-operative movement.

Appendix 1.

Some Considerations on Efficiency.

Henry Smith maintains that a shop is efficient so long as it is

"supplying a given set of consumers with products which they require at places convenient to them..."¹

If this definition is to apply to a co-operative society the evidence on co-operative consumers' habits contained in Chapter 2 suggests that the phrase,

"and at a price which ensures them a reasonable dividend" be added. The study of consumers' co-operation done by Carr Saunders and others suggests another way of judging the efficiency of a co-operative society. They state -

"the success of a society must first be measured by its efficiency in supplying its members, if it falls short of other forms of organization in the quality and economy of service or in sensitivity to consumer wants it is failing in its primary function."²

This statement introduces the comparison between the private and co-operative sectors of retail trade, a comparison that was not made in Chapter 2 because of the absence of information on private retail trade in the North East Coast area before 1914. If such a comparison could be carried out it would provide much of the data for judging the efficiency of the retail framework of the North East Coast Area and that of the various units, co-operative and private, within that framework. The essence of

1.p.4. "Retail Distribution" by Henry Smith.

2.p.105. "Consumers' Co-operation in Great Britain."

such a judgment is contained in Chapter 5 of "Overhead Costs" by W.Arthur Lewis, where he states, on p.119,

"the ideal number of shops (or number of customers per shop) is such that, given the total number of customers to be served, the sum of shop costs and transport costs is at its minimum."

In the case of the individual co-operative society or the complex retail framework of a region or a country, efficiency must be judged in relation to consumer needs. If their full range is not met the retail unit or framework is inefficient. Moreover these needs must be met economically. The aim of any retail trading organization would therefore appear to be that of avoiding waste and keeping pace with the changes in the range and intensity of demand. But with continual fluctuations in the range and intensity of demand it is impossible to achieve complete efficiency. All that can be achieved in the realm of practical affairs is an approximation to a series of moving goals.

Tables 3, 4 and 5.

Expenses per £ of Sales; and dividend rates, of selected North Eastern and North Western Co-operative Societies for 1905, together with the Board of Trade Indices for Groceries, Meat and Coal for 1905.

(Sources - Congress Reports and the Board of Trade Enquiry into Working Class Rents, Housing and Retail Prices, etc., in the Principal Industrial Towns of the U.K. 1908.)

3. North Eastern Towns.

Town	Expenses per £ of Sales	divi- dend	Total	Index for Groceries.	Index for Groceries, Coal & Meat.
JARROW	1-3 $\frac{1}{2}$	2-9	4-0 $\frac{1}{2}$	104	98
GATESHEAD	1-3 $\frac{3}{4}$	2-7	3-10 $\frac{3}{4}$	104	98
NEWCASTLE	1-6 $\frac{1}{4}$	2-4	3-10 $\frac{1}{2}$	104	98
DARLINGTON	1-3	2-7	3-10	101	98
SUNDERLAND	1-7 $\frac{1}{2}$	2-0	3- 7 $\frac{1}{2}$	100	94
MIDDLESB'RO.	1-4 $\frac{1}{4}$	2-3	3- 7 $\frac{1}{2}$	99	95
STOCKTON	1-0 $\frac{1}{2}$	2-6	3- 6 $\frac{1}{2}$	103	99

4. North Western Towns.

CREWE	10 $\frac{3}{4}$	3-3 $\frac{1}{2}$	4-2 $\frac{1}{2}$	95	93
ROCHDALE	1-1 $\frac{1}{4}$	3- 0	4-1 $\frac{1}{4}$	95	93
ST. HELENS	1-2 $\frac{3}{4}$	2-10	4-0 $\frac{3}{4}$	95	91
WARRINGTON	11 $\frac{1}{4}$	3- 0	3-11 $\frac{1}{4}$	97	92
WIGAN	1- 5	2-5 $\frac{1}{2}$	3-10 $\frac{1}{2}$	94	-
MANCHESTER	1- 6 $\frac{3}{4}$	2- 1 $\frac{1}{4}$	3- 8	96	98
MACCLESFIELD	10	2- 6	3- 4	92	90

5. Groups of North Eastern Towns.

<u>Tyneside Towns</u>	Av. Dividend	Index.
JARROW		104
GATESHEAD	2-6 $\frac{3}{4}$	104
NEWCASTLE		104
<u>Teeside Towns</u>		
MIDDLESBROUGH		99
DARLINGTON	2-5 $\frac{1}{3}$	101
STOCKTON		103
<u>Wearside</u>		
SUNDERLAND	2-0	100

Note - The use of dividend as a guide to co-operative prices is open to the objection that a given dividend can be produced either by efficient shopkeeping at normal price levels, or by inefficient shopkeeping at price levels above those normally found in a society's area of operation. Thus the expected ordinal relationship between co-operative dividends and price indices will not always occur. The inefficiency of a society can be judged roughly from the figure of expenses expressed in terms of sales, therefore the addition of this figure to the dividend does give a better indication of the effect of co-operative trading upon the price levels of an area.

Tables 6, 7 and 8.

6. Membership of N.E.Coast Area Societies.

	N.E.Coast	Durham Coalfield	N'land Coalfield	Tyneside	Teeside.
1880	64,000	29,000	7,000	19,000	7,000
1890	124,000	54,000	11,000	38,000	18,000
1900	200,000	82,000	20,000	58,000	36,000
1910	267,000	108,000	27,000	73,000	54,000
1920	452,000	162,000	38,000	144,000	102,000

7. Aggregate Amount of Share Capital of Retail Co-operative Societies in the N.E. 1880-1920.

	£	£	£	£	£
1880	386,000	184,000	33,000	126,000	36,000
1890	1,238,000	626,000	95,000	396,000	104,000
1900	2,943,000	1,475,000	285,000	850,000	299,000
1910	4,088,000	1,982,000	437,000	1,169,000	444,000
1920	9,014,000	3,727,000	1,047,000	2,691,000	1,417,000

8. Aggregate Amount of Sales of Retail Co-operative Societies in the N.E.Coast

	£	£	£	£	£
1880	2,128,000	917,000	278,000	717,000	178,000
1890	5,373,000	2,457,000	694,000	1,601,000	548,000
1900	8,931,000	4,097,000	1,197,000	2,406,000	1,121,000
1910	10,513,000	5,000,000	1,400,000	2,551,000	1,434,000
1920	11,444,000	4,810,000	1,300,000	3,230,000	2,300,000

Source - Tables 5,6,7, N.Scott Ross, "The Development of Consumers' Co-operation in the North East Coast Area."

Tables 9 and 10

9. Occupations of 110 of the first 597 members of the Blaydon Co-operative Society who joined between 1859 and 1864.

Source - Index Ledger of Blaydon C.S.

Miner.....	29	Drill Sergeant.....	1
Waterman.....	13	Fellmanger.....	1
Labourer.....	7	Filecutter.....	1
Cokeburner.....	5	Furnace keeper.....	1
Engineman.....	5	Gardener.....	1
Smith.....	5	Grocer.....	1
Widow.....	5	Horsekeeper.....	1
Brickmaker.....	4	Iron manufacturer.....	1
Moulder.....	4	Iron roller.....	1
Blackmaker.....	2	Painter.....	1
Bottlemaker.....	2	Papermaker.....	1
Glassmaker.....	2	Platelayer.....	1
Hind.....	2	Retort maker.....	1
Mason.....	2	Schoolmistress.....	1
Sewerage pipe maker..	2	Secretary.....	1
Agent.....	1	Slater.....	1
Brakesman.....	1	Staithman.....	1
Cartman.....	1	Waggonman.....	1

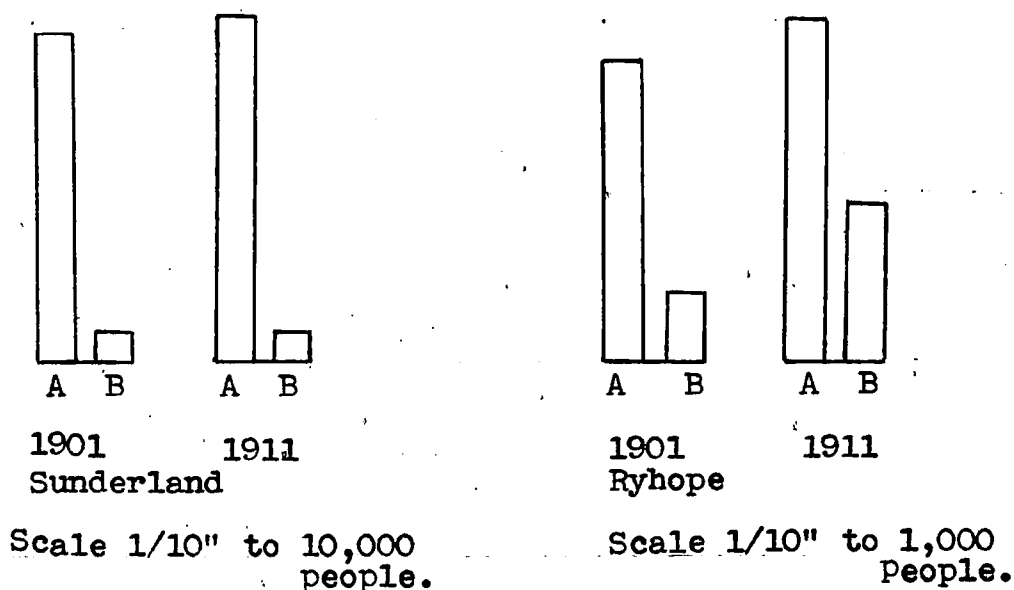
10. Membership of the Sherburn Hill Co-operative Society, 1904-1914

Quarter Ending	Total Membership	No. joining during quarter	No. leaving during quarter.
Feb. 1904	1,600		
May 1905	1,812	96	75
Nov. 1907	2,316	138	90
Aug. 1908	2,470	131	77
May 1909	2,477	94	107
Dec. 1911	2,902	127	70
Mar. 1912	2,905	108	105
May 1912	2,908	98	93
Feb. 1913	3,121	110	82
May 1913	3,146	121	96
Aug. 1913	3,160	114	100
Nov. 1913	3,194	110	76
Feb. 1914	3,256	128	66
May 1914	3,295	111	72
Aug. 1914	3,324	113	84
Nov. 1914	3,387	181	89

Note These are the only Quarterly Balance Sheets that remain in the hands of the society for the period before 1914, consequently there are a considerable number of gaps in this Diagram.

Diagram 1.

Total population (A), and number of co-operative members (B), of Sunderland and Ryhope in 1901 and 1911. (Sources, 1901 and 1911 Census Returns and Congress Reports.)



Note - The Sunderland total population figure is composed of -

	1901
Sunderland County Borough	146,077
Sunderland Rural District	22,786

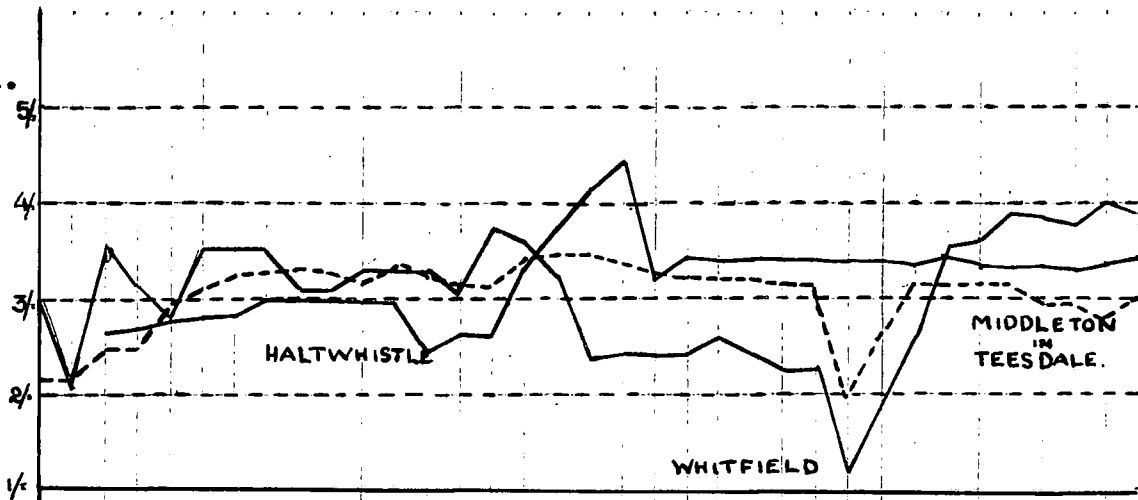
The Ryhope total population figure is composed of-

	1901
Ryhope	9,592
Tunstall	5,400
Silksworth	446

The 1911 figures for Sunderland and Ryhope are for the same districts.

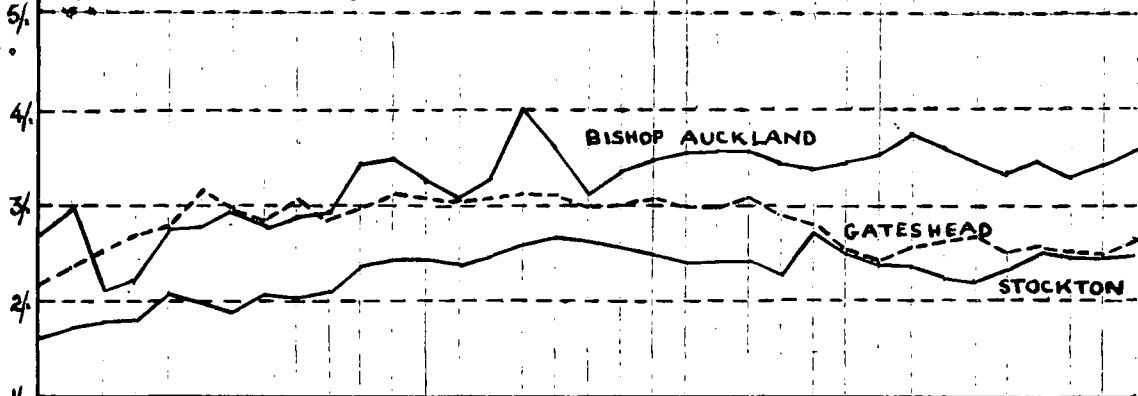
Dividends of 3 Societies in Agricultural Districts of the North East.

Graph 1.



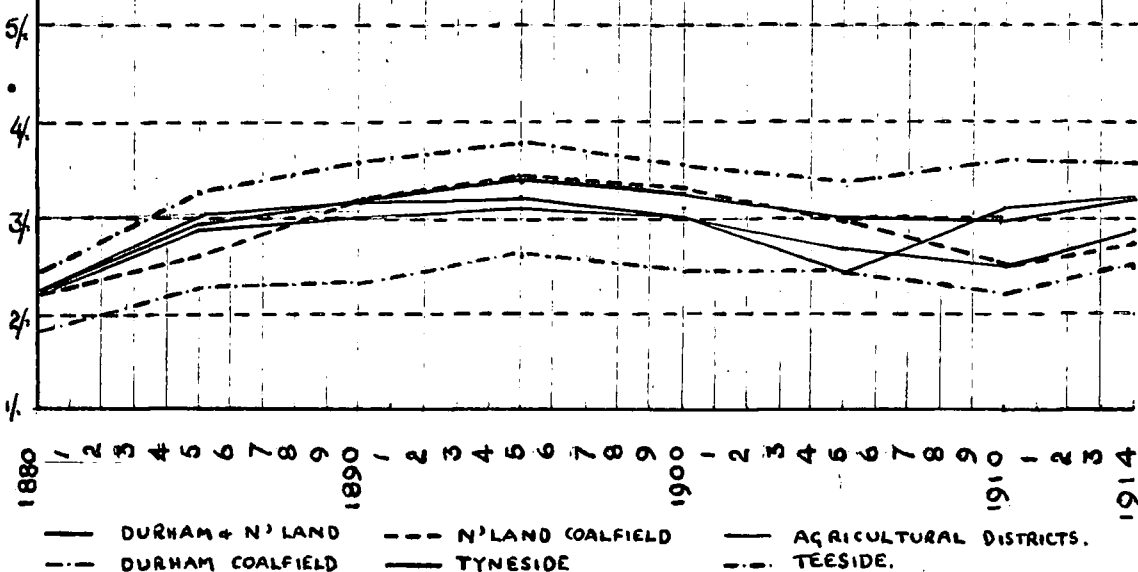
Dividends of 3 large Societies. One, Bishop Auckland, serving colliery districts.

Graph 2.

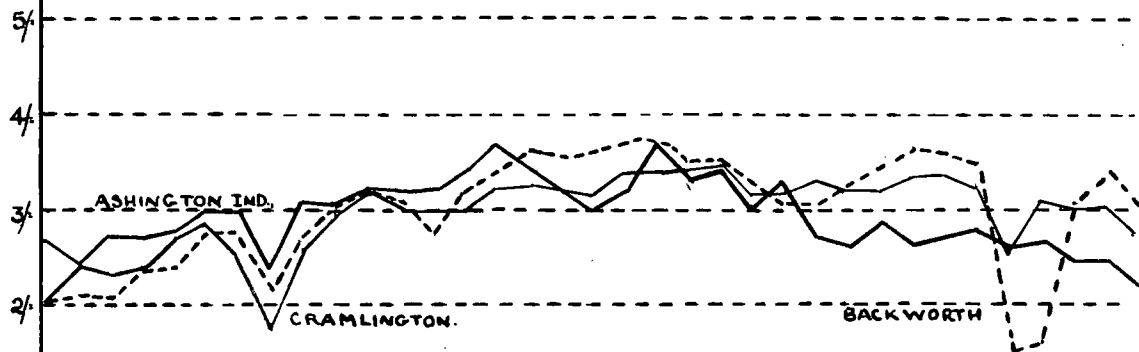


Average Dividend at 5-yearly intervals for 6 areas Within the North East Coast Area.

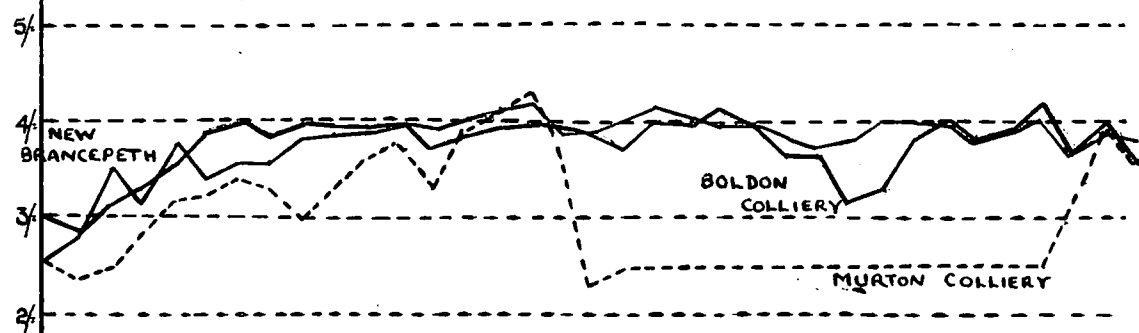
Graph 3.



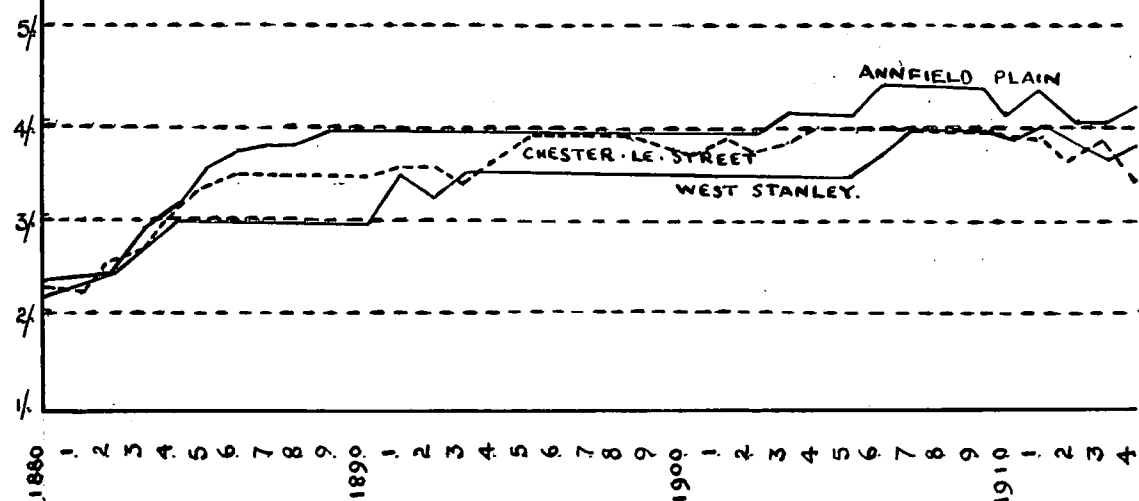
Graph 4 Dividends of 3 colliery village societies in the Northumberland Coalfield.



Graph 5 Dividends of 3 colliery village societies in the Durham Coalfield.

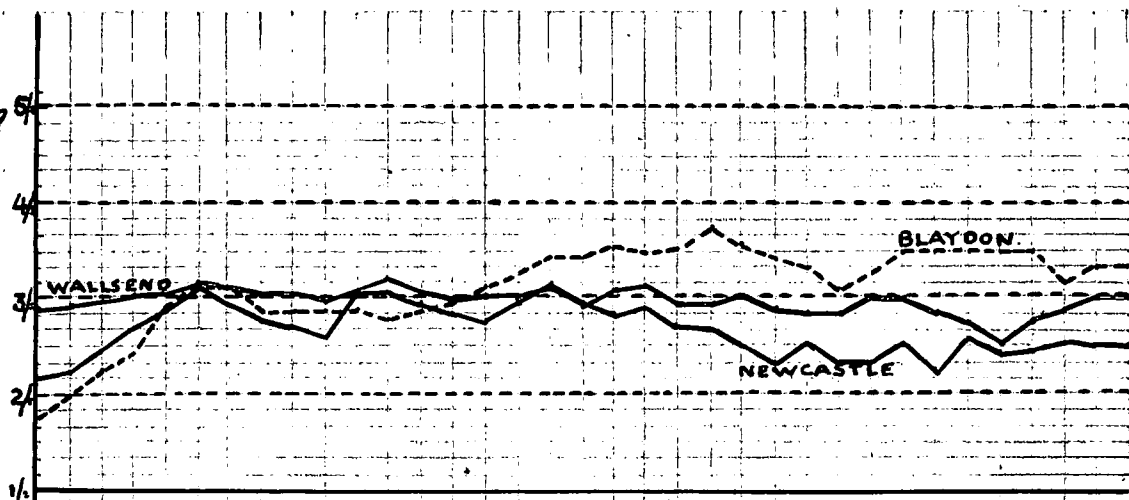


Graph 6 Dividends of 3 of the larger societies in the Durham Coalfield.



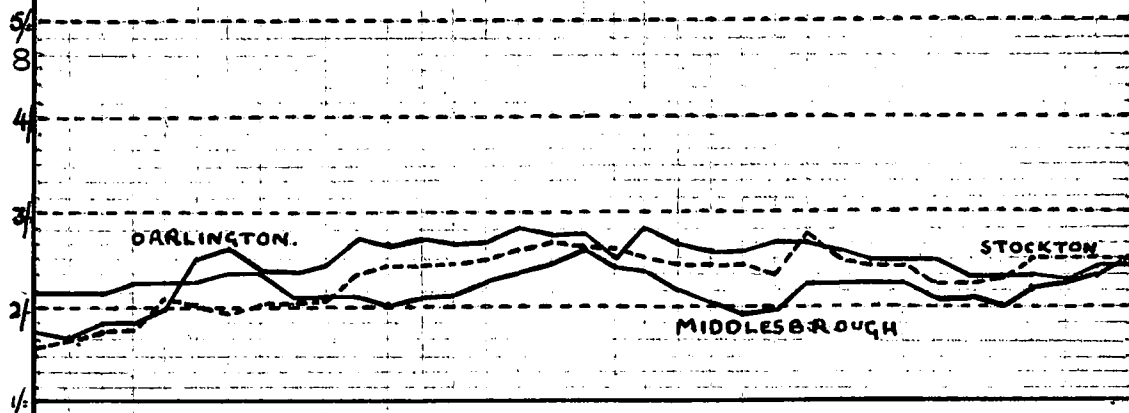
Dividends of 3 Tyneside societies.

Graph 7



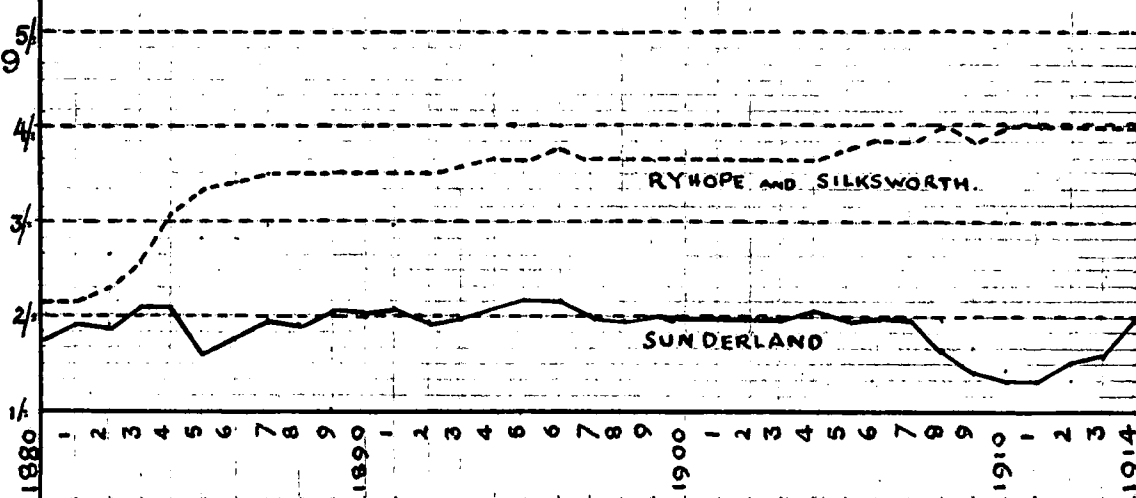
Dividends of 3 Teeside societies.

Graph 8



Dividends of 2 Wearside societies.

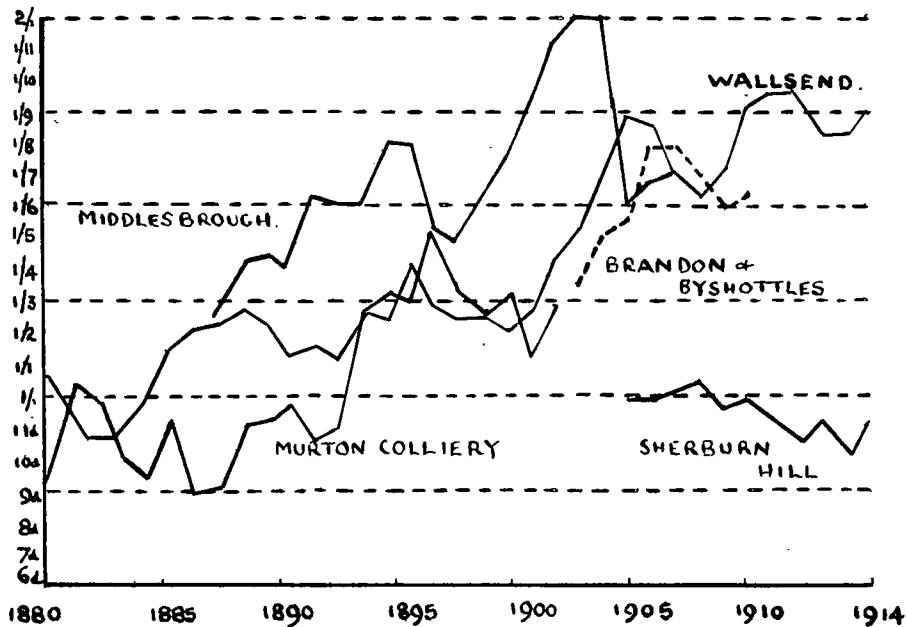
Graph 9



Sources for Graphs 1-9, Congress Reports.

Expenses per £'s worth of Sales for Five Co-operative Societies.

Graph 10



Sources -Balance Sheets of the Brandon and Byshottles, Murton Colliery, Middlesbrough, Sherburn Hill and WallSEND Co-operative Societies.

Note - After 1903 the figure ofor Expenses per £ of Sales for the Middlesbrough society excludes Interest and Depreciation charges.
After 1892 the Murton figures include Interest and Depreciation charges.

Chapter 3.

Co-operative Production in the North East Coast Area.

Between March 11th, 1862, when the "Newcastle Daily Chronicle" carried an advertisement inviting co-operative stores in the North East to attend a conference to form a Northern Co-operative Union, and the failure of the Ouseburn Engine Works and the Industrial Bank in the eighteen seventies, much of the unity and direction of co-operative effort came from an energetic group of Tyneside Radicals. Prominent amongst these men were Joseph Cowen Junior and Dr. J.H. Rutherford. Joseph Cowen Jnr. and the committee of the Blaydon Co-operative Society initiated the Northern Co-operative Union, and during the preliminary meetings rules were drawn up¹ and experiences in co-operative pion-

1. The Minute Book of the Northern Co-operative Union is included amongst the Cowen Papers. The rules were as follows:-

- 1) That the society be called "The Northern Co-operative Union" and that all co-operative stores duly enrolled under the Friendly Societies Act shall be eligible for admission.
- 2) That the mode of admission shall be by a majority of the votes of the council. The society seeking admission shall forward to the Secretary of the Union a written application and copy of their rules.
- 3) The management of the affairs of the Union shall be entrusted to a council consisting of a President, treasurer, secretary, and representatives from each store in the union. The President, treasurer and secretary and six members of the council shall form an executive committee. The council shall meet once in every month. Newcastle shall be the seat of the council.
- 4) The expenses of the council are confined to the cost of printing, advertising, etc.
- 5) Rates of subscription. Less than 50 members, a store pays 2/6 per annum, 50-100 members, 5/- per annum and 2/6 for every additional 50 members.
- 6) That the council shall be required to call a special meeting of delegates provided that two-thirds of the stores in the union request it.

-eering were exchanged. On p.30 of his book, "The New History of the C.W.S., Percy Redfern states -

"While the C.W.S. was still an idea, the co-operative societies of Northumberland and Durham had shown themselves less powerful than in Lancashire, but not at all behind in ideas and spirit. Had they possessed the necessary members and volume of purchases in 1862, they would have set up a "Northern Union of Co-operative Stores" Under the public-spirited leadership of Joseph Cowen, founder of the Newcastle Chronicle, whose statue in that city recalls his active figure, they twice met for this purpose, but found the support insufficient."

The Northern Co-operative Union Minute Book, included amongst the Cowen Papers, shows that the association was in existence just over 2 years, and that it was in 1863 that the suggestion of forming a wholesale society was first put forward. This Minute Book corrects the impression that the Northern Co-operative Union was no more than an idea put before two abortive meetings, and that its essence was the formation of a wholesale society. It was primarily an association for the interchange of information and the formation of co-operative policy which in 1863, and not before, was centred on the possibility of forming a wholesale society. Joseph Cowen Jnr. gave his suggestions for future co-operative development in the North East to a meeting held on June 11th, 1862, but they did not fall on fruitful ground. He suggested that goods should be bought in bulk and that societies should federate to purchase flour, furthermore he showed an acute awareness of the dangers facing the management committees of the rapidly growing stores. The danger that the expansion of co-operative

business would outstrip the capabilities of committees was very real, and inadequate methods of account keeping could soon bring about the downfall of a store. Cowen suggested that accountants should be engaged to travel round nursing the new stores into healthy life. These accountants should audit the books and institute a uniform system of bookkeeping throughout the member stores of the union.¹ These careful business methods, Cowen held, would strengthen confidence in the stores. However these suggestions met the inevitable stumbling block, the individual society's distrust of external interference. In 1863 a suggestion for the establishment of a central wholesale agency or store in Newcastle was put forward, but the hopes of Cowen and the other promoters of this scheme were not realised. The Union meant to gain a foothold in the domain of the middleman and then, presumably, move into the realm of production. The Minute Book records meetings until August 15th 1864, but at no stage in the life of this union did its utility extend beyond the interchange of information and the discussion of the shrewd plans of Joseph Cowen Junior. In the light of the course of co-operation in the early 'seventies, it is unfortunate that a wholesale society was not begun in Newcastle about 1864. Its successful

1. Not until 1912 were co-operative retail societies compelled to have a public audit of their accounts.

establishment would have given societies a ready outlet for surplus capital,¹ and with Joseph Cowen Jnr. instead of Dr. Rutherford at the helm, any co-operative ventures into the field of production might well have stood a chance of success. Experience and confidence would have been allied to ambition, instead of which, ambition was dashed on the rocks of business incompetence, the greatest stumbling block that could be thrown into the path of any future proposals² similar to that of the Ouseburn Engine Works and Industrial Bank.

During the course of the engineers' strike on Tyneside in 1871, the derelict Ouseburn Engine Works were bought for £30,000, and they became the centre of co-operative investment and ambition. Two years later articles appeared in the "Co-operative News"² and the "Newcastle Weekly Chronicle"³ outlining the development of co-operation. They may have been in their latter parts a rationalisation of the productive ventures of the previous two years, even if they were not, they do summarise the progress of co-operation in the North East up to 1873. The article in the "Co-operative News" divided co-operative development

1. "Newcastle Daily Chronicle" July 10th, 1871. Mr. McKendrick, President of the Newcastle Co-operative Society, explained that many co-operative societies had a surplus of capital and it not infrequently happened that members were advised to withdraw some of their investments. He said the Newcastle society had £500 in the bank.

2. "Co-op. News" Jan. 18th, 1873.

3. "Newcastle Weekly Chronicle" April 12th, 1873.

into three stages, the first a primary stage when committees experienced considerable difficulty in raising the necessary capital to get a store thoroughly established; the second, a stage where doubt had been replaced by confidence and capital had increased faster

"than the intelligence for its judicious application";

and lastly, the experimental or productive stage, when,

"stimulated by reading and conference, the spread of intelligence having overtaken the accumulation of capital, and the necessity and importance of federation, production and banking having been recognised, the movement again began to lag for want of capital."

The third stage, that of production, is to be approached carefully, stress being laid upon the necessity of sound education in co-operative principles, so that firm in their faith, co-operators could advance successfully into the sphere of production. The "Newcastle Weekly Chronicle" laid stress on the rapid accumulation of capital¹ and pointed out the obvious necessity of profitable investments. It is at this point that the two articles diverge, and unfortunately it was the point of view expressed in the "Newcastle Weekly Chronicle" that captivated co-operators and led to

1. "Newcastle Weekly Chronicle" April 12th, put the matter as follows:-

"Assuming that no dividends are withdrawn, and that interest continues to accrue, it is evident that the capital must soon become too large, and absorb all the profits of the business. The next step would be the gradual reduction of the rate of interest until it touched the vanishing point, when for once in a way there would really be such a thing as sunk capital. As a remedy for this evil of surplus capital, it became necessary to seek out investments beyond the range of the co-operative system, if such it could be called."

disaster. The "Newcastle Weekly Chronicle" was undoubtedly expounding a theory of co-operation that was at this time held by its owner, Joseph Cowen Jnr. and his fellow radicals, particularly Dr. Rutherford who controlled the Ouseburn Engine Works and the Industrial Bank. The co-operative retail society was "a joint stock store and investment society" and "a shadow of a good thing" unless it was actively engaged in the organization of "a sound industrial socialist" the principle feature of which was profit sharing. The distinction between the co-operation that kept exclusively to retail trading and never wandered beyond its precincts and that which "would harmonise and purify the community as a whole" was completed with the statement that

"great things may reasonably be predicted for any genuine and general co-operative enterprise, but from bastard co-operation nothing exceptionally good or great need be expected."

The careful development of co-operative production backed by an educated membership such as was outlined in the "Co-operative News" was eclipsed by the practical demonstration of the alternative cavalier co-operation espoused by Dr. Rutherford and Joseph Cowen. The consumers role in the development of co-operation received scant treatment at the Newcastle Co-operative Congress in 1873. In J.M.Ludlow's paper he said -

"consumption is primarily the animal element, production the divine. He shares the former with the meanest of creatures, the latter with his maker."

1. "Newcastle Weekly Chronicle" April 12th 1873.

Although this and other papers¹ read at the Congress exalted the role of the producer at the expense of the consumer, Ludlow's paper, at one point,² showed an acute appreciation of the essential of co-operative production, namely, to produce for a known demand within the co-operative movement. The working man shareholder was the centre of these co-operative ventures and Dr. Rutherford and his friends had sincere hopes for the moral effect of profit sharing upon working men. Their hopes were eloquently expressed by Mr. A. Scorer at a meeting of co-operators presided over by Dr. Rutherford which was held in Newcastle in December, 1872. He said

"Open out to a man an avenue for his labour, clothe him with responsibility and you will awaken the germ of self respect; credit him with an interest in what he is pursuing and you instill provident habits; give him a share of the profits and you make labour a pleasure instead of a toil"³

In the hands of eloquent, energetic and sincere men such as

1. For instance, in the course of a paper on Productive Co-operation, Mr. Borrowman of Glasgow said, "...the distributive store system in its very nature is antagonistic to, hence utterly unfitted and unequal to the task of successfully promoting productive co-operation."

2. "I therefore entirely approve of the view that production should be chiefly favoured in those branches for which a sufficient demand can be found within the four corners of the movement itself."

3. "Co-operative News" Dec. 14th, 1872.

Dr. Rutherford, Thomas Burt,¹ Alexander Scorer, Joseph Cowen Jnr., John Wilson,² Jeremiah Head and many other liberal and radical leaders in the North East, the new co-operation spread not merely among co-operative retail societies, but amongst prominent manufacturers of the North East. The co-operative scheme of Messrs. Fox, Head and Co. of Middlesboro was in operation in 1871 and the report of a meeting between the employers and their workmen held in that year looked confidently forward to the time when

"arbitration will fall to pieces because the works have become a co-operative." ³

1. Thomas Burt, Secretary of the Northumberland Miners Association, scolded the co-operative consumer and encouraged the spread of co-partnership at the Northumberland Miners Annual Gala in June, 1871. Sometime after the liquidation of the Industrial Bank and winding up of the Ouseburn Engine Works, Thomas Burt stated his views on co-operative production. In the course of a speech given at the opening of the new premises of the Cramlington Co-operative Society, in May 1886 he said - "CO-operation, whatever else it meant, was union on a yet higher level than even the Trades Unions, because it was an endeavour to solve in a practical way the great problem to which he had referred. (Capital and Labour) He would not be satisfied until he saw co-operation applied not only to distribution but more largely than had hitherto been the case to the creation of wealth; in other words, for the working men to become their own employers of labour."

