

2. Training in business habits of the committee men who are entrusted with the administration of the local societies, through which this saving is effected—in 1900 the number of committee men amounted to 20,000.

3. Effect on character of the 8,000,000 population influenced by their association with this huge organization and the responsibilities attaching to it.

4. Security provided against trusts run in the interests of a few capitalists.

I would have you reflect on the security which the development of co-operative methods offers against the tyranny of trusts and combines. There is no guarantee that the power of a trust, or a combine, will not be used against the general wellbeing of both producers and consumers. The co-operative movement provides a safeguard against this danger of a value proportionate to its strength. The Co-operative Consumers' Organization, which is in itself a trust in the interests of consumers, is prevented by law from becoming a close co-operation with limited membership.

It therefore cannot be captured by a capitalist trust. Further, no man may own more than 200 shares. Every member has an equal vote. Its command of millions of capital enables it to make large purchases in every part of the world. This power and their possession of a market gives the great Co-operative Consumers' Organization a unique position.

Mr. Verville, in one of his questions, referred to his hope that co-operation might make it easier for working men to build their own homes.

Perhaps one of the most interesting features in the co-operation movement in England at the present time is the work which is being done by Co-partnership Tenant Societies in London and elsewhere. I would refer you to a prospectus of the Ealing Tenants, Limited, of which the chairman is Mr. Henry Vivian, M.P. for Birkenhead, and who has all his life been a strenuous and effective worker in the cause of co-operation. His object has been to promote the co-operative ownership and administration of suitable building estates in the suburbs of London, by methods which, while avoiding the dangers that too frequently accompany the individual ownerships of houses and speculative building devoid of public spirit, harmonize the interest of tenant and investor by an equitable use of the profit arising from the increase of values and the careful use of the property.

The methods are briefly as follows:—

'To acquire, or erect, substantially-built houses, provided with good sanitary and other arrangements for the convenience of tenants.

'To let the society's houses at ordinary rents; to pay a moderate rate of interest on capital; and to divide the surplus profits, after providing for expenses, repairs, depreciation, &c., among the tenant members, in proportion to the rents paid by them.

'Each tenant member's share of profits is credited to him in shares instead of being paid in cash.

'The advantage to the tenant member is obvious; in that he is entitled out of the profits to receive a dividend on the rent paid by him during that period. The investing shareholder, it is admitted, does not receive an excessive return on his capital.

But the system also operates to the advantage of the capitalist.—

'A. The greater the surplus profits the greater the security for the regular payment of interest on capital. Now, it is in the interest of the tenant members, who receive the surplus profits, to make those profits as large as possible, *e.g.*, by taking care of the property and thus lessening the expenditure on repairs; by helping to find tenants for empty houses; by the punctual payment of rent. Experience confirms this.

'B. The share capital of the tenant member affords a fund upon which the society can, if necessary, draw in order to pay any arrears of rent. Loss by arrears of rent is therefore practically impossible.

'It is contended that while the system confers great benefit on the tenant shareholders, it affords by that very fact an exceptional security to the capitalist shareholder.

'This system must not be confounded with that of an ordinary building society