

CO-OPERATIVE SOCIETY.

The following letters explaining the principles of co-operative distribution, were published during the months of March and April, 1881, in *THE GAZETTE*, Montreal:—

TO THE EDITOR OF THE GAZETTE.

SIR,—So little is known respecting the Co-operative Societies established in England and Scotland that some account of their origin, progress and objects cannot fail to interest a large portion of your readers; if you consider the matter of sufficient importance I shall be glad to give you such information as I can gather from reliable sources.

These societies are conducted on what is known as the "Rochdale plan" and the "Civil Service plan," the rule of both is to sell all goods for cash. In 1878, the last year for which the returns are completed, 1,181 societies, conducted on the Rochdale plan, made returns to the Government, as required by the Industrial and Provident Societies' Act. They had, at the end of that year, 650,700 members; a share capital of £5,728,827; a loan capital (dividends left on deposit at 5 per cent interest) of £872,686; they received for goods sold during the year £21,128,318; their expenses, including 5 per cent interest on share and loan capital, were £1,485,291, the net profit realized was £1,817,943; their total assets were £10,139,567. In all these 1,181 societies, capital received no more than 5 per cent interest; the profit on the year's trading, £1,817,943, was divided amongst the members in proportion to the amount they paid for goods bought at the store; one member might hold ten shares representing a share capital of £10, he receives 5 per cent interest or two shillings; he buys goods to the amount of £50 and receives profit, say £5; another member holds one share of £1, he receives 5 per cent interest or one shilling, but he purchases at the store £100 and receives as (dividend) profit or money saved £10.

The shares are £1 each, and members receive 5 per cent interest on their share capital and on such dividends as they allow to accumulate. The share capital and loan capital may be withdrawn at any time.

The object of these societies is to raise money to purchase the best goods at wholesale

prices, to save on the cost and distribution of goods, to give accurate description, weight and quantity to sell at fair prices, and give to every member the exact proportion of savings he has by his purchases contributed to make for the Society. This is the first part of their programme; it extends much further. Their aim is to elevate their class, to inculcate habits of thrift, temperance and independence, release their members from debt and induce them to accumulate their savings until they reach such an amount as enables them to undertake business operations which otherwise would be beyond their reach. *Saving was difficult until the happy idea of saving by what is actually expended was reduced to practice.* The men of Rochdale may well be proud of being the "pioneers in forming societies which in seven years have accumulated, saved and hold in realizable assets more than fifty millions of dollars for their 650,700 members. Besides this amount invested in stock, buildings, industrial and other societies, large sums have been withdrawn and expended in building houses, in freeing members from debt and adding largely to the domestic improvement and comfort of thousands of homes. In Rochdale whole streets of improved houses have been built by co-operative savings.

The other class of stores on the civil service plan are mostly established in London. Their shares are transferable, but not withdrawable. They give the purchaser the best goods the market affords at the lowest price, allowing a fair margin for expenses and a small advance for profit, which goes to the shareholders.

They publish regular balance sheets showing the business and amount of profit. Although the advance on the sales is small, it is sufficient to pay large dividends on the capital employed.

The net profit, after paying working expenses, interest on deposits, &c., in the Army and Navy Co-operative Society, is about 8 cents in the pound; on thin sales their £1 shares sell at £3 15s. They sold goods to the amount of about ten million dollars in 1880. Any increase of profit is met by a reduction on the price of their goods.

The Civil Service Co-Operative Society's shares, on which £2 is paid, sell at £77 to £100.