2. "Newcastle Weekly Chronicle" sept. 6th, 1873. At a meeting of the workmen of Haswell, Shotton and Wheatley Hill Collieries held to form a co-operative mining society, John Wilson said "Onward and upward - onward to a higher state of trades unionism....they ought to unite together to become the possessors of the mines in which they wrought - to become their own employers."

3. Pamphlet, "The Co-operative Scheme of Fox, Head and Co., Newport Rolling Mills, Middlesboro." p.21. See Appendix to this Chapter for further details.

There is abundant evidence that a confident and widespread movement towards co-operative production, which had profit sharing as its lynch pin, was afoot in the North East Coast Area in the early 'Seventies'.^{1, 2.}

As yet little notice has been taken of the extent of this movement in the minds of such men as Dr. Rutherford. The productive concerns such as the Ouseburn Engine Works and the Co-operative Mining Society, along with the Industrial Bank did experience a limited life, but their adjunct never left the chrysalis stage of company promotion. In the latter part of a speech in November 1871, Dr. Rutherford suggested that model dwellings should be built near to the Ouseburn Engine Works so as to form the centre of a co-operative community.³ A prospectus for the Industrial Land and Building Society Ltd., Newcastle-upon-Tyne,⁴ with Dr.

1. "Co-op. News" March 22nd, 1873 contains a report that Messrs. Hopkins and Co., Works men on strike were negotiating for a foundry. It continues, "if they obtain one they will start themselves on the co-operative principle." Not all employers fell under the spell of co-operative production as preached by Dr. Rutherford, far from it, for such as Sir William Armstrong viewed matters in a very different light. The "Newcastle Daily Chronicle" Sept. 21st, 1871 reported a speech of Sir William's in the course of which, he referred to the 1871 engineers strike. He said - "long before the strike took place, the masters had to struggle against a spirit of arrogance and insubordination in their skilled workmen." He went on to say that this spirit of independence was "the bane of modern life." This was the spirit on which Rutherford and others pinned their hopes.

2. See Appendix 2 for a list of such establishments.

3. "Newcastle Daily Chronicle" Nov. 8th, 1871.

4. The prospectus for this society is reproduced in the Appendix to this Chapter.

Rutherford heading the list of directors is included amongst the Cowen Papers and was no doubt the means to a realisation of Rutherford's co-operative community. This building venture was to be run on the profit sharing principle as well,

"....allowing the employees and purchasers to participate in the nett profits, which, after paying 7½% upon the capital and making due provision for a Reserve Fund, is to be divided equally between capital invested, wages earned and deposits made on purchases."

The activities of Dr. Rutherford from the time when he left Glasgow University to preach on the street corners and in the chapels of Tyneside until his death in 1890 are so far unchronicled, except in broad outline, so it is difficult to give a complete picture of these ventures of the 'seventies. Nevertheless, the story of the Engine Works and the Bank can be told in greater detail with the aid of the "Co-operative News" and Newcastle papers such as the "Newcastle Daily Chronicle".

As soon as the Ouseburn Engine Works were purchased, Town Moor, Newcastle, became a centre of jubilation and banners went up bearing the inscription "The 9 hours an Established Fact." Shareholding had been made a condition of employment at the works for all adult workers, but this rule was not strictly adhered to since there was a lack of applicants able to buy shares for some departments. Rutherford is credited with the idea of employing those unable to buy shares so long as they were willing to allow a portion of their wages to be set aside until sufficient accumulated

so that a £5 share could be issued. The men were accumulating share capital in this way at the rate of £3,000 a year by 1873¹, but the works was not in existence long enough for this scheme to reach its culminating point where all share capital would be in the hands of the workmen;² that ultimate position where capital and labour become one. The early contracts for marine engines involved the works in a loss of about £25,000. This was the most startling of the disclosures Rutherford made to the 1873 Co-operative Congress held in Newcastle.³ With a mixture of sincerity and brave humour Rutherford managed to ride the storm that was undoubtedly brewing. It needed courage to make fun of his

1. "Newcastle Weekly Chronicle" April 19th, 1873.

2. Besides the holdings of numerous co-operative societies there were 1,200 private shareholders, as Rutherford said - "the money, in the first instance, came from private individuals; because, for nearly two months, if he remembered correctly, there were scarcely any societies which took shares in them."

3. "Co-op. News" April 19th, 1873. This edition carries a full account of Rutherford's remarkable statement on the Ouseburn Engine Works, and the following passages illustrate the manner in which he gave his account. "As he had already told them they commenced their operations by booking the engines at a very low price. If the buyer had to take the risk of engines not being very first rate, then a company had no other alternative than to tempt them on the books by a promise to construct them cheaply. The manager of the Ouseburn did that with a vengeance." "After he had told the Congress that these early contracts had involved a loss of £25,000 he concluded - "After such a confession no one had any reason for saying that they did not pay sufficient regard to their purchasers." Furthermore, he felt "exceedingly thankful that after making so many unexpected thousands out of the Ouseburn they should deem it their duty to give to the charitable institutions of the town in the way in which some of them had done." "It must please all shareholders to see that indirectly they had contributed to such noble and deserving institutions." To the societies who had invested members' share capital in the works, this statement was anything but funny.

own errors but his speech makes sorry reading to-day, for it is a tale of large-scale mis-management¹, which involved the co-operative movement in particular in heavy losses. What is more important, it discredited profit sharing, which had in fact been successful among the workers at Ouseburn. These heavy losses brought about an immediate need for more working capital, which was met partly by a further investment of £10,000 by the Halifax Co-operative Society and a loan of £5,000 in debenture bonds by the C.W.S. and finally by the floating of the Industrial Bank in 1872. The Industrial Bank was a joint stock company extending its facilities to co-operative societies and the commercial classes in general. J.M.Ludlow was sceptical of the Bank's constitution, remarking,

"the longer I live the less do I believe in bodies not co-operative in form but truly co-operative in spirit. If this co-operative spirit is really there it will, I believe, never rest satisfied till it has rendered its form an appropriate one."²

The relation between the Industrial Bank and the Ouseburn concern was laid bare in a circular issued by the C.W.S. dated Oct. 5th, 1876. It read -

1. "Co-op. News" Jan. 1st, 1881. This issue contains a letter from J. Johnson, Ass. M. Inst. C.E. of Manchester who visited the Ouseburn Engine Works at the time of the Newcastle Congress 1873. He states in his letter that he "was very much surprised to see how little work was being done, and could then readily understand why no profit was being made, as three fourths of the available plant was lying idle."
2. "Co-operative News" Oct. 12th, 1872.

"The business of the Industrial Bank, we are informed, when confined to banking business alone, has been highly successful. The loss that has been sustained has arisen chiefly, if not entirely from the advances which have been made to the Ouseburn Engine Works. These works have had advanced to them by the Bank, a sum amounting to £40,000. The Bank got security for the greater portion of this money upon engines and work done by the Ouseburn Company. They likewise had a bill of sale over the tools and other property; but in consequence of the depreciated value of the stock and materials, it has been found impossible to raise anything like the amount of money that had been advanced."

When William Nuttall, representative of the C.W.S., addressed a meeting of Ouseburn shareholders in January 1876, he compared banking practice in the North East with that of Lancashire and Yorkshire saying,

"it seemed a very usual custom in the north when companies required capital, for people to advance money upon the work in progress, and when it was completed it was sold, of course, and handed over to the parties who had advanced the money. This was not a usual custom in Lancashire and Yorkshire."

The risk entailed by the advance of money upon work in progress aroused the "Newcastle Daily Chronicle" to remark that "three other banks had suspended payment in Newcastle because of undue advances to iron works."²

Although it might be argued that Rutherford's loans to the Engine Works out of the resources of the Industrial Bank were no more than was customary practice with other banks, it does not clear him from the charge of gross mismanagement, for he above all others knew the disastrous position

1. "Newcastle Daily Chronicle" Jan. 24th, 1876.

2. " " " " Oct. 6th, 1876. This remark was made in the course of an article on the Suspension of Payment by the Industrial Bank.

of the Ouseburn Engine Works, and since he was in complete charge of both establishments his actions were little more than a case of robbing Peter to pay Paul.

Two aspects of these ventures remain to be examined, firstly, the part the working man shareholder played in the ill-fated Engine Works and the effect these productive failures had upon the future of co-operative production in the North East. As Beatrice Webb said in "My Apprenticeship", Volume 2,

"....it was this fascinating conception of the self governing workshop that was wrapped round and round the Co-operative Movement when I first began studying it. To read the reports of the Annual Co-operative Congresses between 1869 and 1887, one would imagine that it was this conception of self-government that was the universally accepted goal of those who professed the Co-operative faith."²

Rutherford had in his mind's eye an ideal working man who was to be the foundation of co-operative industry. It was Adam Bede,

"who could not understand one of his fellow workmen, who the moment the clock was at the hour, had his coat on and was off like a shot down the stairs."³

1.G.D.H.Cole had the following comment to make on Dr.Rutherford's conduct. p.164-5, "A Century of Co-operation" - Dr.Rutherford, animated no doubt by the highest intentions, did things in the way of business which in an ordinary man could have been regarded as rank swindling, and the astonishing thing is that in spite of them and of the heavy losses sustained by many co-operators and societies through his manoeuvres and miscalculation he retained his prestige in the Co-operative Movement and continued to be an influential figure at Co-operative Congresses."

2.p.425, Pelican Edition.

3.Part of a speech made by Rutherford at the Durham Co-operative Society's reunion meeting, March 1874.

Rutherford expected, and got, the workmen at Ouseburn to make sacrifices for the sake of the concern. He persuaded them to take up debenture bonds in April 1872 and in 1873 he instituted what was known as double deposit, whereby the men contributed double the previous sum towards share capital. Once he had admitted his errors of management the magic of his appeal wore off and between 1873 and the liquidation of the works in 1875 there is an abundance of charge and countercharge between all parties concerned in the undertaking. William Nuttall's assessment of the state of the Ouseburn Engine Works, based upon an accountant's report is included in the Appendix to this Chapter and is one of the few solid pieces of information about the state of the company, for Rutherford's statements are sparse and unreliable. The men waived their right to an advance of 10% on wages granted by the Court of Arbitration in June 1874. The boilermakers strike is certainly a blemish on the record of the working men shareholders at Ouseburn, but their willingness to make sacrifices despite the mismanagement

1.Originally those workmen who earned less than 20/- per week had to contribute not less than 6d. per week towards the purchase of shares, for those who earned 20/- but less than 30/-, the sum was not less than 1/- per week, 30/- to 40/- not less than 2/- per week and those who earned above 40/-, a sum not less than 10% of their wages. In Jan 1873, such deposits were doubled for a period of 26 weeks. The dismissal of the workmen's committee has not been included in this account, for the evidence available is too conflicting, the bulk of it being contained in the letter sent by the Workmen's Committee to the "Newcastle Daily Chronicle" appearing in the issue dated 5th October, 1875.

of Rutherford does not justify the comment that was made by William Nuttall in January 1876 at a meeting of shareholders. He said -

"He was sorry to say that the principle of workmen controlling their own work, where ever it had been tried, had been an utter failure, and had tended to weaken discipline."¹⁻²

The Industrial Bank was not wound up until 1877, and although the C.W.S. ran the engine works under the name of the Tyne Engine Works until 1881 the liquidation of the Ouseburn concern dragged on until 1885 when a dividend of $1/1\frac{1}{2}$ ³d in the £ was paid to creditors. During all this time the liquidation remained a corrosive influence on any other productive experiments. In March 1889 a scheme to set up a co-operative engineering works and shipbuilding yard on the Tyne was put forward.⁴ It did not mature, for the hopes of establishing co-operative productive concerns based on profit sharing were receding. The movement had had enough of gushing talk and lofty pretensions; it preferred to

1. "Newcastle Daily Chronicle", Jan 24th, 1876.

2. In "Capital and Labour" a publication of the 1870's, the following comment was made on the Ouseburn concern, p.533 - "The Ouseburn Engine Works at Newcastle were started on the broadest and most clearly defined principles of co-operation but the men actually struck against themselves, and precipitated the ruin of their own concern. Other experiments of a similar kind have failed because of the unreasoning prejudice and jealousy with which the bulk of the co-operators regarded the few able men among them."

3. "Co-op. News" May 23rd, 1885.

4. " " March 9th, 1889.

leave its development in the hands of such men as J.T.W. Mitchell. The members of the Cramlington Co-operative store advocated its wind up when the Industrial Bank ceased payment, for the store had £10,531 out of a total capital of £26,000 locked up in the Bank.¹ Membership and sales dropped severely after this disaster and the committee had to impose hard terms for the withdrawal of share capital. The miners' strike in February 1878, lasting over two months, added to their troubles and the society was fortunate to survive. The distress that prevailed in the North East in 1878, due to industrial depression, was the subject of an article in the "Newcastle Daily Chronicle", during the course of which it mentioned reasons why

"the statistics of pauperism are so little more formidable than usual."

One of the reasons given for a lack of applicants for parish relief was

"the shares which have been taken in co-operative societies in better times, and the accumulated dividends which have

1. Cramlington J.H., also Leadgate J.H., which states that the fall of the Industrial Bank caused considerable panic among discontented members. Yet another account of the effect the collapse of these ventures had upon individual co-operative societies is contained in a speech on the history of the Consett society which was reported in the "Co-op. News" of Nov. 12th 1898. It states, "the society invested money in the works, and, along with many other societies, suffered heavily. This experience gained, but dearly paid for, caused the Consett society to fight shy of any project so unprofitable in the future. The confidence of the members was shaken, with the result that £12,668 was withdrawn." This brought about a change in the rules so that the committee had the power to suspend withdrawals from the society if the necessity arose.

"resulted from them have staved off want in hundreds of homes." 1

This favourable comment on co-operative societies did not remain unchallenged, a correspondent, 'Northumbrian', stating

"Alas, in many instances in the county of Northumberland, co-operative stores have contributed towards the distress rather than diminished it. I am acquainted with many miners who have invested the hard earned savings of many years in the store of their district with the full assurance that they had a provision secure against the day of adversity; but the time of pinchery and want has arrived only to find their money lost through the incompetence and unsound investments of the managements." 2

H.R.Bailey, Secretary of the Northern Branch of the Co-operative Union, replied,³ admitting that,

"losses have been sustained by investments in a coal mine, an engine works and a bank by the working classes of this district. Still this is not as yet, nor is it likely, to cause the liquidation of a single co-operative store in the North." "That the continuance and delay in the liquidation of the Ouseburn and the Bank has seriously affected the withdrawal of capital of individual members is a fact; but I deny that the capital of individual members in any store is lost."

A majority of members, especially those in mining districts, looked upon their store as a ^a ~~svings~~ bank and if this function was impaired by investments in productive ventures then members would lose confidence in their committee.

Committees of management who burnt their fingers over the Engine Works and the Bank would not readily support the future productive establishments of their type unless they had the essential of consumer co-operation, the service of

1. "Newcastle Daily Chronicle" Dec. 28th, 1878. A leading article entitled "The Prevailing Distress."

2. "Newcastle Daily Chronicle" Dec. 30th, 1878.

3. " " " Dec. 31st, 1878."

a known demand. The Ouseburn Engine Works produced for a non-co-operative market, and unlike consumer co-operative stores, could not rely upon its customers' loyalty in times of stress; all it could do was await fresh injections of capital. The successful productive establishments of the C.W.S. produce for a known market, the consumer societies, and co-operators would have done well to have reflected before they rushed pell-mell into the Ouseburn venture. Their disregard for the essential of their early success, the loyal consumer, cost them dear. Professor Marshall was President of the 1889 Co-operative Congress and advised that production

"should be carried on in those businesses where punctuality, order, neatness and careful economy in detail.....are the things chiefly needed."

1. "Co-operative News" June 15th, 1889. Beatrice Webb refers to Marshall's speech in "My Apprenticeship" Vol.2, p.432, and makes a shrewd comment on the following passage of his address.- "I have already laid stress on the fact" he told co-operators, "that the success of the distributive societies is no proof of the efficiency of working men as undertakers of business enterprises. Their inherent advantages are so great that they may sometimes prosper fairly even though their management is but second-rate; and there is no question that some of them have done so. Their success gives no ground for anticipating that a productive society would succeed when it had to run the gauntlet of competition with private firms managed by business men quick of thought and quick of action, full of resource and of inventive power, specially picked for their work and carefully trained." Beatrice Webb's comment was "Thus in suggesting that co-operative production had failed whilst co-operative trading had succeeded, he ignored the already successful manufacturing departments of the English and Scottish C.W.S. and of smaller federations of the Consumers Co-operative Movement." et seq.

As I have pointed out, such developments maximised their chance of success, for they produced for a demand that in Ludlow's words lay "within the four corners of the movement itself." (ftnt.2. p.100)

Good advice, but too late as far as the North East was concerned. Faith in productive co-operation based on profit sharing had declined and was soon to be overtaken by socialism which, instead of trying to make every worker a capitalist, destroyed capitalism by legislation. Holyoake, aware of a new contestant for working class support, said - "the silent revolution of industry, produced by the rise of co-operative devices, will save England from the plague of state socialism." "instead of laying hands on the throat of society, co-operators seek amendment by putting ideas of self-help into the heads of the industrious classes."

The decade of co-operative production on Tyneside did not decrease the discussion of such matters in the movement as a whole, but it was the death blow to anything of this nature in the North East. It is a great misfortune, that, at a time when surplus capital was available for experiment in new fields of enterprise, those men who led the Northern co-operators into those fields should have been devoid of good business sense. Circumstance deemed that Dr. Rutherford should be responsible for the birth and death of co-operative production on profit sharing lines in the North East.

Six years before the North Seaton Co-operative Farming Society was registered, (1873), Mr. A. Davidson, a surgeon for a number of collieries situated in S. Northumberland, drew the attention of a Select Committee² to the

1. "Co-op. News" June 7th, 1879.
2. 1866-7 Report from the Select Committee in Mines. The evidence of Mr. A. Davidson, surgeon for Buradon, Dudley, Cramlington, Seaton Delaval, Seghill, Cowpen, Bebside, Choppington and North Seaton Collieries.

lack of fresh milk in that area. Northumberland and Durham were beef raising rather than dairying counties, and there does appear to have been a serious shortage of milk in some districts. Mr. Davidson held that the high price of milk in South Northumberland had a bad effect on infant mortality and went on to say that

"the pitmen have no close attached to their cottages where they could keep a cow."

Mr. John Coleman,¹ Assistant Commissioner for Northern England, was questioned on milk supply by Professor Bonanny Price when he gave evidence before the Royal Commission on Agriculture which reported in 1882. Prof. Bonanny Price asked -

"You have spoken of the intermediate persons between the man who grows the milk and the people who buy it; I have heard there is a very great and oppressive increase in the price of milk in consequence of its passing through those several hands; have you experience of such a fact?"

Mr. Coleman replied -

"Yes, in many cases the retail price is double the wholesale price. I think that is a great deal more than the profits require."

Mr. Coleman remarked that butchers got smaller profits than milk retailers because milk was a perishable article and

"more liable to loss in the hands of the retailer and he is entitled to a larger proportion of profits in consequence."

Prof. Bonanny Price continued,

"May we infer from that, that these intermediate persons are a great impediment to the production of milk and to the milk trade in England?"

1. H. M. Commissioners on Agriculture. 1882. Evidence of Mr. John Coleman. paras. 67, 758-60.

Coleman replied,

"That is so; but there is another great impediment, and that is that farmers do not appear capable of combining together and establishing co-operative dairies. Jealousy between farmers is one cause of the breakdown of co-operative efforts."

The co-operative stores had, in districts of Northumberland and Durham where these observations applied, a golden opportunity to provide an adequate supply of milk at reasonable prices. At North Seaton a farming society was formed; elsewhere in Northumberland and Durham most co-operative farming was undertaken by the retail societies themselves. The capital of the North Seaton Farming Co-operative Society was made up of transferable shares of £1 each and at the end of 1874 there were 122 members with a share capital of £228. In 1892 the secretary reported -

"We have 32 acres of grassland, our farm being a dairy farm pure and simple. We have at present 13 cows. Two men only are employed on the farm, with the exception of haymaking, when there will be perhaps a dozen. During these late years we have found it very profitable in our line." ²

B.Jones remarked that the success of this society stimulated the retail societies to begin farming and by 1906 there

1.B.Jones gives this account of the origin of the North Seaton Co-operative Farming Society. "It originated through the difficulty which the workmen at the North Seaton Colliery experienced in obtaining a supply of milk for the use of their families. Not only had their children to travel a considerable distance to procure it, but they frequently failed to obtain a quantity sufficient to meet their wants." "Co-operative Production" by B.Jones, p.626, Vol.2.

2.Quoted in B.Jones, p.626. He adds, "The balance sheets for 1891 showed share capital was £330. There were 104 members. Profit for the year was £91:12:11d. and a dividend of 10% was paid to share capital and one of 7¹/₂% paid to customers. Sales of milk £518; sales of cattle £131; rent, £68 p.a."

were twenty retail co-operative societies with holdings of over 10 acres. However, in some cases the societies used this land for nothing more than grazing purposes in connection with their butchering or delivery departments. The 168th quarterly report of the Newcastle Co-operative Society illustrates very clearly how the surplus capital problem was linked to the various avenues of production. It began -

"14 years ago, the question as to the society's unused capital gave rise to frequent debate. The Board were instructed by members' meetings to find some better use for it than to leave it in bankers' hands to receive a much less rate than members were being paid. Various schemes were projected. The building of houses for members had partly been adopted, but there was a desire for other outlets being tried. The scheme for advancing money to members was advocated by the Board and rejected more than once before its adoption. This scheme has been a conspicuous success..... During the period (4 quarters ending March 1890) there had been received upon some £33,000 lying on deposit £958:18:00 as interest. The amount credited to members at the rate of 5% upon this unused capital was £1,612;13:6d, a difference of £653:15:6d for the year....." It was therefore thought "desirable to begin farming, this was determined on at a special meeting in July 1890. After 12½ years of experiment it must be admitted that the financial results are disappointing."

The main reasons given for poor results were bad management and heavy transport costs from the farm, which was situated near Morpeth at Stobill, to Newcastle. Perhaps the most interesting part of the report was ^{that} dealing with milk supply-

"Milk is supplied to members at a uniformly lower rate than is charged by other dealers, and the important position held by the society may be gauged by the fact that it was

"approached by two of the largest firms in the Northern counties to confer as to fixing a higher price to the consumer" ¹

Needless to say the invitation was declined. A sub-committee looked after the affairs of the farm and they faithfully recorded the condition of each beast; all dismissals and appointments; weekly milk sales, and that they employed the reformatory boys to do the weeding. The sale of milk rose from 2,250 gallons in March 1893 to over 10,000 gallons in March 1910 and they supplied not only members of their own society but those of Ashington as well. ² The two farm managers before the appointment of W.L.Sinton in 1904 caused the committee considerable worry and they resorted to a rota of snap visits so as to keep the manager constantly on the alert. ³ The account William Sinton gave of the farm bears out the committee's concern as to its management, for,

1.B.Jones,"Co-operative Production" p.657. The effect of co-operative entry into dairying was clearly illustrated at Barnsley where the society took a farm of 133 acres at a rental of £230 a year, for dairying purposes.

"By the middle of the year they had 65 head of cattle on the land, and were milking 22 of them. Milk was formerly 4d. per quart in Barnsley, but as soon as the society took the farm the milk vendors had a meeting and decided to reduce their price to 3d. By May, 1886, the stock had been increased to 148 cows, The venture was unsuccessful for several years, except in the important matter of universally reducing the price of milk in Barnsley by 25%."

In 1887 there was a loss of £142; in 1888 another of £124; and in 1889 one of between £200 and £300.

2.Newcastle Co-operative Society Farm Sub-committee Minute Book.

3. Do. C.M. Feb. 11th, 1899.

"all the oats were badly moulded, the straw was practically finished, and there were only 20 loads of turnips to see 63 ewes through the spring with....Of the ewes, one score at least, were unsuited for rearing lambs from an account of their age and their bad mouths. The sheep were in poor condition at lambing, overrun with vermin, and there was a great shortage of turnips." ¹

Footrot was common amongst the sheep and the buildings were inadequate, altogether a most discouraging report for the committee to receive, except for the fact that it served as an illustration of the capabilities of their manager. Under this manager the farm once again showed a profit. At Bishop Auckland the society took over two farms containing 373 acres in 1898 and a further 50 acres were rented at Etherly in 1900. The farms made regular losses until the society turned Etherly Farm into a dairying establishment. It did not renew the tenancy on its other land and concentrated on milk production which proved to be very profitable, the committee being forced to purchase large quantities of milk from other farmers to meet the demand.² At an earlier date, 1886, the Newbottle society rented a dairy farm from the Earl of Durham and commenced to sell milk, butter and other produce to their members. No doubt the fluctuating fortunes³ of the existing farms and the difficulty of getting reliable

1.Part of a detailed report which appears in the Farm sub-committee Minute Book in May 1904.

2.Bishop Auckland J.H.pp.177-8.

3.The graph of profits and losses of the Newcastle and West Stanley societies' farms illustrates the fluctuating fortunes of these departments.

managers deterred a majority of societies from following the example of the few with farms. When the North East Coast Area is taken as a whole the farms owned by retail co-operative societies show a slight profit between 1886 and 1920, insufficient however to cover the interest paid upon the societys' capital which was generally between 4% and 5%.¹ So in most cases farms were a financial failure. If interest rates upon capital had been lower, many more societies might have begun farming which would have ensured members a ready supply of essential commodities, especially milk. The high interest rate upon capital was a barrier to co-operative stores taking up farming on their own account, nevertheless they could buy milk and farm produce direct from farmers and bring about considerable economy in the distribution of these commodities.² On p.155 of his study, "Retailing and the Public", Lawrence E.Neal enumerates the features of milk distribution. Firstly,

"milk is a standard commodity and (apart from specialised grades) saleable in a standard quality, secondly, it is the daily need of every household, and moreover in extremely steady demand from day to day, and, thirdly it is a generally recognised adjunct to health, and of particular benefit to children"

Such a development in co-operative trading conformed to Professor Marshall's dictum on production and it is clear

1. See Appendix to this Chapter.

2. The Bishop Auckland society augmented its supply of milk with a quantity from local farmers. Most societies bought farm produce locally or from the nearest market town.

from Table 11 in the Appendix to this Chapter that societies took an unjustifiably long time to establish dairying departments, especially since such departments promised to be of such great utility to their members.

Co-operative societies could help farmers in other ways, in the retailing of fertilizers, implements and animal feeding stuffs, in the collection, packing, grading and forwarding of agricultural produce to markets, and lastly, in the provision of credit. The Middleton-in-Teesdale Co-operative Society did a flourishing trade in animal feeding stuffs, and it kept the accounts of this department distinct from those of the store. This separation was a legacy of the early development of the store, and was most useful, for it avoided the possibility of complaints on the score that one department subsidized the other. The mill delivered goods to its members and allowed them one month's credit, principles which have been adhered to since its establishment in 1842.¹ In the same area the Teesdale farmers formed an association so that they could obtain cattle feeding stuffs at reduced prices.² The many avenues of co-operative development in relation to farming are fully outlined in the Report of the Land Enquiry Committee,³ but even though

1. See Chapter 1 for fuller details of the Middleton-in-Teesdale Corn Mill.

2. "Co-operative News" Oct. 2nd, 1910.

3. The Report of the Land Enquiry Committee. Rural, 1914.

they promised considerable economies, very little agricultural co-operation took place in the North East.

So far this chapter has followed, apart from the section on agriculture, a chronological course beginning with the work of the Northern Union of Co-operative Stores and ending with the effects of productive failures on the consumer co-operative societies of the North East. The

1. The Newcastle C.S. bought produce from the Free Communist and Co-operative Colony which was set up at Forest Hall, Northumberland, at the end of the last century. In its early days the Colony comprised 17 persons, 10 men, 3 women and 4 children. They were disciples of Prince Kropotkin, and cultivated 20 acres of land, keeping cows, poultry and rabbits, and growing market garden produce. They believed men were free to work when and where they chose and the "Co-operative News" remarked, "The result was that one planted a diminutive orchard in a most unsuitable position, another tried duck breeding....whilst yet another insisted that social salvation lay in rearing goats." The Colony broke up in 1898 and the "Co-operative News" concluded that "with but little capital, no knowledge of farm work, and a large stock of impracticable ideas, failure succeeded failure." (Co-op. News" Oct. 23rd, 1897 and April 19th, 1902.)

The objects of the colony were-

1. The acquisition of a common and indivisible capital for the establishment of agricultural and industrial colonies.
2. The attainment of a greater share of the comforts of life than the working classes now possess.
3. The mutual assurance of its members against the evils of poverty, sickness, infirmity and old age.
4. The mental and moral improvement of all its members.
5. The education of the children.
6. To demonstrate the superiority of free communism.
7. To demonstrate the productivity of land under intensive cultivation.

attempt to fit these productive ventures into some sort of order has yet to be made. Within the English co-operative movement a continuous debate raged between the federalists, who believed consumer co-operative societies, either in groups or singly, should manufacture goods for their own members; and those who favoured co-partnership. In the case of the federalist system the workers employed in the productive establishments were not to be co-proprietors in the concern, the whole profit of the venture was to be given to the consumer. The alternative was co-partnership, where "labour can pass from wagedom to profit-sharing, self employment and self management."

Robert Halstead, who defined co-partnership in these words, continued,

"the federationist contends that the ethics of co-operation should be based on consumption. On the other hand, the advocate of profit sharing, combined with labour co-partnership, insists that co-operative ethics should include not only the development of a wholesome and ethical standard of consumption, but a direct and systematic attempt to re-organise business on a more ethical basis in the industrial workshop both as to conditions of employment and methods of remuneration." !

Production on the federalist system derives its title 'co-operative' from the fact that its management and its capital and the demand for its produce come from consumer co-operative sources. This system has considerable advantages over a self governing workshop, for it can draw upon a much larger group for its management, it can produce for

1. Robert Halstead, "Co-operative Production." (Pamphlet)

a calculable demand and can draw upon much larger reserves of capital. Thus it is easily understandable that despite the skilled advocacy of co-partnership by the Labour Association, the federalist system was the one that finally triumphed. The goal of co-partnership was workers' control of management, capital and the distribution of profits, but in large scale undertakings this was unattainable, for certain barriers, such as the impossibility of workers amassing sufficient capital to control the business¹, the lack of managerial ability and lack of discipline, stood in the way. The recognition of these limiting factors, which would vary in each productive concern, is a necessary preliminary to a consideration of such a cross-grained piece of timber as the Ouseburn Engine Works. The capital of the Ouseburn Engine Works was provided by co-operative retail societies and private individuals, and before its calamitous end was moving towards a position where the working men share holders would control a sizeable share of the company's capital. The provision of capital by co-operative retail societies, and the practice of shareholding and profit sharing among the workers are sufficient grounds for regarding the Ouseburn Engine Works as a co-operative productive venture.

The achievement of the goal of complete workers control of capital and management was unlikely in the Ouseburn Engine Works, but it could be achieved in small-scale

1. See p.37 of Percy Redfern's "The New History of the C.W.S!" - that profit sharing was impossible at the Dunston flour milling factory.

concerns such as the Brittainia Fishing Society (N.Shields), which in 1890 was operating on a share capital of £1,900 and a membership of 25; and the Tyne Co-operative Cabinet Works. The larger the scale of business, the less likely is it that co-partnership ventures will succeed, for they have either to continue a feeble existence until a trade recession sweeps them away,² or compromise their ideal with the introduction of private capital and perhaps private management. The alternative federalist system was obviously better fitted to the productive requirements of the co-operative movement, although it overlooked the troublesome but important matter of worker participation in management, shareholding and profits.

1. For further information see B. Jones "Co-operative Production."

2. See Appendix to this chapter. The depression of the mid 'seventies had a scythe-like effect on N.E. co-operative productive ventures.

Appendix.

The Industrial Land and Building Society Ltd.

A prospectus for the Industrial Land and Building Society Ltd., Newcastle-upon-Tyne, is included amongst the Cowen Papers. The capital was to be raised in transferable shares of £1 each. Its directors were J.H. Rutherford, (Surgeon), R. Stapleton, Thomas Hall, Alexander Scorer, James Taylor Ridley, Thomas Winship, William Howden, George Short, James Smith Barkess and John McPherson. The Society's bankers were to be the Industrial Bank. The approximate date of this prospectus is 1873.

Extracts from the Prospectus.

"The want of comfortable, healthy dwellings in this neighbourhood has long been felt by working men, and is further evidenced by the high death-rate which obtains. The object of this society is to meet that want, and to provide means whereby working men may become the possessors of their own houses. It is to be conducted on the Co-operative principle of allowing the employees and purchasers to participate in the nett profits, which, after paying 7½% upon the capital, and making due provision for a Reserve Fund, is to be divided equally between capital invested, wages earned, and deposits made on purchases. These objects it is proposed to accomplish by the purchase.....of suitable building landand their (houses) subsequent sale to its members upon easy terms....."

"The Rules of the Society empower it to carry on the trade of General Builders and Contractors, and to deal in or manufacture any of the materials required in the construction of buildings. They also enable it to purchase, lease, hold sell or mortgage land or buildings, and to make advances to its members on the security thereof."

The prospectus ends -

"The Committee feel that the best security for a comfortable and contented people is the possession of well-built houses, and they will aid all industrious and persevering persons in acquiring land, and building good substantial and healthy dwelling houses thereon, believing that better dwellings will secure better health; better domestic conveniences and arrangements will promote decency and virtue; greater comforts at home will create a sense of enjoyment that will find its results in increased sobriety; cleanliness and morality. The social and moral influence of this society can scarcely be exaggerated. Each workman employed, being a participator in the profits of the society, will naturally be more careful and watchful over the Society's interests. If he is not a member of the Society, the bonus upon his labour will enable him to become one, (cf. Rutherford's scheme at the Ouseburn Engine Works, pp. 103-4)

thus encouraging saving and provident habits, which, when once acquired, are not readily relinquished. The promoters feel confident, from past experience, that the principle of allowing labour to receive a portion of the profits will tend to cement a union of interest and good feeling between employers and employed.

"The promoters feel justified in recommending this Society to the notice of the public, not merely on the grounds of its usefulness, but also on account of its being a safe and profitable investment, and a means whereby co-operative and other organisations or persons may lend large or small sums of money at a good rate of interest."

The $7\frac{1}{2}\%$ rate of interest upon capital would certainly be attractive to co-operative societies for it would secure a steady profit in a most laudable investment.

"The Co-operative Scheme of Messrs. Fox, Head and Co., Newport Rolling Mills, Middlesbrough."
Extract from Pamphlet in the Middlesbrough Library.

"If at the end of any year any surplus profit remains, after paying all wages and salaries, and providing for interest on the Capitalists' outlay, depreciation renewals, bad debts, and all other expenses of, and incidental to, the manufacture, the same shall be divided into two equal parts; the one to belong to the Capitalists as their profit, the other to be divided among all those who have received wages or salaries during the year, in proportion to the amount so received by them."

At a shareholders meeting of the Ouseburn Engine Works, reported in the "Newcastle Daily Chronicle" of Jan. 24th, 1878, William Nuttall of the C.W.S. gave an accountant's estimate of the position of the Ouseburn Engine Works.

<u>LIABILITIES</u>		<u>ASSETS</u>	
	£		£
Share Capital	34,500	Land and Bldgs.	20,000
Mortgage still owing	18,500	Machinery	32,000
Debentures	21,600	Tools	9,809
Bills of various kinds held by the Industrial Bank	40,000	Nuttall contended that the plant of the works was over-valued, and estimated it was worth	
Debts to trade creditors	6,500	Sale of plant in London	51,759
Dividend and interest due to shareholders and others	2,000	Estate at Wallsend	500
Bills owing to Wholesale at Manchester	3,000	Work in Progress	5,500
		Nuttall made reference to debts owing to the Co. which amounted to £13,000 to £14,000, but which he valued at	20,900
		Stock in trade	nil
			6,500
Total liabilities <u>£126,100</u>		Total Assets <u>£85,159</u>	

Nuttall followed this statement with the words -

"It was for them to consider whether they would submit to a loss of £34,000 or £36,000 share capital, and do nothing more, or whether they would make an effort to subscribe more capital, and thus give a guarantee and some encouragement to the loan holders to supply more money if they were willing. But it was for the shareholders first to say whether they were willing to subscribe more capital in order to retrieve their lost character and lost capital." Nuttall's contention that the plant of the works was over-valued is confirmed by the auditor's objection to the payment of a 5% dividend in 1874. They contended that, since the reserve fund was created by a re-valuation of the works, not by the setting aside of trading profits, it was dangerous to pay a dividend. (Source, "Co-op. News" Oct. 31st, 1891)

The Prospectus of the Industrial Bank.

"This company is formed with the object of supplying Banking facilities to Industrial Societies, and to the trading and commercial classes generally, on the mutual principle. That principle, as applied to Assurance, is well understood, and has had a large success. After providing for a reserve fund, all profits above 10% will be equally divided between capital, and those members who are customers and whose transactions with the company have been profitable. The company proposes to undertake all legitimate Banking business. Its operations will not be confined to Industrial Societies, although both from them and from the general public it has already received promises of a large amount of support.....The directors guarantee that the Company will commence business with the entire capital perfectly intact, the whole of the preliminary, legal and other expenses being covered by the fund created by the payment of 1/- per share, and any surplus therefrom will go to the formation of a reserve fund....."

Capital

Total Capital £250,000 Cash Capital, to be paid up,
£150,000

The capital of the Bank was composed of 50,000 shares of £5 each, 10,000 shares were issued and the £3 per share was to be paid as follows - 11/- on application, 1/- of which was devoted to expenses. The first call of 10/- was to be August 1st, 1872, and the remaining calls were not to exceed 10/- per share and one month's notice was to be given of each call. The Provisional list of directors was J.H. Rutherford, Wm. Douglas, John Curry, Joseph France, George Fryer, Samuel Thompson and John Burnip. The manager of the Bank was Alexander Hannay and the Secretary John McPherson.

