

# SUGGESTIONS AND DEBATES

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## THE FORMATION OF THE CO-OPERATIVE PARTY RE-CONSIDERED

Throughout its long history the British co-operative movement had maintained a position of political neutrality, steadfastly rejecting time after time proposals designed either to involve the movement directly in electoral politics or to become allied to an existing party. In what appeared to be a dramatic *volte-face* the 1917 Co-operative Congress meeting in Swansea voted by a huge majority to “secure direct representation in Parliament and on all local administrative bodies”.<sup>1</sup> In 1971 Sidney Pollard offered a new analysis of this critical episode in the history of British co-operation. His contribution to *Essays in Labour History 1886-1923* rejected traditional explanations of the remarkable and sudden changes in co-operative political activity during the first quarter of the twentieth century. Earlier studies had attributed the 1917 decision to the impact of war and, in Pollard’s words, “to specific and immediate business grievances”.<sup>2</sup> Pollard, on the other hand, sought to play down the significance of short-term pragmatic motivations and emphasised instead the role of ideology, establishing co-operative political involvement as an episode in the steady forward march of the British labour movement.

Pollard’s work has highlighted the significance of the emergence of co-operation as an integral part of the British labour movement and as a barometer of the leftward shift in working-class attitudes. Neither of these broad developments are in question here. However, the timing and proximate causes of change advanced by Pollard require re-consideration; in particular the traditional emphasis on the importance of the First World War ought to be re-stated. Pollard exaggerates the growth of pre-war support for Labour amongst co-operators in an attempt to create a picture of steady evolution towards the modern perception of an integrated labour movement composed of trade unions, the Labour Party and the co-opera-

<sup>1</sup> Co-operative Congress Report, 1917, pp. 561-62.

<sup>2</sup> S. Pollard, “The Foundation of the Co-operative Party”, in: *Essays in Labour History 1886-1923*, ed. by A. Briggs and J. Saville (1971), p. 185.

tive movement.

Pollard's essay is a faithful reflection of the concerns and approaches of labour historians for much of the 1960's and 1970's. At times there are hints of "Whig history", which result from a focus on the "forward march of labour" wherein the emerging links between labour and co-operation are viewed as a natural and unproblematic consequence of a supposedly steady growth in class awareness. The work is also firmly rooted in the style of the institutional labour history of its time. Despite the highly federal structure of the retail co-operative movement Pollard's story is based almost entirely on national records, particularly accounts of Co-operative Congress debates. Consequently almost the only historical actors are the co-operative pamphleteers and speechmakers. A further legacy of earlier institutional labour history is the stereotypical positions apportioned to the main groups identified by Pollard. The left-of-centre conference speaker was typically viewed as the authentic voice of the rank and file, while the leadership performed the role of conservative frustrators of the progressive aspirations of that rank and file.

An attempt is made in what follows to present some different approaches to those so commonly adopted by labour historians in earlier decades. And to demonstrate how the institutionalist, "forward march of labour", approach leads Pollard to present both the wrong timetable and an inappropriate set of explanations for the growth of support for Labour amongst co-operators. This essay falls into three parts. Firstly, the evidence for Pollard's suggested pre-war growth of support for the direct political representation of the co-operative movement is critically examined. Secondly, rival explanations of the 1917 decision to embark on direct political activity are considered and the "traditional" emphasis on the impact of war upon co-operative trading is re-affirmed. Finally, it is argued that the real growth of support amongst co-operators for closer links with Labour should be situated in the years after 1917. The dramatic rise of Labour's stock amongst active co-operators between 1917 and 1921 is explained in large part by the changed experience of co-operative political activity.

## I

Co-operators sympathetic to Labour were anxious to develop links with the trade unions and the Labour Party, and, as a first step, to involve the co-operative movement in seeking political representation. Pollard presents the course of this struggle over the first two decades of the twentieth century as a "steady and natural [!] growth of the demand for direct representation of the Co-operative movement as a working-class organisa-

tion".<sup>3</sup> Such a conclusion relies upon a highly selective survey of voting patterns at Co-operative Congresses on the issue of direct political involvement. A fuller examination reveals the weakness of the case for any smooth progression.

Pollard suggests that the Congress debates of 1900, 1905 and 1913 "show a clear line of evolution" of growing support for political activity. This conveniently ignores the Congress votes of 1906, 1908, 1914 and 1915, all of which undermine Pollard's thesis.<sup>4</sup> Moreover, even if we rely exclusively on Pollard's own choice of data we find that the percentage of delegates who favoured direct political representation was in fact slightly smaller in 1913 than in 1900.<sup>5</sup> Examined more closely, even the events of the 1905 Congress undermine Pollard's case. It is true that one resolution concerning political involvement was carried. However, the motion was worded to avoid any specific reference to direct co-operative political activity, and in fact was only carried after a plea by a Liberal MP from the Congress rostrum for the motion to be passed "purely in the interests of discussion" in order that they "could get to the heart of the matter, which was contained in the second motion". This second resolution urged an alliance with Labour and was crushingly defeated by 807 votes to 135.<sup>6</sup> The different terms of each of the motions referred to by Pollard render any assessment of changes in voting behaviour particularly hazardous – it would be, at best, unwise to suggest a clear and uniform trend on the basis of such evidence.<sup>7</sup>

<sup>3</sup> *Ibid.*, p. 189.

<sup>4</sup> Pollard actually avoids the unpalatable evidence of 1914 and 1915 by describing 1913 as the "last important occasion before 1917 when the matter was discussed". *Ibid.*

<sup>5</sup> *Ibid.* The Congress votes highlighted by Pollard were as follows: 1900 – for 409 (31%), against 905; 1905, first motion – for 654 (71%), against 271; 1905, second motion – for 135 (14%), against 807; 1913 – for 580 (30%), against 1,346.