On the 24th January 1877 a first dividend of $\frac{3}{4}$ in £1 was paid after the winding up of the Bank.

(Source, Maberley Phillips, "A History of Banks, Bankers and Banking in Northumberland and Durham and North Yorkshire, 1755-1894.") Published 1894.

Dr. Rutherford was a director of the Northern Counties Bank, which was founded in 1871 and which suspended payment in September 1881.

List of Co-operative Productive Concerns established and dissolved before 1879.

<u>Co-op. Corn Mills</u>	<u>Established</u>	<u>Registered</u>	<u>Dissolved.</u>
Bishop Auckland	1862	1863	1868
Bedlington	1868	1868	1874
Barnard Castle	1858		1858
Darlington	1856		1856
Gateshead	1856		1856

Tailors and Clothiers

Newcastle and Gateshead		1871	1875
-------------------------	--	------	------

Hosiery and Elastic Webb Manufacturers

Bishop Wearmouth	1867	1867	1870
------------------	------	------	------

Cabinet Manufacturers

Newcastle	1867	1868	1873
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Coal Mining

Newcastle	1873	1873	1874
-----------	------	------	------

Printers, publishers

Bishop Auckland		1866	1871
-----------------	--	------	------

Brushes

Newcastle		1873	1875
-----------	--	------	------

Shipbuilders, Boiler Makers

Tyne (shipbuilding)	1873	1873	1875
---------------------	------	------	------

Iron

Middlesbrough	1873	1873	1875
---------------	------	------	------

Miscellaneous

Newbiggin (Gas and Light)	1873	1873	1875
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In the March and June copies of the "Co-operator" of 1865 references are made to a Co-operative Shipbuilding Society at Sunderland. The "Co-operator" 1st. June 1865 mentions that copies of the prospectus could be got from the Sunderland Co-operative Store in Green Street.

Table 11.

Farming by Retail Co-operative Societies in the North East Coast Area, 1886-1920.
(Source, Norman Scott Ross "The Co-operative Consumer Movement in the North East Coast Area.")

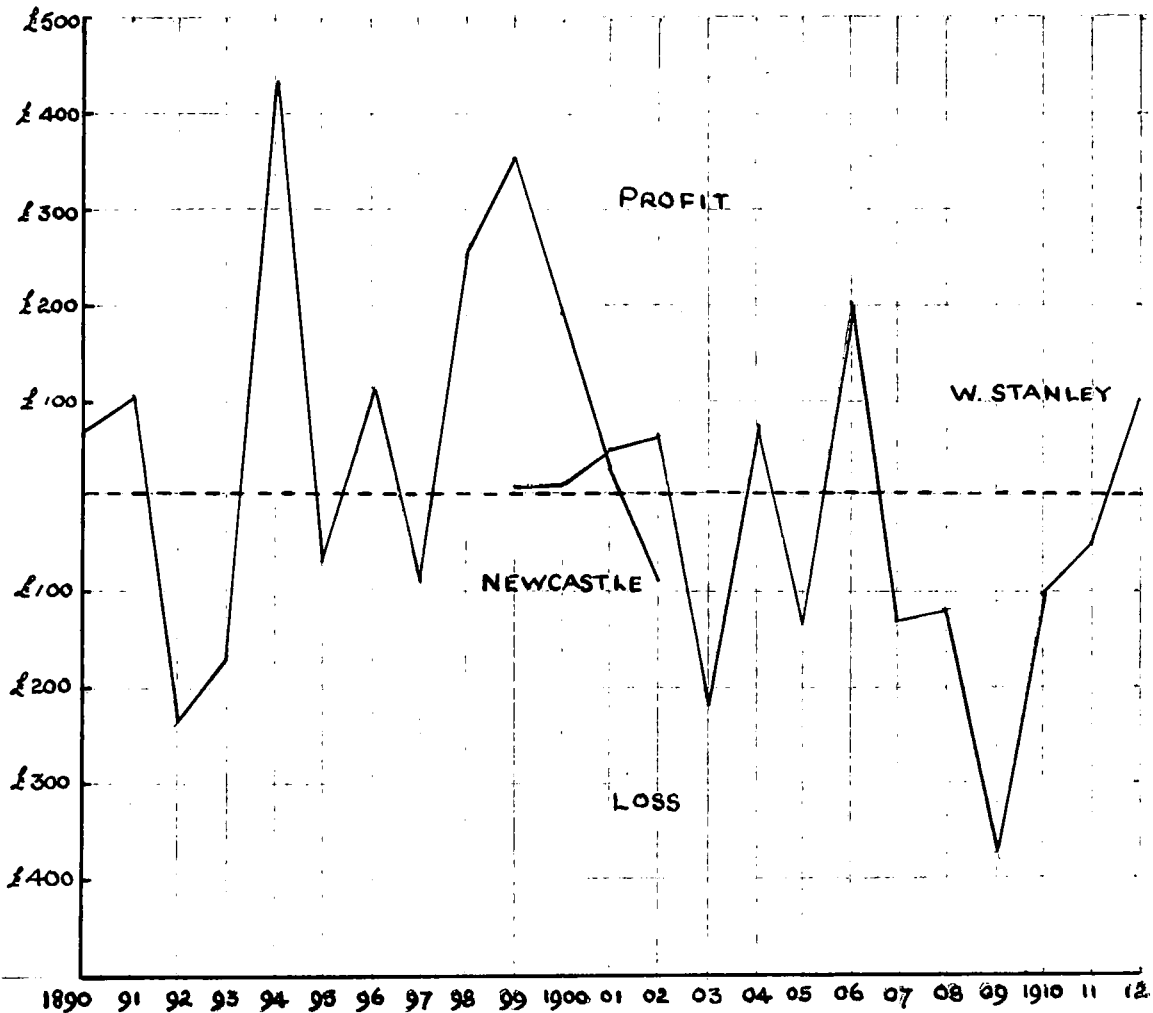
Year	No. of societies engaged in Farming	Total acreage of farms	Total capital invested	Result of operations	% of profit on Capital.
1886	5	489	£3,000	-£128	4
1895	9	1272	£25,000	- £52	Loss
1900	22	2596	£46,000	-£972	2
1910	22	2641	£74,000	-£1,779	2
1920	20	4127	£137,000	-£3,474	2½

Date of establishment of farms and dairying departments of 14 societies in the North East Coast area.
(Sources, N.Scott Ross; B.Jones "Co-operative Production"; Jubilee Histories; and the "Co-operative News.")

<u>Society</u>	<u>Farm Established</u>	<u>Dairy Established</u>
Bedlington	1886	
Newbottle	1886	1886
West Stanley	1886	
Consett	1889	by 1891
Derwent Flour Mill	1889	
Newcastle	1890	1895
Chester-le-Street	1891	
Seaton Delaval	1895	1935
Darlington	1896	
Birtley	by 1897	by 1911
Bishop Auckland	1898	by 1905
Stockton	1900	by 1910
Gateshead		by 1907
Wallsend		1905

Graph 11.

Profits and Losses incurred by the Farms of the Newcastle and West Stanley Societies.



Sources - Newcastle Farm Sub-committee Minute Book;
West Stanley Balance Sheets.

Chapter 4

Co-operative House Building in the North East Coast Area.

Introduction.

The co-operative societies of the North East, especially those situated on Tyneside and in the market towns, reacted to the building boom between 1890 and 1910 and were responsible for the construction of a large number of good quality dwellings, but only in one instance, at Wallsend, did they take part in a national movement bent not merely upon solving the housing problem, but keenly aware of the need for architectural good sense in the provision of working class houses. Since the demand for houses existed before the housing boom one would expect to find either evidence of committees seeking to make this demand effective by propaganda, or of members pressing committees to build houses or advance money on mortgage security. Only isolated instances of such activity exist in the records of societies and these are insufficient for any generalisations to be made. What is apparent however, is the enthusiastic response to house building endeavours, ballot for houses being common amongst North Eastern co-operative societies.

The burst of national, local and co-operative propaganda in the 'nineties was capable of arousing a response from co-operative societies not so much because of its emphasis upon the detrimental effects of bad housing on family

life and health, but because it occurred at a time when economic conditions favoured building enterprise.

The societies could take advantage of these conditions by:-

- 1) The purchase of land and erection of houses which could be let to members much as an ordinary landlord would do, but with the difference that the ownership and profits of these houses could be shared by the whole of the members instead of by the single landlord.
- 2) The erection of houses which could be sold to members outright, or, as in the case of the Blaydon society, upon terms of payment extending over a number of years in the form of a rent plus an additional sum to cover expenses.
- 3) The advance of money to members. A rate of interest was charged equal to the rate of interest paid by the society to its members, and a further charge (varying from 1/- to 5/- per annum) was made for working expenses.

The graphs included in the Appendix to this chapter have been compiled from Congress Reports, where a society's investments were divided into two categories, viz; House Property, and Other Investments. The societies, or the officials of the Co-operative Union appear to have put a broad interpretation upon the term House Property, for it is made up of two figures, the value of house property in the society's hands at the date of the inquiry, and the amount on loan to members on mortgage security. The Newcastle society

never had more than £12,000's worth of house property between 1895 and 1915, but Congress Reports show over £100,000 invested in house property in 1910. However, by adding the £12,355;4:5d which appears in the House Property Account of the half-yearly statement of 1910, to the £93,091:6:10d which appears in Mortgage upon Members' Property Account, one can arrive to the nearest £ at the 1910 Congress Report figure of £105,447. The Appendix to this chapter contains an estimate of the relative importance of the three aforementioned methods of satisfying members' housing needs.

This chapter is divided into two distinct sections apart from the conclusions. The first part is a study of co-operative housing schemes in the larger urban areas such as Tyneside, Wearside, Teeside and market towns such as Bishop Auckland and Durham. The second part is a study of similar schemes, or, in most cases, the absence of such schemes, in rural areas.¹ The division of the North East Coast Area, especially the coalfield area, into rural and urban districts is to some extent misleading, since the population of rural districts is principally collected in a number of villages where dwellings are closely aggregated so that they resemble small towns. The main distinction is the

1. See Graphs 1 and 2. Even during the housing boom the colliery area societies had less than 50% of Total Investments in house property. The investment pattern of urban and colliery societies is clearly shown on these graphs, the free house system having considerable effect upon the building activities of colliery area societies.

presence of the free house system in colliery villages and the comparative absence of this system in urban areas.

Part 1.

"Co-operation is the economy of labour, and the wise application of capital in the production and distribution of wealth. We can apply the principle still further, in the promotion of the domestic comfort, social happiness, and health of our members; and as health and labour are the only capital the bulk of working men possess, it is of paramount importance that that capital should be jealously guarded. To attain this end, what better means can be employed than the erection of healthy dwellings, with plenty of pure air, good water, and proper sanitary appliances. The testimony of medical men, the returns of the Registrar, and the reports of sanitary inspectors are constantly showing that the chief cause of disease, premature old age, and the high rate of mortality in large and populous towns is badly constructed, ill-ventilated, and over-crowded or small dwellings."

So wrote A.Scotton of Derby in 1878 in a persuasive paper advocating the erection of co-operative dwellings. Similar exhortations urging town councils, local authorities and co-operative societies to solve the housing problem are to be found in the North East during the late 'sixties and early 'seventies. The "Newcastle Weekly Chronicle" ran a series

1. "Co-operative Cottage Purchasing" by A.Scotton of Derby. A paper read at Long Eaton in Derbyshire in 1878 and published by the Co-operative Union.

of articles on "Our Colliery Villages" and with the "Glasgow Herald" did a great deal to arouse public interest in the disgusting condition of working class housing in the North. H.G.Reid, one time editor of the "Edinburgh News" and promoter of a co-operative building company in Edinburgh, became editor of the "Middlesbrough Daily Gazette" and tried to interest the North Acklam Co-operative Society in the erection of model dwellings.³ By January 1873 the venture had a directorate which included, besides Reid, such prominent Teeside men as H.W.F.Balckow M.P., Jeremiah Head and Isaac Wilson. A similar scheme was set on foot in Newcastle in 1873, the moving force being Dr. J.H.Rutherford. Its title

1. An example of these articles that ran for many months is a description of Templetown near S.Shields. This is imaginative journalism, but it is good journalism since it rouses interest for the purposes of reform. The "Newcastle Weekly Chronicle" of Feb.1st, 1874, contained a description of dwellings at St.Hilda's Colliery, near S.Shields.

"A great many of the men employed at St.Hilda's live in rented houses, scattered about the south and west sections of the town; but along with the colliery was leased to the present owners the far-stretching, rackety, ruinous, vile-smelling and frowsy-looking aggregate of tumbledown cottages known as Templetown."

This collection of dwellings was sheltered from view behind a railway bank, whilst on the opposite side "runs a huge mountainous range of the most appalling chemical chambers, vats, cisterns, boilers, pipes, storerooms and gangways that scientific ingenuity in its most impish temper could possibly get together to affront, terrify, disgust and smother a colony of human beings."

2. "Co-op.News" Sept. 28th, 1868, also "Co-op.News" July 6th, 1872, and Jan.18th, 1873.

3. "Co-op.News" Nov. 16th, 1872. Mr. Barker, treasurer of the North Acklam Co-operative Society recommended that a portion of the society's surplus capital should be invested in the proposed Building Company. Reid wanted a total sum of £10,000 and intended to begin operations on the Grange Road site.

was "The Industrial Land and Building Society Ltd., Newcastle-upon-Tyne."¹ Both schemes, perhaps because they contained the germ of self-employment,² drew considerable support from the philanthropists of Tyneside and Teeside, but like the Ouseburn Engine Works, they were of a transitory nature.

In a letter which appeared in the "Co-operative News" on June 7th, 1873, Thomas Hopper described the work of the Wallsend Co-operative Society's building department, perhaps one of the most successful in the North East. A pressing need for good housing in Wallsend was being met by a carefully devised scheme which had begun in 1867 with the purchase of 13 acres of freehold land. A complete sewerage system had been laid and 24 houses had been erected for sale to members at cost price. Here, unheralded, except by Thomas Hopper the society's architect, were the beginnings of one of the most efficient co-operative building departments in the North East. It was not enough for public interest to be focussed on housing by newspaper campaigns or Royal Commissions this interest had to have capital harnessed to it so that good intentions could be turned into bricks and mortar. The administration of this capital would largely fall to the building societies, which did not command complete public

1. See Appendix to Chapter 3 for the prospectus of this venture.

2. For further discussion see the chapter on "Co-operative Production in the North East Coast Area. (Chapter 3)

confidence until the law relating to building societies was tightened up after the "Liberator" crash in 1894.¹ Viewed against a background which contained verifiable uncertainties,² a working man who sought a house was wise to put his trust in a co-operative society which he, by his purchases and share of its government, had learned to trust and in some cases serve.

1. Journal of the Royal Statistical Society, 1895.

"The Progress of Friendly Societies and Other Institutions Connected with the Friendly Societies Registry Office during the 10 years 1884-94." by E.W. Brabrook, Chief Registrar of Friendly Societies, President of the Anthropological Institute.

"The verdict of proverbial and practical philosophy will be, nevertheless, that it is an ill wind that blows nobody any good; and the failure of the Liberator and other building societies, while a terrible calamity to many individuals, is not an unmixed evil to the community at large. Just as the frauds on the Rochdale Savings Bank discovered in 1850, were neutralised by the great prosperity which attended the co-operative enterprises for which Rochdale is famous; so the contraction of building society enterprise which has followed upon the discovery of the malversations in question has been neutralised by the increase in other provident investments."

2. There are indications that the North East had its confidence in building societies sapped by frequent cases of embezzlement or unwise investment policy by their officials. The "Durham Chronicle" during 1870 recorded the end of 3 societies, The Durham Third Union Benefit Building Society, The Durham Second Equitable Benefit Building Society and the Gateshead Provident Benefit Building Society.

The Wallsend Co-operative Society's building department, which began in 1867, deservedly gained a high reputation. The society's Jubilee Souvenir draws attention to the bad conditions in Wallsend at this time, stating that "practically the only accommodation to be had was the old colliery houses with the floor of the living room covered with stone slabs, and in most cases below the level of the street, a state of affairs the reverse of sanitary, the ground floor often being covered with water after heavy rains."¹

So as to avoid local prejudice against the society the committee sent John Smith to bid for the land at the public auction. The land was knocked down to him for £1,210 and was used as follows -

"The portion North of the Wallsend Burn was laid out in garden allotments and rented to members for 1d. per square yard per annum, and any surplus produce was purchased by the society and re-sold in the shops."

The land south of the burn was utilised for grazing, whilst the North Road was reserved for building purposes. Thomas Hopper was the architect, but much of the work of measuring and planning the sites was done by Robert Douglass,² who

1. This statement about housing conditions in Wallsend is confirmed at a later date by a Report of Wallsend Urban Sanitary District in the Medical Supplement to the 1883-4 Report of the Local Government Board which states that the older cottages were "damp, ill-ventilated, undrained, overcrowded and unfit for habitation." The sewers were practically unventilated and unfurnished with means for flushing. The presence of "foul midden privies of huge size and bad construction, a source of nuisance and injury to health" is also remarked upon in this report.

2. See Biographical Appendix. Notes on the life of Robert Douglass and also George Bell who was architect at a later date than Thomas Hopper.

fulfilled the dual role of Secretary and Manager to the society for many years. The clay on the site was discovered to be suitable for brick-making and plant and moulds were bought so the society could manufacture its own bricks. A temporary halt was made in the society's house building in 1874¹ but it was in full operation again when the society secured a further 3½ acres of land on which it built houses and flats.² During the period between 1896 and 1902 the share capital of the society doubled and the society required a profitable outlet for it.³ The society acquired more land during this period and immediately began to deve-

1.C.M. June 2nd, 1874. It was resolved that "no buildings or dwelling houses be erected by the society this summer unless the purchase money be paid within 20% of the entire cost on account of having the new store in hand."

2.Wallsend Jubilee Souvenir."In addition to catering for the demands of those members who were in a position to purchase their own houses, it was decided to erect 8 houses in flats, containing 3 rooms and scullery downstairs, and four rooms and scullery upstairs, with a separate yard for each tenant, in Pioneer Crescent, as a permanent investment for the society, and let them at a reasonable rental to members who were either not in a position to purchase or did not care to invest their little capital in houses of their own."

3.The share capital for these years was, 1896, £39,609; 1897, £45,365; 1898, £48,173; 1899, £56,777; 1900, £64,042; 1901, £69,222; 1902, £78,519.

The society's capital increased rapidly and at the same time the demand for housing must have been extremely pressing in Wallsend, for in 1891 there were 8.1 persons per house, or 11,257 inhabitants and only 1,351 houses. In 1901 the population of Wallsend was 20,932 and there were 2,641 houses, 7.09 persons per house. (p.26, "The Housing Problem in Newcastle and District" by John Whitburn.

-lop it. For a short while the society departed from its normal practice of employing its own workmen and left some of the work in the hands of a contractor, but finding their work unsatisfactory the society returned to its former practice. The completed estate must have more than fulfilled expectations for the Jubilee Souvenir states -

"the total cost of this estate, irrespective of interest and working expenses.....was £11,067 and the total profit to the society was £13,022:19:8¹₂d or over 118%."

In 1908 the society built 16 model cottages on an estate at Walker which was acquired by the National Housing Reform Council to demonstrate the laying out of land on the Garden City Principle. These 16 cottages were rented by members of the society. The successful production and sale of houses to members at Wallsend was both a benefit to members who bought the houses and to the remaining members who reaped the rewards of profitable investment by receiving regular interest on share capital. In addition, the society advanced considerable sums of money to enable members to purchase houses, and retained some property so as to let it to members, altogether a considerable achievement. The quality of the dwellings built by the society was good as William

1. "Any person was at liberty to select a site, engage his own architect and builder, and have a house erected to suit his own individual tastes, subject of course, to the regulations issued by the National Housing Reform Council and the bye-laws of the Newcastle Corporation."
Wallsend Jubilee Souvenir.

Richardson remarks on the first streets built -

"These workingmen's houses were so superior to the average house available that the doubting members realised that this extension of their movement had far more that justified itself."¹

The rate of capital accumulation amongst the co-operative societies of the North East soon outstripped the requirements of retail trade development and committees had to find likely channels of investment or impose limitations on the amount of share capital each member held. N.Scott Ross² refers to this situation, giving instances of Gateshead, Newcastle and Seaton Delaval societies solving the surplus capital problem by investment in house property, or, in the case of the Stockton society, by advancing money to members for house purchase. The Wallsend Jubilee Souvenir records that during the period 1897-8

"the sales and share capital steadily increased and an outlet had to be found for the latter. "

The Bishop Auckland Jubilee History reflects that their building department was not merely a benefit to thrifty members,

"but it has also provided a useful outlet for their surplus capital."³

The pressing nature of the investment problem can be gauged when the Blaydon society, who had at this time built over

1.p.358, Wm. Richardson, "The History of the Parish of Wallsend."

2.p.132.

3.The Bishop Auckland Ind. Co-op. Flour and Provisions Society, J.H. p.215.

200 houses, stated in their annual statement for 1886-7,

"As you will observe we have still a large amount of capital lying dormant, and we will find it absolutely necessary either to find new investments for it or be compelled to reduce the amount which individual members are allowed to invest in the society....."

Most of the larger societies in the North East prior to 1880 were situated in Tyneside, Wearside and Teeside, or were in market towns such as Bishop Auckland or Durham, and all these large societies, with the exception of Stockton, had been established for about 20 years. They were all faced with the problem of utilising steadily growing capital resources in the service of their members' needs. One of the most pressing needs in urban areas was good working class housing.

The efforts of 9 large urban societies (see footnote 1.) before 1890 are dwarfed by the building they engaged in during the boom. Some measure of the place housing took in the minds of co-operators after 1890 can be judged from the

1. This table shows the membership in 1880 and the date of establishment of the largest N.E. societies in urban areas.

<u>Society</u>	<u>Date of est.</u>	<u>Membership in 1880</u>
Bishop Auckland	1860	4,856
Gateshead	1861	4,091
Newcastle	1859	3,521
Blaydon	1858	2,637
Durham	1861	2,343
Sunderland	1859	2,119
Stockton	1866	1,932
Jarrow	1861	1,845
WallSEND	1862	1,481.

Source - Cmd. 698 Report of Workmen's Co-operative Societies in the U.K.1901.

numerous pamphlets issued, and with the turn of the century the tempo quickened under the energetic direction of H.R. Aldridge, who was the secretary of the National Housing Reform Council of England and Wales. The comment of an article on Building Societies in the "Co-operative News", Dec. 1st, 1894, ended with a well reasoned plea for more societies to use their capital resources to the full in providing for the housing needs of members. It ran -

"It is a matter for wonder considering the enormous capital in the co-operative movement, and the difficulty in finding satisfactory investment for it, and knowing the security and usefulness of this means of so doing, that so few societies have entered into the subject with practical result. At the close of 1892, out of 1655 societies, only 279 appear to have done anything in this direction, the total amount lent to members being £956,734, a depressingly small amount when one sees that no less than 718 societies limit the members holding to £100 and under, thus indicating an inability to find productive use for capital, and necessitating the divergence of co-operators savings into other, and possibly less satisfactory, forms of investment."

The final words were to women, who were urged to

"rouse themselves to the consciousness that to them this question of house purchasing is of all importance, that by one or other of the methods enumerated, they will determine to secure to themselves and their families sound and sanitary dwellings, free from the demands of the landlord, a source of investment and a provision against old age, and with that determination they will realise the admirable words of a leading authority.....The Building Society is, above all things, to be commended as a conservator of the home and family, institutions that underlie our national greatness."

At the 1899 Co-operative Congress H.R.Aldridge put forward the motion,

"that this Congress, realising the evils resulting from overcrowding and bad housing conditions generally, is of the opinion that it is the duty of co-operators to help, in this respect those least able to help themselves; and therefore,

"urges all societies in districts where housing conditions are below a right standard, to earnestly consider the possibility of safely using capital in the erection of good houses, such houses to be let to members at the lowest possible rents, and thus brought into effective competition with bad houses at exorbitant prices."

Within the North East a meeting called by the Land Nationalisation Society and the Yellow Van Committees of Northumberland and Durham, and composed of trades unionists, co-operators and land reformers shows that working class organisations of this region were busy arousing public opinion to the importance of housing reform.¹ The meeting was under the chairmanship of Samuel Galbraith M.P. who also held the position of President of the Brandon and Byshottles Co-operative Society. In his address he said that

"if they could influence public opinion to improve the dwellings of the toiling masses, and so add 3 or 4 years to their lives, they would have done a mighty service."

The first resolution passed at this meeting demanded full powers for local authorities to acquire land for house building, the second urged local authorities to administer part 3 of the 1890 Act vigorously, and thirdly there came a resolution from Mr. Davidson of Bedlington who moved

"that this conference urges all co-operative societies to recognise the duty devolving upon them of extending the principles of their movement to fresh fields, especially to the erection of good houses for the people; such houses on no account to be re-sold but retained as co-operative property and let at rents just covering the cost of erection and charges for maintenance..."

Within and without the co-operative movement at a regional and national level there is evidence of an appeal being made

1. "The Durham Chronicle" March 31st, 1899.

for house building and reform.

Most of the property constructed by co-operative societies in the North East before 1914 has passed from their hands, and apart from the details included in the Bishop Auckland Jubilee History there is little record left of such matters as building costs, types of dwelling or the number of rooms and amenities within the dwellings. The absence of such information on the efficiency of co-operative building departments or the quality of their products means that only tentative conclusions can be made. One can only work back from the information that appeared in the "Co-operative News" Congress Reports and in the work of such investigators as H.R.Aldridge and W.Thompson¹ and substantiate, modify or refute their general conclusions where ever the weight of local evidence enables one to do so.

The Co-operative Congress Report of 1910 qualified its statement that about £10,000,000 had been spent in providing members with houses with the words,

"had this large sum been spent in the production of houses built and laid out to give the best hygienic conditions, the health and happiness of co-operators would have been largely increased."

1.Alderman W.Thompson, author of "Housing up to Date", published in 1907.

Since about two-thirds of this sum was made up of money advanced to members for building or purchasing about 34,000 houses, it did mean that the work of estate planning and individual house construction had been done by bodies other than co-operative societies. No doubt there were misgivings amongst enlightened co-operators that so much capital outlay had taken place without complete co-operative guidance, which would have meant that the work of many prominent co-operators and social scientists would have received more attention than it did. By 1910 the boom was decidedly over and reflections were being made on what had been accomplished. The comment within the report of the Land Inquiry Committee (Urban)² is instructive on this point -

"moreover, as even co-operative housing enthusiasts admit, the quality of dwellings provided by such enterprise in the past has often been little superior to that of dwellings built by speculative enterprise."

This air of disappointment is found in Ernest Aves' book, "Co-operative Industry" written in 1906. He assesses the £9,603,438 invested by co-operative societies in house build-

1. Co-operative Congress Report, 1910 pp.121-2.	
Societies have built and retained in their own possession about 8,500 houses, costing about	£1,900,000
Societies have built and sold 5,600 houses to their members, costing about	£1,250,000
Societies have advanced to members for building or purchasing about 34,000 houses, costing about	£6,850,000
Total	£10,000,000

2. This committee's report was published in 1914. The committee had as its chairman the Rt. Hon. A.H. Dyke-Acland, prominent in co-operative circles at the turn of the century. B. Seebohm Rowntree was also a member of the committee

-ing in the words-

"but there is no doubt that practically the whole of this nine and a half millions has been used in this way, not as a conscious attempt to realise in any degree the ideals of Robert Owen, or of the Rochdale Pioneers, but has been in the main merely an attempt to procure a safe investment for surplus capital of the stores, and to satisfy at the same time a craving for a "house of his own" which is so characteristic of the thrifty Lancashire and Yorkshire workmen."

It would have been a very great achievement if the co-operative movement as a whole could have been responsible not only for large scale investment in house construction but also the sensible application of site planning principles as were used at Bourneville and in the garden cities.²

The lack of architectural ingenuity amongst the older working class dwellings is plainly visible to any visitor to the northern counties of Durham and Northumberland, but before 1914 it was not only the aesthetic sense that suffered.³

- 1.p.230. "Co-operative Industry" by E.Aves. Published 1907.
- 2.A resolution passed at a conference held in May 1902 by the N.Sectional Board of the Co-operative Union, the National Housing Reform Council and the Durham and Northumberland Land and Labour Committees, is an indication that town planning was in the minds of many working class leaders. The resolution was - "to make such alterations in their bye-laws as shall render impossible the building of long, unbroken rows of houses, with doors opening direct upon the common pavement and with cramped backyards. The encouragement in every possible way of the design and the erection of artistic, self contained cottages, with wide roads, large gardens and open spaces. Obtaining further legislation to enable local authorities to acquire land under compulsion at a price based on the assessment of such land to taxation. This land to be then used municipally, or leased under the Act of 1900 to co-operative and other societies for the purpose of building houses for the people." Source "Co-op.News" May 3rd. 1902.
- 3.As one of the witnesses before the Land Enquiry Committee remarked, "Yes, if quality came and lived in a house like this, it would teach 'em something...They'd have the time of their lives."

The condition of many of the colliery areas and the poorer quarters of the larger North Eastern towns was summed up by one medical authority as 'sanitary barbarism'. Good quality dwellings with proper sanitation were the greatest need, but this did not mean that the satisfaction of architectural good sense should be overlooked. To ignore good design and to construct dwellings which give the working class **part** of a town the atmosphere of industrial barracks is to perpetuate the ugliness of the past for the use of future generations.

The Etherley Lane Estate was purchased by the Bishop Auckland society in 1894 and between 1896 and 1898 seventeen houses

"of good design, well situated, well built, with stone fronts, commodious and convenient, were built."

The members were quick to let the committee know that the houses were, in character and price, unsuited to their needs, so the society bought further land so as to build working class dwellings. The construction of adequate numbers of healthy, inexpensive working class dwellings was most important and the 100 cottages built by the society to let to members drew the following comment from H.R.Aldridge -

"it, (the society) is letting 100 4 roomed cottages at rents ranging from 4/3 to 4/6 per week and resists the temptation

1.Bishop Auckland J.H.

"to increase the rents to the level of those paid in the immediate district."¹⁻²

Unlike the Bishop Auckland society, the Blaydon society sold much of its property to members, and, like those societies which rented a majority of their property to members, it brought the benefits of co-operative trading within the range of the poorer members. Rule 4 of the Blaydon society's method of disposing of its houses illustrates this point -

"that those members who may not have sufficient capital to mortgage a house according to the rules, be allowed to pay a rent to be decided on, from which rent an interest of 5% per annum on the capital invested shall be deducted, the balance being put to the member's credit until he shall have sufficient capital to get a mortgage from the society; but should a member fail to carry out his part of the agreement, that 2½% per annum on the capital invested and interest thereon at 5% be deducted from the balance for depreciation."³

Many of the larger houses built by societies had bathrooms⁴ and the sanitary arrangements were in advance of those in

1. "Co-op. News" Sept. 2nd, 1899. H.R. Aldridge commented on the Gateshead society's property as well, "Following the custom of the district, the houses are built on the flat system, and the rents charged for these flats ranged from 4/6 to 7/6 per week. The property is above the level of the district, and the comparative fairness of the rent charges is clearly proved by the great competition for tenancy of these co-operative houses."

2. For a description of these dwellings see Appendix.

3. Extract from the rules governing the disposal of property which appeared on the Sept. quarterly balance sheet, 1885. Matters were further simplified by the use of printed forms of conveyance and mortgage which had been drafted by E.V.

Neale of the Central Co-operative Board.

4. Jubilee Souvenir of the Sunderland Co-operative Congress. Reference to the housing department of the Durham society, which at that time owned 58 dwelling houses and was building 70 working men's houses to be let to members at rents ranging from £12 to £20 per annum. The larger houses had bathrooms. All the houses built by the Bishop Auckland society in 1906 had a bath or bathroom. Those built at Blaydon in 1906 had bathrooms.

much of the existing working class property. Many societies in the North East did seek to spread the benefit of a co-operative tenancy of mortgage to as wide a range of members as possible, irrespective of their income. They did not follow the tendency common to private enterprise builders of satisfying the demand for middle class houses before entering the working class market on a large scale. The most probable reason is that the demand for the most expensive houses was slight amongst the members of North Eastern co-operative societies and that members realised the innumerable benefits of co-operative building enterprise. At Bishop Auckland the members were quick to remind the committee of their duty to working class needs. When co-operative societies show a regard for the poorest of their members and trim their policy to suit their needs, we recapture the significance of co-operation to those who lived before 1914. Such thoughtfulness focusses attention on the constant interaction between committee and members, the committee was bound to heed its members wishes but it did not have to be an uncritical implement of those wishes. A committee had to give members a lead and this function might entail the destruction of existing custom or prejudice, so that fruitful innovations could take

1. The Sunderland society built many excellent houses at Roker for sale to members. By no stretch of the imagination could these be called working class dwellings, but besides these, the society built large numbers of dwelling houses which would satisfy the requirements of the bulk of their members.

their place!¹ H.R.Aldridge completed a letter of congratulation to the Bishop Auckland society on their house property with the words -

"I see no reason why powerful societies like the Bishop Auckland Society should not set an example by the building of a Co-operative Garden Village Suburb, and developing it on proper lines. This however, is a Co-operative development which needs a fuller consideration."²

Only at Wallsend, where the society took part in the building of the model estate at Walkerville, is there a realisation of a co-operative ideal. In most cases societies conformed to customary types of dwelling, in particular Tyneside societies such as Gateshead and Wallsend built the two-storied double flat type of house. The detrimental effect of this type of dwelling on the health and overcrowding of the working classes was remarked on by medical investigators of the Local Government Board,³ and is the subject of comment in a Board of Trade Enquiry into Working Class Housing, Rents⁴

1. See Chapter 8 for discussion of this point.

2. Bishop Auckland J.H., p.203.

3. 1903-4 Report of smallpox in Gateshead and Felling.

4. p.191, 1908 Report of an Enquiry by the Board of Trade into Working class Rents, Housing and Retail Prices, etc., in the U.K. The report makes this comment on housing in Gateshead - "Though a few pit cottages or self-contained houses occupied by working class tenants are found here and there, in Gateshead, they are so exceptional as to accentuate the importance of the two-story or cottage flats as typical working class dwellings. In this respect Gateshead merely exhibits the same conditions as the whole of Tyneside. Even in the urban districts which separate the large boroughs on both sides of the river, where the ground is still largely uncovered and where considerations of space would not seem to apply, the flat still forms the predominant type of working class accommodation. While the age of some of the flat houses shows that this style of building has been followed for many years."

etc., in 1908. It is likely that the Gateshead and Wallsend societies built the two-story flat dwellings in order to conserve land and satisfy members, but they missed a great opportunity to set an example which might have given those responsible for the construction of houses on Tyneside an alternative, an attractive alternative, which would have broken a custom which contributed towards the serious overcrowding problem in the North East. There is evidence that land was available for plans such as that at Walkerville to be carried out. (see footnote 4.) In the matters of design and site planning the North Eastern co-operative societies did not reach the peak of co-operative ideals,¹ they only reached the foothills. Before they could make further ascent the conditions which favoured the large scale erection of working class dwellings disappeared.

1. At a conference of South Durham co-operative societies in May 1907, the Rev. Moore Ede gave his opinion of co-operative house building. "I do not for a moment wish to depreciate what has been done in this way....it is very desirable that the members of stores should be encouraged to become owners of their houses, but the method pursued is not co-operative ownership, it is individual ownership, and there is no more security against houses built by a store becoming rack-rented or degenerating into slums than houses built by any other agencies. Certainly, as far as I have been able to observe, co-operative stores which have undertaken building operations have done little towards improved methods of laying out land, or towards securing the future well being of those who may inhabit the houses they have built." Source, "Co-op. News" May 25th, 1907.

Part 2.

The development of the coal trade in the nineteenth century led to a mushroom-like growth of villages in the coalfield area of the North East. Some of these villages were described by J.R.Leifchild who visited Northumberland and Durham as one of Her Majesty's Commissioners in the 1840s. He saw the villages in their infancy and his comments at this early date show how long ago the housing problem of colliery villages was brought before the public of the North East and the whole country. The delay in solving this problem is the most regrettable feature of the social history of the North East Coast between 1840 and 1914. The importance of industrial disputes is dwarfed when it is set beside decades of squalor and filth.

A booklet, "The Pits and the Pitmen",² divides the

1.J.R.Leifchild was one of the commissioners who inquired into The Employment of Children in Mines. Many of his observations on colliery life are to be found in the 1842 Report and also in "Our Coals and Our Coal Pits", published in 1853. He describes the pit villages in these words - "Taken generally their habitations are mostly in rows and these again in pairs, their front doors facing each other present a space generally clean, unpaved, and without drains or channels. The space between each two rows of back doors presents along the centre one long ash heap and dung-hill - generally the playground of children in summer, with a coal heap and often a pigsty at the side of each door. Each row generally has a large oven common to all its occupants, there are no conveniences." Leifchild anticipates future inquiries into how bad housing effects habits when he adds, "May not the filthy habits thus engendered and ingrained as it were, operate in brutalizing the pitmen and their families." p.189 et seq.

2."The Pits and the Pitmen", a small booklet included in the Bell Collection. Vol X111.

houses of colliery villages into three classes, the lowest consisting of but one room, the second class of a room and an attic, and the third class of two rooms and an attic!

The apportionment of the houses rested with the manager or the agent of the colliery who generally gave the lowest class house to the young married couples who, as their family grew, acquired a claim to the bigger houses in the pit row. The uniform pattern of these dwellings gave the villages a grim appearance; they lay huddled and grimy beneath the ever-growing heaps of slag. Samuel Tremenheere's comments

1. "The Penny Magazine", March and April, 1835, describes the normal pitman's cottage, "They usually consist of two apartments; the principle one a room of about 16ft.x14ft. with a floor composed of brick and well washed and sanded; and the other a sort of garret over the one just mentioned, and rendered accessible by means of a small ladder."

2. S. Tremenheere, 1859 Report on "The State of the Population in Mining Districts." - "Although many of the principle proprietors of collieries have of late years expended large sums of money in improving the old kind of houses, and in building new ones on a better model, it is nevertheless true that many others provide for the colliers in their employ houses very little better in point of accommodation and all the accessories of decency and comfort than those of the past generation. Rows of houses are still being built, back to back, or with restricted space between them and without any provision whatever for decent habits and the means of cleanliness. In one particular they are still greatly objectionable; the sleeping place above the kitchen is immediately under the slated rafters, and accessible only by a ladder. Although the window may be of good size, yet such rooms must be, in summer, as described to me by a collier who inhabited one of them, "fit to melt a man", and also very cold in winter. I was informed that they were built by contract for between £40 and £50 a house."

See also "Peter Lee" by Jack Lawson, p.10 for a detailed description of a colliery house and its inmates.

on the housing conditions in the expanding colliery villages in 1858-9 are a foretaste of the grim tale of deteriorating overcrowded property, bad health and appalling sanitary arrangements which fill the reports of the Local Government Board between 1871 and 1914. Tremenheere urged reform on the matter of collier's houses,¹ which he thought were fearfully overcrowded and of a very low standard, but little was done until Local Government schemes provided alternative accommodation in the present century.

Scarlatina, diphtheria, enteric fever, small pox and typhus reached epidemic proportions in the rural and urban districts of Durham and Northumberland and the reports of investigators leave little doubt that bad housing played a considerable part in the extent and persistence of these diseases.² The report of Dr. Darra Mair included in the 1906-7 Medical Supplement of the Local Government Board's Annual Report gives a clear picture of the difficulties facing housing reformers in colliery areas of the North East. He points out that Northumberland and Durham were the only two counties where the rent free housing system was common, and that after the Franco-Prussian War, the mining population

1. See the 1858 and 1859 Reports of S. Tremenheere.

2. The Medical Supplements of Local Government Board Reports testify annually to the relationship between contagious diseases and bad housing. See 1879-80 reports on Bedlington and Easington, 1881-2 report on Durham Rural Sanitary district, Brandon and Byshottles and Bishop Auckland, etc.

of the two counties rapidly increased.¹ As the demand for house accommodation outgrew supply, many came to be housed in dwellings not owned by their employers. A rent allowance was a natural outcome of this development, but unfortunately in most cases, the allowance was substantially lower than the actual rent which the miner had to pay. The consequence was that many miners in receipt of a rent allowance were keen to obtain a rent free house. This position bred a disposition to put up with inferior houses and Dr.Darra Mair gives instances of families with considerable wages moving from good property to miserable back to back houses so as to obtain a rent free house. Other miners would be willing to suffer the financial loss involved in renting a house since they valued the comforts of a decent home. Unfortunately miners were often obliged to leave such comfortable rented homes when a colliery house became vacant, for refusal to occupy the coal company's dwelling could lead to the loss of the rent allowance.² Apart from the obvious financial saving of rent free houses, they were a considerable benefit during sickness, holidays and trade disputes when evictions did not take place. These advantages were far too solid to

1. Journal of the Royal Statistical Society 1892, p.628. R.H.Hooker, "On the Relation Between Wages and the Numbers Employed in the Coal Mining Industry." Hooker estimates that "between the years 1871 and 1874 the mining population in the county of Durham increased from 57,000 to 74,500 at the rate of over 30% in 3 years...."

2. Dr.Darra Mair estimated that rents in Whickham were between 4/6 and 6/- per week in comparison with a rent allowance of 2/4¹/₂d.

be given up and the men resisted the owners' attempts to end the free house system. The owners were reticent to sink fresh capital in housing schemes but they did begin to spend large sums on sanitary improvements¹. The tendency of miners to be satisfied with free houses even though they were uncomfortable, unattractive and insanitary, and the owners' reticence to build new houses,

"operated in the same direction, namely to lower the standard of comfort and decency."²

Even during the housing boom of the first decade of the present century, private enterprise builders would be loath to build in areas where the free house system was in operation. Moreover the risks of subsidence and the possible closure of collieries and the consequent removal of their inhabitants must have acted as further powerful deterrents to private enterprise building in colliery areas. If colliery owners and private builders were reticent to build, then onus lay upon local authorities to adopt part 3 of the Housing of the Working Classes Act and provide the houses themselves. Dr.

Darra Mair reports

"only 2 authorities in the county of Durham have made any attempt in this direction.....namely the Stanley Urban and the Sunderland Rural District Councils."

1.Dr.Darra Mair contended that such expenditure was undertaken to satisfy County and District Councils and avoid the adoption of Part 3 of the Housing of the Working Classes Act of 1890.

2.Dr.Darra Mair's Report.

Against this apparent apathy must be weighed the owners' powerful position as ratepayers, since under the free house system the men paid no rates. Dr. Darra Mair warns his readers that the presence of colliery officials and those sympathetic to the owners' point of view, on local bodies, could hamper the enforcement of improvements. Moreover, the mere fact of a shortage of houses acted as a powerful obstacle to the closure of insanitary dwellings. The inclinations of both parties, owners and miners, worked against a solution of the problem, little wonder then, that Dr. Darra Mair concluded that

"it is difficult to see how, under the circumstances of the case, housing conditions in this part of the country can be expected to do other than remain at a sort of dead level and compare worse and worse as years pass by, with the remainder of the country."

No matter whether it was a local authority, a co-operative society or a private builder contemplating the erection of houses in a colliery area, each would be faced with a lack of effective demand. Miners were by far the largest part of the working population in colliery areas and so long as the free house system existed the demand for

1. In an article on "The smaller urban districts of England and Wales", in the Journal of the Royal Statistical Society 1904, J.S. Walton gives estimates of the proportion of colliers in the working population of colliery districts of Durham and Northumberland. The proportion of colliers in the working population of 3 of the areas served by Northumberland Co-operative Societies, viz:- Ashington Ind., Bedlington and Cramlington, are, 80.5%; 66.6%; and 69.3% respectively. Similarly large proportions of mine workers are to be found in the areas served by Durham societies included in Graph 1 in the Appendix to this Chapter.

houses amongst them would be small. Only when this system ended would the latent demand be released to brighten the prospects for building enterprise. Apart from the lack of demand for houses, co-operative societies faced difficulties peculiar to their type of organisation. They were the custodian of working class savings, and understandably, would avoid risky investments.¹ Moreover they were liable to sudden and extensive calls on their capital resources when disputes broke out in the coal trade. Such a possibility would act as a deterrent to extensive investment in such durable capital as houses. Even during the housing boom in the first decade of the present century, few co-operative societies in colliery areas invested a large proportion of their capital in house property,² grim testimony to the detrimental effect the customs and fortunes of the coal trade had upon house building in the coalfield areas of the North East.

1. The likely risks property owners ran in mining areas was brought home to the co-operators of the N.E. during the long dispute between the Bishop Auckland Co-op. Soc. and the Butterknowle Coal Co. The Branch Store, and other buildings at Butterknowle, suffered serious damage from subsidence, and since negotiations were unsuccessful the society took the case to court. On Feb. 1st, 1904, the verdict was given in favour of the society. The case was taken to the Court of Appeal and the House of Lords, but at each time the original verdict in favour of the society was affirmed. The case was important, as the Jubilee History records, "it brought great relief and satisfaction to the surface owners, and more especially to those thrifty working people who, by their industry and care, had been able to purchase for themselves the houses that they occupied, and who now felt that their position was very much more secure."

2. See Graphs 1 and 2 in the Appendix to this Chapter.

Despite the lack of demand among members who were mine workers, there would be some demand for houses from members in other occupations. Most societies were content to acquire sufficient property to house their employees, and to advance money to members who wished to buy their own houses. Two exceptions were the Tantobie and West Stanley societies, both engaging in whole-hearted building activities. The West Stanley society began lending money to members for house purchase in 1887, and two years later the society drew up plans for twelve houses on the Townley Estate. By 1906 the society had built one hundred and ninety-two houses, each house being allocated by ballot, a practice common to many co-operative societies in the North East. It is of particular interest to see that in 1909 the committee of the W.Stanley society was given power to purchase land for the erection of model dwelling houses. Unfortunately, one year later the society had to face the distress concomitant with a depression in the coal trade. Only one house was built by the society between 1906 and 1921. The smaller parent society at Tantobie² has a similar record of enterprise in house construction, a likely source of inspiration for the West

1.W.Stanley J.H., p.224. A table of the house building operations of this society between 1876 and 1926 shows that a majority of the houses were built in Stanley, the remainder being built at South Moor, Burnhope and Quaking Houses.

2.The Tantobie C.S. let its members living at Stanley buy the branch store at cost price in 1876 and so the West Stanley society came into existence.

Stanley society. In 1876 the Tantobie society began Co-operative Terrace and between 1890 and 1909 was responsible for the erection of just over one hundred dwellings, two streets of which were reserved for employees. Owner occupation was encouraged, and the mortgage department was begun in 1894. One feature of the Annfield Plain society's housing activities was that it sold the houses to members at cost price,¹ the conditions of sale being that 25% of the purchase price was to be put down, the society advancing the balance of purchase money at a rate of 4% per annum. The Windy Nook society's cottage building scheme was carefully prepared for by the issue of 200 copies of W. Crook's paper on "Co-operative Cottage Building." 5 years later, in 1891, the expenditure of £1,000 on cottage building was sanctioned, plus a further £500 for advances to members. By 1892 the first 12 cottages were ready and were balloted for by the members.² In 1898 a second batch of 13 cottages were under construction and with those built in 1892 they formed Co-operative Cottages. Later, the society built a street of flats and acquired land which was divided into 80 allotment gardens which were let to members. The last way in which colliery area societies could assist members to obtain houses was by making loans to them, and in the Northern Section this was the commonest method

1. Annfield Plain J.H. - The price of the houses varied between £215 and £228.

2. Windy Nook J.H., p.111. If a member^{who} was successful in the ballot could not pay a deposit of the cottage within 7 days, he forfeited his claim to the next in turn on the list.

adopted.¹ Building houses for sale or letting involved the society in many more risks than advances on mortgage, more so in colliery areas than elsewhere. There was no lack of co-operative propaganda on housing, no lack of successful building schemes amongst the bigger urban societies and there was surely the members own reaction to their sordid surroundings,² but there was no concerted effort by societies in the coalfield area. It is lamentable, but understandable, that during the great boom period of house building between 1891 and 1911, so few colliery area societies invested large sums in house property. It is understandable because it needed a crusade rather than a change in the investment policy of a collection of individual stores to solve the housing problem in the coalfields of Northumberland and Durham.

1. See Appendix to this Chapter.

2. Perhaps the inhabitants had become accustomed to the inadequacies of colliery housing, but certainly by the time of the Coal Commission in 1925, the gap between working class life in colliery areas and working class life elsewhere, particularly the standard of housing, was all too apparent. p.110, Vol.1 Coal Commission 1925, Cmd. 2600 expresses this fact as follows. - "If there be surprise that the miner of to-day accepts these disabilities and discomforts with less patience than the miner of a previous time bore a greater hardship, the explanation is found in the fact that the standard of civilisation of the whole people is higher than it was; that the present generation of miners are better educated and often more studious than their forebears; that grievances which may be less in substance than those that were endured in a earlier day, are not less serious when they are related to the higher standard of life that now obtains." See also Appendix. Vol.111.

Conclusions

It is quite clear from the reports of the Local Government Board between 1910 and 1914, and such studies as "Livelihood and Poverty" that the need for working class housing still existed in the North East after the building boom had petered out in 1910. The survey of Mr. Burnett Hurst of livelihood and poverty in Stanley, which is included in the book of this name by A.L. Bowley and Burnett Hurst, illustrates how great was the need for good quality housing in this area. Mr. Burnett Hurst remarked, (p.143) that the Census authorities found overcrowding to be 34% in Stanley and added,

"but this figure, it must be remembered, relates to 1911, and since that date the district council have been issuing closing orders against several streets of colliery houses, while new houses with more rooms have been built. In 1913 alone, 102 new houses were erected, but according to the report of the Medical Officer of Health, 1913, 'private enterprise has not during the year supplied the demand for houses for the working classes, and consequently there is overcrowding to some extent throughout the area.'"

Before 1906 the West Stanley Co-operative Society was particularly active in providing working class houses in Stanley and the surrounding neighbourhood, but before they were able to restart their building department to erect model dwellings, the stability of the society was threatened by unrest in the coal trade. Other societies serving mining communities would face similar difficulties during times of industrial unrest and the consequent lack of regular employment amongst members would affect the society's sales, bring about a considerable withdrawal of share capital and deter

the society from ambitious schemes of investment. The West Stanley society suspended advances on mortgage during the 1910 strike so as to meet the call that was likely to be made upon share capital by members involved in the strike. This single instance does illustrate how even such an active society as that as West Stanley was unable to undertake house-building between 1910 and 1914. Only when such a detailed survey as that of Mr. Burnett Hurst can be related to a well-chronicled account of a co-operative society's activities is it possible for a firmly based analysis to be made of individual co-operative housing schemes. In the light of this fact it is important to discover why co-operative investment in house property stabilised at this time. It may seem obvious, and warrant the comment that they showed shrewd judgement in curtailing their building activities when conditions were unfavourable, but if their investment policy were wholly at the mercy of the return they expected, it might mean that they ignored pressing needs amongst their members which could have been satisfied if they were in a position to accept a smaller return upon capital.

The interest paid to members on share capital was between 4% and 5% and this governed the rate of interest that borrowing members had to pay. It also governed the profit a society had to make from its house building. If the bulk of the members refused to give up this relatively high

1. See Graphs 1 and 2 in the Appendix to this Chapter.

return upon share capital so as the society could enjoy the advantages of cheap money, the society would be forced to seek alternative investments when the building boom petered out. After 1910 investments in the C.W.S. take up an increasing proportion of total investments, whilst investments in house property come to a standstill.¹ If this change in the pattern of investment had taken place after the solution of the housing problem in the North East, no objection could be raised, but since the housing problem remained it appears that the satisfaction of a basic human need, good housing, depended far too much on economic circumstance. The houses built and the money loaned to help members buy their own homes represents solid achievement which must not be underestimated, for in some cases, for example colliery areas, houses were built despite adverse circumstances. But the final assessment of the co-operative contribution to the solution of the housing problem in the North East depends upon the answer given to the question,

"Was the housing problem of the North East so big and so complex that its solution lay beyond the resources of voluntary associations such as co-operative societies?"

The Reports of the Local Government Board point to an affirmative answer. If this is the case co-operative societies and other voluntary bodies should, apart from their own efforts, have pressed for state action. The Yellow Van Committee is

1. See Graph 3 in the Appendix to this Chapter.

evidence that the co-operative movement and other voluntary bodies did do something in this direction. Yet housing conditions steadily deteriorated, and no matter how much weight is given to the difficulties facing those who contemplated investment in house property, the conclusion, that the creation of public appreciation of the seriousness of the Housing problem was not undertaken wholeheartedly, and that the courage required to sustain a policy of long term social benefit was not present in the co-operative societies, other voluntary bodies or the municipalities of the North East, before 1914, cannot be escaped. The evidence of this chapter suggests co-operative societies bear the smallest part of the responsibility for such shortcomings.

Appendix.Table 12.

An analysis of investments in House Property and Loans to Members for House Purchase in the years 1902 and 1906 for Societies situated in the Northern Section of the Co-operative Union.

Houses Built and Owned by the Society as Landlord.

Date	No.of Socs.	Houses	Av. Cost £	Total Amount £
1902	57	1,017	-	244,277
1906	62	1,012	240	253,085

Houses Built by the Society and sold to Members.

Date	No.of Socs.	No.of Houses Sold	Av. Cost £	Total Value £	Amount paid on a/c of houses. £
1902	57	939	-	210,496	114,126
1906	62	592	224	128,487	84,395

Money Lent by the Society to Members for Building Houses for themselves.

Date	No.of Socs.	Total Amount £	Amount Paid £	No.of houses on which money has been advanced
1902	57	643,589	256,561	3,141
1906	62	713,593	338,185	3,508

Sources - 1903 Co-operative Congress Report;
 "Housing up to Date" by Alderman W.Thompson. 1907

These figures confirm the impression that the commonest way for societies to help their members to acquire houses was by the advance of money for house purchase. Furthermore, after 1907 the C.W.S. Banking Department renewed its practice of making advances for house building to members of retail co-operative societies. Between 1907 and 1912 over £360,000 was advanced to borrowers under this scheme.

Table 13.

House Property and Other Investments for 9 large urban societies in the North East Coast Area for 1895, 1905 and 1915.

Source - Congress Reports.

<u>Society</u>	1895		1905		1915	
	H.P.	O.I.	H.P.	O.I.	H.P.	O.I.
Bishop Auckland	£ 4,210	337	£ 130,361	106,590	£ 158,819	186,587
Blaydon	28,230	21,876	69,901	22,782	103,588	119,288
Durham	18,956	5,914	34,781	12,542	35,494	3,530
Gateshead	28,637	25,396	69,381	15,520	51,839	95,524
Jarrow	---	4,061	29,688	5,791	36,525	67,479
Newcastle	38,290	23,445	89,577	40,355	105,286	400,740
Stockton	4,928	6,875	24,926	15,087	42,650	65,273
Sunderland	769	24,694	56,224	29,838	84,630	23,313
Wallsend	4,602	19,802	41,830	18,594	48,603	68,145

Estimates of the Numbers of working class houses built in England and Wales during the periods 1904-5; 1911-12; 1912-13.

Year	Houses under £20 A.V.	Houses £20-41 A.V.	Houses used solely for trade	A.V. of all houses erected under £20 A.V.	A.V. of all premises in cols. 1, 2, 3.
	1.	2.	3.	£	£
1904-5	99,905	25,653	23,653	1,276,631	3,554,772
1911-12	44,821	14,300	15,328	680,520	2,706,751
1912-13	45,632	13,926	14,915	647,689	2,529,984.

Source - Cd. 9191. Report of the Committee on Questions of Building Construction in Connection with the Provision of Dwellings for the Working Classes in England and Wales and Scotland, and report upon methods of securing economy and despatch in the provision of such dwellings.

A.V. - Annual Value

Table 14.

House Property and Other Investments for 12 co-operative societies situated in the colliery areas of Northumberland and Durham. 1895, 1905 and 1915.

Source - Congress Reports.

Durham <u>Society</u>	1895		1905		1915	
	H.P. £	O.I.	H.P. £	O.I.	H.P. £	O.I.
Annfield Plain	5,305	36,345	29,893	79,542	44,707	109,213
Birtley	3,036	5,422	5,732	8,133	18,620	14,218
Boldon Coll.	1,786	1,185	3,663	8,446	5,342	32,599
Chester-le- Street	6,641	58,174	21,858	58,354	23,637	82,085
Crook	---	59,194	14,592	114,840	16,819	106,430
Leadgate	1,393	1,475	6,161	13,438	5,770	20,978
Seaham	---	5,149	2,482	15,756	2,285	18,607
Tantobie	2,661	2,886	10,959	3,892	8,155	9,210
W.Stanley Northumberland Ashington Ind.	13,828	16,365	32,310	23,523	18,843	78,312
	3,118	3,376	3,315	17,313	23,561	44,446
Bedlington	1,915	433	6,524	7,307	7,212	11,351
Cramlington	3,137	12,205	11,621	32,592	8,281	73,626

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Graph 1.

Investments in House Property, expressed as a percentage of Total Investments 1895-1915, for selected Co-operative Societies in Durham County. (Source - Congress Reports.)



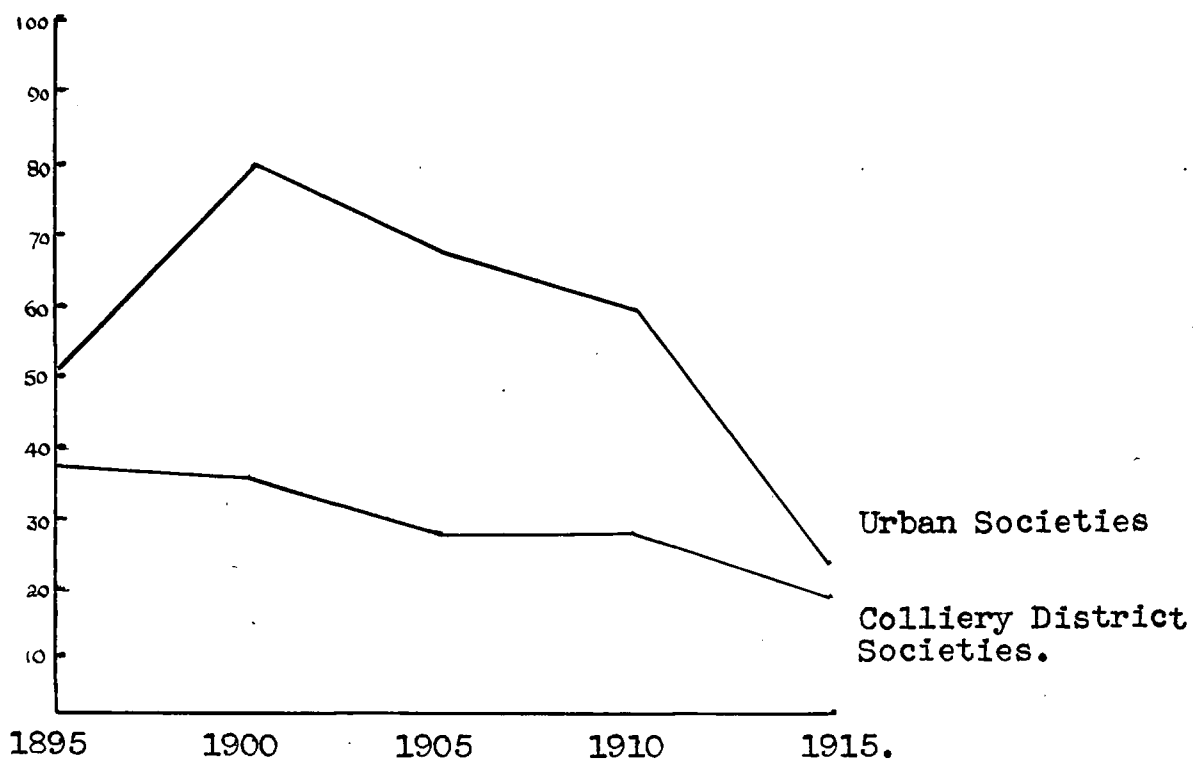
Durham County

The 10 societies situated in urban areas, whose investments in House Property make up the figures that appear in the graph are, Bishop Auckland, Blaydon, Darlington, Durham, Gateshead, Hartlepool, Jarrow, Stockton, Sunderland and South Shields.

The 10 colliery district societies are 10 of the largest which should have, by virtue of their size, the capital resources to engage in house building projects. They are, Annfield Plain, Birtley, Boldon Colliery, Consett, Crook, Cornforth and Coxhoe, Leadgate, Chester-le-Street, West Stanley and Seaham.

Graph 2.

Investments in House Property, expressed as a percentage of Total Investments 1895-1915, for selected Co-operative Societies in Northumberland. (Source - Congress Reports)



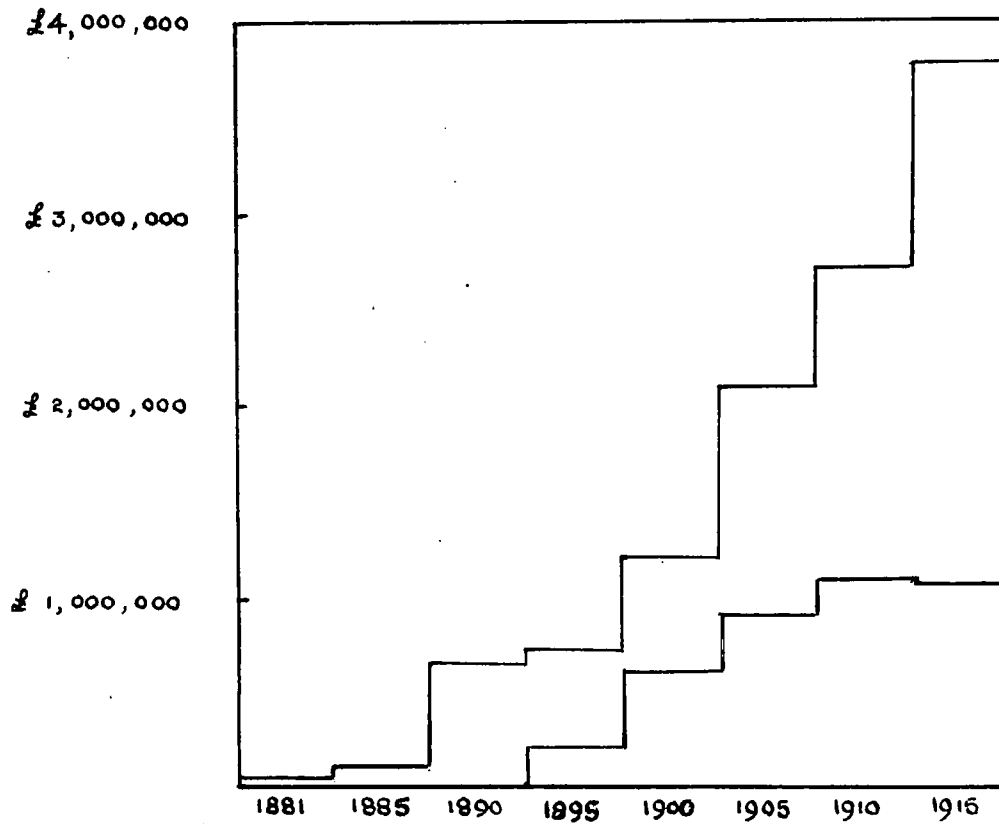
Northumberland

The 4 societies situated in urban areas, whose investments in house property make up the figures that appear in the graph are, Newcastle, North Shields, Walker and Wallsend.

The 4 colliery district societies are, Ashington Industrial, Bedlington, Cramlington and Seaton Delaval.

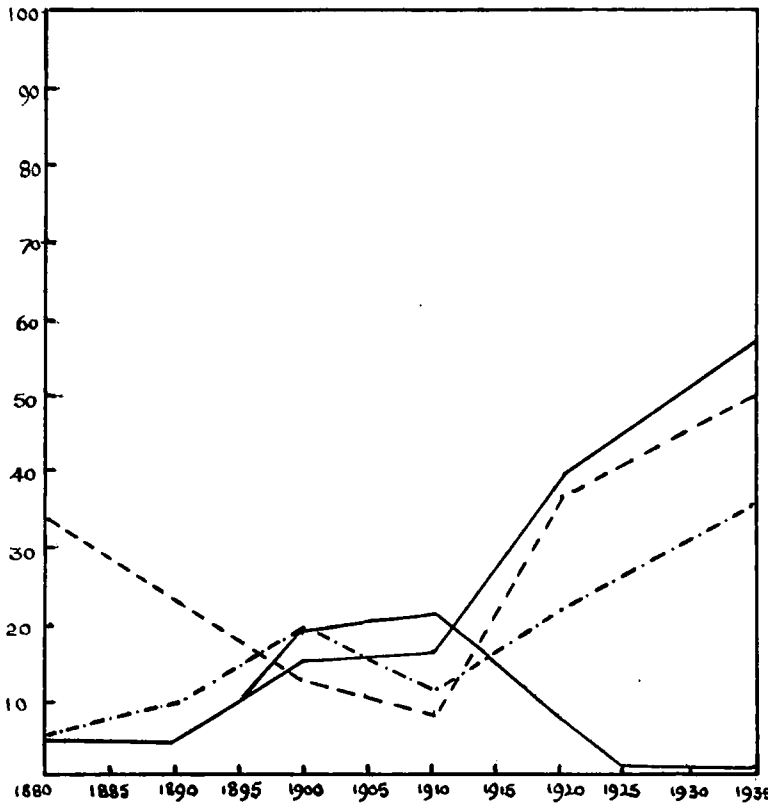
A comparison of Total Investments (Shares and Loans, Mortgage Advances and House Property), with amount Invested in House Property in the North East Coast Area. Source - N.Scott Roas and Congress Reports.

Graph 3.



Graph 4.

A comparison of investments in the C.W.S. by the Newcastle, Gateshead and Stockton Societies (1880-1935), with the total investments of N.E.Co-operative Societies in House Property, expressed as percentages of Total Assets, (1895-1935). Source - N.Scott Ross.



% of Total Assets of Newcastle Society invested in C.W.S.

% of Total Assets of Gateshead Society invested in C.W.S.

% of Total Assets of Stockton Society invested in C.W.S.

Approx. % of Total Assets of N.E. Co-operative Societies invested in House Property.

Details of the three classes of cottage built at Bishop Auckland by the Bishop Auckland Industrial Co-operative Society in 1904.

Class A. Cottages containing on ground floor; living-room, scullery, pantry, also self-contained yards, with the usual out-buildings. First floor; two bedrooms.

Class B. Ground floor; parlour, living-room, scullery, pantry, yard and etc. First floor; two bedrooms.

Class C. Ground floor rooms as Class b, but larger. First floor; three bedrooms.

Cost

Class A. For land, draining and street making, £33:8:0; for building, £133:6:8; total £166:14:8d per house.

Class B. For land, draining and street making, £41:19:3; for building, £193:4:2; total £235:3:5d per house.

Class C. For land, draining and street making, £42:14:7; for building, £219:10:0; total, £262:4:7d per house.

After adding about 5% for outlay of capital, the committee fixed the following valuation either for sale or rental purposes.

Class A. Value, £175. Rent 4/3 per week clear.

Class B. Value, £246. Rent 5/3 per week clear.

Class C. Value £275. Rent 6/6 per week clear.

Source - Bishop Auckland J.H.

Types of Houses Built by the Bishop Auckland C.S.



Kellett Street.



Parkin Street.



Blandford Street, Dean Bank.



Holyoake Street, Dean Bank.



Neale Street, Dean Bank.



Owen Street, Dean Bank.



Durham Street Houses,
Bishop Auckland.



Hutchinson Street, Bishop Auckland.



May Street, Bishop Auckland.



Co-operative Street, Shildon.

Chapter 5.

North Eastern Co-operative Societies and Distress.

Many co-operative societies, particularly those situated in colliery districts where strong local feeling knit the interests of pit, chapel and "store" together, used their economic and social power to alleviate distress. Apart from distress occasioned by long term poverty, the sharpening of industrial conflict towards the end of the nineteenth century and during the years before the Great War, brought many occasions when co-operative societies could be of great use to their members. This chapter is devoted to, firstly, an account of how many stores used their resources to meet the needs of members who were faced by a short period of distress, secondly an account of how the Sunderland Co-operative Society attempted to bring the benefits of co-operation to one of the poorest districts in its vicinity, and lastly, ^{an account of} a federal effort to cater for convalescents and orphans.

A committee of management could deal with individual cases of distress on their merits but misfortunes such as unemployment, whether caused by a strike or a trade recession might affect a proportion or perhaps the bulk of their members and would call for either the formulation of a definite policy such as the establishment of an emergency fund, or, as generally was the case with colliery district societies,

an immediate reaction to the emergency which might differ in each society but which in all cases showed a flexibility of policy and initiative which were all too rare in times of prosperity and industrial peace. In 1884 the committee of the Felling society recommended to their members -

"that we devote £10 to £15each quarter for assistance of unemployed members."¹

This recommendation was rejected. The Newcastle Co-operative Society formed a Charitable Purposes Fund at an earlier date and during the trade depression of 1885-6 devoted £396:6:8d from this fund to the relief of the unemployed in Newcastle. Regular donations to charities were common amongst the co-operative societies of the North East but few, if any, established emergency funds although they were discussed at sectional conferences.² Such donations were a simple way of contributing to the welfare of those in distress, and moreover they did not call for any change in a society's policy. If, however, a society deliberately remodelled its trading policy to meet the needs of its members then the associative power and the wealth of the society were used in the service of members' needs. The societies which were situated in colliery areas furnish many examples of how societies could meet the needs of their members when a majority of them were involved in a strike. There were several things

1. Felling J.H.

2. "Co-op. News" March 25th, 1899. Emergency funds were discussed at a Northern Section Conference of the Women's Guild.

a committee of management could do when a strike broke out; they could constitute themselves as a relief committee; they could open soup kitchens;² they could send daily deliveries of food to schools in their district;³ they could distribute groceries to the needy; and lastly, as a general rule the services they provided were free to members and non-members alike.⁴

Before giving a full account of the way in which the Murton Colliery Society dealt with the problems created by the 1892 miners' strike, it is important to note that members could build up capital in their society to meet such emergencies. It is significant that after the 1879 miners' strike the President of the Northern Section of the Co-operative Union asserted that charity would not have

1. "Co-op. News" March 20th, 1878. The management committee of the Bedlington society constituted themselves as a relief committee during a strike in 1878 and their appeal raised £77:10:0d, which was distributed to the needy in the form of soup and groceries.

2. During the 1910 strike the Murton Colliery society opened a soup kitchen at which needy cases were helped and a large percentage of those who went there for assistance were non-members.

3. In the same strike the Murton Colliery society sent soup and bread to all schools in the district and made regular grants to the Horden Distress Committee.

4. In February 1878 the Sunderland society granted £80 to the Northumberland miners on the understanding that it was to be given to unionists and non-unionists alike. As in the case of the Murton society, (see footnote 2) the Sunderland society showed no discrimination - those in distress were to receive assistance whatever they might be.

been necessary during the strike if all the miners had been members of co-operative stores.¹ Co-operators had a firm belief in self help and it was not until the wighteen nine-ties when the extent of the poverty problem became apparent that they realised self help was possible for those in regular employment but rarely a possibility for those below the poverty line. Co-operation could enable those in regular employment to build up a reserve of capital by allowing dividend to accumulate and this practice was far preferable to these people becoming accustomed to charity in times of stress for it preserved a man's independence.²

The minutes of the Murton Colliery society between March and June 1892 give a detailed account of how this

1. James McKendrick put forward his views upon the poorer sections of the community in an address given at the Annual Meeting of the Northern Union of Mechanics Institutes in 1900. He said - "we must differentiate between those who are helpless and unfortunate and those who are reckless and vicious. The latter form the majority of our slums. To encourage self help in some practical way will, I think, be favourably considered by every good citizen, and I should like to lay down a general proposition; that you can never permanently improve a man from the outside, but only from the spiritual side. Now, though the masses seem to live on a very equable plane, still many individuals sink into the submerged tenth, keeping the base of the social scale fermenting."

("Some features of the Social and Industrial Life of the People at the Close of the Century")

2. "Co-op. News" March 25th, 1899. Report on the Northern Section Conference of the Women's Guild. Mrs. Coley referred to the lock out of the engineers in Sunderland and the sum that the Sunderland society devoted to alleviating their distress. She added, "It was never the good members who applied, co-operators were independent."

society, whose members were mostly miners, met the needs of a strike bound community. A special committee meeting was held on March 26th, withdrawals were to^{be} paid according to rule,² and prices were to be reduced to the lowest possible figure:-

"20% off boots and shoes, Drapery and Millinery, and the grocery as far as possible....."

At a special committee meeting held on April 20th the committee resolved

"that we declare a general dividend of 3/- in the pound to be paid in grocery and provisions to members in need over the counter on the first month's purchases, such dividends to be subject to such alteration as the society's accounts will warrant at the end of the quarter."

Three grants of £5³ were made to the local relief committee, these were to be in the form of goods. On one hand, the society was faced with a steady withdrawal of capital, and on the other hand it was expected to provide goods on credit.

1. At Cramlington, shortly after the 1887 strike began, special meetings were held and most members agreed to a proposal to sell goods at the lowest possible prices. Dividend fell to 7d in the £ in May 1887. Rule 8 was suspended and thereby members were able to reduce capital to the fullest extent without forfeiture through withdrawal and re-entry. £50 was voted quarterly to local and county relief. Parcels of groceries were given to those in dire distress. (Cramlington J.H.) At Crook, in May 1881 it was resolved that £50 worth of goods be given to the workmen in this district who are not in receipt of any fund from any other association. This was distributed between 236 families. In Feb. 1892, in some cases of necessity, members were allowed to over-draw their share money. (Crook J.H.)

2. S.C.M. March 26th, 1892. "That the applicants for withdrawal to be paid according to rule, if dissatisfied they have the right to appeal to the sub-committee, any exception shall not exceed £3".

3. S.C.M. April 20th, C.M. May 13th, S.C.M. May 19th.

Such a situation was difficult, and the society solicited the help of the Co-operative Union and the Co-operative Wholesale Society. The committee do not seem to have had an encouraging reply to their request whether they could withhold the withdrawal of share capital, for withdrawals continued, and amounted to a considerable sum for the May quarter of 1892. No doubt their anxiety over withdrawals abated when the C.W.S. agree to allow them £1,000 credit for six months, but in characteristic spirit the minute continues,

"but we pay it sooner if possible."¹

With these problems settled the committee turned its attention to minor matters. The rolley was lent to the miners so that they could canvas the local villages for bread, and many old miners chuckle as they recall this lighter side of their most painful memories. By June 4th, the committee had resolved

"that we allow our members credit for the incoming fortnight at the rate of 3/- per head."²

This minute is followed by a resolution to dispense with the night shift men, an inevitable step after weeks of declining sales and limited opening.³ A further resolution empowered the manager to cancel orders for boots, drapery

1. Murton Colliery C.S. C.M. May 13th, 1892
2. " " " C.M. June 4th, 1892
3. " " " C.M. June 4th, 1892.

and millinery, and to buy green-groceries in the cheapest market. Thus as the plight of the members increased, the society was compelled to give up many of its cherished principles, credit trading, and the sale of lower quality goods were suffered in these weeks, but as soon as the strike ended immediate steps were taken to discontinue these practices. The committee meeting of Oct. 1st 1892 passed three important resolutions which were confirmed at a special full meeting of members a fortnight later. They resolved firstly,

"that the manager be instructed to deduct all share capital from the members ledger account to re-imburse any debt that may be standing against them", secondly, "that no member shall have any dividend who has an account standing against them" and thirdly, "that the credit system be discontinued on and after the end of the 63rd. quarter."

The committee acted with discretion in allowing a few months to elapse before they returned to the practice of putting debtors in the County Court. This was an unmistakable sign that the emergency was over.

The minutes of the Murton society at the time of the 1892 miners strike provide a model of how a society could, without seriously endangering its own life, cater for the needs of its members. Often the most important source of income for members when wages were cut off was the capital they had allowed to accumulate in the store. In many stores withdrawals could be made on terms comparable to those offered by a deposit account at a bank. No society could prevent the flow of capital to their members in distress,

but they could restrict or accelerate the flow by waiving or strictly enforcing their rules. Murton sought to restrict the rate of withdrawal, but at Cramlington in 1887 the society suspended rule 8 and members were allowed to reduce capital to the fullest extent without forfeiture through withdrawal and re-entry.¹ Thus in the quarter ending May 1887, the capital of the Cramlington society fell from £25,000 to £21,000.