<sup>6</sup> The *Co-operative News*, 1905, pp. 710, 718. The first motion read: "That this Congress is of 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." The second motion urged: "That the Congress is further of opinion that this object can be best attained by joining our forces with the Labour Representation Committee, thus forming a strong party of progress and reform".

<sup>7</sup> The problems of comparability are substantial. The 1900 resolution advocated "independent working-class representation" as a means "to secure the possession of political power by the working-classes", *Co-operative Congress Report*, 1900, p. 153. There was no mention of the fledgling Labour Representation Committee, although had the resolution been carried affiliation would probably have resulted. The first motion of 1905 was, it would appear, deliberately imprecise and was carried very largely for the purposes of debate. The second motion was the only one of the four which called specifically for an alliance with Labour. The resolution debated in 1913 contained no reference to the Labour Party and, as such, does not represent evidence of an increase in support for the Labour cause over 1905.

What of the years Pollard chose to ignore? In 1906 the Congress resolved not to seek any form of direct Parliamentary representation by a majority of more than two to one. An attempt to revive the 1905 proposals at the 1908 Congress was defeated overwhelmingly. The 1914 Congress resulted in further setbacks for the Labour cause when a motion from the Co-operative Wholesale Society was passed with an "obvious" majority.<sup>8</sup> The Co-operative Union Central Board received clear instructions

to strictly observe, in spirit as well as in letter, the resolution of the Aberdeen Congress resolving to "maintain the neutrality of the movement in respect of party politics"; not to join in conferences with political parties; not to be officially represented at gatherings of political parties, and not to employ co-operative men or money to the advancement of the Labour party or political organisations or movements.<sup>9</sup>

Worse was to come during subsequent months when the 1914 Congress decision to avoid all outside contact was endorsed by a nationwide series of local committees, members' meetings and regional conferences.<sup>10</sup> A forlorn attempt at the 1915 Congress to ignore the message from these meetings and establish a Joint Labour-Co-operative Board was quickly dispatched by an "overwhelming" majority.<sup>11</sup>

Pollard may be right to suggest some growth of support for links between co-operation and the labour movement. However, by ignoring the unpalatable evidence of 1906, 1908, 1914 and 1915 he greatly overstates the strength of such support. Pollard felt that "the natural groundswell which drove the Co-operative movement into the arms of the Labour Party seemed to be irresistible, no matter how many victories Greening and his forces seemed to win on the surface."<sup>12</sup> On the contrary, after the defeats of

<sup>8</sup> The Co-operative News, 1906, pp. 656-57; Co-operative Congress Report, 1908, pp. 378-85; 1914, p. 511.

<sup>9</sup> *Ibid.*, 1914, p. 510.

<sup>10</sup> G. W. Rhodes, *Co-operative-Labour Relations 1900-1962* (1962), p. 12. Rhodes reports that following the 1914 Congress "conferences were held in different areas to discuss the whole matter and three resolutions were dealt with at each of them: (1) Supporting the original scheme for a 'Co-operative and Labour Board'; (2) The same as (1) but excluding the Labour Party, i.e., only the trade unions would be allowed to associate with the Movement; (3) disapproving of any joint action with outside bodies. The first proposal was defeated at the conferences by 905 to 464, the second by 748 to 477, whilst the third was carried by 740 to 668. A letter was forwarded to member Societies asking for their committees' views and 38 committees supported the first proposal, 41 the second, and 178 the third. The same letter asked the Societies to consult their members at members' meetings and the figures for these were: the first resolution lost by 1,764 to 1,115; the second by 1,372 to 1,119; the third carried by 1,799 to 1,227."

<sup>11</sup> Co-operative Congress Report, 1915, p. 501.

<sup>12</sup> Pollard, "The Foundation", *loc. cit.*, p. 194. E. O. Greening was the most prominent

1914 and 1915 Labour supporters cannot have sustained a perspective of victory in the short term. The advocates of political neutralism, often led by active Liberals, were firmly in the ascendant on the eve of war. The advances of 1905 and 1913, given such prominence by Pollard, were followed by severe defeats in 1906 and 1914. There was, therefore, no “steady and natural growth”, “inevitability”, or “clear line of evolution” towards a *rapprochement* with Labour before World War I. Rather there was a long and hard road of persuasion, debate and political struggle, along which the occasional step forward for Labour activists was invariably followed by disappointment and defeat.

## II

Only two years after the “overwhelming” defeat of 1915 the Co-operative Congress completed a most remarkable U turn and endorsed co-operative political action by 1,979 votes to 201. Most historians of co-operation have accounted for the decision of the May 1917 Congress by reference to the pressures of war.<sup>13</sup> Pollard rejects this traditional view and suggests instead “a major ideological conversion rather than a series of *ad hoc* complaints as the real basis of the Co-operative entry into labour politics”.<sup>14</sup> Accordingly, in this view, the 1917 Congress decision was merely a continuation of the alleged pre-war rising trend of support for co-operative direct political activity. While Pollard acknowledges that the war had an impact upon co-operation, the specific grievances occasioned by the government’s mistreatment of the movement in wartime cannot, it is argued, explain the decision of 1917. It was the emergence of “a matured ideological and class-based political philosophy” which, for Pollard, underpinned the conversion of co-operation to political action.<sup>15</sup>

While not denying the existence of some evidence of a pre-war rise in the influence of Labour activists, the traditional emphasis on the impact of war retains great explanatory power. Pollard’s interpretation rests heavily upon the evidence of quotations from conference speeches and co-operative pamphlets. Such views were expressed not by recent converts to the Labour cause, but by individuals long committed to independent working-class politics. The wartime co-operative pamphlets quoted by Pollard as evi-

spokesman among the opponents of direct co-operative political representation and a member of the Liberal Party.

<sup>13</sup> See for example Th. F. Carbery, *Consumers in Politics* (1969), pp. 16-22; A. Bonner, *British Co-operation* (1961), pp. 133, 140-43; G. D. H. Cole, *A Century of Co-operation* (1944), pp. 315-16; Rhodes, *Co-operative-Labour Relations*, op. cit., pp. 14-15.