A lengthier period of distress such as was experienced at Cornforth and Coxhoe when the Rosedale and Ferryhill Iron Co.'s works closed down made the withdrawal of capital a very serious question. This local depression caused unemployment amongst the members of the society for two years and the committee had to enforce the rule restricting the withdrawal of capital.² Here, in acute form, was a conflict between the existence of the store and the needs of its members. The solution was to serve the members up to a point beyond which, the provision of further services would certainly endanger the life of the store. Factors such as the size of the society, the state of the society at the time of the emergency, particularly its reserves, the policy and strength of the committee, and the duration of the emergency, would decide the limit to which the resources of the society would be sacrificed to serve the

1. See footnote 1. p.165.

2. Cornforth and Coxhoe C.S. J.H.

needs of the members. The presence of these factors, which vary in each case of emergency, make any generalisation on the rate of capital withdrawal difficult. Obviously, the governing factor would be the duration of the emergency, especially if it affected the incomes of a majority of the members. The importance of the part played by co-operative societies in the relief of distress brought about by strikes is illustrated by the report of Mr.C.A.Dawson on the administration of the Poor Law in the County of Durham, In 1892, he said,

"Generally, the effect of the strikes on the poor rates was very slight, and was confined chiefly to cases of sickness and of parents who, previous to the strike, had been supported by their sons. The pitmen and their families did not come on the rates, many of them having money in the co-operative stores on which they could draw, besides the strike allowance which they received from the Miners Federation, and in many places free meals were given to the children."

From the point of view of the rate payer, the strike had its blessings, for Mr. Dawson observes,

"...that the smallest increase in vagrants relieved is in the County of Durham and that may be accounted for by the fact that, during the miners' strike the vagrants avoided the county."

Since share capital was looked upon partly as a nest egg for times of stress, it is not surprising that colliery villages favoured high dividends as a means to accelerate the accumulation of share capital. The dividends of three societies situated in mining villages show a momentary decline during strike times,² but the dividend speedily

1.1892-3 Report of the Local Government Board.

2. See Graph 4, Appendix to Chapter 2 for the effect of the 1887 miners strike on the dividends of 3 Northumberland coalfield societies.

returns to its previous level. Societies situated in urban areas had not such a free hand in dividend policy as those situated in colliery villages, for they had to take into account the threat of private competition. As a general rule, the colliery village societies paid a higher dividend than those in urban areas, and there seems little doubt that this policy was determined by an attitude that the dividend was a form of enforced saving. Such savings could provide for times of stress, or items in a family's annual or lifetime expenditure, such as clothing or furniture.

At the annual congress of 1891, A.H.Dyke Acland and Sidney Webb urged societies to widen the scope of their activities and to include within their efforts an attempt to bring the benefits of co-operation within the grasp of the poor.² Sidney Webb pointed to the sad fact that

"those among the wage earners who need the advantages of co-operation least, have got it the most, and those who need it most, avail themselves of it the least."³

The plight of the poorest in England was unfolded year by

1."Co-op.News" Oct.12th,1899. S. Northumberland Conference. Mr.D.Absolom (Cramlington), when speaking, noted that during the recent miners strike they reduced prices, but at the end of the quarter the dividend was low and considerable dissatisfaction was expressed. The society returned to its high dividend policy.

It is significant that G.J.Holyoake, in a series of articles on the "Rise and Progress of the W.Cramlington Store", beginning in May 1896 in the "Co-op.News", noted that in 22 years of the store's existence there had been 23 strikes, This adds weight to the point of view that strikes would need to be provided for by savings.

2."Co-op.News" May 9th, 1891.

3. " " " " "

year as the sober grey-coated volumes of Charles Booth's minute social stocktaking accumulated on the bookshelves. Each volume testified to the depth and breadth of the poverty problem, and must have brought an immediate challenge to any thoughtful co-operator. Amongst the prize papers submitted to the Lincoln Congress in 1891 was one giving suggestions of how co-operation could be run in poor localities. This paper, entitled "How to bring Co-operation within the reach of the Poor", made the following suggestions -

- 1) Branch stores should be set up in the poorer quarters of towns.
- 2) That societies should aim at retailing pure and wholesome food in quantities that fitted their needs and at prices which were within their reach.
- 3) That a separate dividend should be paid in these branches, based upon the working of these branches.
- 4) That only half the dividend was to be paid out, the other half to go to the customers credit and was to be used to make the store self-supporting.
- 5) In cases of deserving need, advances should be made so long as the store got the bond of one or two other members.
- 6) Members who were interested in the scheme were to help in the branches.
- 7) Meat was to be sold, but not drapery, as the poor generally bought this second hand.
- 8) A restaurant should be set up so as to offset intemperance.
- 9) A Reading and Meeting Room should be provided.
- 10) Members of the Women's Guild should act as visitors to the poor.
- 11) Juveniles should be catered for, entertainments should be provided and a Penny Bank should be established.
- 12) Associated homes with communal services should be set up.

This most comprehensive scheme was never put fully into operation but it says much for the strength of the co-operative movement as an instrument of social reform that they were able to produce schemes of this character. Most of the points raised in these suggestions can be discussed in the sections

of this chapter which deal with the establishment, operation and failure of the Sunderland Poor Store.

The new policies advocated in congress papers were able to percolate through to individual societies, for all societies in the Co-operative Union sent delegates to sectional meetings where congress papers were often read and discussed. These papers stimulated discussion, but in many instances they failed to produce definite change. Sidney Webb's paper on the "Best Method of Bringing Co-operation Within the Reach of the Poorest of the Population", was discussed at the South Durham Quarterly Conference, in January 1892 and it seems to have been part of the preliminary stage of a co-operative effort to reach the submerged tenth.¹ Mr. William Crooks, a prominent northern co-operator, made an outspoken plea for a return to co-operative ideals at the 1894 Congress.² He said,

"Our members are not loyal as they might be, as is evidenced by the fact that their average purchases are only about £27 per annum, while some of the practices of many of our societies belong more to the deceptions of the unprincipled private trader than the profession of truthfulness and honesty of purpose set forth in our principles, these frequently being brought into operation, not to fight these traders, but to ensnare the members of other societies which happen to be in somewhat close proximity to them, thus begetting that worst form of competition which is the parent of low wages, sweating and deception, destroying that spirit of mutual helpfulness which ought to exist between societies and debarring the poorest of the poor from participating in the benefits of co-operation by reason of the excessive profits put on to pay unreasonably high dividends."

1. "Co-op. News" Jan. 23rd, 1892, also Nov. 12th, 1892.
2. "Co-op. News" May 26th, 1894.

The movement towards a lower dividend and lower prices gathered strength, and such prominent northern co-operators as Thomas Burt¹ and John Coley² played their part in turning co-operative attention towards helping the poor. In March 1897, at a district conference in S.Durham, the following recommendation was lost by only 2 votes:-

"That this conference approves the action of several local co-operative societies ~~in~~ lowering the amount of dividend, and consequently cheapening the price of goods; and urgently requests each society represented to-day to adopt the same policy, as a means of destroying the competitive spirit which now exists in the movement."

At the 135th quarterly meeting of the Consett society³ motion to reduce the price of groceries was lost, and ~~in~~ the same month a majority of the Pittington society's members voted against lowering their dividends.⁴ The reactions of some of the members of the Chester-le-Street society to the suggestion

1.1895, Oct. 19th, "Co-op.News" Mr.Thomas Burt, speaking at Throckley Co-operative Society criticised "extravagant rivalry and competition for dividend" Mr. Heppel Birtley at E. Durham Conference on "Overlapping" said that the high 'divi' was at the bottom of it and prices had risen so because of high 'divi' that the man with the pound a week cannot live in the store.

2."Co-op.News" Oct. 31st,1896. E.Durham Conference on "High Dividends". Mr.J.Coley,J.P.(President) argued that it was only when goods were sold at reasonable prices that the poor were benefitted and the Rochdale ideal realised.

3."Co-op.News" April 10th,1897. Consett society motion "that all goods sold in the grocery dept. be reduced in price and that this be effected without any reduction in the quality of the goods." Motion lost, 11 to 30.

4."Co-op.News" April 24th, 1897. Pittington Amicable C.S. Quarterly G.M., Members voted on the question of lower dividend. Motion lost, 204 to 586.

"that the maximum dividend paid on purchases in the future be not more than 2/- in the £, the goods to be reduced in proportion to the reduction in dividend,"

is recorded in the society's Jubilee History in these words-

"our friend Mr. Boult had scarcely got spoken on the motion when the suggestion was made to pitch him out of the Hall window."

At the W. Durham and S. Northumberland sections' half-yearly conference in May 1897, a resolution from the Tantobie society was

"that a maximum dividend of 2/- in the £ be paid on members' purchases by the societies in this district, and that each society be requested to pledge itself to carry out this resolution."

An amendment was passed to the effect that a deputation

"should attend a general meeting of the members of the principle societies in the district with a view to getting them to sanction a common agreement amongst the societies of the district to materially reduce the rate of dividend paid, by the lowering of the prices charged for goods."

Congresses and Sectional Meetings, which stand at the apex of co-operative effort, encouraged societies to lower dividends, but only a few societies made the attempt. The few committees that did put a proposal for lower dividends to their members came up against considerable opposition at general meetings and abandoned the venture. At Murton Colliery a relatively low dividend was paid from 1897 to 1912, but this society had an energetic committee capable of winning

1.N. Section of Co-operative Union, Annual Conference. Sunderland delegate moved - "That, in the opinion of this meeting, a maximum dividend of 2/6 in the £ should be aimed at by co-operative societies throughout the section." Question held over until sectional conference.

sufficient support for their scheme. Any doubtful members were most likely won over when the first month of reduced prices brought an increase in sales of £200. The movement to lower dividends had little success in the North East and as the turn of the **century** neared it became merged in the programme for bringing co-operation to the poor.

The Report of the Royal Commission on the Aged Poor appeared in 1897 and no doubt helped to keep public attention on the matter of poverty, Co-operative attention was firmly riveted on the matter by regular discussion on dividend policy and the poor, which culminated in a moving plea by the President at the Liverpool Congress in May 1899. Mr. Hardern said -

"We must get hold of the poorer classes...."

he followed this by saying,

"...may we then register a vow that Liverpool shall be the meeting at which we will determine upon this point - that no slum, however dark, no home, however miserable, shall be left untouched."

Co-operators showed a keen interest in discussing the advantages of low dividends and the plight of the poor, and so the climate was favourable for any carefully planned project, such as was evolved and tested by Miss Margaret Ll. Davies between 1899 and 1902. H. Dyer, writing in the "Co-operative News", asserted that,

"Co-operators should take the lead in every progressive movement, and prove that their chief aim is the welfare of the community, and not simply the advancement of their own per-

-sonal interest."¹

What could have been more pleasing to true co-operators than their success in solving the problem described in Rowntree's "Poverty"?²

Miss Margaret Ll.Davies began her campaign for co-operative poor³ stores in the winter of 1899, when she outlined her proposals to northern co-operators. No doubt she was encouraged by the fact that some societies, such as Newcastle, Middlesbrough, and Sunderland had set up stores in slum areas.⁴ Her suggestions went much further than the mere location of the store, they were³ the machinery of an attempt to lift the poor out of their squalor into the daylight of co-operation. She recommended a low dividend store, a cook and coffee shop, a settlement and a loan department. In the organisation of the 'People's Branch' two essential points were to be kept in mind, low prices and small quantities. The dividend was never to rise above one shilling, and membership was to be made as easy as possible; coal was to be sold in small quantities and a stall was to be set up on Saturday nights for the sale of second hand clothes. Tables and seats were to be provided in the shop, and to-

1."Co-op.News" March 19th, 1898.

2."Co-op.News" Jan.18th, 1902., Rowntree's "Poverty" was reviewed by Miss Davies.

3."Co-op.News" Oct. 28th,1899. N.W.Guild Conference. Miss Davies read a paper on "Co-operation in Poor Neighbourhoods."

4."Co-op.News" Nov.11th, 1899. Miss Davies refers to stores set up in Newcastle and Middlesbrough in poor areas.

-bacco was to be sold and smoking allowed on the premises. This attractiveness was to be a means of drawing into the store all the money there was to spend, and Miss Davies concluded,

"the compulsory saving would be a stepping stone to self respect and hope."

A cook and coffee shop was essential in areas where many houses were without fireplaces or where occupants could not afford to buy fuel. The loan department was held to be essential since misfortune was common amongst the poor and a loan might tide a family over a bad period, and what was more important to social reformers, keep it out of the hands of money lenders, professional and amateur, loan societies, credit shops and talley-men - all representatives of the numerous ways in which the future could be mortgaged for the sake of the present. ² John Coley, a member of the Sunderland committee, was among the few who understood the importance of a loan department. ³ This understanding was undoubtedly a product of his constant intercourse with the poor as agent

1. "Co-op. News" Feb. 10th, 1900.

2. Vol. 2, Women's Guild Papers. The Sunderland Scrapbook. Miss Margaret L. Davies on the habits of Coronation St. dwellers. "A Jew comes on a Monday, lets them have things, and pay up gradually. They'll pay 10/- for an article worth 5/6 and then pawn it. They are made to pay up or else put in the County Court."

"Co-op. News" April 27th, 1901. Miss Davies put forward the idea of a temporary building which could be erected on waste land in poor neighbourhoods. She termed it a 'tin tabernacle'.

3. "Co-op. News" April 28th, 1900. John Coley's idea was that of a bank at the central premises where loans should be made to members, taking as security either bondsmen or notes of hand on furniture, or the deposit of a watch. He added, "but for the pawnshop, the poor would be in a terrible plight."

for the Charity Organisation Society in Sunderland. The loan department was severely criticised and was dropped from the scheme when the Coronation St. store became a reality. The last part of the scheme, the settlement, was to be run in conjunction with the store, and its two resident workers were to carry out innumerable tasks, including the teaching of co-operation, running penny banks and clothing clubs, organising concerts and lectures, and taking cooking classes. In addition, Miss Davies hoped a co-operative housing estate might be set up, in which case, the resident workers were to act as rent collectors. Finally, a district nurse and registered midwife were to be attached to the settlement. These proposals for a bright shop and its attendant settlement must have appeared a mecca in comparison to a picture of Sunderland's slums drawn by Miss Davies at the Women's Guild Conference in July 1900. She described it as "a neighbourhood in which there were rows of houses with no sanitary conveniences, and no back yards - with imperfectly paved open gutters down the passages in which the milk and slops stagnated - with broken windows stuffed with rags."

She warned co-operators that such work, if undertaken, could not be judged in terms of profit but only in terms of its effect on the lives of the customers of the store.

The worth of the work undertaken by the Ministry of Labour's Rehabilitation Centres is difficult to assess in money terms, all one can point to are case histories which prove that so many workers have been rescued from the scrap heap of physical and mental disability. The assessment of

the worth of the Poor Store should have been made in similar terms but at the time of its inception many co-operators thought these suggestions which embodied expenditure on social workers and the like, were the antithesis of co-operative business and co-operative ideals. The poor were a bad investment, for their ranks included a potentially larger number of bad debts than any other strata of the population. Moreover, what was the object of preaching self help when a loan department formed an integral part of the scheme? These fears were confounded, for the Poor Store and its settlement workers were envisaged as, and proved to be, a stimulus to weak wills which, once succoured, were capable of helping themselves. Miss Davies' question to such critics was

"Are we to cut off opportunities of help from the worthy for fear of their reaching the unworthy?"².

In April 1900 Miss Davies met ^{the} directors and the education committee of the Sunderland society and discussed with them her suggestions for a poor store. Her choice of Sunderland was no accident, for this store paid low divi-

1!"Co-op.News"May 24th, 1902. Report on Exeter Congress. Some speakers held that the scheme of Miss Davies contradicted the self help basis of the movement and that it would pauperise those co-operators sought to help.

2."Co-op.News" March 3rd, 1900. Article 3 "Co-operation in Poor Neighbourhoods".

-dends,¹ had a flourishing education department and had, at this time, many ardent co-operators on its committee. From the time of her visit to Sunderland in the spring of 1900 to the setting¹up of the Coronation St. Poor Store, and settlement in October 1902, Miss Davies spread the gospel of a new co-operation. The Women's Guilds were granted £50 by the Co-operative Union in March 1902 to carry out an enquiry into the condition of the poor. Within a month, the "Co-operative News" published the result of their first inquiries.² Their objects were, firstly;

"to investigate the present customs of the co-operative movement in their bearing on the poorer classes of society" and secondly, to show what co-operation might do towards solving the problem of poverty in large towns."

The Hartlepoons society was the only one of 90 selected societies which made no charge at all for entrance or rules, the majority of these societies charging between 1/- and 1/6. Furthermore, a new member would often have to make a deposit towards share capital and in some cases would have to be

1."Co-op.News" Jan 20th, 1900. Article, "A People's Branch" By Miss Ll.Davies, in which the dividends of the Sunderland, Gateshead and Newcastle societies are compared.

Date	Sunderland	Gateshead	Newcastle.
1878	1/10d	2/1d	1/7d.
1879	1/10 ¹ / ₂ d	2/6d	2/0 ¹ / ₄ d.
1889	2/0 ¹ / ₂ d	2/10 ¹ / ₂ d	2/7d
1898	1/4 ³ / ₄ d	3/0 ¹ / ₂ d	2/10d.

See also N.Scott Ross, Chapter 6, Table XLIV.

Expenses, surplus and average retail margin in certain retail societies expressed as a percentage of sales, 1880-1935.

These figures bear out Miss Davies' limited picture of rising dividends in the N.E.urban areas.

2."Co-op.News" April 26th, 1902.

proposed and seconded and complete application forms before membership was granted.¹ Twenty-two of these 90 societies had a rule which prohibited the withdrawal of dividend until from £1 to £5 of share capital had been paid up. If such practices were insufficient to discourage the poor, then rules governing the limit of withdrawal, whereby membership ceased if withdrawals were made below a certain sum, would certainly do so.²

The investigations that the Women's Guild carried out in Newcastle added weight to their argument that high prices, high dividends and the expense of entry and withdrawal excluded the poor, for out of the 115 families inhabiting the buildings near to the City Road Branch of the Newcastle society, only 18 were members of co-operative societies. In the Rosedale district the investigator did not find a single family that was in a store. Their shrewd observations were always followed by recommendations and in this case they pointed out how much the sale of cheap for-

1. "Co-op. News" April 5th, 1902.

2. On the basis of their investigations, the Guild made the following recommendations.

- 1) The abolition of the practice of paying an entrance fee and paying for a book of rules.
- 2) The abolition of fines for non-payment towards share capital.
- 3) Members should be able to withdraw down to 1/- without forfeiting membership.
- 4) Any sum to be withdrawable. (not merely complete pounds)
- 5) Dividend to be paid on any sum down to 2/6.
- 6) In societies with withdrawable capital, no payment towards share capital above 1/-.

3. "Co-op. News" April 26th, 1902.

-eign and colonial meat, small quantities of coal, lower grade teas and similar changes in the matters of quality and quantity could benefit the poor.²

The success of the three stores in Sunderland's poor districts was summarised in a letter sent by W.Archer, secretary of the Sunderland society, to the "Co-operative News". He wrote,

"The profits at all our grocery departments with the exception of those in the poorer districts, viz, East End, Coronation Street, and Lawrence Street, average 2/1¹/₄d for the twelve months ending January last (1902). The profits of those in the poorer districts above-mentioned are 2/2¹/₄d, or 1d above the average. The expenses are 1/6d in the better parts of the borough and 1/4d in the poor ones."³

At the quarterly meeting of the Sunderland society in March 1902, a lengthy discussion preceded the adoption of the Poor Store scheme, only 1 vote being cast against it.⁴ In June the society opened a store in Waterworks Road, a very poor neighbourhood, and sold goods in small quantities and at low prices. Miss Davies agreed to spend three months at Sunder-

- 1."Co-op.News" April 12th, 1902. Many societies would only deliver coal in large quantities. e.g. Jarrow would only sell by the ton, and Middlesbrough not less than 5 bags.
- 2."Co-op.News" April 26th, 1902. C.W.S. reported as being prepared to provide small quantities and lower grade articles if a market is assured. 1d. tins of tea, 1d.pots of jam, and frozen meat are among the goods discussed.
- Also "Co-op.News" Nov. 1st, 1902. The number of checks issued in the grocery and pork departments of the Poor Store during one week bear out the contention that the sale of goods in small quantities was important. In the pork dept. the sales on 5,657 checks in one week amounted to £100:4:7d. In the grocery dept. checks were issued (3,671) and sales amounted to £118:17:8d.
- 3."Co-op.News" June 21st, 1902 Letter by W.Archer.
- 4.Manuscript History of Sunderland C.S. by R.Hindmarsh. He says of the Coronation St. Store - "Here it was resolved to build a branch on somewhat unique lines and establish a business as far as possible adapted to the habits and requirements of the people living in the locality."

-land to organise propagandist work when the Coronation St. Store and Settlement began. It seemed not untoward to expect the society's careful preparations would have the success they deserved.

The Poor Store opened in October 1902. It was a small building with bright electric lights and windows decorated with flowers and plants, and for two years it was to stand in the midst of a slum, reflecting all the best characteristics of co-operation. The rooms of the settlement were furnished in the main by the Sunderland society, it boasted curtains from William Morris's works, pictures from Miss Webb, and not the least of its unique features was the presence of a mongoose in the cellar.

Newspaper reporters gave their readers a lively picture of the four youths who served the ready cooked pork, puddings, soup and sausages, busy hacking, slicing, stirring and ladling before the admiring gaze of the denizens of Coronation Street. Apart from the ready cooked department, the store dealt in groceries, meat and clothing. The following list gives an indication of the range of goods and their prices:-

1d. packets of starch, egg powder, custard powder, etc.,
1d. lots of jam, syrup, cocoa, tea and coffee. Milk sold in
2d. and 1d. worths. Quilts 1/0¹/₂d., serge 6³/₄d., shawls, 1/-.,
blinds 1d. per yard, hose 3¹/₂d. and 6¹/₂d., men's lambswool
shirts 1/6¹/₂d., trousers from 2/4d. boots and shoes from 2/6.,
calico 1³/₄d. to 3³/₄d., blankets 1/0¹/₂d.'

The results of one and three-quarter years trading are summarised below, and are, in the case of groceries,
1. "The Sunderland Record" Nov. 1902. Penny Price List.

comparable to, and in the case of the butchery, better than, the profits of the Sunderland society as a whole.

Sales, expenses per £ of sales, profit per £ on sales for the Sunderland Poor Store :-

<u>1/2 year ending.</u>	<u>Sales.</u>	Expenses per £ on sales.	Profit per £ on sales.	Average profit for whole soc. per £ on sales.
	£	<u>Grocery</u>		
Jan.27th,1903	2,547	1/5 ¹ / ₄ d	2/1 ³ / ₄ d	2/2 ¹ / ₄ d
Jul.28th, "	3,172	1/4 ³ / ₄ d	2/1 ¹ / ₄ d	2/2 ¹ / ₄ d
Jan.26th,1904	2,967	1/7 ¹ / ₂ d	2/2 ¹ / ₄ d	2/2 ¹ / ₄ d
Jul.26th, "	2,653	1/10 ¹ / ₂ d	1/9 ¹ / ₂ d	1/11 ¹ / ₂ d

		<u>Butchery</u>		
Jan.27th,1903	1,549	1/5 ¹ / ₄ d	2/6 ¹ / ₄ d	1/8 ³ / ₄ d
Jul.28th, "	2,070	1/7 ¹ / ₂ d	1/5 ¹ / ₄ d	9d
Jan.26th,1904	1,724	1/9d	2/4 ¹ / ₄ d	1/6 ¹ / ₂ d
Jul.26th, "	1,615	2/-	2/3 ¹ / ₄ d	1/4d.

As a shop, it seems to have been a great success,² for it gave the benefits of co-operative trading to the poor in immediate form. It can be seen from the analysis of dividend left in the society that only 56 out of the 292 members saved money in this manner,³ yet considering the poverty of the members this was a considerable achievement. When the store was nearing its end, prices were raised and the trade

1."Co-op.News" Nov. 26th, 1904.

2."Co-op.News" Nov. 26th, 1904. Only the butchery department had any bad debts after 14 years of existence, and these were very few in number.

3."Co-op.News" Nov.26th, 1904. 2nd Article by Miss Ll.Davies on "The Sunderland Poor Store."

Out of 292 members, 25 members saved from 2/- to 10/-.

13 " " " 10/- to £1.

18 " " " over £1.

Dividend distributed, £1,800.

fell to about £30 for a week, the following week, great reductions were announced and a recovery was immediate. This instance reiterates the fact that price policy is an all-important consideration in bringing co-operative trading within the grasp of the poor.

Any true appreciation of the worth of this venture must consider the store and its settlement as a whole, and there seems little doubt that, notwithstanding their social work, Miss Davies and the other social workers had much to do with the business success of the store. Miss Davies' Sunderland Scrapbook contains expensive Christmas cards and touching letters from her many friends in the slums of Sunderland. It is apparent from these that she gave these poor people a love and understanding which was worth more to them than the nourishment they derived from the brawn and pease pudding. Although her visit was only for three months, it left an indelible impression in the minds of many women around Coronation Street. The social work included lectures, classes and entertainments, which were held in the hall, and an attempt to compile a social survey of the immediate neighbourhood of the settlement.² The sparse entries that occur in these papers do give an indication of the conditions in Walton Place, which comprised 9 houses in which dwelt 25 families, consisting of 55 adults and 78 children.

1. See Chapter 6. pp. 209-10

2. Vol. 2 of the Sunderland Scrapbook contains an incomplete record of the population around the store.

One woman's life was expressed in the words,

"This is the second home I've scraped together and had to part with."

Furniture, clothing, bedding, in fact everything, went to the pawnshop when unemployment cut off their meagre income. Another woman told the visitor from the settlement that she sent her Florrie to the store because

"she shames to come herself and ask for so little but soup and pease pudding."

The fact that such a diet was welcome to many people shows how much the Poor Store could do for these people. Miss Partridge, one of the resident workers, summarised the dock-side, Sunderland, as follows:-

"It is essentially a one-trade town, depending so largely upon the big shipyards and the docks, and when the shipping suffers, a great army of dependent and mostly unskilled workmen feel the pinch, often through absolutely no fault of their own. This uncertainty of livelihood is a great hindrance to thrifty habits and yet under no circumstances are such habits more necessary. Co-operation has yet a great deal to do in teaching ways of laying up for a rainy day... More and more we feel how much the surroundings of Coronation St. are responsible for many of the gravest difficulties of the people themselves. The narrow, ill-paved, ill-lighted alleys; the bad, insanitary houses, where light and air can sometimes hardly find their way; the inevitable pub at every few steps - this is no easy load for even the strongest to carry without losing heart and hope."

When Christmas came in 1903, 1d. toys were sold and the hall was used for a children's Christmas party at which some children had the luxury of complaining to their hosts, "I'm full oop missus." Miss Davies told co-operators at Accrington of the success of the new co-operation in February 1904,

1. "Co-op. News" July 18th, 1903.

but at the spring quarterly meeting of the Sunderland society an attempt was made to wind up the poor store. A special meeting was held and a resolution to carry on until the September quarterly meeting, when the scheme would be reviewed again, was passed unanimously. In January 1904, a second resident worker was appointed and the settlement continued until September, when it was closed down. Miss Davies held that there had been perpetual opposition from some members,¹ and went on to say:-

"This opposition, combined with the difficulties created by a change of directors in the society, by friction between the committees, and a slackening of the work during the last months, decided the present board of management that "the game was not worth the candle."²

She expressed serious doubts as to whether voluntary workers, or even a "poor paid widow woman" would be able to carry out "work of such a specialised and varied nature, needing constant energy, regularity and perseverance."³

Miss Davies was in the vanguard of those who recognised the worth of paid social workers, skilled at their profession.

Her closing remarks on the poor store and settlement were -

"It should bring true and sane views of the problems and needs of the poor, giving a surer foundation on which to build reforms than ordinary conventional second hand ideas. And it is by constant daily contact with the people, sharing

1. Manuscript History of the Sunderland Society, by R. Hindmarsh. He notes there was considerable opposition to employing capital in such a neighbourhood as Coronation St. and added in a sentence which is partly erased, "Well, let us sincerely hope that they will live long enough to discover, and have grace enough to acknowledge, that for once in their lives they were mistaken."

2. "Co-op. News" Nov. 19th and 26th, 1904. Articles 1 and 2 reviewed the work done at Coronation St., quotations from Article 1.

3. "Co-op. News" Nov. 19, 1904.

the hourly events, sharing the same shop, smuts and sights and noise, being within call whenever help was needed, that friendship and confidence may be most freely established. The store buildings would attract with still greater force when they consisted not only of shops, but were associated with all that tended to increase the wellbeing of the neighbourhood."¹

The New Co-operation did not spread, only York,² Stockton³ and Bristol⁴ made attempts to follow the lead of Miss Davies. No doubt the views of Sunderland co-operators were shared by a bulk of co-operators at this time, so the weapon Miss Davies had forged and tempered to attack the poverty problem was allowed to rust away until the Welfare State relieved co-operators of any obligation to devote their funds to such work. Centralised social administration promised to be a

1."Co-op.News" Nov. 19th, 1904.Obituary notice on John Coley. Obituary notice on John Coley, "Co-op.News" March 22nd,1905. Coley wrote before the final vote of the board and quarterly meeting on the Poor Store, "I should be grieved beyond measure to see the work given up. I shall defend it to the last. I know of people who were drunkards who are members of that store, who are not now even smelling of drink when you meet them; in the old days they staggered down the street."

The girls in Coronation St. signed pledges not to drink intoxicants. Many of the pledges are in the Sunderland Scrapbook. See also Biographical Appendix, B, on John Doley.

2."Co-op.News" March 11th,1905. Article on the George St. Poor Store, opened Oct. 11, 1904. 4,737 of 6,992 in this area of York were said to be in poverty, according to B.S. Rowntree.

3."Co-op.News" Feb.20th,1904. Stockton began a branch in Riverside district,which sold cooked food and dealt in small quantities.

4."Co-op.News" Jan.6th,1906. Reference to Bristol Poor Store.

solution to the problem of overlapping charities,¹ it promised definite economies, against which however, must be set certain losses. The Sunderland Poor Store gives a glimpse of an aspect of co-operation which, although elusive, is essential to a solution of the poverty problem. The store was described by the "Daily News" as a

"mission to help the people of the neighbourhood to help themselves."

This is true, for it provided not only dividend and material wants but a more independent and interesting life. No exaggerated claims must be made on behalf of an experiment which lasted under two years, but such successes point to the benefits that might be gained from new types of economic and social organisations which harness business policy to human needs.

The problem of basic continuing poverty such as was found in the large towns of the North East Coast Area was entirely different from the short periods of poverty that were caused by labour troubles. In the latter case those involved in such short periods of poverty could, if they were of a thrifty nature, partly or fully meet the emergency out

1. When the framework of voluntary effort was subjected to the scrutiny of the Royal Commission on the Poor Laws, Miss Mabel Simey's remarks on Newcastle echoed its main conclusion. She listed 34 separate charity organisations in Newcastle and remarked, "The effect of these extensive charities upon the condition of the poor in our midst appears lamentably insignificant in proportion to the output of energy they represent - pauperism, mendicity, and thorough over-lapping of effort being widely prevalent. "

of their own savings. In colliery areas where a bulk of the members were employed in coal mines, a high dividend policy could maximise painless saving. Without any more effort than that involved in the regular purchase of goods at the store a member, by allowing his dividend to accumulate as share capital, could build up a nest egg for any emergency. The absence of any detailed social survey of the North East Coast Area makes it difficult to discover how much poverty was to be found in the colliery areas and the large towns. Nevertheless it was the large towns that contained districts in which the poor were to be found in considerable numbers whereas poverty might only be found in small pockets in the colliery villages. Thus by their concentration in one or more districts, those in poverty in large towns would present a problem which could be met by the erection of a poor store, whereas it would be uneconomic to do this in a colliery district where the numbers would be so few. If a poor store was impractical in a majority of colliery districts, then low dividends might be suggested as an alternative way of meeting the needs of those below the poverty line. This suggestion became a reality at Murton, but elsewhere high dividend policies were pursued and without doubt were an important way in which co-operative societies could meet the needs of people in the coalfield areas. The customary measures adopted by the Murton society during the 1892 strike find their echo in many other colliery area societies' records. These methods were effective in meeting a short period of

poverty amongst a bulk of the members but in the larger towns where there was an absence of the occupational homogeneity of the colliery area, societies were not faced with such an acute problem involving a majority of their members when a ~~strike~~ broke out and as a consequence did not have to make such drastic changes. Dividends were generally lower in the towns than in the colliery districts but there does not appear to have been, apart from the Blaydon two-dividend scheme¹ and the Sunderland Poor Store, any deliberate attempt to bring co-operation within the reach of the urban poor.

In general the urban societies of the North East failed to realise the simple truth that the value of their type of trading increased as they entered the lower income ranges. Committees seem to have looked upon the casual labourer and low paid worker more as a possible bad debt than as a potential co-operator and were unwilling to go² out of their way to encourage co-operation amongst them. Any projects such as the Poor Store or lower dividend necessitated changes in policy which might meet with the disapproval of members and discredit the committee. No specific barriers were offered to the poor, but as it functioned,

1. The Blaydon C.S. tried a two-dividend system for a while. A member had the choice of a higher price and a higher dividend, or a low price and a low dividend.
2. G.D.H. Cole's remark on the failure of the Poor Store, in "A Century of Co-operation" was that co-operation remained one for the better class workers.

the average store did not offer many inducements for the poorer working class to join. There was no lack of help for people in distress in the form of charitable bequests, but committees and members were unwilling to change their habits in an attempt to benefit those in a worse position than themselves. Robert Hindmarsh reflected as follows on co-operation and poverty:-

"And yet, if the movement has to realise all its possibilities as a factor in the social salvation of the people, it will be incumbent upon it to find ways and means of getting down to the lowest strata in society. Perhaps we may be reminded here, that we are not a charitable and philanthropic organisation, and that our business ought to be conducted on sound commercial principles. While admitting the foregoing, we are nevertheless inclined to believe that, were the movement imbued to a larger degree, with the spirit of a "certain samaritan" of whom we read, it would be all the better for the community and none the worse for co-operation."

In May 1899 a paper entitled "Co-operative help in the relief of distress with special reference to convalescents and orphans" was read at a district conference held at Tantobie. Later, in February 1900, a sectional conference held at Gateshead decided to establish a co-operative convalescent home. A committee was appointed to prepare a scheme, the main outlines of which were approved in May of the same year. In 1901 the Shaws Hotel at Gilsland was offered for sale and the Annual Sectional Conference held in June empowered the committee to buy the property. It comprised about 100 rooms, a ballroom, a billiard room, a dining saloon, tea rooms, baths in the basement and an encircling

estate of some 100 acres. The rules of the Gilsland Convalescent Home Limited require each co-operative society that becomes a member to

"take up not less than one share for every twenty of its members, or fractional part thereof, and agree to increase the number annually as its members increase...."

Furthermore each member society has to contribute not less than £1:5:0 per annum to the maintenance fund. Each member society was entitled to recommend one person each year for admission to the Home for every £1:5:0 it subscribed to the maintenance fund, and the duration of this stay was not to exceed two weeks. The membership of this federal scheme comprised 81 co-operative retail societies, plus the Co-operative Wholesale Society, which contributed £5,000 to the Building Fund and as a consequence has the right to nominate four representatives on the committee. This Home is still operating successfully.

Chapter 6.

Co-operative Education in the North East Coast Area.

When John Brierly¹ suggested that the Education Department of the Rochdale Pioneers society should be financed by $2\frac{1}{2}\%$ of profits, he gave a business-like basis to co-operative education. The embodiment of this proposal in the rules of the Rochdale society meant that a systematic educational effort could be made. The necessity for quarterly conversion to the need for educational funds was avoided if societies were to base their educational work on the Rochdale model. An early writer on adult education, J.W.Hudson, remarked,

"Knowledge to be accurate can only be attained by systematic study, and no really important result, so far as the thoroughly scientific instruction of our Mechanics is concerned, can ever be realised without systematic courses of lectures!"²

Hudson was aware that adult education could deteriorate quickly into a mixture of soirees, lectures and concerts, with popularity as their sole aim. Add to his observations the possibility of irregular grants, and one could foresee the worst of his fears about adult education occurring in spasms and entering co-operative balance sheets under the heading of Education. These forebodings leave out of account the sober, matter-of-fact manner in which the pioneers of

1.A printer, and an active member of the Rochdale Equitable Pioneers Society.

2.P.10, Introduction to "The History of Adult Education" by J.W.Hudson, Ph.D. 1851

the co-operative movement tackled the problems confronting them.

Abraham Greenwood's advice was

"aim high enough in your purpose, and in the attempt at its accomplishment your effort will result in having done some good."¹

This was the manner in which the Rochdale Pioneers set about fulfilling their object,

"that, as soon as practicable, this society shall proceed to arrange the powers of production, distribution, education and government."²

By the time the majority of the North Eastern co-operative societies were set up,³ an education department was regarded as an essential feature of a well-ordered store. Since the bulk of them were set up between 1860 and 1880, they could draw freely upon the experience of Lancashire and Yorkshire societies, but the North East never approached the educational achievements of the North West.⁴

In "A Century of Co-operation", G.D.H.Cole drew attention to the lack of state-provided education in 1844, and where there is scarcity, and co-operative means are available, one generally expects them to fill in the breach. Between 1844 and the end of the formative period of co-operation in the North East, important steps had been taken

1.A.Greenwood. "The Educational Department of the Rochdale Equitable Pioneers Society Ltd., Its Origin and Development" 1877.

2.5th object of the original rules of the Rochdale society.

3.N.Scott Ross, No. of societies registered between 1854-9, 3; 1860-70, 71; 1871-80, 49; 1881-90, 19; 1900-26, 4.