<sup>14</sup> Pollard, “The Foundation”, p. 207.

<sup>15</sup> *Ibid.*, p. 201.

dence of a changed ideological position contained few arguments that were not already common elements of debates over political action before 1914. Moreover, simply because the Congress supported the resolution on political action it does not necessarily follow that those who voted for it also endorsed all the views expressed by Labour activists who spoke in favour of the motion. It would surely be a mistake to imply that those class-based ideas expressed at the conference rostrum, and quoted by Pollard, were shared by all the 1,979 delegates who supported the motion. This view gains further credence from the fact that the 1917 resolution only sought to establish independent co-operative political activity, not a “class-based” alliance with Labour. During the Congress debate Labour activists specifically denied that co-operation would be wedded to the Labour Party.<sup>16</sup> Why, if the majority of delegates to the 1917 Congress had undergone a “major ideological conversion”, did Labour activists fail to advance a scheme for a class-based political alliance with trade unions and the Labour Party?

The tendency to identify the vocal and committed conference delegate as the authentic voice of the rank and file has been a strong element in many histories of labour institutions. The characterisation of labour leadership as theoretically conservative has also pervaded such work. In the case of the co-operators Pollard draws a parallel with trade-union leadership in highlighting a “suspicion among Labour supporters of the political leanings of much of the Co-operative leadership”.<sup>17</sup> As if to confirm the expectations of earlier historians of the Left, the leadership of the Co-operative Union did indeed repeatedly ignore the instructions of the delegate conferences. However, this was done not in order to frustrate left-wing desires for closer links with Labour, but rather to initiate such contacts against the apparent will of the majority of societies. For example, during 1913, it was at the initiative of the leadership and without any mandate from Congress that a conference was held with representatives of the TUC and the Labour Party. The 1913 Congress then instructed the Central Board “to strictly maintain the neutrality of the movement in respect of party politics”.<sup>18</sup> In spite of this instruction, the Central Board organised a further conference with Labour

<sup>16</sup> Co-operative Congress Report, 1917, pp. 549-69. Not one of the resolution’s advocates made any specific reference to an alliance with Labour throughout the debate with the exception of the mover who made the position abundantly clear: “I want to say that in this resolution there is no reference to, and no intention of, any alliance with any political party.” *Ibid.*, p. 549.

<sup>17</sup> Pollard, “The Foundation”, p. 192. In fact Pollard presents very little evidence for such a claim. A letter to Henderson quoted by him refers not to national leaders, but to those local managers and activists who ran the retail societies.

<sup>18</sup> Co-operative Congress Report, 1913, p. 565.

and the TUC to draw up a scheme for a permanent Joint Committee.

It was this initiative which prompted Liberal co-operators to sponsor the much more explicit motion of 1914 (see above, p. 51). Only two months after being instructed “not to join in conferences with political parties” and avoid all contacts with other outside bodies, the Central Board of the Co-operative Union actively participated in the War Emergency Workers’ National Committee. Thus even before the war a majority of the Central Board had – unlike Congress – been sympathetic to the development of closer ties with Labour and the trade unions. They now lost little time in furthering that cause by heaping praise upon the work of the WEWNC on pensions, food prices, food supplies and war profits. Commendations of the advantages of closer ties with Labour by nationally respected leaders undoubtedly influenced many co-operators. Furthermore, at the 1917 Congress it was a resolution from the Parliamentary Committee which initiated the policy of direct political involvement. Far from being a conservative force, the national leadership of the Co-operative Union made repeated attempts to drag a largely indifferent and often hostile membership into closer alliance with Labour and the trade unions.<sup>19</sup>

In order to fully understand the decision of 1917, our focus needs to be shifted away from the conference speech makers and co-operative pamphleteers. Their support for direct political action was not a new element in the situation. We should rather be concerned with the motives of the majority of ordinary conference delegates and co-operative activists nationwide, who so dramatically reversed their opinion on co-operative political action between 1914 and 1917. The overwhelming concern of these and other non-party-political co-operators was with the trading function of the movement. Thus in the pre-war years Liberal activists were able to frustrate Labour aspirations by playing on four widely held beliefs. Firstly, it was feared that political action would endanger the movement’s unity, drive away members and damage trade; secondly, that it would be a drain on local society funds; thirdly, that political action was an inferior method of attaining economic and social improvement and was contrary to the co-operative traditions of voluntarism and mutuality; and, lastly, that the pressure-group policy of the Co-operative Parliamentary Committee – which relied for the most part on Ministerial lobbying – met all the movement’s political needs.

Such long-established and firmly held views were undermined by the practical experiences of active co-operators during the war rather than any mass conversion to Labour consequent upon a re-defined ideology. The

<sup>19</sup> See Rhodes, *Co-operative-Labour Relations*, op. cit., pp. 10-13.

war repeatedly brought co-operation into direct conflict with a State drawn into increasing levels of economic intervention, a State, moreover, heavily influenced in its decision making by private traders and business men. The single grievance which most inflamed co-operative opinion was the application of the Excess Profits Duty to co-operative societies' trading surpluses. To acknowledge that co-operatives made profits would not only make them susceptible to other forms of taxation, but would undermine the basic principle of co-operation based on the ideal of trade devoid of profit making. Almost as important in persuading co-operators of the need for direct political involvement was the scant attention paid by government to co-operative protests. The Joint Parliamentary Board reported to the 1917 Congress that "the co-operative movement carries but little weight, either with the legislature or the administrative departments of the State. [ . . . ] in the things that matter most today our influence is practically nil."<sup>20</sup>

Food shortages presented a constant and growing headache to the vast majority of local societies. When food finally became rationed in 1917, co-operative societies were disadvantaged by the government's chosen method, which left societies to share out a fixed ration among a growing number of consumers.<sup>21</sup> The exclusion of co-operative representatives from the Ministry of Food's local food-control committees provoked a storm of protest from co-operators and trade unionists alike.<sup>22</sup> Other local wartime State bodies often inflamed co-operators' sense of grievance. Military Service Tribunals were, according to the following account, particularly anti-co-operative.