4.See Appendix to this Chapter.

by the state in the field of education. In 1850 the Public Libraries Act had been passed which applied to English Municipal Boroughs of over 10,000 population. Expenditure was severely limited, and the 1855 Act only extended the operation of the previous Act to municipalities of over 5,000 population. Expenditure was limited to a maximum of a rate of 1d. in the £ per year.¹ In 1870, Forster's Education Act laid the foundation of state-provided education for children. Lastly, in the field of voluntary effort, the University Extension Movement was well under way by 1880. With this growth of state and voluntary provision in mind, it is understandable that some co-operators would argue that as soon as the state or some other body shouldered the responsibility co-operators could cease their efforts. The dividend could be enlarged if educational charges ceased. Such was the argument that lay readily to hand for those who wished co-operation to be nothing but efficient storekeeping.

Before the state entered wholeheartedly into the field of education, the Mechanics Institute was well established in the Northern counties. J.W.Hudson records 44 Mechanics Institutes and Library Institutions with a membership of almost 6,000.² The general criticism of Mechanics Institutes was that they were attended by people of a higher

1.Later amendments widened the scope of the law, these amendments being consolidated in the Public Libraries Act of 1892. Later Acts made County and County Borough Councils library authorities.

2.J.W.Hudson,"The History of Adult Education"1851. Appendix.

standing than those for whom they were designed. This criticism is to be found not only in Hudson's work on adult education, but also in "The Progress of the Working Classes" 1832-67, by J.M.Ludlow and LLOYD JONES.¹ The notes kept by Jane Cowen on the work of her father in connection with Mechanics Institutes point to similar shortcomings in the North East.² Joseph Cowen was secretary of the Blaydon Mechanics Institute from 1847 to 1874, and was largely responsible for making it attractive to the working class. He did not agree with the high charges made by some institutes, and when he suggested to a leading member of one institute that made high charges that, instead of one shilling and sixpenny entrance fees for lectures, they should let everyone in at twopence, he received the reply, "if we do that we will let the mob in."³

Most of the teaching at Blaydon was gratuitous, the institute could boast such names as Felix Orsini, Louis Kossuth, and

1.L.Jones and J.M.Ludlow list the objections of James Wall, a journeyman printer, to Mechanics Institutes. These objections were printed in 1858. 1)That the management is not in the hands of the mechanics. 2)That politics and religion are excluded. 3)That the institutes are only one in each town, and centrally situated. 4)That they are closed on Sundays. 5)That the instruction given is desultory, unconnected, and more scientific than elementary. 6) That weekly payments are not taken. ("The Progress of the Working Classes."1832-1867. See also "The Newcastle Courant", Dec. 20th,1844. The Courant reported that the Gateshead Mechanics Institute "numbered among its members very few of the working classes for whose benefit it was professedly established."

2.Jane Cowen's notebook is included in the Cowen Papers.

3.Jane Cowen's notebook.

Louis Blanc, one hundred of its one hundred and thirty members were working men, and its President was a keelman - no mean achievement, and largely inspired by the labours of the young Joseph Cowen. Cowen was a great believer in self help and his contention was that the Mechanics Institute was the proper place for young lads after they had left school. The institute could help them to help themselves and also provide them with innocent recreation. In 1871, Mr. Cowen and Mr. Hall, joint secretaries of the Blaydon institute, reported that many old members were leaving and more serious still, that no younger men were joining. The successful co-operative store which Cowen had helped to foster took over the Blaydon Mechanics Institute in 1875. By the time Jane Cowen wrote down her memories of Joseph Cowen and Mechanics Institutes, the room

"where so many joyous gatherings were held" had become a pork shop. Miss Cowen remarked,

"a significant sign of the Materialism of the Age."

Cowen was a great promoter, and could call upon such men as G.J. Holyoake and Lloyd Jones to help him in his endeavours. Holyoake gave three lectures at Blaydon in 1859 and in 1878 Lloyd Jones lectured at all branches of the Blaydon society. Little wonder that Blaydon devoted 2½% of profits to education and became one of the most progressive societies in the North East before 1914. J.W. Hudson thought he stood at the threshold of a new era when the needs of the rapidly increasing population would be,

"not only free public libraries, free public news-rooms, free public lectures, but evening classes, free to the half-educated shopboy and the unlettered apprentice."

A co-operative library, newsroom or series of classes would be free of patronage, high charges, middle class ostentation and above all else be a product of working class democracy. Ever since the repeal of the Anti-Combination Laws, the working class had been disciplining itself by free association. With the development of co-operative stores, this discipline could be supplemented by education provided out of the surplus of their own trading activities. The prospect was bright and the early co-operative educational efforts in the North East have the same spring-like quality as the first stages of co-operative shopkeeping.

The first work of the Sunderland society's Education Committee was the establishment of a library.² Mr. Thomas Dixon, a member of the committee, was largely responsible for the success of this venture. His acquaintance with many important men led to gifts of books. Amongst the benefactors were Lord Brougham, Charles Kingsley, J.S.Mill, Alfred Tenny-

1. "History of the Sunderland Society" by R.Hindmarsh. Speaking of the prospect that faced the Sunderland Educational Dept., he said "The future seemed rosy, particularly with the hope that great progress would be made in productive co-operation; therefore they viewed the intellectual advancement of the members in the light of a duty, nay, almost of a religion, and at the very least as essential to the success of the movement."

2. "The Co-operator" noted the opening and commented that the books were of good quality, Carlyle, Ruskin, Dickens, Lytton Ainsworth, Macauley, Emerson, Mill, Kingsley, Hughes, Scott, etc. (Sept., 1863.)

-son, Professor Cairns and Mazzini¹. In 1863 the library was opened, books being issued on Friday and Saturday evenings, and at this time the stock was over 2,000 books. In 1867 the long room above the grocer's shop was earmarked for a reading room, and once fitted up it was soon in use. At Blaydon the purchase of the Mechanics Institute was followed by the dispatch of Thomas Spottswood to London with the power to buy from £50 to £60's worth of books to equip the library that was to be set up.² Judging by the bookcases that still stand to-day by the dusty unused banners of the co-operative past, their choice of books was careful and largely academic. At Wallsend a library was formed one year after its Educational Department was founded and still exists to-day in the form of a profit-making lending library. Libraries, newsrooms or reading rooms were the earliest part of most educational departments in the North East, except that at Wallsend there existed for a short while an elementary school (1872-1875) run by the society. This school met local needs somewhat inadequately until a board school was set up.³ Its shortcomings were pointed out by

1. The Sunderland society have in their possession a letter from Mazzini encouraging the society and looking forward to the time when "every man be judged, loved, placed and rewarded according to his works."

2. Minutes of the Education Committee, Blaydon.C.S.

3. The preparatory work for this venture included the distribution of circulars asking parents to state the number of children they would be prepared to send. Desks and fittings were purchased and the first schoolmaster was Alex McClin-tock. (Salary £90 p.a.) A Temperance Hall was fitted out and the school opened on July 1st, 1872, with 130 children.

one of Her Majesty's Inspectors, who thought it was impossible for the master to work so large a school without a qualified assistant or pupil teacher, and the inspector threatened that

"unless there was a great improvement in the results and the staff augmented, the Government grant would be considerably reduced."

The cost of running the school, plus the establishment of a school board in Wallsend were taken as sufficient reason for closing the school in 1875. Apart from grants to enable members to send their children to secondary schools, this appears to be the only case of North Eastern co-operative societies taking part in the education of children before 1895² when junior classes in co-operation began. The bare facts of Table 17 in the Appendix to this Chapter show that the establishment and upkeep of libraries and reading

1. Aug. 1899. Newcastle society attempted to get a proportion of profits set aside for scholarships. The scheme was rejected by a large majority.

"Co-op. News" Dec. 10th, 1904. Middlesbrough society added 2 additional scholarships of £12 each per annum to the 2 established scholarships, to enable members' children to attend Middlesbrough High School. Similar scholarships were begun by the Hartlepool society.

The details of the £10 per annum scholarship established by the W. Stanley society are included in the April quarterly report, 1908, which states "The scholarship, (carrying with it, tuition at a secondary school, books, railway pass, and mid-day maintenance) is open to members' children, boys and girls who are under 14 years of age on 31st. August, 1908; and is tenable for 2 or 3 years according to age of the winner."

2. In "A Century of Co-operation", G.D.H. Cole states junior classes in co-operation began in 1895.

"Co-op. News" Jan. 23rd, 1892. Jarrow society said to have a class of 40 juveniles.

rooms were the main use to which educational funds were put before 1880. The value of these co-operative libraries was two-fold, in the first place they were a basis for any further co-operative educational developments, and secondly they were, in the absence of county or municipal libraries, exceedingly valuable to co-operators and the general public!

After libraries and reading rooms were set up, those societies with an educational department turned their attention to classes, and it is remarkable how the syllabi of co-operative classes resemble those of Mechanics Institutes.² If the demand for technical and scientific subjects was great, we cannot blame the societies for meeting it, but it seems that such classes delayed the development of classes in co-operation.³ When public bodies began to enter the field of education, co-operative stores turned their attention to education in co-operative principles and social

1. Durham County established Branch Libraries in the form of stocks of books at schools and institutes in 1923.

Members of Blaydon Co-operative Society had free access to its libraries and reading rooms, non members paid 1/6d per quarter. Library subscriptions for the June quarter of 1880 amounted to 10/6d., June quarter 1885, £1-0-6d., June quarter 1890, £1-5-6d. It appears from these figures that non members made little use of the society's education dept.

2. See Appendix to this Chapter.

3. In his book, "An Outline History of Co-operative Education" H.J. Twigg summarises the educational accomplishments of co-operators between 1869 and 1898 in these words, "The thirty years just reviewed had witnessed a gradual extension of public provision for general education, and co-operators, finding their former work thus limited, were now beginning to concern themselves especially with provision for a more specialised co-operative education."

questions. If these developments could have taken place in the 'seventies and 'eighties, an educational tradition might have been built up, and is it too much to say that it might have become a social and political movement of considerable importance, claiming the support of its members outside the narrow boundaries of shopkeeping? The scientific and technical classes continued in prominent societies such as Blaydon and Sunderland right into the first decade of the present century, although the Technical Instruction Act of 1889 and the local Taxation Act of 1890 enabled local authorities to provide this type of tuition. It is unfortunate that the records of the Sunderland, Wallsend and Durham educational departments are so fragmentary, for the fuller records of Blaydon are scarcely sufficient to give a picture of educational development in the North East during the closing decades of the nineteenth century. Nevertheless, certain important points which were discussed at Northern Sectional Conferences and at Congresses can be tested by the evidence available in the minute books and balance sheets of the Blaydon society, and wherever possible by information from other North Eastern societies.

W.Crooks, secretary of the Blaydon society, spoke to a conference of W.Durham and S.Northumberland co-operators and said his society had tried many different educational schemes but the difficulty was "they could not get at their

1. See Chapter 8 for further discussion of this point.

members"¹ The balance sheets and minutes of the society bear out his observations² and the growth of the balance carried forward to the next year between 1880 and 1890 adds point to his remarks. The balance carried forward in June 1880 was £36:17:6d, in June 1885, £323:7:3, in June 1890, £613:9:5¹/₂d.

1."Co-op.News" April 6th, 1889.

2.1883-4, Yearly Statement. "...we have classes connected with S.Kensington but we regret to report the very scanty support they have received from the youths and others ~~fr~~ whose benefit they were commenced. "

Also in 1884 the society had 2 classes at Blaydon, one for the study of Practical Plane and Solid Geometry, the other for the study of Machine Construction. The Educational committee reported that, "Although your committee offered special inducements to make the classes both vigorous and useful, they regret to say they almost proved a failure. We also commenced a class for Mathematics, but for want of pupils were reluctantly compelled to give it up."

The Yearly Report for 1884-5 showed a change for the better, noting its classes were "well attended and results of exams fairly satisfactory."

Conference after conference¹ continued the tale of educational stagnation, and each commentator turned inevitably to the profits of the movement, complaining that all they cultivated amongst their members was dividend.² They had a right to complain, for nothing could be more distressing to keen co-operators than apathy amongst their fellow members. During the 'nineties the educational work of co-operative societies received much criticism, and perhaps the sharpest came from Miss Margaret Ll.Davies, Albert Mansbridge and A.H. Dyke Acland - a necessary precursor of any

1. Such comment is to be found in the 1889 Northern Sectional Conference at Sunderland, also Northern Section Yearly Report, "Co-op. News" May 31st, 1890 "We are sorry to report the poor results from our endeavours to stimulate propaganda and educational work by means of short addresses. We published in our last report, a list of gentlemen willing to assist in this kind of work, and invited other names to add to the list, but are grieved to say we have not got one more, nor yet have the applications for assistance in such work been what they should."

"Co-op. News" 11th Oct. 1890. Northern Section Educational Conference. Mr. Robson of Annfield Plain remarked that "at present their members were determined to have dividend and they must have it. He could not see how they could make these classes a success. Their children got their education at school, and when they left they thought they had had sufficient education and they would not attend classes." 1891, Report of Education Committee to Congress on classes in bookkeeping and co-operation in the previous year. "We are sorry to report that this action on our part has not met with the success it deserves nor are these classes anything like so numerous as might have been expected, considering the necessity there is for some such means of inculcating a knowledge of our higher principles amongst those of the younger generation of co-operators who are aspiring to act as leaders in connection with our various societies, and which non-success seems to prove an apathy and indifference to any further advance in connection with our movement, which is far from re-assuring."

2. See Table 16 in the Appendix to this Chapter. Total expenditure on education expressed as % of Total profits.

further educational effort.

The educational stocktaking of Albert Mansbridge showed how many recreational oddments had crept into the work of education departments.¹ The presence of tea parties, monthly records, outings and concerts amongst the objects of co-operative educational expenditure was the basis of his charge of inefficiency. As he put it,

"that the co-operative state has badly used its educational resources is obvious, for there is, as has been seen, but the glimmer of a result. I should deplore the increase of such funds till those at present available are properly used. I insist that education is a serious matter and that when its funds are turned into the more showy channels of concerts and the like - which as advertisements to the store should be paid for out of the expenses account of the store - there is a lack of perception of what education is and the lack will seriously injure our cherished movement."²

Such forthright comment was necessary to waken co-operators to the opportunities arising from and the dangers to their educational work.

1. See Appendix to this Chapter. Analysis of education work of co-operative societies from the report of the Special Committee of Inquiry in Education. 1896-7.

2. "Co-op. News" July 3rd, 1897. Article by A. Mansbridge, "Co-operative Stores and Educational Funds."

Further articles by Mansbridge appeared in the "Co-op. News" in 1898 and 1899. The spirit of Albert Mansbridge's ideas on education blossoms in the final chapter of "Brick upon Brick", where on p. 121 he states, "The danger is that owing to lack of true education far too many will accept what is given to them, and barter their independence, which is a necessary factor in all true living. The truly educated person is content with and grateful for that which, in return for his service, enables him to live healthily, to do the work for which he is fitted, and to support those dependent upon him. The uneducated, on the other hand, are those who are never contented and are seldom grateful, who desire luxuries with avidity, seek excitements and constant change, and try to evade their responsibilities."

Mansbridge did not overlook the apathy towards education which was apparent amongst the members of almost all societies but he does not give sufficient recognition to the work of education committees who, judging by the experience of the Blaydon, Sunderland and Wallsend societies, had difficulty in getting support for their schemes. These prominent societies in the North East had men like W.R.Rae, Philip and John Coley and W.Crooks, and even with their effort the results were but moderate. It can readily be understood that disappointment would lead to a departure from a strict interpretation of education and the inclusion of a higher proportion of recreational items amongst educational expenditure.¹ Education committees, particularly those with a regular income, would be more likely to spend money on recreational items than run the risk of a large balance which could be a substantial bludgeon in the hands of the opponents of education within their societies. Committees could gain a little comfort from the thought that concerts might act as a sugar coating to the pill, but they could not ignore the fact that they had met apathy and opposition ever

1. In a pamphlet entitled "The Work of an Educational Committee", W.R.Rae said this of recreation, "I do not know that the promotion of "recreation", as it is generally accepted, needs much mention here. We turn naturally to ease, and recreation is mainly its utilisation." He continued, "Even in our everyday life we mean many things when we speak of education, but the many becomes a multitude when the same word is used by a co-operator."

since the 'seventies. The Blaydon society's new educational premises were opened in 1899 and comprised a reading room, library, billiard and games room, refreshment rooms and kitchen, and upstairs there was an assembly room. After 1900 the amount of money expended on education at Blaydon rose steadily but the education committee had to provide not only for education but a growing number of recreational items. At Wallsend education gradually subsided and eventually all that remained was the circulating library, whereas serious business setbacks brought in their train decreased educational grants at the other Rochdale model societies at Durham and Sunderland.¹

Co-operators were aware that changes would have to be made once public education began to overlap with their work. Many took this as an opportunity to develop on purely co-operative lines, but before any such arguments could be thrashed out the Sunderland Poor Store began its work.

The Coronation Street store was the scene of important experiments which bridged an indefinable boundary between education and social work. The planning of the settlement was disclosed week by week in the "Co-operative News" and three suggestions made by Miss Davies were the teaching of the meaning and advantages of co-operation, concerts and

1. "Co-op. News" Jan. 15th, 1910. Unsuccessful attempt made at Sunderland to reduce education grant from 2½% to 1½% of profits. A strong nucleus of true co-operators such as P. Coley, J.P., W.R. Rae, and the Rev. W. Lindsay successfully opposed this motion.

popular lectures and cooking classes. These three are the educational side of the process of social regeneration that was set on foot amongst the poor of Sunderland. Once the store and its social workers had gained the confidence of the neighbourhood, the people flocked to the hall and the foundations of a better way of life were slowly laid. The weekly programme of the Hall comprised sewing classes, concerts, lantern lectures, meetings of the choral society and talks on health by Dr. Bertha Webb. A Co-operative League for Young Women was begun, and some of the teetotal pledges that were made are included in the Sunderland Scrapbook. On Sunday evenings discussions were held and by February 1903 thirty-six men were attending, moreover they had begun an ambulance class. The miserable Christmas of 1903 when unemployment was common amongst general labourers and shipwrights in Sunderland, was brightened by parties. In such surroundings recreation and education went together. The women could learn about motherhood, diet, clothing and treatment, they could talk over their troubles with the settlement workers and enjoy themselves on the excursions with their children to Roker sands. Education that was carried out in such an environment was charged with the humanity of the

1.Vol.2, Sunderland Scrapbook. In this volume Miss Davies sets down some of her own observations of the people of Coronation St. We can catch in her remarks a glimpse of the ignorance that prevailed there. One woman used castor oil as an eye lotion, and many of the women had no idea of knitting or mending.

social workers and it is easy to understand why the children wished to sleep in the shop; it had brought a new world to them. Recreation was a necessity to the members of the Poor Store, it was part of a concentrated effort to raise the neighbourhood out of the squalor of mental and material poverty. Unfortunately these successful experiments were cut short in 1904, and throughout the North East, education remained in the hands of education committees and social and missionary work was left to the Women's Guilds. The fusion of education, recreation and social work which had been so successful at Sunderland, and which held out so much promise in poorer districts was never repeated, and the significance of the Poor Store and its settlement passed unrecognised by the educationalists of the movement.

The problem of educating the members of the rapidly growing societies in the North East during the period 1870-1914 was enormous; societies recognised its presence but few made a thorough-going effort to solve it. The few successful societies based their educational work on the Râchdale model, and before 1900 the work of these few societies accounted for over half the educational expenditure in the North East. After 1900 there was a rise in the amount expended on education in the North East, but when this rise is related to profits its significance becomes negligible. Although the leading four societies take up a smaller proportion

1. Blaydon, Durham, Sunderland and Wallsend. See Appendix to this Chapter.

portion of total expenditure in the North East after 1900, co-operative education began to flourish in the colliery districts which up to 1900 had been educationally speaking, a desert. When the authors of the Annfield Plain Jubilee History commented on the educational work of their society, they had in essence the judgment on the whole of the region. They pointed out that their society

"had its occasional Co-operative classes and made various modest attempts to inaugurate reading rooms here and there, but a society of such trading proportions, situated in an area, and with a membership so full of potency, has had wonderful possibilities of educational and social uplift other than those which are purely material, and one cannot but conclude that with wider vision, a slightly higher interpretation of what the co-operative idea means, a much larger contribution might have been possible even to this Society which has in so many ways done so well."

The Bishop Auckland Jubilee History reflects in a similar vein,

"And what shall be said about co-operative education? In this particular the society occupies a very backward position. Very little is being done to disseminate the essential elements of co-operation amongst the people, to instruct them in its true principles, or present its great ideals before their minds, and yet this is of vital importance..... a larger proportion of its vast profits and resources might legitimately be devoted to educational purposes."

1. Annfield Plain C.S. J.H.

2. Birtley C.S., J.H., p. 37, says, "Since then, (1890's) we regret to say educational work has not been of such an active character."

Cramlington J.H. comments in similar fashion when describing the work of the founders of the society. "Its founders claimed to be the followers of the men of Rochdale but judging from their achievements, we see that their aims were not so wide and big as those of their forerunners, for at the beginning little was said or done in the interests of education, and though they were vastly influenced by Halyoake's "Self Help", there was no provision for the continuance of that which had played so huge a part before the society's formation."

Thoughtful co-operators in the North East had a conscience about education but a thorough-going drive throughout the North East to spread the principles of co-operation would cut across members' sympathies with other political, social and religious movements. Co-operation was pledged to political and religious neutrality and although it saved the movement from the excesses of the right and the left, and in Sidney Webb's words, made it "the pet of the economists", it deprived the movement of driving power that was essential to successful propaganda.¹ Other factors, apart from the overall lack of educational provision and the absence of driving power in co-operative education, which must be taken into consideration in the assessment of North Eastern societies' educational efforts are, the work of education and management committees, the growth of public education and the relation between educational, recreational and social work.

There is evidence that some societies put educational schemes to general meetings of their members and had them rejected, and that prominent co-operators, especially W. Crooks, kept up a constant attack on the dividend seekers, but the enthusiasm of the majority was never captured. Technical classes and the upkeep of libraries and reading rooms continued until and after, 1914, but other fields of adult

1. For further discussion of the relation between Co-operation, trade unionism and political parties in the N.E., see Chap. 7. Also see Chapter 8 for discussion of the role of education within the North East Coast Area.

education were, by 1914, the scene of action for the W.E.A. and the Co-operative Union. Holyoake realised the dangers of unsuccessful self sacrifice when he wrote,

"Few things are more pathetic than to see advocates who have made great sacrifices for the cause, become despondent because those whom they have sought to serve seem to care nothing for the advantages offered to them." 1

Democratic associations had, in the majority of cases, rejected or overlooked the higher principles of their movement. The significance of this neglect has yet to be assessed. The likely effects were outlined by Professor Stuart at the 1879 Co-operative Congress -

"There is, indeed, a danger to Co-operation from its own success; it is not in the accumulation of funds, it lies in the increase of your capital more rapidly than in the increase in your education. If the mass of your members are not sufficiently instructed in economic science, in the facts of commerce, in the state of this and of other countries in the history of trade, in general knowledge, and in particular knowledge of what you aim at, and how you seek it - if the mass of your members are not sufficiently instructed in these things there arises a real danger to the Co-operative Movement. Your members become a hindrance, and your possessions become a peril, and your productive endeavours will continue to be the failure which they too often have hitherto been. The movement cannot repose on the good sense of the few, its successes will depend on the good sense of the masses of your people who, if they be ignorant, can in no way judge of the merit of this or that adventure, of this or that commercial step. When you seek to embark your funds in productive enterprise, that enterprise will come to nought, it will be badly managed, it will be a failure unless the masses of your people are well instructed in all that commerce and industry demand. Co-operators are founding a scheme, a principle of action, which they aim at making widespread, and such must be founded on the true elements of success, and these elements include knowledge. The pioneers of Co-operation have to create not only capital but they have to create knowledge among the individual members and the enterprise can be successful only so far as these go hand in hand." 2

1. "The Essentials of Co-operative Education" by G.J. Holyoake.
2. 1879 Congress Report.

Appendix.Table 15.

Societies devoting over £50 of profits to Education
1880-1914. (selected Years)

	1880	1885	1890	1895	1900	1905	1910	1914
Blaydon	£172	£153	£543	£570	£1129	£1148	£1299	£1472
Durham	133	141	101	126	158	128	109	99
Sunderland	130	160	294	470	970	841	345	456
Wallsend	147	245	270	249	250	290	250	230
Chester-le-St.	100	60	80	88	123	120	140	140
Consett	40	60	148	95	348	151	145	102
Burnopfield			62	85	170	227	283	155
Darlington		73	72	126	150	280	146	260
Jarrow				50	221	169	172	444
Middlesbrough				63	170	163	184	225
N.Shields				56	86	85	100	50
Throckley				56	105	159	366	200
W.Stanley				70	80	120	221	200
Annfield Plain					190	209	220	533
Stockton					140	188		
W.Wylam & Prudhoe					70	50	100	250
Willington Quay and Howden					81	66	5	50
Cramlington		66				72	70	70
Bedlington						111	130	
Ashington Ind.							103	225
Hartleppol							91	100
Newcastle							77	
Brandon								58
Newbottle								58
Choppington		62						
Ryhope			50		64			
W.Pelton			200					

Total	£722	£1450	£1820	£2104	£4505	£4577	£4625	£5477
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Total expenditure on Education by above societies, expressed
as % of total expended on Education in the Northern Section.

	81	84	81	89	91	87	88	92
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Total contributed to Education by Durham, Blaydon, Sunderland and Wallsend, expressed as % of total contributed to Education in the Northern Section.

	65	65	54	59.5	51	46	40	38
--	----	----	----	------	----	----	----	----

Total contributed to Education by Blaydon areas societies,
viz., Blaydon, Burnopfield, Throckley, W.Wylam and Prudhoe,
expressed as % of total contributed to Education in the
Northern Section.

	20	34	27	30	30	30	39	35
--	----	----	----	----	----	----	----	----

Table 16.

No. of societies contributing over £50 to education, expressed as % of total no. of societies in the N.E., in the following years:-

1880	1890	1900	1910
4	6	13	14

No. of societies contributing over £50 to Education in the N.E.:-

5	10	18	21
---	----	----	----

Total amount allocated to Education by N.E. societies:-

£891	£2234	£4935	£5237
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Total Profits of N.E. Co-operative Societies:-

£236,892	£721,818	£1,360,978	£1,640,402
----------	----------	------------	------------

Total amount allocated to Education expressed as thousands of total profits:-

4	3	3.6	3.2
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Report of Special Committee of Inquiry on Education which reported to the 1897 Co-operative Congress. Educational work was put under 3 headings:-

1) Co-operation

Lectures
Classes
Distribution of literature
Distribution of the "Co-op. News"
Monthly "Records"
Propagandist meetings
Women's Guild
Children's Classes

2) General

University lectures
Trust lectures
Other lectures
Grants of scholarships to local schools
Libraries
Reference libraries
Technical Instruction classes
Evening continuation schools
Day schools.

3) Recreation

Reading rooms
Conversation rooms
Social meetings
Tea meetings
Concerts
Debating and literary societies
Rambling clubs
Recreation grounds
Choirs
Orchestras and Brass Bands
Flower and Poultry Shows
Excursions.

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Social meetings
Tea meetings
Concerts
Debating and literary societies
Rambling clubs
Recreation grounds
Choirs
Orchestras and Brass Bands
Flower and Poultry Shows
Excursions.

Table 17.

Detailed analysis of the Educational Expenditure of the West Stanley Co-operative Society. 1899-1914.

Year	Balance	Librarian's Fees	Papers	Books and Printing	Committee's Fees	Sundries	Total Payments
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
1899	47: 0: 4 ¹ / ₂						11:15: 1
1900	59: 0: 6 ¹ / ₂						13:16: 9
1901	52:13:11	7:16: 0	6: 5:10	15: 7: 2	1: 6: 0		30:15: 0
1902	47: 8:11	9: 2: 0	7:18:11	3:16: 1	1:14: 6		22:11: 6
1903	30: 7: 9	9: 2: 0	9: 0: 0	2: 2: 0	2:13: 6	3:12: 8	26:10: 2
1904	34: 7: 0	9: 2: 0	9: 5: 0	7:15: 0	2:11:10	1:10: 0	64:11:10
1905	20:18: 4	9: 2: 0	9: 5: 3	-	1:19: 2		20: 6: 5
1906	32: 0: 5	9: 2: 0	8: 9: 5 ¹ / ₂	13:17: 6	2: 2: 0	7: 2: 7	40:13: 6 ¹ / ₂
1907	10: 6: 2	18: 4: 0	£50:10: 6		9: 3: 6		77:18: 0
1908	4: 4: 3	*40: 9: 6	17: 0:11	3:12:3 ¹ / ₂	12:1: 4	6: 6: 9	79:10: 9 ¹ / ₂
1909	45:17: 7 ¹ / ₂						69:18: 6
1910	67: 8: 1						117: 2: 0
1911	18:10:11						174: 2: 1 ¹ / ₂
1912	24: 9: 4						148: 9: 4 ¹ / ₂
1913	12:13: 3 ¹ / ₂						110:15: 0
1914	17: 5: 1 ¹ / ₂						127:17: 3

* This figure includes £20:15: 0 for Lecturers Fees.

Figures in red denote overdraft.

Note - The figures for the period 1899-1906 cover in each year only the Educational Expenditure for 1 quarter.

The figures for the period 1907-1914 cover the expenditure for a half year.

The inclusion of these figures is primarily to show the break-up of the total payments and as some quarterly reports are missing, it was impossible to compile a complete year by year analysis. The declining balance and the lack of recreational items are the prominent features of the society's educational department.

Classes held in Blaydon and Sunderland, compared with those at Rochdale.

At Blaydon in the 1880's

<u>Monday</u>	<u>Tuesday</u>	<u>Wednesday</u>	<u>Thursday</u>	<u>Friday</u>
Practical Plane and Solid Geometry and Machine Construction	Elementary Building and Advanced Construction Shorthand	Steam and Steam Engines Machine Construction	Ambulance class Debating class	Applied Mechanics School Grade Art French class Co-operation class.

At Sunderland in the 1880's

Classes in:- Geometry; Model and Freehand Drawing; Perspective; Magnetism and Electricity; Building Construction; Machine Drawing.

At Sunderland in 1906-7

Classes in :- Naval Architecture; Machine Construction and Drawing; Steam and the Steam Engine; Building Construction; Bookkeeping; Co-operation; History and the Principles of Co-operation and Citizenship; Co-operation for children.

At Rochdale in the 1870's

Classes in :- Mechanical and Architectural Drawing; Practical Plane and Solid Geometry; Acoustics; Light and Heat; Applied Mechanics; Machine and Building Construction; Animal Physiology; Magnetism and Electricity; Inorganic Chemistry and Mathematics; Freehand and Model Drawing; Geometry and Perspective; Elementary and Advanced French.

1879. Summary of returns to Mr. Edwin Barnish, Librarian of the Rochdale Equitable Pioneers Society, on the educational work done by co-operative societies in Durham, Lancashire and Yorkshire.

	No. of Vols. in Circulating library	No. of Vols. in Reference library	No. of Ref. Libr- aries	No. of News Rooms	No. of mem- bers of socs.	No. of borrow- ers.
Durham	12,631	159	6	9	12,677	2,102
Lancs.	93,652	5,561	65	131	102,944	16,289
Yorks.	14,747	866	17	20	37,009	3,092
	Cost of Libraries and News Rooms for 4 years.			Cost per annum.		
Durham	£2,797:9 :11			£699:7:6		
Lancs.	£30,388: 8: 9			£7,697:2:2		
Yorks.	£3,742: 0:11			£935:10;3		

Chapter 7.

The Lives and Range of Activity of some Co-operative Leaders in the North East.

Most of the information used in this chapter is drawn from the obituary columns of the "Co-operative News" and from the sketches of prominent local co-operators in Jubilee Histories. These sources have been supplemented by information from bound volumes of obituary notices in the Central Library in Newcastle and the obituary columns of such local newspapers as "The Newcastle Daily Chronicle" and "The Newcastle Weekly Chronicle". This information is the basis of this chapter and has been arranged alphabetically in the Biographical Appendix. The most significant thing about this information is its complexity, it is a random dip into what Herbert Butterfield has called "the unbroken web of human history." Any attempt to catalogue it, or generalise from it, runs the risk of over simplification, yet it is heartening to read that Beatrice Webb's long and arduous perusal of Co-operative Congress Reports and other co-operative publications gave her what she termed, "a 'bunch of keys;' key events, key societies, key technical terms and key personalities."

The picture of Co-operative growth in the North East that is given in "The Co-operator" and the "Co-operative News" between 1860 and 1910 does have as its centrepiece a small

1. "My Apprenticeship" by Beatrice Webb. p.405, Pelican edit.

group of extremely active men, but as soon as the obituary columns and the Jubilee Histories of North Eastern societies are consulted, a fresh group of men are added to those who achieved regional fame, a group whose fame extended only occasionally beyond the boundary of their own store or village. The activities of these men will be dealt with largely from the social point of view, the point of view of the associations that they served, but this is not to say that their individualities were submerged in the movements they served. It would be nearer the truth to say that they found in co-operative societies, trade unions, mechanics institutes and the methodist chapels, an outlet for their own individualities.

Whatever weaknesses lay within the framework of co-operative trade, the fifty years after 1860 saw a remarkable growth of co-operative trade, and when this achievement is assessed in personal terms its importance extends beyond the limits of shopkeeping. Many of the pioneers of co-operation in the North East played an active part in the trade union and chartist agitation of the 'forties. The first generation of co-operators took an active part in the campaign for political reform which preceded the 1867 Reform Act, and the same generation threw the whole weight of co-operative capital and effort behind the schemes of co-operative production which were inspired by Dr. Rutherford. Later, towards the end of the nineteenth century, many co-operative leaders in the North East served in the newly set up rural and urban

district councils, and with the turn of the century many gave their support to the rapidly growing Labour Party.

The lives of some prominent co-operators who were born before 1850, most of them being born between 1830 and 1840, give an insight into the range of activity of working class leaders in the nineteenth century. Those who lived until after 1886, and whose deaths are recorded in the "Co-operative News" between 1886 and 1910 or in the Appendices to Congress Reports after 1910 form a group of eighty-four in number. Many of them are pioneers who served their society until old age forced them to retire and make way for younger men. Any conclusions drawn from the information which exists about these men must take into account the nature of the obituary columns of the "Co-operative News", which are sober and appreciative rather than critical, and the possibility that many co-operators whose importance was strictly local rather than regional might be omitted from the obituary columns altogether. This will mean that the group of eighty-four are not a true cross section of co-operative committeemen and officials of this period, but they do, nevertheless, contain most of the men who achieved regional fame and who initiated, sustained and extended co-operative trading in the North East.

Out of this group, who at the lowest count served on the committee of or were an official of their own society, or who, like Lloyd Jones were important promoters of co-operation in the North East, about one third devoted

their attention solely to the affairs of their own society. John Burnett was President of the Cramlington society for twenty-five years and his long service, position and character enabled him to be one of the most powerful factors in the development of co-operative trade in the Cramlington area; Thomas Henderson, an inspector of the permanent way on the North Eastern Railway, was treasurer of the Darlington society for twenty-five years; John Elliot, a founder of the Stanhope and Weardale society, served on the committee for thirty-five years; William Garrett was a pioneer and served as manager of the Blyth society until his death in 1894; and W.R.New was secretary of the Durham society for forty-three and a half years - whether they were committeemen or officials, these and many others like them devoted all their energies to co-operative affairs and their concentrated effort may very well match that of others whose associative efforts extended beyond the bounds of co-operation. The account given in the "Co-operative News" of the funeral of T.Blenkinsopp, pioneer and treasurer for twenty-nine years of the Wallsend Co-operative Society, is some measure of the public esteem for a man whose local fame was based solely on his position as a leading member of a co-operative society. There were over 4,000 people at his funeral

"the committee of the society walked in front of the hearse, which was drawn by four horses, immediately behind the mourning coaches (4 in number) followed the employees of the society, numbering about 70, the members of the Women's Co-operative Guild, with representatives from the C.W.S., Gateshead, Jarrow and Willington societies." 2

1. See Nos 1, 2, 6, 12, 17, 25, 31, 32, 36, 39, 41, 45, 47, 49, 50, 54, 57, 59, 62, 64, 68, 71, 72, 74, 75, 77, 79, and 83. Biographical Appendix A.

2. "Co-op. News" Feb. 1891.

The remaining two-thirds of the group held positions of responsibility in other associations, a few held official positions in Friendly Societies, political parties or pressure groups and in the Temperance Movement. Although the Liberal party seems the commonest political bond between these co-operators, Joseph Patterson, a West Cramlington committeeman and a C.W.S. committeeman, was a member of the Primrose League; many were Methodists, yet Presbyterians, Catholics and Congregationalists are to be found in this group; and as an exception to the general rule of temperance, Thomas Weavers, a founder of the Durham society, was landlord of the Waterloo Hotel.

Of the fourteen¹ who held responsible positions in trade unions the most prominent were John Dixon, some time President of the Northumberland Miner's Association, William Crawford, who, like John Wilson, was Secretary of the Durham Miner's Association, and John Oxberry, who was for some years President of the Quarrymen's Trade Association. A recital of their offices discloses the range of their activity, but does not indicate its worth or show which was their most valuable sphere of activity. William Crawford spent five years as Secretary of the Cowpen Co-operative Society at Blyth, but after his appointment as Secretary of the Durham Miner's Association his interest in co-operation seems to have waned.

1. See Nos 9, 13, 18, 22, 24, 29, 35, 37, 38, 58, 60, 73, and 84, Biographical Appendix.A.

Perhaps he, like Beatrice Potter, looked upon co-operation as a complement of, rather than an alternative to trade unionism. John Dixon held the position of President of the Newcastle Printing Society and he, too, seems to have achieved most in the realm of trade unionism. John Oxberry spent his life-time serving his fellows, throwing his experience and energy behind whatever branch of working class endeavour was dominant at a particular time. In the 'forties it was Chartism, later he would walk many miles after his day's work to other villages to speak for the Northern Reform Union and he did the same for the causes of trade unionism and temperance. Amongst the prominent trade union leaders of the North East in the nineteenth century none were as consistent as Thomas Burt in their assessment of the role of co-operation in an industrial society. When he opened a new co-operative store at Shiremoor in 1892 he said,

"Trade Unions were necessary, they were a standing army of labour, and situated as they were, and as they were likely to be for some time to come, they were an absolute necessity on the part of the working man; but he had always hoped himself that ultimately the working men would complete their organisation by the adoption of co-operation as a means of bridging over the chasm between capital and labour and making relationships between employer and employed better than they were at present."²

1. In the preface to her book "The Co-operative Movement in Great Britain", Beatrice Potter claimed the value of her book rested on 2 discoveries, the second of which was "that the Co-operative Movement, great as were its potentialities, needed to be supplemented by the growth of Trade Unionism and completed by a compulsory organisation of citizen consumers in the municipality and the state, to carry out services for which the voluntary association of consumers are incompetent."