One society had 102 men taken out of 104 and, in another instance, the military representative justified the taking of a branch manager on the ground that if the co-operative branch were closed a better living would be left for the village grocer. A private baker, as Chairman of a Tribunal exempted his own foreman baker from military service, and on the same day rejected the appeal of the local co-operative society for its foreman baker. One military representative actually stated that no harm would be done if by the withdrawal of all its male staff the co-operative store were shut down and its unfair competition with honest tradesmen brought to an end.<sup>23</sup>

<sup>20</sup> Co-operative Congress Report, 1917, p. 137.

<sup>21</sup> Scarce supplies of such necessities as wheat and sugar were distributed according to a "datum line" principle based on pre-war orders. However, between 1914 and 1917 membership of co-operative distributive societies had risen from 3,054,000 to 3,788,000. See Cole, *A Century of Co-operation*, op. cit., pp. 265, 371.

<sup>22</sup> In November 1917 some 27% of the membership of the local food-control committees were either private traders or farmers; only 2.5% were representatives of the co-operative movement. See W. H. Beveridge, *British Food Control* (1928), pp. 57-58.

<sup>23</sup> Bonner, *British Co-operation*, op. cit., p. 141-42.

Attempts to influence the government's wartime regulatory machinery brought co-operators and local labour bodies into active alliance, often for the first time. The attempts of many local co-operative societies to resist price rises and introduce their own rationing systems before 1917 had already enhanced their reputation amongst trade unionists. By the latter part of the war food shortages had become a principal spur of discontent amongst trade unionists, who were more than willing to add their weight to campaigns to secure co-operative representation on local food-control committees. In many areas co-operative societies despatched deputations to local trade-union branches and trades councils.<sup>24</sup> The repeatedly sympathetic response received by such deputations did a great deal to convert those local co-operative activists who doubted the benefits of an alliance with other labour bodies up to 1915. The experience of the later war years, when the labour movement acted as co-operation's sole ally, ensured that the ideological advocates of closer links with the labour movement found greater support for direct political involvement during and after 1917.

For much of the war the co-operative movement considered itself to be under direct attack. In one sense this was not a new situation. The privileged trading position enjoyed by co-operative societies had faced mounting criticism from private traders since the 1890's, when competition between the two had started to bite.<sup>25</sup> The key factor which prompted the co-operative entry into politics was the greatly expanded political influence wielded – often directly under the Lloyd George administration – by the private-business lobby. A policy of political neutrality and lobbying appeared futile when confronted with a government so completely influenced and infiltrated by the movement's opponents. Many co-operators were deeply angered by the refusal of Lloyd George to receive a deputation of co-operators during 1917, an episode which further exposed the inadequacies of the old approach. The pre-war advocates of political action seized upon their opportunity and found overwhelming support amongst those co-operators not firmly wedded to either of the traditional political parties.

However, Pollard finds further support for his view in an assessment of the potential benefits to co-operators of direct political intervention. He argues that the creation of a Co-operative political party was unlikely to be

<sup>24</sup> See for example Sheffield Associated Society Locomotive Engineers and Firemen, No 1 Branch Minutes, 3 and 24 February, 3 March 1918, Sheffield Central Library; Lanarkshire Miners County Union, Executive Council Minutes, 8 December 1917 and 26 January 1918, National Library of Scotland.

<sup>25</sup> See the papers by N. Killingback and S. Yeo in the *Bulletin of the Society for the Study of Labour History*, No 43 (1981).

seen as a remedy for the short-term grievances which according to earlier authors had spawned it. Pollard states:

the solution proposed – that of sending Co-operative M.P.'s to Parliament – did not seem to meet the immediate grievances [. . .]. No one could have hoped for much direct representation in war-time, when only by-elections offered an opportunity to test public opinion; but even in the middle distance of the immediate post-war years, with a general election in the offing, it is not clear what a handful of M.P.'s could have accomplished [. . .]. Specific short-term grievances alone could not have called such a party into being.<sup>26</sup>

One is immediately tempted to ask how, if prospects of political success were so remote, activists were expecting to use the new party to create their dream of the “Co-operative Commonwealth” which lay at the root of Pollard’s “major ideological conversion”? Certainly Labour activists wanted something more than the rectification of short-term grievances from their intended political involvement. But the majority of co-operative activists – who remained opposed to closer links with Labour – surely had every prospect of creating pressure on the government for the redress of those grievances by the adoption of direct political action. Indeed, Pollard draws attention to the changed attitude within government circles in the aftermath of the Congress decision to adopt political activity: “by the last quarter of 1917 and early 1918 [. . .] many of the immediate grievances were in fact being met.”<sup>27</sup> The strength of co-operative reaction – the major plank of which was the decision to take direct political action – was likely to have played a part in persuading government to adopt a more sympathetic attitude to the co-operative movement.

It was not necessary for co-operators to become MP’s, still less form a government, in order to pose a threat to the Liberal Party. An additional competitor for working-class votes and a further split within the “progressive” vote could only have helped the Conservatives at the Liberals’ expense. This was one very good reason why Liberal co-operators had fought so long and hard against direct co-operative political involvement. By early 1918 such considerations may have encouraged Lloyd George and Lord Rhondda to look more favourably on co-operative representations. It can be argued that it required only the commitment to political action to elicit the more favourable governmental response they required. There appears, then, to be a clear short-term rationale to co-operative political activity without reference to “ideological conversion”.

There is one significant element in the co-operative U turn on political

<sup>26</sup> Pollard, “The Foundation”, p. 209.

<sup>27</sup> *Ibid.*, p. 208.

activity which is completely ignored by Pollard. That was the lack-lustre and disorganised performance of the Liberals at the 1917 Congress, which had made a substantial contribution to the size of the vote to abandon political neutrality. Disarray amongst Liberal co-operators can be attributed in no small measure to the split in the Liberal Party itself. As Cole suggested over forty years ago,

Had the Liberal Party not been divided into warring factions – Asquithites and Lloyd Georgeites – and in the process of disintegration under the impact of war, the opposition to Co-operative political action would have been much more formidable than it actually proved to be.<sup>28</sup>

Pollard's suggested class-based alliance between co-operation and Labour rests upon more than just activist attempts to establish direct political representation. He argues for a parallel development of stronger ties with trade unionism. Once again, however, the suggested timetable is misleading. In order to bolster his argument for a natural evolution Pollard makes the assertion that "Like the leftward movement itself, the trade-union-Co-operative link had developed in the immediate pre-war years".<sup>29</sup> To put this claim into perspective we need highlight only two episodes in the lengthy history of trade-union-co-operative relations. National-level Joint Committees were first established as early as 1883.<sup>30</sup> So far from forging stronger links on the eve of war, the nationwide conferences and meetings of co-operators held in 1914 endorsed a resolution, inspired by Liberal co-operators and directed at links with trade unions, which disapproved of any joint action with outside bodies. Contrary to Pollard's claim, trade-union-co-operative links were established long before the immediate pre-war years, and attempts to extend the formal relationship beyond Joint Committees composed of national figures foundered right up to the eve of war on the resistance of the fiercely independent co-operative activists and membership. Certainly, various wings of the movement displayed a willingness to assist trade unionists involved in strikes during the pre-war labour unrest. There is little to suggest, however, that the co-operative movement as a whole was about to go beyond such *ad hoc* arrangements and establish a formal "class-based alliance".

The impetus of war did, however, give rise to plans for greater trade-union-co-operative collaboration, such as the grandiose schemes of the joint National Advisory Council. This body sought to bring co-operation and trade unionism into ever closer alliance and declared its belief in "the

<sup>28</sup> Cole, *A Century of Co-operation*, p. 268.

<sup>29</sup> Pollard, "The Foundation", p. 207.

<sup>30</sup> Bonner, *British Co-operation*, p. 128.

reconstruction of society on the basis of Co-operative ownership and control of all things socially necessary".<sup>31</sup> Pollard declares: "It would clearly be inadequate to derive these major and ideologically based plans for collaboration from the sudden discovery of only minor practical common interests."<sup>32</sup> The war had clearly expanded the scope of co-operative (and trade-union) aspiration. However, the substantive content of these "major and ideologically based plans" had already been presaged in the proposals for a United Co-operative and Labour Board which emerged from the Joint Conference of the Co-operative Union, the Trades Union Congress and the Labour Party held in May 1913. These proposals were decisively rejected at the Congress of the Co-operative Union in 1914 (see above, p. 51). As in the case of political representation, leading figures issued resolutions of good intent – complete with ideological foundations – before the outbreak of war. These schemes failed to attract anything like majority support until co-operators' view of the need for alliances had been transformed by their experience of the war economy.

To summarise: the large majority in favour of political action at the 1917 Congress resulted from three main factors: the disarray within the Liberal Party; a growth in support for the co-operative Left; and the intervention of the State into co-operative trading affairs. Of these surely the last was by far the most important. Co-operators under attack from politicians sought to hit their adversaries where it hurt most – at the ballot box. The Congress speeches of Labour activists quoted by Pollard did not accurately reflect the view of the broader movement or even the Congress itself. The Left gained majority support for political action because in 1917 many apolitical activists viewed it as a necessary response to a wholly new set of circumstances. More co-operators undoubtedly embraced the class-based ideologies of the Left in 1917 than in the pre-war years. Nevertheless, for the majority, it was a pragmatic decision in response to attacks upon co-operative trading.

### III

The record of co-operative political activity between 1917 and 1921 serves to highlight the extent to which Pollard overstates the swing to Labour both before and during the war. Far from being resolved, the battle to bring co-operation into closer political alliance with Labour had only entered a new and particularly difficult phase as a result of the 1917 Congress decision. That decision was, after all, only to enter electoral politics, not to form an alliance with Labour. The issue of the relationship between co-operative

<sup>31</sup> Pollard, "The Foundation", pp. 207-08.

<sup>32</sup> *Ibid.*, p. 208.

politics and the Labour Party occupied centre stage at all levels of the co-operative movement between 1918 and 1921. The co-operative movement and its resources became a battlefield for contending political forces. The course of that struggle, outlined below, demonstrates the incompleteness of any “ideological conversion” in 1917 and provides a useful indication of the strength of pro-Labour and anti-Labour (usually Liberal) forces during this important phase of changing political allegiances amongst a significant section of working-class opinion.

Initially political activity was greeted with some enthusiasm by societies anxious to fight back against an openly anti-co-operative government. By the end of 1918 563 retail societies (from a total of 1,364) had affiliated to the National Co-operative Representation Committee. Early support, however, turned to outright opposition in several areas when it became clear during the 1918 general-election campaign that co-operative societies were acting in a *de facto* alliance with the Labour Party.<sup>33</sup> This naturally angered many co-operators still sympathetic to Liberalism, and when local societies were asked to contribute funds and other resources to Labour election campaigns, active Liberals were presented with an issue around which they could organise and secure support.

Conflict developed in various parts of the country during late 1918. Liberal co-operators were to the fore in organised campaigns to prevent co-operative-society involvement in the general election. In December 1918 a meeting of one thousand co-operators in Aberdare voted to rescind an earlier motion which had authorised the society’s participation in political contests. Liberals achieved a similar result during 1918 in a dispute within the Stratford Co-operative Society. In March 1919 a “coalition committee” organised a successful coup at the Annual General Meeting of the hitherto socialist-dominated Brightside and Carbrook Co-operative Society of Sheffield. The socialists, however, shortly regained control. Early in the same year members of the Liverpool Co-operative Society rejected an electoral alliance with Labour by a majority of 10 to 1.<sup>34</sup> Even in industrial centres which might be expected to provide the backbone of any alliance between Labour and co-operation it appears that the task of “ideological conversion” was far from complete.