2. See also Chapter 3, pp.101, Footnote 1.

See also Aaron Watson, "A Great Labour Leader, the Life of Thomas Burt." p.187. Burt's address to the T.U.C. Nov 18. 1891

Like so many other radicals, Thomas Burt believed in self help,¹ and saw that co-operation was the ideal way for individuals to raise their economic, social and moral status. The remaining trade unionists were sterling characters, though none were so colourful as Richard Fynes, who, during his life time was trade unionist, historian, poet, auctioneer and theatre proprietor. In the 1844 strike he summoned the men of Percy Main Colliery to union meetings with blasts on his trumpet and when the owners blacklisted him he went to sea. Thomas Baxter, apart from being a fellow student with Thomas Burt at night school, was an outstanding trade unionist and co-operator in Seaton Delaval. William Stoker, a prominent Seaton Delaval co-operator, was another self educated man whose achievements in various working class movements are remarkable. The remaining six trade unionists include a treasurer of the Shipwright's Trade Society, a general secretary of the Durham Colliery Mechanics Society and a secretary of the Tyne Waterman's Association, but apart from these facts, information about their lives is sparse. The lives of these men span the years of solid

1. The belief in self help is clearly illustrated by this passage from the Windy Nook Jubilee History by John Oxberry. He describes the pioneers of the Windy Nook store in these words - "They were brought up in a school which taught the doctrines of self help and self reliance and enunciated as a golden truth the principle that individual reform must precede all other reform; that a good nation could only be created by good men who knew their duties towards themselves and their neighbours, and not only knew them but did them." (p.58)

achievement and experiment which Sidney Webb eulogised in his speech to the Tynemouth Conference in 1898¹. They were the captains and the lieutenants in both fields of working class progress, not merely the economic progress of the dividend and the larger pay packet, but the progress of a community inspired by the idea of self help and democratic association which in Northumberland and Durham so often found its inspiration in the Methodist faith.

The exact nature of the debt that trade unions and co-operative societies owed to the organisational ability and inspiration their founders drew from the Methodist church cannot be assessed, but undoubtedly it was large. About a fifth of the group of eighty-four co-operators were members of the Methodist church and some of these were lay preachers.² In his report for 1846, Commissioner Tremenhare noted how the ranter preachers made the strikes an act of faith and how the mine owners, realising their influence over the men, dispensed with their services after strikes were over. These local preachers led lives of sobriety and industry and held positions of considerable authority, especially in the compact colliery village communities. William Stoker, who was for many years treasurer of the Seaton

1. See p.233

2. This is probably an underestimate, for the "Co-operative News" and Jubilee Histories recorded the offices that prominent co-operators held within the Methodist church, but may on occasions have omitted to mention the faith of those who did not attain such office.

Delaval Co-operative Society, was a class leader and local preacher in the Methodist Free Church Society. Apart from these duties he was for twenty years Secretary of the Seaton Delaval Mechanic's Institute. Outside the colliery community he held a C.W.S. directorship and had a great deal to do with the formation of the Northumberland and Durham Miner's Permanent Relief Fund. He was self educated, and like Thomas Burt had a quality of quiet earnestness. He was active in all movements which promised to improve the community in which he lived. The Rev. Wearmouth has pointed out how the Methodist Church offered opportunities for service and was instrumental in creating a sense of individual and communal responsibility. Those who took these opportunities put their shoulders to most of the wheels of working class association in their community.¹ The Rev. Wearmouth's studies of the role of the Methodist Church in the development of working class associations in the first half of the nineteenth century give a picture of a social structure peculiarly suited to the introduction of co-operation. The lives of these few men who served both store and chapel show that the opportunity for co-operative development was not missed.

Mechanic's Institutes, which Joseph Cowen Jr. thought were "a feature of a transitional state of civilisation",²

1. See especially pp. 21, 24, and 25 and the Conclusion of "Methodism and the Working Class Movements of England 1800-1850" by Robert F. Wearmouth.

2. Joseph Cowen Jr. gave an accurate estimation of the future of Mechanic's Institutes in the 1880's when he said that they "are a feature of a transitional state of civilisation", and that "they would not have been possible last century and they will probably be unnecessary next."

claimed the attention of five of the wighty-four. A mere handful, but they were men whose endeavours ranged from the shifting centre to the periphery of working class effort. Chartism had claimed the attention of at least two of them, John Oxberry and James McKendrick, and with the coming of the 'fifties they had given their support to the radical programme of educational and social reform personified in the work of Joseph Cowen Jr. Oxberry was a founder of the Windy Nook Mechanic's Institute, William Stoker was for twenty years the secretary of the Seaton Delaval Mechanic's Institute, whilst McKendrick was a committeeman of the Blackett St. Mechanic's Institute. Lloyd Jones and James Eadie, two characteristically energetic and capable men, served in the Blaydon dual alliance of store and institute. The life of James McKendrick is of particular interest, for he was just old enough to take an active interest in Chartism and in the twilight of his life observed and commented on the rapidly changing society of the eighteen nineties. He was born in 1823 near the Falls of Clyde in Scotland and was a life long Presbyterian. His interest in political reform began when, as a boy, he had to make regular visits to the nearest borough to bring

"the bi-weekly" Scotsman" newspaper to a group of anxious handloom weavers who were deeply interested in the passing of the great Reform Bill."

1.1900 Annual Report of the Northern Union of Mechanic's Institutes. Speech by James McKendrick entitled "Some Features of the Social and Industrial Life of the People at the Close of the Century."

majority of this group of eighty-four, who like Holyoake, believed that

"The people should keep the state, not the state the people!"¹

One fifth² of the group of eighty-four served on the local government bodies which existed after the reforms of 1888 and 1894. The work of local government in Durham and Northumberland before 1914 is largely uncharted except when gross neglect made either individual councils or the whole of a county the subject of an official inquiry. Such inquiries as Dr.Darra Mair's Report on Housing in Durham and Northumberland,³ Dr.Wheaton's Preliminary Report on Enteric Fever in the County of Durham⁴ and the constant comment on the high infant mortality rates⁵ are clear evidence of such neglect. In the absence of information about the work of individual co-operators on local councils, no answer can be given to

1.The conclusion of a letter of G.J.Holyoake's which was sent to Gladstone. "The Life and Letters of George Jacob Holyoake" Vol.2, p.167.

2.Five of these, Wm.Blackbird, R.Douglas, H.Etherington, D.Henderson and P.Rutherford, served in the old local framework which existed before the reforms of 1888 and 1894.

3.See Chapter 4, p.138.

4.Medical Supplement to the Report of the Local Government Board 1909-10.

5.1909-10 Supplement to the Medical Supplement. Dr.Mills of Ashington comments as follows on the infant mortality rates in the N.E. "I am sorry to say that there does not exist the same feeling of national loss as a corresponding adult death roll would call forth, and yet it is the raw material that requires the greatest nourishing and tending."

See also p.60, Medical Supplement 1912-13 referring to sanitary conditions in Durham, Glamorgan and Lancs.

the question of whether they aggravated or ameliorated¹ the shortcomings of local government in the North East. One can only catalogue the qualities which committee work might give them; a knowledge of business management and an awareness of the responsibilities of elected representatives.² These qualities would be assets in the pioneer stage of local government, although few seem to have made a municipal reputation before 1914. Evidence on the activities of a further twenty co-operators born in the eighteen fifties and sixties points to an increasing participation by co-operators in local affairs.³ This tendency is confirmed by the Bishop Auckland Jubilee History which includes an account of the activities

1. "Memories of a Labour Leader" by John Wilson, p.310.

"In 1888 a complete revolution was made in the management of our local affairs by the passing of the Local Government Act, by which the power was taken out of the hands of the clergymen, squires and county magnates, and placed in those of the whole body of the people, if they chose to use it." He estimates that one third of the Durham County Council were direct representatives of the workmen of the county. The opportunity was there but judging from Local Government Board Reports it was not grasped.

2. "Co-op. News" July 13th, 1901. Report of an address by Mr. Charles Fenwick M.P. He remarked, "Men who had done their day's work in the factory, in the workshop, and in the mines were brought together in their committee room and compelled by the responsibility to study the state of the market and endeavour to get commercial experience. That responsibility begot prudence, caution and foresight on their part. By means of those committees managing huge co-operative concerns, they were rapidly training a body of men who would, in the near future, take responsible positions in the local government of their respective districts.

3. See Biographical Appendix. B.

of some forty paid and elected officials, a quarter of whom were active in various elected bodies of local government. This is not to say that the direction of local government fell more and more into the hands of co-operators, the increase is merely a reflection of ^{the} increased pace of social change which made new demands on voluntary effort. The observation of William Maxwell, President of the Scottish C.W.S on the effect of these demands on the co-operative movement was,

"we always have a plethora of candidates, good men and true, who are willing to serve the public. I think that spirit is growing and when men have means and leisure they would like to devote a portion of their time to the public service."

Furthermore, Maxwell drew attention to the increasing tendency for elected officials to leave more and more of the detailed work of management in the hands of paid officials, consequently they would have more time for other affairs. Apart from the steady service co-operators gave within the

1. Minutes of evidence of the Report from the Joint Select Committee of the House of Lords and the House of Commons on Municipal Trading, together with the proceedings of the Committee. July 1900. Paras. 4259-61. In reply to Sir Walter Forster's observation that "there must be a limit to the amount of the call you can make upon your citizens", Maxwell said, "Being connected with a very large business, I do not find the work of controlling is so very difficult after you have got it thoroughly organised, and have got suitable practical experts; as regards the duties of directors it is a matter of watchfulness, and framing policy and that sort of thing."

councils of local government¹ they were active in such regional pressure groups as the Yellow Van Committee, and the stores were often a rallying point for local opinion. The arousal and direction of local opinion on social problems was an important function of co-operative societies, although only a few of the societies in the North East seemed aware of their potentialities in this matter. The West Stanley Co-operative Society was critical of local shortcomings such as the high price of gas in the district. It sought to remedy this problem by attempting to set up its own gas works. The society was active in the Tanfield Ratepayers Association; it petitioned the North Eastern Railway Company for suitable train services; and it was responsible for raising £250 towards the construction of a road between Stanley and Craghead, and it was through the efforts of its secretary, Mr. T.W.W. Ritson, who was also a local councillor, that the road eventually came under public control.² Individual and associative effort were closely interwoven in this and many other

1. "Co-op. News" July 16th, 1898. The entry of co-operators into the field of local government drew this comment from John Burns - "they are becoming members of boards of guardians, vestries, town and county councils and in the wider sphere of municipal co-operation for the community are showing the benefit of the administrative training which they have secured, perhaps one of the best features of the movement, as it recruits from the civil service of co-operation a staff of men who, in a wider municipal sphere, can help their less fortunate fellows."

2. "Co-operation in W. Stanley and District. 1876-1926"

progressive societies and their efforts cannot be written off as "mere divi. hunting and joint stock shopkeeping."¹

The extent of the social problem facing England at the close of the nineteenth century was so great that it bred a disposition to accept a political solution to them.² Although voluntary association in its multifarious forms had been a fruitful ground for experiment and could show considerable achievements, it could also be shown as being disorderly, overlapping and inadequate, a marked contrast to the efficient schemes of socialist propagandists. The presence of a few socialists amongst the group of twenty co-operators born after 1850 raises many important issues. Socialism, judging by the speeches and articles of G.J.Holyoake and some prominent co-operators in the North East, differed fundamentally from co-operation on how social problems should be solved. Resolutions considered at the 1901 Co-operative Congress held in Middlesbrough included the

1!"Fabian Essays on Socialism" p.88. William Clarke uses this phrase when he describes co-operative societies.

2.As the authors of the "Manual for Co-operators" state, "To sum up what has been argued, co-operation, regarded as a system of social reform has two great perils, on either of which it may be wrecked. 1) The impatience of the masses for some form of society less oppressive to them than the system of industry based on competitive struggles must be, may lead them to waste their energies in vain attempts at reaching this better state by a short cut, through the mere will of the greater number, expressed in political or social changes 2) Indifference may stifle, or scepticism paralyse the attempt to build up this better state by higher forms of social institutions freely developed." p.219, "Manual for Co-operators" by E.V.Neale and T.Hughes. Revised edition 1888.

Nationalisation of Railways, Land Reform and Old Age Pensions.

Holyoake's comment on these resolutions was

"those who have believed for more than half a century, that honest self help has been the essential characteristic of co-operation, have heard with wonder, not to say consternation, that it has now begun to seek state help. If it does not retrace its steps in this direction, it is dead..."¹

William Crooks, who had been Lloyd Jones' agent in the 1885 election, believed co-operation was "common sense socialism", and warned co-operators that

"if they had tomorrow what the state Socialists desired, it would not be beneficial, for to carry out an ideal state would require a people prepared for it, and this could only be got by education."²

To men such as Holyoake and Crooks there was a clear choice, you could either be a socialist or a co-operator,³ but the matter was by no means so clear to the majority of co-operators. The absence of a clear co-operative philosophy in this country, and the non-religious, non-political nature of the movement not only weakened the position of those who sought to defend co-operation against socialism, but enabled the

1."Co-op.News" June 29th, 1901.

2."Co-op.News" Jan 4th, 1890. Extract from a speech made by Wm.Crooks to co-operators from W.Durham and S.Northumberland.

3."Co-op.News" Jan.23rd, 1892. A letter from F.Rockell of London put the choice very clearly, he said - "Either we must sedulously advocate our principles of voluntary co-operation and have nothing to do with State Socialism; or we must join hands with the Fabians..... and help to bring about the time when a socialistic majority in the House of Commons will enable the followers of Hyndman or of Bernard Shaw, to swamp the co-operative movement, together with every other form of voluntary association in the one big compulsory associative unit, the State."

public to shop as co-operators and vote as socialists without ever being aware of a contradiction between the ideals of the two movements. Co-operators need not, and by and large did not, worry about such contradictions. Socialist competition with co-operation could be met either by the entry of co-operative candidates in Parliamentary elections or by throwing the weight of co-operative capital and membership behind the activities of the Labour Representation Committee. Articles in the "Co-operative News" such as "Can Co-operation Solve the Social Problem?" (1905)¹ contain echoes of Sidney Webb's lecture on "The Economic Limitations of Co-operation", in the course of which he asserted, "The co-operative movement has been for a generation the pet of the economists, as offering a practical alleviation of the sufferings of the poor without diminishing the sacred revenues of the rich."²

At the Congress in the same year Thomas Tweddell, a prominent Tees-side co-operator and chairman of the Newcastle branch of the C.W.S., took the matter beyond written debate and advocated co-operative entry into the political arena. His case was clear, for to him it was

1. A series of 3 articles, the third of which appeared in the "Co-op. News" of June 10th, 1905. The author, James Wilson, said - "So far as I can see, the 'non-political' co-operator can never realise his dream." He maintained that thrift played into the hands of capitalists who paid low wages, for it tended to make the worker more satisfied with his lot than he would otherwise have been. Co-operation, an agency of thrift, was therefore held to be a brake on the eventual attack on capitalism.
2. "Co-op. News" Jan. 12th, 1889.

"inconceivable that a movement so specially representative of national interests should voluntarily refuse to participate in that Parliamentary action by which national interests are regulated and controlled." He continued:-

"Men combine for political purposes because their aims are similar - their interests are identical; and nowhere else can you find a greater similarity of aim or identity of interest than in this co-operative movement; and if we are refused the opportunity of using our political influence through a co-operative agency, we shall be drawn to exercise it through other channels, and may actually help to strengthen political combinations which are far from friendly if not hostile to co-operative interests."

The co-operative movement did not enter Parliamentary candidates until the period of the Great War and the attempt in 1905 to join forces with the Labour Representation Committee was defeated. Perhaps the business sense of co-operators aroused serious doubts about the effect of political activity on co-operative prosperity; whether this is so or not, it drove Holyoake to resort to poetry² to try to define a co-

1. "Co-op. News" June 17th, 1905. T. Twedell's address, "Politics and Co-operation". It is significant that when the suggestions about direct representation in Parliament were debated in the Northern Section, a Gateshead co-operator, Mr. Thornton, complained that the rules of the Labour Representation Committee would prevent co-operators from supporting men like Burt, Wilson, Fenwick and others. The champions of working class interests in the '70's '80's and '90's remained true to their early belief in self help and Liberalism. See the account of the 1891 Trade Union Congress held in Newcastle. Aaron Watson, "A Great Labour Leader, The Life of Thomas Burt" for a clear comparison of the qualities of Keir Hardie and Thomas Burt.

2. "Co-op. News" Aug. 26th, 1905. "Out of Order" by G.J. Holyoake. Holyoake quotes Shelley - 'He is no Whig, He is no Tory,
No Deist and no Christian he;
He is so subtle that to be nothing
Is all his glory.'

-operator. Indecision¹ at the national level² does not seem to have been wholly reflected in the North East, for some co-operators accepted socialism and wedded it fruitfully to their many other activities. R.Casson, President of the Wallsend society withdrew his support from the Liberal party and in a short while became leader of the Independent Labour Party in Wallsend, and David Pearson, President of the Brandon and Byshottles society at the turn of the century, became chairman of the Northern Section of the Independent Labour Party.

1.The use of the word indecision is justified for although the 1905 Congress carried Tweddell's resolution that "This Congress is of the opinion that the time has arrived when it is necessary, in the best interests of the Co-operative Movement, that co-operators, in and through their own organisation should take a larger share in the legislative and administrative government of the country.", they rejected a fusion of forces with the Labour Representation Committee by 801 votes to 125 and furthermore they did nothing to carry out the principle laid down in Tweddell's motion.

2.Co-operative debate and indecision about whether they should be politically active or not has its counterpart in the writings of Sidney Webb. If the following quotation from his speech to the Tynemouth Conference is compared with the quotation from the "Economic Limitations of Co-operation" (p.231), it illustrates how on the one hand Sidney Webb the careful social investigator could not overlook the tremendous value of co-operative societies in the North East, yet on the other hand how Sidney Webb the Socialist was obliged by his belief in state action to minimise or distort the co-operative contribution to social progress. At Tynemouth he said - "When an intelligent foreigner asks me what there is most of interest in Northumberland and Durham, I generally forget the Roman Wall, and sometimes even the magnificent view from Durham Cathedral. The most significant thing to me about Tyneside in 1892 is that there are no fewer than 153 co-operative stores in the Northern Section, and that 470 trade societies flourish between Blythe and Middlesbrough. No other part of the world can show so great a development of the two main forms of industrial democracy."

T. Summerbell, a prominent Sunderland co-operator, entered Parliament in 1906 and was a strong advocate of the municipalisation of gas and water supplies. He gave lectures for the Sunderland Co-operative Society's Education Committee, and set before members such questions as the municipalisation of the Sunderland Tramway System. The half hearted tenancy of certain areas of social effort which lay outside the boundaries of shopkeeping, prevented the complete evaporation of co-operative hopes. By 1908 Thomas Tweddell was sceptical about the worth of the movement as an instrument of social reform. During the course of an address to Northern co-operators entitled "Co-operation; its Friends and its Critics", he said -

"I venture to say that no one who has traced the growth and development of co-operation and fixed his hopes on it as a great instrument of social reform, can restrain a feeling of disappointment as he contemplates its position to-day. I do not, of course, forget the evidence of prosperity which it presents, its increasing membership, its expanding trade, and its productive and distributive achievements. These things cannot be forgotten; they are the stock-in-trade of our platforms, the subjects upon which paeans of triumph are sung at each succeeding Congress; and it would be an easier and much pleasanter task to imitate some of our flamboyant orators and claim for co-operation the power to satisfactorily solve every social problem that confronts society to-day, but I believe that he is the best friend to co-operation who forms true conceptions of its scope and power, recognises its limitations, and puts forward no extravagant claims on its behalf!"

A strict co-operator might have borne political impotence if there had been a reasonable hope of a realisation of co-operative ideals, but it became progressively more difficult to bear when socialist criticism was added to his own uncomfort-

-able awareness of his movement's shortcomings. There had been no fundamental conflict between co-operation and the Liberalism which had fostered its growth, for both rested on the principle of self help. The coming of Socialism brought such fundamental conflict, and although some leading co-operators in the North East vigorously defended their cause, others allied themselves with the growing Socialist movement and made the emergence of active, independent co-operative political effort even more of an improbability.

Existing evidence on the lives of leading co-operators who were active between 1850 and 1914 points to the following conclusions. Firstly, that co-operation was primarily a working class movement¹ although its policy of political and religious neutrality drew into its ranks, or won the support of, men in other classes. Secondly, that by virtue of its rapid growth it created responsible positions open to working class men and women,² who in the absence of this growth would not have had such opportunities. Thirdly,

1. See Appendix to Chapter 1 for an occupational analysis of the early membership of some North Eastern co-operative societies.

2. 1885 Congress. "Co-op. News" May 30th.

Lloyd Jones said - "It should be mentioned here, also, that the mode of government instituted in the store movement having thrown all offices open to those considered most fit for them, the experience of business has become accessible to all, and the improvement of personal character necessarily resulting from discussions in which consideration of mere personal gain give place to those having reference to men in association, must in time be felt as a great influencing moral power."

that although it created responsible positions, these positions were in many cases filled by men who held high positions in other working class movements. Fourthly, that this integration of working class leadership did not bring about a unification of working class endeavour until the socialists set about their task of making working people class conscious, and this unity must not be overestimated, for there were strong Liberal traditions in the North East, personified in such men as Joseph Cowen Jnr., Thomas Burt¹ and John Wilson and they did not readily surrender to Socialism. Fifthly, and this makes it even more difficult to assess the place of co-operative societies in the social framework of the North East, its leaders were so often men whose life of quiet service went unrecorded except in the registers of attendance at the back of Minute Books. They put service first and consequently they left their mark more in the field of associative progress than in that of personal achievement. Sixthly, the permissive legislation of the mid-nineteenth century plus the energetic work of Joseph Cowen Jnr. and his fellow radicals was crowned by the successful formation of well over a

1.1897, Thomas Burt lecturing on "Co-operation" at Peoples Hall, Leeds. After pointing out the accomplishments of trade unionism he went on to say, "Nevertheless, he had never regarded trade unionism as an ideal thing. It might pass away, but he did not think it would, so long as the present industrial system existed. It would be a necessity till a completely new and much improved industrial system was brought about..... He believed sooner or later co-operation would afford the key to the industrial problem - and tend as it was already doing, to bring about more harmonious relations between labour and capital."

hundred co-operative stores in the North East, and what Gladstone said of Lancashire co-operators in 1864 could well be said about the North East, after the successful formative period in the 'sixties and 'seventies. He said -

"So far as Lancashire is concerned, we have the most extraordinary evidence - amounting to mathematical demonstration - of the competency of the working man to discharge such duties as are commonly entrusted to the lower part of the middle-classes. I allude to the evidence afforded by the marvellous success of the co-operative system."

Lastly, the willingness of co-operators to serve democratic association in its many forms led them to enter the expanding framework of local government and, paradoxically, to administer legislation which narrowed the scope of co-operative association in such matters as education and social reform. Yet members' apathy was a far more potent factor in the decline of the movement than any limitation local government growth might have placed upon the movement's development. In 1906 J.C.Gray, President of the Birmingham Congress, added to his statement that,

"no conviction of the righteousness of co-operative ideals is necessary for a person who desires to join a co-operative society,"²

the remark that his words would never reach those to whom it was directed. Like an ageing prizefighter the movement had increased its weight in capital and members but had surrendered its vitality.

1. "Co-op. News" May 28th, 1898.

2. "Co-op. News" June 9th, 1906.

Chapter 8.

Conclusions upon the Contributions of Co-operative Retail Societies to Welfare within the Social Framework of the North East Coast Area.

Before any attempt is made to synthesise the information in the previous seven chapters, it is essential that the main features of a consumer's co-operative society are re-iterated. It is an association constituted so that its members receive the organiser's surplus in the form of a dividend on purchases, as well as interest upon share capital. Furthermore, except in times of stress when a society would generally impose limitations on the withdrawal of share capital, facilities for withdrawal are comparable to those offered by a bank. Since it is democratically controlled, the members have the power to assent to, to disagree with, to modify or to suggest themselves, the policies which the elected committees of management pursue. If a co-operative society is only part of the retail framework of an area, and not to be regarded in any of its activities as a voluntary association playing an important part in the social development of an area, then the contribution it makes to welfare would be limited to the efficient satisfaction of consumer requirements.

However, a co-operative society is something more than a special kind of shop and many leaders of the movement in the North East pointed out that, no matter how tenuous

the link might be, each consumer co-operator belonged to an association whose boundaries extended beyond the colliery village and urban district to the world at large. The Co-operative Movement in Great Britain with its Annual Congress and such organisations as the Co-operative Union, has inherited the ideals of the pioneers, and year by year, especially at the Annual Congress, has pressed each individual society to pursue policies which have been thrashed out in debate, and which have promised to bring benefits not only to the societies which compose the movement but the community at large. Although a society's aspirations might be in accord with congress resolutions and the ideals of the Co-operative Movement, its roots lie in the social and economic character of the area it serves and this will in some measure determine the policies it pursues.

These considerations suggest the factors that should be included in a postulate on the co-operative contribution to welfare in the North East Coast Area. This postulate is an ideal almost certainly unattainable in the field of practical affairs, but an invaluable device for examining the conclusions of the previous chapters. The postulate is,

If a society carries out policies which, without impairing its efficiency¹ as a unit of retail trade, conform to members' desires, co-operative ideals and local needs it is utilising its economic and social resources to the maximum in the service of welfare.

1. See Appendix to Chapter 2. "On Efficiency".

Once this postulate is used as a criterion of co-operative endeavour in the North East Coast Area, account must be taken of the dynamic nature of the component parts of the postulate. In the concluding paragraph of "Co-operation at Home and Abroad" C.R.Fay draws attention to the uniqueness of co-operation. He states -

"It is not the negation of competition, nor does it effect competition in one way only. It is not the herald of socialism, nor is it a means to combat it. The co-operative synthesis lies deeper than this. It centres about a common and original impulse of man, which inspires him, whatever be his environment, to make his weakness strength by the simple plan of joining with others who are similarly conditioned, in the pursuit of a goal, which can be attained in proportion as he is prepared to co-ordinate his own interests with those of his fellow members."¹

The degree of harmony that might exist between members' desires, co-operative ideals and local needs would depend largely on how far the members of a society were prepared to co-ordinate, and if need be discipline, their desires. Members of North Eastern co-operative societies wanted high pecuniary gains and conformity to these desires might well lead to the neglect of co-operative ideals and local needs. Such a conclusion would ignore the dynamic nature of the components of the postulate, for members desires could be influenced and changed by determined committees of management, progressive education departments and other co-operative bodies such as the Co-operative Union, and as a

consequence the conflict could be overcome and replaced by harmony. Thus what might seem unattainable at one time might through changes in the nature of the component parts become attainable at another time.¹ Even though the North East provides little practical illustration of such changes taking place in members' desires, the possibility of such changes taking place must be taken into account, for the progress, or lack of progress co-operation makes is in the hands of co-operators themselves.

This postulate conflicts with the view of co-operative development which Norman Scott Ross uses as a criterion of co-operative investment policy in the North East Coast Area before 1938. His was primarily a statistical study of the development of consumer's co-operation

1. See H. Myint "Theories of Welfare Economics" Part 111 Ethical Level Chapters XI and XII, especially pp. 209-213.

and he was not concerned with the social implications of investment policy, nevertheless his criterion has limitations which are shown up in his discussion of housing policy. Theoretically a consumer's co-operative society, so long as the co-operative bodies set up were as efficient as their private counterparts, could maximise the organiser's surplus it secures for its members by gaining control of those levels of economic activity that included and lay between the supply of raw materials and the consumer's co-operative society. Norman Scott Ross adheres to this view in general terms when he lays it down

"that the capital of societies should be employed with the object of increasing their efficiency as suppliers of goods and services."¹

This statement is etched in more detail in Chapter 4 where Norman Scott Ross maintains,

"that all forms of investment outside their trading operations and those of the consumer's federations are alien to the fundamental purposes of the capitalisation of consumer's societies."²

1. "Development of Consumer's Co-operation in the North East." by Norman Scott Ross. pp.137-8.

2. Ibid.

The investment of large quantities of capital in house property by North Eastern co-operative societies, and such was the case before 1914, creates some difficulty for an investigator who adopts Scott Ross's criterion. Scott Ross's comment made in 1938 was,

"the general decline in the amount of capital invested by societies in house property is on the whole to be commended. Whilst the consumer's society may be quite justified within the scope of its true function in providing houses for its members this function can now be undertaken more easily and cheaply by the municipalities."

The decline in co-operative investment in house property in the North East occurred during and after the Great War, 1914-²1918, and to make his statement watertight Scott Ross would have to establish, firstly, that municipalities in the North East were able to cater adequately for the demand for houses,³ secondly, that the municipalities did in fact provide houses "more easily and cheaply." If these suppositions were correct it would be legitimate to commend the decline in investment in house property, for such commendation would be based upon the fact that co-operative societies had avoided a duplication of effort. The most important point is that Scott

1.N.Scott Ross, "Development of Consumer's Co-operation in the North East Coast Area." pp.137-8.

2.See Graphs 3 and 4 in the Appendix to Chapter 4.

3.The Report of the Coal Commission 1925. Vol.3. Appendices and Index, especially the section dealing with housing in the mining districts of Durham and Northumberland, pp.330 et seq., is conclusive proof that housing conditions were still deplorable and that any effort co-operative, municipal or otherwise would have been a help in ameliorating the conditions in which so many colliers and their families lived.

Ross refers to a society's 'true function' and admits the provision of houses conforms to this function. The inherent contradiction between a society's 'true function' and the pattern of investment laid down by Scott Ross can be resolved, but only in terms of a much broader postulate. The postulate on p.239 has been adopted so as to examine such difficult problems.

High rates of dividend and interest, credit trading and facilities for the easy withdrawal of capital were characteristics of a majority of the co-operative societies of the North East, and made them very attractive to a bulk of working class consumers. To attempt to reduce the power of these attractions by lowering rates of dividend and interest might have had a detrimental effect upon membership and sales; moreover, before such changes could have become effective they would have had to come before a general meeting, the anvil upon which so many co-operative hopes were shattered. If self interest, which appears to have been so important a factor in determining the choices made by consumer co-operators, was to be turned into enlightened self interest, it was the quality of co-operative leadership and the presence of an efficient educational department that stood the best chance of bringing about such a change. A knowledge of co-operative ideals and confidence in the men who managed their society could have resulted in the members being willing to allow management committees to pursue schemes which promised benefits which, although they were valuable, were

not measurable in terms of money. The significance of these two factors is illustrated by the development of the Blaydon, Durham, Sunderland and Wallsend societies, all of which followed the Rochdale example of devoting 2¹/₂% of profits to educational work, and had such prominent co-operators as William Crooks, the Coley brothers, George Binnay and R. Douglass to manage their affairs.¹ Before 1900 their educational departments accounted for over 50% of the money spent on education in the North East; each of the four societies built considerable numbers of houses; and Blaydon, by its two dividend experiment and Sunderland by its Poor Store showed a willingness to bring the benefits of co-operation to the urban poor. To a lesser extent the West Stanley and Murton Colliery societies exhibit the same coincidence, since in the former case the society had an education department and an excellent record in providing its members with houses, and in the latter case the society, largely through firm leadership, was able to pursue a low dividend policy for a number of years. In the case of the Sunderland society it was unfortunate that, although its house building policy, its Poor Store and its educational work conformed to local needs, co-operative ideals and to some extent to members' desires, the society rapidly lost ground

1. See nos. 2, 3, 4, 7, 9, 10, 12, 20, 23, 28, 30, 37, 39, 46, 59, 68, 71, 74, 78, 82, Biographical Appendix A, and nos. 1, 4, 6, 7, 16, 19, in Biographical Appendix B.

between 1906 and 1914. Between 1906 and 1914 its annual sales fell from £362,419 to £222,726 and it is doubtful whether it was at this time an efficient unit of retail trade. Diagram 1 in the Appendix to Chapter 2 points to the Ryhope society as a possible cause of this decline, but whatever the cause, the decline would in the eyes of some co-operators, be a direct result of the Sunderland society's attempt to mix philanthropy with business. However, without the efforts of the Sunderland, Blaydon, Durham and Wallsend societies, co-operative ideals would have the faintest of echoes in the activities of the co-operative societies of the North East. As it was, they were an example to other societies and the development of the Burnopfield, Throckley and West Wylam and Prudhoe societies, former branches of the Blaydon society, illustrates this point, for these three societies plus the Blaydon society spent considerable sums on education - between 30% and 40% of the total expenditure on education in the North East.¹

It would not be true to conclude that, because these four urban societies were exemplary in their efforts in the field of education, housing and the care of the poor, the remaining societies of the North East achieved nothing outside the boundaries of retail trading. For instance, the colliery area societies were faced by a very different set of social and economic circumstances and could not be expected to ex-

1. See Table 15 Appendix to Chapter 6.

-hibit the same pattern of development as the four large urban societies. Good quality houses were a prime necessity in most colliery areas but almost insurmountable barriers faced any co-operative efforts to solve the housing problem in these areas. High dividends, a feature of many colliery area societies, were condemnable on the grounds that they were allied to high prices which would exclude the poorer section of the population. However, if the Bowley and Burnett Hurst survey of Stanley in 1913 is any guide to the numbers in poverty in the colliery districts of the North East, the argument against high dividends in these districts would seem largely inapplicable, for high dividends would enable members to build up a reserve of capital upon which they could draw in times of stress, and the value of this painless saving might well outweigh the discomfort that would be suffered by a small group below the poverty line, who were unable to join and therefore denied the benefits of co-operative membership. It would be unwise to attach too much weight to this argument, for the Murton Colliery society paid low dividends from 1897 - 1911, and this policy was supported by and for the benefit of the poorer members. Only an analysis of the social and economic circumstances of each locality could provide the grounds for firm conclusions. Therefore an assessment of how far the advantages of high dividend in colliery districts was offset by its detrimental effects upon the poor is not possible.

The homogeneity of the colliery village to some extent standardised the needs and outlook of the population, and the leaders of these compact communities, who were often officials of the trade union, the chapel and the co-operative society, made sure that co-operative policy fitted closely to local needs. Since these societies were generally small in size; did not command the capital that urban societies did; and depended ultimately upon a trade whose fluctuations and conflicts involved the bulk of their members; it is understandable that, with the exception of educational matters, they did not exhibit that degree of conformity to co-operative ideals which was a characteristic of some urban societies. Their shortcomings in educational work were grave, for this was the one factor which, without impairing their efficiency as units of retail trade, since the outlay was small, could have raised the aims of the colliery communities, shown them the defects in their environment and perhaps galvanised them to action. If a colliery community was to pitch its aims beyond the immediate and foreseeable needs occasioned by their common occupation, then education was essential. Even if such adult education did not lead to concrete action in such matters as housebuilding, it could have led to powerful pressure for municipal or state action. It could have created an in-

1. The same remark could be made about the Sunderland Poor Store, little expense was involved in the venture, it was successful but was terminated. See p.184.

-formed public opinion upon the health and housing conditions of colliery districts. The value of such educational work, that was well within the scope of a co-operative educational department, is well illustrated by a passage from Chapter VII of "A Century of Municipal Progress" Written by Sir George Newman. He states, on p.157,

"The advance in the public health of nations in modern as in ancient times has, however, been dependent upon the social evolution of man more than upon the growing knowledge of science. For progress must always draw its motive and energy from the aspiration and assent of the great mass of the people. The science of the few may indeed both lead and guide the will and habits of the people, but it cannot compel nor can it speedily change their tradition and custom!"

In membership and capital the co-operative societies of the North East were a very powerful group of working class associations and no matter which district they served, colliery, agricultural, lead mining or urban, they must bear some part of the responsibility for not creating what A.L.MacFie terms a "current of social will"² which could, as he implies, have narrowed "the gap between good intentions and concrete social achievement."³

1. A similar point is made on p.29 of the Report of the Royal Commission on the Housing of the Working Classes, 1885. It states, "Given energetic medical officers and surveyors, and intelligent and disinterested members of local boards to support them in their suggestions, and half the difficulty of the question is at once met." Yet this half was perhaps the easiest to meet; the other, the customs and traditions of the people, was a factor that still troubles housing reformers.

2. "Economic Efficiency and Social Welfare" by A.L.MacFie. p.33

3. Ibid.

In terms of the postulate on p.239, the relative absence of educational work amongst the co-operative societies of the North East meant that co-operative leaders in the area had an even more difficult task than they otherwise would have had, in trying to bring about a conformity between member's desires, co-operative ideals and local needs.¹ If the potentials of such a conformity are examined the most promising gains would have been in the field of investment. A lower rate of interest might have meant that co-operative societies in the North East wholeheartedly attacked the housing problem before boom conditions in the building industry occurred about 1895. Furthermore, a lower rate of interest would have been a great stimulus to the acquisition of farms by co-operative societies which, especially in the case of milk supply, offered so much in terms of health. A lower dividend in urban areas could have brought the benefits of co-operation to those in poverty, especially if it had been part of a widespread adoption of the idea of the poor store. But such conformity was uncommon in the North East for consumers interpreted local needs as their own needs and co-operative ideals were ignored. The conclusion is that consumer desires working through the democratic framework of a bulk of the co-operative societies of the North East, except where co-operative leaders were favour-

1. See the comment of Mr. Wetherall of the Murton society, Chapter 2, p.44.

-able to and able to persuade members to back schemes whose benefits lay partly or wholly outside the money measure, maximised the benefits of dividend on purchases and interest on share capital. It follows that a co-operative society which ignored co-operative ideals and local needs except when it was profitable, spent no money on education and existed solely as a retail trading unit maximising the dividends and interest it paid, would be the most attractive to consumers. The co-operative society that spent money on education and kept the fires of social ambition burning was something of a rarity and an anachronism by 1914. Furthermore the growth of state and municipal action in such matters as education, the provision of libraries, the care of the poor, and to some extent housing, and the rising Labour Party, the new political trustee of working class aspirations, were taking over or narrowing the fields in which co-operators had been active before 1914.