<sup>33</sup> The number of societies affiliated to the NCRC actually declined during 1919 and 1920. Only 506 societies remained affiliated by the latter date. The decline continued in 1921, when the depression in trade forced a number of societies to tighten their belts. Co-operative Congress Report, 1920, p. 125; 1921, p. 65.

<sup>34</sup> See the Merthyr Express, 12 December 1918; J. Bush, *Behind the Lines*, East London Labour 1914-1919 (1984), pp. 224-25; Sheffield Daily Independent, 1 March 1919; Liverpool Labour Party Minutes, 14 March, Liverpool Central Library.

Where Labour activists commanded majority support and attempted to enter local politics, there remained a formidable, if somewhat unexpected, obstacle to electoral activity – the Labour Party. Labour Parties and trades councils were very keen to recruit co-operative-society finance, full-time organisers, canvassers and press resources to their side in any election campaign. They were significantly less anxious to allow co-operative candidates to stand for either Municipal or Parliamentary election, unless they subjected themselves to Labour Party control over policy and candidate selection. In several areas of the country there were protracted and at times acrimonious negotiations between co-operative societies and the local Labour authorities; these almost invariably left co-operators with less room for political activity than they desired.<sup>35</sup>

In spite of these early difficulties, the course of political experience after 1917 enormously strengthened the supporters of joint Labour-co-operative political action. There were real areas of success. The strongly federal traditions of the co-operative movement allowed local societies to fashion their own political stance. Where Labour was particularly strong, co-operative societies often affiliated directly to the Labour Party – in the 1919 Municipal elections 341 Labour Party candidates campaigned with the active support of an affiliated co-operative society. Furthermore, although the number of societies which had merely affiliated nationally to the Co-operative Party fell, the number of active Co-operative Party Councils in the localities grew steadily from around 130 at the end of 1919 to reach 180 by mid 1921.<sup>36</sup>

An important aspect of early co-operative politics was the considerable activity generated in the local societies where Labour supporters were in the majority. When it was under the control of its socialist directors, the Brightside and Carbrook Society displayed a whole-hearted commitment to political activity. The society elected a full-time political organiser, and ran an almost continuous series of leafletting exercises, propaganda meetings and door-to-door canvassing directed both at co-operative-society members and the general public during 1919 and 1920.<sup>37</sup> In post-war Sheffield the Co-operative Political Council was at least as effective as the Labour Party in the establishment of new and active membership groups.

<sup>35</sup> See for example the disputes in Sheffield and Birmingham: Sheffield Trades and Labour Council, Executive Council Minutes, 23 July and 19 November 1918, 9 December 1919, 13 December 1921, Sheffield Central Library; Brightside and Carbrook Co-operative Society, Political Council Minutes, 11 and 25 July, 24 October 1918; History of the Birmingham Co-operative Society (1931), pp. 200-02.

<sup>36</sup> Co-operative Congress Report, 1920, p. 126; 1921, p. 65.

<sup>37</sup> Brightside and Carbrook Co-operative Society, Political Council Minutes, 25 June and 12 November 1919, 14 April 1920.

The Brightside and Carbrook Society was untypical, but not unique. Co-operation and Labour drew together rapidly in many areas after the war. In November 1919 some 852 Municipal candidates enjoyed the support of a local co-operative society, which in almost every case resulted from a local agreement with Labour.<sup>38</sup>

Local political activity was by no means confined solely to electioneering. Co-operative societies had traditionally placed great emphasis on education. During the later war years the activities of education committees in the industrial areas increasingly took on a political and labour character. One Birmingham society established speakers' classes and regular weekend schools from 1918; guest speakers included Tom Mann, George Lansbury and Philip Snowden.<sup>39</sup> In Pontypridd invited speakers included J. R. MacDonald and Neil Maclean MP. On the latter occasion it was reported that "hundreds failed to gain admission".<sup>40</sup> Co-operative political activity also extended beyond those societies affiliated either to the Labour or Co-operative Parties. The Co-operative Guild organisations also became involved in the practice of politics. The rapidly expanding and highly active Co-operative Women's Guild was strongly pro-Labour; its 1919 Congress urged co-operators "to join hands with Labour forces and stand aside from any party whose programme does not include the replacement of capitalism by the democratic control of industry".<sup>41</sup> At local and national level the Women's and Men's Guilds performed a good deal of their own propaganda and campaigning work, which often had a highly political flavour.

The post-1917 record of co-operative political activity suggests that any "ideological conversion" to support for Labour was very far from complete. Such activity remained patchy and repeatedly constrained by effective internal opposition. However, in many industrial centres the impact of co-operative political intervention was quite substantial. As that intervention gained momentum, so did pressure for closer links between Labour and co-operation. The great majority of societies involved in political activity had established or were negotiating some form of *de facto* alliance with the Labour Party. Nationally support for such an alliance grew dramatically, and in 1921 Congress rejected the proposal by the narrowest of margins.<sup>42</sup> In 1917 any suggestion of an alliance with Labour was denied

<sup>38</sup> Co-operative Congress Report, 1920, p. 129.

<sup>39</sup> H. M. Vickrage, *History of the Ten Acres and Stirchley Co-operative Society* (1950), pp. 85-90.

<sup>40</sup> *Merthyr Pioneer*, 13 March and 6 November 1920.

<sup>41</sup> Co-operative Congress Report, 1919, p. 303.

<sup>42</sup> A resolution endorsing an alliance with Labour was lost by 1,686 to 1,682 votes, Co-operative Congress Report, 1921, p. 496.

even by its supporters; by 1921 the alliance came within a hair's breadth of becoming an accomplished fact. The co-operative movement had become a battleground between pro- and anti-Labour forces, and it was clear which side was gaining ground.

Why did co-operators move over such a short time towards a *rapprochement* with Labour? In most areas where the decision was taken to become involved in local politics the activists who filled the political committees and councils were Labour supporters. This naturally led them to seek an alliance with the Labour Party and to report favourably on Labour's response to co-operative political initiatives. Having opposed co-operative political activity as a diversion for so long, Liberal co-operators were hardly likely to be heavily represented on local political bodies. Regardless of the political affiliation of the membership, both active and passive, the Labour activists were able to establish a local link with the Labour Party from an early stage.

However, the shift to the Left in the co-operative politics rested on a good deal more than Labour's ability to pack political committees. Of undoubted importance was the co-operators' experience of wartime politics and state intervention. When co-operators sought allies in their struggle over food supplies at local level, the most favourable response usually came from the trades councils. In many towns and cities these bodies, or at least many of their leading figures, were synonymous with the Labour Party. This experience of local collaboration – despite the many problems – allowed Labour activists within the co-operative movement to present the case for an alliance as merely formal recognition of an established fact.<sup>43</sup> The sympathetic stance of the Labour Party stood in stark contrast to the hostility of the established parties, who, in the eyes of many co-operators, were closely wedded to private trading interests.

There is strong evidence to suggest that the growth of support for closer links with Labour amongst significant numbers of co-operators was to a large degree occasioned by post-war developments. In mid 1919 co-operators were still not clear about the shape of post-war politics, apparently remaining unconvinced of the permanence either of Labour's rise or the

<sup>43</sup> When proposing the Co-operative-Labour Political Alliance to the 1921 Congress, S. F. Perry, Secretary of the Co-operative Party, pointed out that "There is no constituency in the country where a co-operative candidate has been put forward without receiving the active and moral support of the Labour Party and the trade unions. There is not a municipality in the country where a co-operative candidate has not received the same loyal support. Is there one in this hall this morning, from whatever part, who could go to his society and advocate opposing the trade unions and the Labour Party?" Co-operative Congress Report, 1921, p. 483.

demise of Liberalism. At the 1919 Congress an attempt to affiliate to the Labour Party was clearly defeated. Even a call to allow candidates for public office to run as “Co-operative and Labour” was rejected. Co-operators were not yet prepared to abandon their desire for an alliance of progressive forces, and the Congress went on to recommend the initiation of negotiations for a “United Democratic or People’s Party”.<sup>44</sup>

The rise of Labour’s currency amongst co-operators was perhaps helped most by the wider political changes in post-war Britain, which in many minds left the movement with a choice between surrender to an antagonistic government and some form of alliance with the Labour Party. The continued division of the Liberal Party and the participation of Lloyd George and others in what had become a most illiberal administration left the party’s supporters in the co-operative movement in an unprecedentedly weakened position. The Co-operative Union Central Board to some extent foresaw the impact of post-war re-alignment on co-operative politics in its report to the 1919 Congress.

The gathering together of vested interests under the coalition banner may after all prove to be one of the most effective driving forces towards the formation of a federation of democratic parties, whether in the shape of a Democratic or People’s Party, or a working agreement between sympathetic organisations.<sup>45</sup>

In many localities of course the anti-Labour coalitions were only established in the wake of the 1919 Municipal successes for Labour. This breakthrough established the short-term prospect of Labour administrations in many major cities. The establishment of the Labour Party as the official Parliamentary opposition, coupled with electoral gains during the early post-war years, re-ordered the co-operative view of Labour as a political ally. The pre-war fears that trade would be lost through an alliance with a relative political minnow were gradually being superseded by a realisation of the potential benefits presented by the prospect of a Labour government. For some time this meant simply the repeal of government-imposed penalties, others felt that Labour’s commitment to the establishment of a “Co-operative Commonwealth” offered a new and more readily attained avenue to the realisation of the movement’s more grandiose aspirations.<sup>46</sup>

<sup>44</sup> *Ibid.*, 1919, pp. 527-29, 553-54.

<sup>45</sup> *Ibid.*, p. 187.

<sup>46</sup> See for example L. Woolf, *Co-operation and the Future of Industry* (1918); *id.*, *Co-operation and Socialism* (1921). Also Rev. G. A. Ramsay, inaugural address to the 1920 Congress, *Co-operative Congress Report*, 1920, p. 61.

Ideological shifts should not be ignored. Growing numbers of co-operators viewed society and their ability to change it in a different light as a result of the war. As one leading co-operator observed,

By the war, as by a flash of lightning, the whole social horizon was illuminated. The nature of modern society was revealed; the true character of the competitive system of trade and industry became evident; the relation between the exercise of political power and the future development of the co-operative movement was clearly seen.<sup>47</sup>

Furthermore this broadening of horizons, which affected in various degrees the whole labour movement, produced a situation where the Labour and Co-operative Parties shared very similar short-term policies and long-term goals – most notably, of course, the establishment of a “Co-operative Commonwealth”. The number of active co-operators who viewed the re-ordering of society as the principal spur to their activity grew sharply during the war and its aftermath. For almost all of these men and women the Labour Party was a natural ally in a crusade on behalf of working people. However, they remained an active but relatively small minority even during the post-war upheavals.

For the less ideologically motivated co-operator, continued post-war state hostility to co-operative “privileges” was a particularly important stimulus to the creation of a closer relationship with Labour. Although the government made some attempts to appease co-operative opinion during the closing stages of the war, the movement found itself under renewed attack after the general election of November 1918. The Tory-dominated Coalition responded to a vigorous business agitation by making co-operative surpluses liable to a Corporation Profits Tax introduced in the spring budget of 1920. This measure was the final straw for some societies which had maintained their opposition to political action. In May 1920 leading officials of the Sheffield and Ecclesall Society, who were long-standing opponents of any political activity, explained that their new-found support for a Labour and Co-operative Political Alliance was a direct consequence of the decision to tax co-operative profits. Within weeks the Society’s Annual General Meeting voted by a large majority to rescind all earlier resolutions opposing political activity and to support Parliamentary representation through the Co-operative Union and the Labour Party.<sup>48</sup> It is noteworthy that by 1920 these new converts to political action foresaw little benefit in an independent political stance, but from the outset viewed their political future in terms of an alliance with Labour. A Co-operative Union

<sup>47</sup> T. W. Mercer, *The Co-operative Movement in Politics* (1920), p. 6.