So far no account has been taken of federal developments amongst the co-operative societies of the North East. There were productive ventures such as the Durham Soap Works and the Birtley Tin Plate Works apart from the Ouseburn Engine Works and the Industrial Bank. Furthermore in 1901 the Shaws Hotel at Gilsland was bought and it became the Gilsland Convalescent Home. This federal scheme comprised 81 co-operative retail societies and the C.W.S. and it was a venture which could only be contemplated by a group of societies for there would not have been sufficient demand

for the services of such a home amongst the members of even the largest society in the North East. To some extent the Co-operative Union, by providing week end schools and courses was taking over the work of individual education departments, and provides another example of federal development. However, the most important sphere of federal development was production, where federation could spread the risks of such enterprises over a large number of societies.¹ In the terms of the postulate such developments would minimise the possibility of productive failures affecting the efficiency of individual societies. This promising field of development does not appear to have been thoroughly explored before 1914 and N. Scott Ross's comment confirms the impression that it was not lack of opportunity or capital, but lack of will and imagination that prevented more being done. His comment on p.340, which refers to 1938, is as follows:-

"There is an abundance of capital at present reinvested mainly through the C.W.S. outside the co-operative movement but what seems to be lacking is the will and the imagination to use a larger proportion of the capital funds in developing co-operative production and trade."

Apart from the hard core of pecuniary benefit in dividend and interest, their investments in house property, their few scattered educational departments, their attempts to relieve long term distress and their successful functioning as a ^a savings bank for short term distress, the co-opera-

1. See pp.122-3 for advantages of federal developments.

etive societies of the North East had other contributions to make to welfare. If welfare is looked at in broadest terms it raises the problems that are dealt with in Chapter 1 of A.C.Pigou's "The Economics of Welfare", namely, the constituent parts of total welfare. The pioneer stage of co-operation in the North East coincided with the dawn of successful working class associations and amongst these the co-operative society was unique, for it gave men an opportunity to provide for their own welfare in individual terms by dividend on purchases and interest on share capital and socially by a variety of co-operative schemes.¹ Membership of a co-operative society, whether it led to a place on the committee or not, contributed something to a man's place in society,² as Jack Lawson good humouredly observed -

1. On p. 298 of "The Consumer's Co-operative Movement", B. and S. Webb voiced their hopes for co-operation in the words, "But we can imagine nothing but good from the growth of such a feeling of Co-operative fraternity as would lead the members in general meeting cordially and spontaneously to appropriate an appreciable part of the divisible surplus not only to "Education", but also to other common needs. There is much that the Co-operative Society might own and maintain for the use and convenience of its members."

2. R. Hindmarsh's "History of the Sunderland Society" refers to one of the pioneers, J. Hopper, sitting by his fireside posing himself the question, "When would the working classes combine to dethrone ignorance, poverty and isolation?" Perhaps the importance of the comradeship those early stores brought to working people has been overlooked. Hindmarsh's study of the growth of the Sunderland society is as much a history of social progress and experiment as it is a history of the extension of co-operative shopkeeping in the town.

"But when we joined the store, that respectable society's cart came to our door regularly and proclaimed to all the world that we were bona fide members who paid for our groceries and looked the world in the face. We received our dividend at the quarter's end, and didn't we youngsters know weeks before when it was to be paid! For a little something came our way out of it!"

The co-operative societies of the North East provided an opportunity for many men to attempt to achieve their social ambitions and although their labour for the extension of the co-operative principle bore little fruit in terms of co-operative production, education and the like, they did much to establish the principle of public service amongst working men and women. This was of inestimable value at a time when the foundations of the Welfare State were being laid, even though its establishment accelerated the decline of co-operation as a source of voluntary action. It enabled the bulk of co-operators to shed a burden of voluntary action which, although it was the essence of co-operation to the few, was becoming progressively more irksome to the majority.

1.p.34, "A Man's Life" by Jack Lawson.

Biographical Appendix A.

This appendix contains information on 84 individuals who were born before 1850, and who at least served as elected committeemen or as paid officials who achieved importance in the North East. In addition to these, details on such important men as Lloyd Jones and Dr. Rutherford have been included. In a few cases, where dates of birth were omitted from obituary notices, (see nos. 7, 9, 15, 16, 30, 33, 34, 49, 50, 53, 75, 77 and 79) it is most probable that these men were born before 1850. For instance, the obituary notice on Joseph Forster who died in 1902 mentions that he was for 40 years an active co-operator. If he had been born in the year 1850 or after he would have been a co-operator at the aged of 12 or less. This seems conclusive proof that he should be included amongst those born before 1850.

Sources - The "Co-operative News", Congress Reports, Local Newspapers, and bound volumes of Obituary Notices in the Central Library, Newcastle on Tyne.

1. Archbold, James - was for 20 years on the committee of the Walker on Tyne C.S. Also was Secretary of the Education Committee. Died April 1905, aged 62.

2. Armstrong, Abel - he came to Jarrow from Cumberland and later moved to Sunderland where he was employed at Messrs. Boxfords and Co. Ltd., shipbuilders, where he acted as foreman. For 12 years he was a member of the Sunderland C.S. Education Committee and for 10 years was its Chairman. He always argued that co-operation developed character. He died in December 1905, aged 63.

3. Atkinson, Humphrey - committeeman of the Blaydon C.S. for many years and a member of the Newcastle C.W.S. committee. He was a member of the Blaydon U.D.C. and a keen education-
alist. He was a building contractor by trade; a teetotaler; a Congregationalist and a great friend of Dr. Rutherford. He was "particularly kindly and liberal to his employees." Died July 1902 aged 63.

4. Atkinson, John - committeeman of the Wallsend C.S. and elected to Newcastle C.W.S. committee in 1883. A Primitive Methodist. Died 1890 aged 45.

5. Bailey, H.R. - born Bingley, Yorkshire, 1839. Worked in Manchester, joining the Oddfellows and the Ancient Order of Druids and became a leading member of these bodies. Went to the Sunderland C.S. in 1873 and then to the C.W.S. He was one of the compilers of the "Central Board System of Book-keeping" and the "Manual of Auditing". In 1893 was appointed as a Public Auditor for the United Kingdom under the Friendly Societies Act. In 1894 retired from the position of Secretary

to the Northern Sectional Board. In 1896 was made a J.P. in Newcastle and at one time was Governor of the Newcastle Royal Infirmary. He did invaluable work in the Northern Section remodelling societies' systems of accounting. He was largely responsible for initiating and gathering subscriptions for the purchase of lifeboats which were named Co-operator No. 1, 2, etc. He was a Radical and a member of the Reform League when in Manchester. Died December 1919, aged 80.

6. Barrow, Alexander - auditor of W. Cramlington C.S. for 21 years. Died 1888 aged 54.

7. Bates, Matthew - began work as a miner at Gosforth and later went to Cheshire. He returned to Blaydon where he worked for Joseph Cowen and Co., for 40 years as a mining engineer. He was a member of the Blaydon C.S. committee and a member of the Newcastle C.W.S. committee. Died May, 1898.

8. Baxter, Thomas - commenced work in a coal mine at 9. Was educated at a night school and was a fellow student with Thomas Burt. As a young man he was Secretary of the Working Men's Powder and Candle Fund at Seaton Delaval, also Secretary of the local benefit society. He issued a notice in 1864 to his fellow workmen calling a meeting to form a co-operative society at Seaton Delaval, with the result that one was established. He was Secretary and General Manager from the inception of the society until his death. He was for some time a director of the Newcastle C.W.S. and held the office of overseer for the Holywell township. He was a member of the Holywell Parish Council. He was a man of strong mind and a striking personality and greatly respected in the co-operative movement. Died Oct. 1897, aged 65.

9. Bell, George - was architect and surveyor of the Wallsend C.S., also held the position of President. From 1881-95 he was director of the Newcastle branch of the Co-operative Printing Society. A trades unionist for 27 years and local Secretary of the Amalgamated Society of Carpenters and Joiners. Died January, 1900.

10. Binnay, George - at the age of 8 went into the mines. He joined the Chester-le-Street C.S. and was dismissed from the Colliery for so doing. He was a committeeman of the Consett C.S. for 5 years. He worked at Waldrige Fell Colliery until 1876 then went to Framwellgate Moor Colliery as a master shifter. For 22 years he was a committeeman of the Durham C.S., 10½ years acting Treasurer and for 10 years was on the committee of the Newcastle C.W.S. He was a Liberal and a Primitive Methodist. Died May 1905 aged 74.

11. Blackbird, William - for 40 years was manager of the Swalwell C.S. He was a member of the Wickham Local Board and the Wickham School Board. Also a member of the Gateshead Local Board of Guardians and Overseer of the Poor of the Parish. Died November 1913, aged 72.

12. Blenkinsop, T. - one of the pioneers of the Wallsend C.S. in 1862 and was Treasurer for 29 years. He was born at Bondicar near Warkworth. Worked as a presser at the oil mills in Wallsend. Died February 1891, aged 69.

13. Bones, J.H. - one of the originators of the Haswell C.S. and later was for 10 years President of the Durham C.S. He was agent for the Northumberland and Durham Miner's Permanent Relief Fund. A Primitive Methodist and a local preacher. Died 1888 aged 66.

14. Boulton, G.B. - for 30 years a member of the Chester-le-Street C.S. and for 26 years was on the Board of the Co-operative Printing Society. Died 1904 aged 54.

15. Brandon, Thomas - foreman sawyer at Messrs. Wigham Richardson's Co., Neptune Works at Walker-on-Tyne. A prominent member of the Walker Primitive Methodist body. An ardent co-operator and Secretary of the North Northumberland Conference Association. Died September 1894.

16. Brodie, Robert - Treasurer of the N. Shields C.S. and one of the founders of the Radical Club on total abstinence principles. Died June 1900

17. Burnett, John - for 25 years President of the W. Cramlington C.S., one of the pioneers. Died May 1892, aged 70.

18. Burt Thomas - born Murton Row near N. Shields 1837. Went to the pit at 10 and at 18 was a hewer. In 1864 represented Choppington on the council of the Northumberland and Durham Association. In 1865 Secretary of the Northumberland Miner's Mutual Confidence Association. In 1874 one of the first Labour M.P.s. Since 1882 President of the Miner's National Union. In 1894 member of the Labour Commission. He had a lifelong interest in co-operation. (For full details see Aaron Watsons, "A Great Labour Leader, the Life of Thomas Burt". See especially the accounts of the 1891 T.U.C.C. in Newcastle and the speech he made to the Eighty Club in 1890, p. 187 and p. 231.)

19. Carr, Thomas - a founder of the Consett C.S. and a committeeman from 1862 to 1894. A member of the provisional committee of the Newcastle C.W.S. branch in 1871. Helped to establish the Derwent Flour Society. Died 1900 aged 64.

20. Clark, Isaac - one of the pioneers of the Blaydon C.S. He was a moulder by trade and a foreman at the Blaydon Iron Works. He was a captain in the local fire brigade and for 20 years was a member of the local school board and also Chairman of this board. The first manager of the Blaydon C.S., Thomas Vallance, was his father-in-law and William Scott, a President of the society, was his son-in-law. He was an opponent of big dividends and saved over £600 in the store. Died May 1910 aged 78.

21. Clark, Robert - one of the founders of the Low Moorsley C.S. Died 1905 aged 91.

22. Cockburn, Thomas - foreman shipwright for Messrs. Armstrong Whitworth and Co., at the Walker Shipyard, and Treasurer of the Shipwright's Trade Society for 17 years. A committeeman of the Walker C.S. and a member of the Board of Management for 26 years. Died April 1901 aged 59.

23. Coley, John, J.P. - born in Darlington. In 1858 at an early age moved to Middlesbrough and entered the service of the North Eastern Railway as a passenger guard. Sixteen years before his death he left Middlesbrough to become Secretary of the branch of the Charity Organisation in Sunderland. For 14 years he was a member of the committee of the Sunderland C.S. and represented the Sunderland C.S. on the executive of the Tinplate Society and he was also on the E. Durham District Conference Association Executive. For 12 years his wife was President of the Women's Guild in Sunderland. In a letter written to a friend and which is quoted from in his obituary in the "Co-operative News" he said "I see so much poverty and degradation, that I often walk to Whitburn sad at heart, and wonder what is to be the end of it all. I can assure you that coming into contact with it every day of my life has a very depressing effect on those who are really anxious about the question of poverty and its remedy....." Later he stated "I believe the co-operative pill is the best pill in the world, and the great crowd of unwashed women and lazy Micawber-like men have only to swallow it to be what the bon-a-fide co-operators are today, the most self-reliant persons alive. A vote at a quarterly meeting is to a man who thinks about his home life a thousand times more valuable than a Parliamentary one." He was a great friend of Bishop Westcott and undoubtedly was a co-operator of the finest type. Died October 1896, aged 47.

24. Crawford, William - son of a pitman who worked as a pitman at Hartley and Cowpen. He was married at 24 and was a Temperance speaker and a preacher at Ranter chapels. In 1864 he was Secretary of the Northumberland Miner's Association and in 1865 became Secretary of the Blythe C.S. In 1870,

was Secretary of the Durham Miner's Union. In 1836 M.P. for Mid-Durham. Died 1890.

(See A.Watson, "A Great Labour Leader, the Life of Thomas Burt", p.78, for an excellent description of W.Crawford.)

25.Crosby, Thomas - for 30 years held an official position with the Seaton Delaval Coal Company. He was interested in Sunday School Work and was Superintendent of a school associated with the Newsham United Methodist Church. He was Secretary of the New Delaval and Newsham C.S. Died April 1910, aged 76.

26.Dawson, John - one of the auditors of the Newcastle C.S. and an auditor for the Northern Counties Clerk's Association. He was a prominent member of the Druid's Society and Grand Master of the Newcastle, Northumberland and Durham District. Died April 1891 aged 50.

27.Denham, Richard - the son of a peasant who worked first at a small mine at Ancroft Moor. At 17 he established a night school for boys. He was Treasurer of the Newbiggin District C.S. for 30 years. He was a member of the Morpeth Board of Guardians and the Morpeth Rural District Council. Died June 1910 aged 68.

28.Douglas, R. - Manager and Secretary of the Wallsend C.S. for 37 years. He was a friend of Dr.Rutherford and was one of the provisional directors of the Industrial Bank. He was a member of the Wallsend Board of Health for 22 years. Died April 1900 aged 68.

29.Dover, George - committeeman of the Chester-leeStreet C.S. and was elected to the Newcastle C.W.S.committee in 1874, and later became chairman. In 1877 he became manager of the C.W.S.Durham Soap Works. He was General Secretary of the Durham Colliery Mechanics Association. Died 1881 aged 47.

30.Eadie, James - Secretary of the Blaydon C.S. in its early days. Emigrated to Australia during a gold rush then returned to Blaydon and devoted himself to public affairs. He became Chairman of the Blaydon C.S., was actively engaged in the Northern Reform League and the Mechanic's Institute movement. Architect by trade. Died February 1891.

31.Elliot, John - one of the founders of the Stanhope and Weardale C.S. and was on the committee until his death. He left £300 to the society on condition they built a Co-operative Hall. Died July 1894 aged 65.

32.Emmerson, John - one of the founders of the Darlington Co-operative Corn Mill Co. Auditor from 1868-1886. He was one of the directors of the Onward Building Society. Died 1886 aged 73.

33. Etherington, H. - one of the pioneers of the Barnard Castle C.S. and was committeeman and later treasurer. He was manager of Messrs. Smith Bros., carpet weavers. He was an advanced Liberal and held a seat on the Local Board of Health for 6 years. Died January 1891.

34. Forster, Joseph - he left the pits to become an employee at the Bebside C.S. and rose to manager. Later became manager of the Blyth C.S. and was 40 years an active co-operator. He was elected to the Blyth School Board. He was a Methodist. Committed Suicide in November 1902 after being paralytic for 5 years.

35. Fynes, Richard - born in Newcastle in 1826 and at 8 commenced work in the pits at Shields and later went to sea. During the 1844 strike he worked at Percy Main and went to sea when blacklisted. Later went to Seghill, joined a Temperance Society and became an advocate of total abstinence and a Primitive Methodist. He was a member of the Northern Reform Union. It was in his property at W. Cramlington that the W. Cramlington C.S. was commenced. He became a furniture dealer and auctioneer at Blyth and ultimately bought the Octagon Hall in Waterloo which he turned into a theatre. In 1888 this theatre was destroyed by fire. He wrote a history of the Northumberland and Durham Miners (1873) and was a poet. Died September 1892 aged 66.

36. Garrett, William H. - pioneer of co-operation in Blyth. He was manager of the co-operative society at Cowpen Quay when he died in September 1894 aged 69.

37. Gilchrist - a waterman and Secretary of the Tyne Waterman's Association. Committeeman of the Wallsend C.S., and elected to the Newcastle C.W.S. committee in 1873. Died 1912 aged 84.

38. Graham, William - director of the Newcastle C.S. and for 37 years a branch Secretary of the Amalgamated Society of Engineers. He worked at the projectile foundry of Sir Wm. Armstrong, Mitchell and Co., and held the position of foreman. Interested in Oddfellowship and was a trustee in the Brotherly Love Lodge of the Manchester Unity. Died March 1894 aged 58.

39. Gray, J.R. worked for W. Grace and Co., paper manufacturers, for 57 years. He was auditor of the Blaydon C.S. for many years. Died January 1907 aged 72.

40. Green, William - for 25 years he was on the Board of Management of the Durham C.S. In 1872 he became a director of the Newcastle C.W.S. Died September 1891 aged 59.

41. Hails, George - Treasurer and Manager of the North Shields C.S. Died 1886, aged 67.
42. Hall, Jesse - born at Stanley and became an engineer on the North Eastern Railway. He was a pioneer of the Consett C.S. and soon after its start in 1864 he became Secretary and Manager. Local councillor and trades unionist. Died October 1901 aged 65 (approx).
43. Hamilton - President of the Chester-le-Street C.S. for 23 years and took a prominent part in the establishment of the Newcastle C.W.S. Died July 1904 aged 70.
44. Hardy, James - committeeman of Consett C.S. Manager of the Consett Iron Company's locomotive shops at Templetown. He was a director of the Consett and District Permanent Benefit Society and Senior Warden of the Constance Lodge of Freemasons. Died March 1898 aged 55.
45. Hartley, W. - pioneer of the New Brancepeth C.S. and later its Treasurer. Died May 1898 aged 67.
46. Henderson, David - at 12 he began work in a paper mill and at 15 transferred to a millwrights shop at Messrs. Fletcher's Scotswood Paper Mill. In 1866 he was married and became a member of the Blaydon C.S. In 1872 he went to Manchester and became President of the Diggle C.S. He returned to Blaydon and became President in the 'nineties. Was one of the initiators of the Birtley Tinsplate Works. He was a lifelong member of the Manchester Unity of Oddfellows. In 1884 he was elected to the Benwell and Fenham Local Board and was a member until it became a district council in 1896, then he was elected Chairman. Died July 1903 aged 60.
47. Henderson, Thomas - one of the early members of the Darlington C.S. and was Treasurer for 20 years. For 51½ years he was connected with the Stockton and Darlington and the North Eastern Railways, and for 43 years held the position of inspector of the permanent way. Died 1899 aged 72.
48. Herdman, Thomas - a warm advocate of the Chartist movement and took an active part in political affairs in Northern England. He was one of the founders of the first co-operative store in Newcastle and was also one of the founders of the Cullercoats C.S. He was a close friend of Joseph Cowen Jr. and was associated with Br. Rutherford in the establishment of the Ouseburn Engine Works. At a later date he was a member of the Yellow Van Committee. He was the father-in-law of W.R. Rae, Chairman of the Education Committee of the Co-operative Union. Died 1908 aged 77.

49.Heslop, John. - one of the founders of the Stockton C.S. and Chairman of the society for 17 years. Died June 1902.

50.Hood, W. - Secretary of the Tweedmouth C.S. from 1866 to 1912. Died 1915.

51.Howat, W.J. - Secretary of the Newcastle C.S. 1883 to 1915 He was a member of the Amalgamated Society of Engineers and was on the Newcastle bench of magistrates. He served on the Newcastle C.W.S. committee from 1877 to 1883. He was a life governor of the Newcastle Royal Infirmary. His brother Isaac was foreman at the Gas Works and Treasurer of the Democratic Federation. W.J.Howat died in September 1915 aged 71.

52.Jones, Lloyd - born 1811 at Brandon, Co. Cork, later moved to Dublin and then to Manchester. He worked as a fustian cutter and in his youth was a disciple of Robert Owen. He was one of the leading figures in the Owenite period of co-operation and joined the Salford C.S. in 1829. In the '70's he was on the staff of Joseph Cowen's Newcastle Chronicle and also contributed to the North British Mail. He was a friend of Wm. Crawford and was in the 1874 and 1875 arbitrations of mining disputes. In 1885 he stood as a candidate for Chester-le-Street. Holyoake paid tribute to his great speaking powers when Jones was a Manchester District missionary. Died May 1888 aged 77.

53.Lawther, R. - Secretary of the Choppington C.S. for over 25 years. He was Parliamentary Secretary to Thomas Burt and a member of the Choppington Liberal Club. He was a Primitive Methodist local preacher and a member of the Bedlington U.D.C He was well known in the North as an emigration agent. Died March 1900.

54.Lee, Alex - one of the founders of the Seaton Delaval C.S. and attended the first meeting in 1864. He was President of the society and "a strenuous and conscientious worker in other movements - religious, social and political..." A temperance advocate. Died 1912 aged 73.

55.Locke, Alexander - was a miner in his early life at Nether ton, Sleekburn and Barrington collieries. Manager of the Bedlington C.S. and statistical secretary of the Northern Co-operative Union. Died January 1900 aged 53.

56.McKendrick, James - born 1823 near the Falls of Clyde and at the age of 25 was a Chartist. He was a prominent member of the Northern Reform League, a committee member of the Blackett Street Mechanics Institute, a Liberal, a Presbyterian and connected with church, Sunday School and Temperance work. He worked with Joseph Cowen Jr. for educational reform in Newcastle. He became Chairman of the Newcastle C.S. in 1864 and was one of the most prominent co-operators in the N.E. His

son, an artist, died in 1899. James McKendrick died in June 1906 aged 83.

57. Moses, George - member of the committee of management of the Stanhope and Weardale society for 27 years, President for 25 years. Died October 1908 aged 74.

58. Nixon, John - at 9½ began his work underground in the mines. He was an advocate of conciliatory and peaceful methods of settling labour disputes and became President of the Northumberland Miner's Association and Treasurer of the Miners National Union. He was a United Methodist Free Church local preacher, a supporter of the co-operative movement, and sometime President of the Newcastle Co-operative Printing Society. Died May 1896 aged 74.

59. New, W.R. - born 1837 and for 43½ years was Secretary of the Durham C.S.

60. Oxberry, John - he was one of the five who began the Windy Nook C.S. and its first President. He was a total abstainer and one of the originators of the Windy Nook Temperance Society, President for some years of the Quarrymen's Trade Association and this association obtained the 8 hour day during his Presidency, and he was on the council of the Northern Reform Union. After work he walked miles to villages in Durham and Northumberland to assist political, religious and social movements by speaking. Died May 1893 aged 71.

61. Patterson, Joseph - born at Whitley Bay and became under manager of Shankhouse Colliery. He was a committeeman of the W.Cramlington C.S. for the years 1871 - 1880 and 1884-7. He was elected to the Newcastle C.W.S. committee in 1874 and was its Secretary until 1877. He was an active Methodist, a Good Templar and a member of the Primrose League. Died 1892 aged 64.

62. Proctor, Thomas - employed by the North Eastern Railway Co. for 55 years and was chief of the Accountants Department. He was the first Secretary of the Newcastle C.S. and held the position for 35 years. Died October 1912.

63. Reay, William - Treasurer of the Bedlington C.S. for 20 years, joining the society in 1861. He also held the position of President. He was a trades unionist and a member of the Foresters Friendly Society. Died January 1892.

64. Robinson, C.T.-- committeeman of the Newcastle C.S. Died April 1908 aged 76.

65. Rule, Thomas - a slater and plasterer by trade but became a school teacher for 12 years. He was Chairman of the Gateshead C.S. for many years and in 1881 was elected to the Central Board. In 1893 he became a director of the C.W.S. He was a member of the Town Council. 2 of his 5 brothers, George and David, were Chartists. George being a prominent poet and pamphleteer of the Chartist movement in the North. David, the youngest but one of the six brothers, was a follower of David Urquhart. Thomas Rule died in 1915 aged 93.

66. Rutherford, Peter - for 32 years Treasurer of the Willington Quay and Howden C.S. For 10 years he was a member of the local board of Wallsend and Willington Quay and later became a member of the Willington Quay District Council. He was a member of the Joint School Board and also the School Management Committee. Died September 1909 aged 62.

67. Rutherford, Dr. John Hunter - a native of Jedburgh, and went to St. Andrews and Glasgow Universities. He followed the Morrisonian doctrine of a free gospel to all. When he came to Newcastle he preached at street corners and very often got the loan of Primitive Methodist chapels so as to preach. He preached in the Bath Lane Chapel and in 1883 was instrumental in having pew rents abolished. This chapel depended solely on voluntary offerings. He attended the Medical College at Newcastle and later presented a minute enquiry on the Public Health of Newcastle. He was responsible for much educational progress in Newcastle, for example, the elementary schools in Corporation Street, the foundation stone of which was laid on 29th June 1870. Another of his ventures was the School of Science and Art in Corporation Street, which had its foundation stone laid by J. Cowen Jr. in 1877. The Bath Lane Schools owed their existence to his energy and perseverance. He was a member of the School Board in Newcastle and Vice Chairman at the time of his death. In 1876 he invented a means for raising the Admiralty vessel the "Vanguard" and won a prize. The Ouseburn enterprise entailed heavy losses for him, his relatives and friends apart from that suffered by the co-operative movement. Year by year, up to the time of his death, he was paying back the debts he had contracted. He was, apart from running the Ouseburn Engine Works and the Industrial Bank, one of the directors of the Northern Counties Bank which was founded in 1871 and suspended payment in September 1881. He was a Radical and a member of the Northern Reform League and the Northern Reform Union. Died March 1890.

68. Seed, Robert - committeeman of the Durham C.S. for 14 years and worked for William and Smith, Paper Merchants, in Durham. One of his sons was manager of the Boot and Furnishing Department whilst another was Secretary of the Education Department. Died November 1901 aged 70.

69. Shotton, Thomas - committeeman and Treasurer of the Consett C.S. for 27 years. Became a C.W.S. director and was a member of the committee for establishing a Northern branch of the C.W.S. in 1872. He was on the staff of the North Eastern Railway. He was a Wesleyan for 80 years and held all lay offices and was actively associated with the Sons of Temperance. Died 1936 aged 92.

70. Simm, Thomas - Librarian of the Education Department of the Newbottle C.S. A Liberal and a member of the executive of the Liberal Association. For 30 years a Wesleyan Methodist. A supporter of a Temperance society and the Band of Hope. Died September 1889 aged 52.

71. Snell, The Rev. Thomas - a prominent member of the Sunderland C.S. Died February 1900 aged 79.

72. Steele, John - one of the founders of the Newcastle C.S. A cabinet maker by trade. Died 1892 aged 61.

73. Stoker, William - a miner who educated himself and obtained a position of authority amongst his fellow workmen. He took an active part in establishing the Northumberland and Durham Miner's Permanent Relief Fund and held an official position in the Seaton Delaval branch. He was a Sunday School Superintendent, class leader, and local preacher to the Methodist Free Church Society and sometime President of the Newcastle District of Methodist Free Churches. He was Secretary of the Seaton Delaval Mechanics Institute for over 20 years and was elected to the Board of Directors of the Newcastle C.W.S. in 1893. He toured Europe, America and Australia - preaching in Australia. He was a great friend of Dr. Spence Watson, Thomas Burt, John Wilson and others. Died July 1902 aged 67.

74. Taylor, T. - born in S. Shields and came to Sunderland in 1856 and was employed for 52 years by the Newcastle and Carlisle Railway and eventually the North Eastern Railway Co., as a passenger engine driver. He was one of the founders of the Sunderland C.S. and was Chairman of the Education Committee. Died August 1900 aged 69.

75. Telford, R. - joined the Sunderland C.S. in 1859 and was for many years Secretary of the Education Committee. Died July 1900.

76. Thirlaway, John - Secretary of the Gateshead C.S. for 21 years and was elected to the Newcastle C.W.S. committee in 1876 and acted as Secretary. He wrote many articles on check systems, cost prices and similar matters. Died 1892 aged 48.

77. Thompson, J.R. - committeeman and Chairman of the Hartle-pools C.S. He was Treasurer for 22 years and one of the soc-
iety's first members. Died March 1907.

78. Thompson, R. - President of the Sunderland C.S. for 15
years and on the committee of the Newcastle C.W.S. from 1874
to 1893. Died 1902 aged 95.

79. Todd, Robert - a pioneer of the Seaham C.S. and on the
Board of Management for many years. He was one of the oldest
and most esteemed workmen at Messrs. Robert Candlish and Son,
bottle makers, of Seaham Harbour. Died November 1902.

80. Tweddell, Thomas - born at Byker in 1833 and went to a
Methodist school, later became a business man in Hartlepool.
He was one of the founders of the Hartlepool C.S. and its
first Secretary, a post he held until his death in 1916. In
1887 he was elected to the Newcastle C.W.S. committee and
later became Vice President of the C.W.S. 1906-1915. He was
President of the Sunderland Congress in 1894. He held that
the store and the wholesale were anticipating Socialism by
organising industry in the interests of the consumers. He
was a member of the Hartlepool Town Council, the School
Board and the Board of Guardians. He became a J.P. for the
Borough of West Hartlepool. He was a Fellow of the Royal
Geographical Society. Died March 1916 aged 83.

81. Warwick, Joseph - born in Carlisle and became a blacksmith
at 20. He was shop foreman for the River Tyne Commissioners.
He was a Wesleyan local preacher and Sunday School teacher.
A Liberal in politics. He became Chairman of the N. Shields
C.S. in 1887 and in 1889 became Clerk of Works to the society
From 1896-1903 he was the representative for S. Northumberland
on the Northern Sectional Board. From 1896-1903 he was local
editor of the "Wheatsheaf", and a member of the Newcastle
C.W.S. committee from 1903 -1912. Died December 1912 aged 68.

82. Weavers, Thomas - one of the 29 founders of the Durham C.S.
A carpet weaver at Messrs. Henderson and Co.'s works and lat-
er became landlord of the Waterloo Hotel. He was one of the
oldest members of the St. Cuthbert's Lodge of Foresters.
Died November 1894 aged 68.

83. Widdrington, William - a committeeman of the Walker C.S.
and master checkweighman at Walker Colliery for 22 years. A
near relative of Charles Fenwick M.P. Died June 1904 aged 58

84. Wilson, John - Secretary of Haswell C.S. for some time,
(see p.215, "Memories of a Labour Leader" by John Wilson).
Later became Secretary of the Durham Miner's Association and
an M.P. Died 1915.

Biographical Appendix. B.

This appendix is only a random collection of 20 individuals, but amongst them are some very important figures who, because they were born after 1850, have not been included in Appendix A. However, because of their achievements before 1914 they could not be omitted from any biographical study of co-operative leadership before 1914.

1. Archer, W. - in his early life he worked as a 'half-timer' in a carpet factory at Heckmondwike and later was engaged as a check boy by the local co-operative society. He rose to assistant secretary after 19 years service and was then chosen as Secretary of the Sunderland C.S., a position he held for 33 years. Died June 1919.

2. Boyle, Hugh - born 1851 at Wooler, Northumberland. His father was an Irishman and a shoemaker. He succeeded John Nixon as President of the Northumberland Miner's Association in 1896. He was a director of the Newcastle branch of the Co-operative Printing Society. He was a member of the old Seghill School Board and the old Seghill Local Board and when it became a District Council he was made Chairman. He was Chairman of the North of England Model Cottage Exhibition and a J.P. for the City of Newcastle. Died March 1907.

3. Briggs, S. Treasurer of the Pittington C.S. for 3 years. Died June 1901 aged 41.

4. Casson, R. - foreman engineer at the local shipyard and for some time was on the Education Committee of the Sunderland C.S. Later joined the Wallsend C.S. and was President for 11 terms of office. He played a leading part in trade union and socialist circles and after the incorporation of the Borough of Wallsend, represented the Carrville Ward. He was a Liberal before he joined the Independent Labour Party and became its leader in Wallsend. Died March 1909 aged 55.

5. Clayton, W. - committeeman of the Newcastle C.S. and outspoken critic of the movement in such articles as "Are we Co-operators?" ("Co-op. News" Oct. 1st, 1910). He had a great deal to do with the start of the Northern branch of the Worker's Educational Association. C.W.S. director and Secretary of the Northern Section. Died 1925.

6. Coley, Phillip, O.B.E. - brother of John Coley. He was President of the Sunderland C.S. from 1892 to 1902 and was elected to the C.W.S. Board in 1902. He was a keen educationist and lectured at Durham University. In politics he was a Liberal. Died 1924 aged 69.

7. Crooks, W. - born in 1854, a descendant of one of the early Blaydon co-operators, his grandfather being a pioneer of the society. He was educated at the village school and then entered the office of the Blaydon Iron Works where he stayed until he was appointed Treasurer and Secretary of the Blaydon C.S. He was statistical and educational Secretary for W. Durham for many years. In 1884 he became a member of the Central Board of the Co-operative Union. In 1885 he was the election agent to Lloyd Jones in the Chester-le-Street election. He was an outstanding and outspoken co-operator and temperance advocate, and although he had heard much of State Socialism, he believed co-operation was common sense socialism. He was a J.P. and an Urban District Councillor. Died 1922 aged 68.

8. English, Joseph - for 27 years he was either committeeman, Vice-President or President of the Birtley C.S. He became President of the Northumberland Miner's Association after Hugh Boyle in May 1907. He was active in the work of the Co-operative Union and the Northern Co-operative Laundries Ltd. He was a C.W.S. director, Chairman of the local R.D.C. and a member of the Durham County Council. He was an active local preacher and in politics he was a Liberal. Died 1928 aged 68.

9. Graham, Edward, J.P. - born in Dalton, Northumberland, and a teacher by profession. He was a member of the management committee of the Newcastle C.S. from 1898 and Chairman from 1903 to 1910. He served on the Productive and Finance committees of the C.W.S. For 25 years he was Treasurer and later Vice-President of the Tyneside Sunday Lecture Society. Died 1924 aged 60.

10. Graham, W.B. - Secretary of the Jarrow and Hebburn C.S. from 1883-1914 and in 1893 was elected to the Board of the C.W.S. He worked as a railway clerk at Cramlington. He was a J.P. for Jarrow. Died 1914 aged 56.

11. King, John - born in Barnard Castle and was chief clerk of the Newcastle C.S. and later went to Carlisle C.S. An active Wesleyan Methodist. He retired from the C.W.S. directorate in 1928. Died 1929 aged 71.

12. Liddle, Thomas, M.B.E., J.P. - born in Middlesbrough and a Primitive Methodist. He was organiser of the Amalgamated Society of Carpenters and Joiners from 1896 to 1910. He was a member of the committee, or President, of the Hartlepool C.S. from 1904-1932. He was Chairman of the District Association 1912-20 and of the first wages board in the Northern Section. He was elected to the C.W.S. Board in 1920. He was a director of the English and Scottish Joint C.W.S., 1924-31, a Town Councillor of West Hartlepool 1901-10 and a member of the Local Education Authority. He was made a J.P. in 1906 and was governor of some local hospitals and a member of the Memorial Homes Committee.

13. Magin, John - born at Addison Colliery near Blaydon in 1868 and entered the local co-operative society as a clerk and in 1894 was made Secretary of the Ashington C.S. He was elected to the C.W.S. Board in 1924. Died 1931.

14. Oliver, J., O.B.E. - born in Gateshead in 1861. He was apprenticed in the N.E. Railway Works and became a railway claims inspector. He was elected as a scrutineer of the Gateshead C.S. in 1895 and in 1903 was elected to the management committee. He was President of the society from 1907-15, and was elected to the C.W.S. Board in 1915. He represented the C.W.S. on the Gilsland Convalescent Home Committee and on the committee of the Newcastle Royal Infirmary. He was Chairman of the local unemployment committee, the juvenile committee, the juvenile court and the probation committee. He was a Methodist local preacher and for many years was Vice-President, and after 1931 President, of the Gateshead Brotherhood. He opposed compulsory trade unionism amongst co-operative employees.

15. Pearson, David - President of the Brandon and Byghottles E.S. at the turn of the century. He was Chairman of the Northern Section of the Independent Labour Party.

16. Rae, W.R. - Went to Newcastle after being educated in Edinburgh to take charge of one of Dr. Rutherford's schools. He worked with J. Cowen in the 1881 election and in 1885 went to live in Sunderland. He was a member of the Central Education Committee of the Co-operative Union. He was a prominent member of the Sunderland C.S. for many years and was President of the 1909 Co-operative Congress. Died February 1936.

17. Smith, J. - born in Leeds in 1866 and later moved to Middlesbrough and served on the committee of the Middlesbrough C.S. He was a C.W.S. auditor. He was a keen supporter of the W.E.A. Died 1932.

18. Smith, A. - a member of the Seaton Delaval C.S. committee for many years. He was an official of the Seaton Delaval Colliery and for many years the local Secretary of the Miner's Permanent Relief Fund. He was a prominent Primitive Methodist and a choirmaster. Died May 1898 aged 45.

19. Summerbell, T. - son of a miner, who began work as a grocer. He was connected with the Typographical Society for 24 years. He was Secretary of the local Trades Council for 13 years. He was a member of the Sunderland C.S. for 20 years and gave many lectures and addresses for the Sunderland C.S. Education Department. He was a strong advocate of the municipalisation of gas and water supplies. He entered Parliament as a Labour M.P. in 1906. Died February 1910.

20. Valentine, V. - a stone mason by trade who became a prominent member of the Chester-le-Street C.S. The "Co-operative News" notes - "He was a man who held strong and advanced opinions in regard to social questions and expressed these opinions fearlessly and with considerable force. He was a consistent opponent to high dividends, because such prevented the very poor from sharing in the benefits of co-operation." He was a member of the Northern Education Committees' Association. Died 1912.

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