<sup>48</sup> *Sheffield Daily Independent*, 20 May and 9 June 1920.

discussion pamphlet on the proposed Labour and Co-operative Political Alliance highlighted the changed political environment.

The older parties have practically coalesced and are practically supporting the existing social order. [. . .] When elections take place Conservatives and Liberals unite in order to prevent the election of Labour and Co-operative candidates. Surely, the workers should be equally wise, and present a common front to their opponents.<sup>49</sup>

The political realities had so altered by 1920 that independence had become a distinctly less attractive option.

Economic conditions also played a part in the co-operative conversion. Full employment and relatively buoyant working-class incomes formed the backcloth to the record growth of co-operative society membership between 1915 and 1920. Trade picked up rapidly during 1919 and 1920, and the general outlook among societies was one of expansion and optimism.<sup>50</sup> Co-operative achievements in the economic sphere undermined the traditional opposition to political action based on the grounds of cost and potential loss of trade. It would probably be a mistake to explain the shifts in co-operative political opinion, to any large degree, in terms of fluctuating economic circumstances. It is tempting, for example, to account for the high vote in favour of affiliation to Labour at the 1921 Congress by reference to the sharp down-turn in trade during that year. In fact, in many areas, the issue had already been decided upon at regional and local conferences held in 1920 before the slump had made any significant impact on co-operative trading fortunes.<sup>51</sup> If anything, the slump led to a decrease in political activity by co-operative societies, as the need for economy strengthened the hands of Labour's opponents.

After the war the Labour view of a society, divided into two camps between the supporters of collectivism and individualism, had become a far more potent image amongst co-operators. The Labour Party, trade unions and co-operative movement were represented as the forces of collectivism compelled to stand together in opposition to an "unholy alliance of Liberals, Tories, landlords, and capitalists, united to make common cause against the workers and uphold the system of plunder and privilege".<sup>52</sup> Coalition government and the success of the Labour Party effectively removed the prospect of a "progressive alliance" by the early 1920's. The trend towards a polarisation of politics and society between working class

<sup>49</sup> Mercer, *The Co-operative Movement in Politics*, op. cit., p. 11.

<sup>50</sup> Cole, *A Century of Co-operation*, pp. 371-72, 375.

<sup>51</sup> Co-operative Congress Report, 1921, pp. 215, 223, 244, 292.

<sup>52</sup> *Ibid.*, p. 488.

and middle class, between collectivists and individualists, in the years following the co-operative entry into direct political activity encouraged many co-operators to support an alliance with Labour. Where this occurred local co-operative societies provided, to a large degree, a faithful reflection of the shifting political opinions of the working-class communities they served. So too did the – very slim – majority of societies which remained unconvinced of Labour's claims to represent working people and which continued to oppose such an alliance.

The timing of the co-operative conversion to Labour coincided closely with the general shifts in Labour's electoral support. Up to the very end of 1918 Labour activists' grip on local societies remained open to challenge by Liberals in all but the most well-established Labour strongholds. During 1919 and 1920 Labour's star rose steadily within the co-operative movement. The President of Congress in 1920 suggested that this convergence of Labour, the unions and the co-operative movement was "being determined not so much by the will of individuals as by the general march of events. It is the pressure of circumstances that is forcing us to act together."<sup>53</sup> There were three "circumstances" uppermost in the mind of the Congress President and many other co-operators. These were, the continued hostility of the Tory-dominated Coalition government, the prospect of a Labour government, and the apparent growth of the divide between pro- and anti-capitalist camps.

#### IV

There can be no doubt of the significance of co-operation for labour historians. The central contention in Pollard's work, that co-operation has been both ignored and undervalued, remains equally valid a decade and a half later. Pollard is also right to suggest that the traditional treatments of the foundation of the Co-operative Party have tended to "isolate changes in Co-operative opinion as if it were not part of working-class opinion".<sup>54</sup> That it most certainly was. The problem rests with Pollard's attempt to back-date the swing to Labour amongst co-operators, and the attribution of the views of Labour activists to co-operators in general. There is no real contradiction in accepting the traditional timetable for co-operative political involvement and Pollard's view that co-operators reflected working-class opinion. On the latter's own evidence the growth of support for Labour only really took hold during and after 1917. This was true amongst co-operators and many

<sup>53</sup> Ramsay, inaugural address, loc. cit., p. 62.

<sup>54</sup> Pollard, "The Foundation", p. 189.

other working-class groups. It should be added that this shift was limited in extent, particularly before the spring of 1919. An important distinction should also be maintained between co-operators who were active supporters of Labour and the great bulk of the movement's membership. The latter did not share the ideological concerns of the Labour minority when they made their decision to endorse political activity in 1917.

Alfred Barnes, a Chairman of the Co-operative Party in the 1920's, often quoted by Pollard (but not in this instance), clearly saw the distinction. Of the "necessity" for co-operative political activity in 1917 Barnes later wrote: "The few who had reasoned this out in the past were now strengthened by those converted through adversity."<sup>55</sup> In the wake of the 1917 decision more and more co-operators became committed to the Labour cause, but they apparently remained in a minority throughout the post-war years. In the first instance it had been the practical experience of hostile government intervention that persuaded the bulk of the co-operative movement to enter politics. Similarly in the aftermath of that decision it was the post-1917 experience of an increasingly polarised and class-based politics which suggested to growing numbers of co-operators that an alliance with Labour was now necessary.

<sup>55</sup> A. Barnes, *The Political Aspect of Co-operation*, revised and enlarged ed. (1926), pp. 26-27.