

The CWS

The Co-operative Movement as it was known up until the end of the twentieth century has all but vanished. Of course there are some good consumer retail societies which are based on the mutual model and offer a much needed alternative to the mainstream supermarket chains. But co-operative culture has receded into the margins. It's driving purpose towards the co-operative commonwealth has evaporated. The co-operative auxiliaries as they were known, in many cases, have been lost. Such organisations include The British Federation of Young Co-operators (1942-1961), The Co-operative Women's Guild (1883 - 2016), The National Guild of Co-operators (1926 – 2019), many more could be added to the list. Every Co-operative Society had its Education Committee which linked the membership with these auxiliary organisations in active participation. And through all sorts of networks, co-operators kept alive co-operative education and culture. The network of co-operative societies which drove this movement have been swallowed up into much larger societies and something of co-operative culture has been lost. And a vital ingredient of this culture was the social and recreational life of the movement.

Fortunately, a potential co-operative movement for the future is growing. The storytellers of the early 19th century movement such as G.J. Holyoake and succeeding historians and co-operators throughout 20th century have told the co-operative story. What is needed now is those who can tell the story of the 21st century co-operative movement. But is it sufficiently cohesive to call it a movement, and does it have a purpose, for example 'to build the co-operative commonwealth'? Or is it a number of individual enterprises which work on the co-operative model but do not form a cohesive movement towards a specific aim? Is it time to dispense with the idea of a movement, after all, co-operatives contribute enormously towards quality of life and are based on self-help, self-responsibility, democracy, equality, equity, and solidarity. The world is certainly a better place because of these enterprises.

The history of the Movement has been studied and recorded, resources are available at Principle 5, the Co-operative College, The National Co-operative Archive, and The Working Class Movement Library. The material is there to study. It will be argued by some that the Co-operative Group is somehow a continuation of the Movement for the twenty-first century.

Until the 21st century the Co-operative Movement was made up of co-operative retail societies:

- In 1900 there were 1,400
- by 1950 there were 1,000
- by 1960 there were 875
- in 2021 there are 15

They were served by The Co-operative Wholesale Society (CWS) which manufactured, farmed, imported, processed food products and supplied to the co-

operative movement. It also created the infrastructure for an active co-operative movement. The CWS played a federal role which gave cohesion to the Movement.

The CWS was collectively owned by the retail societies, it was a secondary co-operative. Until the middle of the 20th century it was an extremely successful business and served the co-operative movement very well. One of the strengths of this business model was **Vertical integration**. This gave the co-operative movement complete ownership of the supply chain.

From the early days of the Co-operative Movement, the CWS owned and controlled farms which produced food, the factories which processed and packaged the food and distribution to co-operative outlets. Likewise, they took control and ownership of the manufacture and production of everything saleable. Banking and insurance and other services were also under their control and ownership. They owned tea estates in Ceylon and ships which transported it. And they had a presence in all the major capitals of the world. The commercial success of the CWS meant that the Movement could be funded and the path laid towards creating a co-operative commonwealth to gradually replace the capitalist system which had produced so much poverty and countless wasted talents.

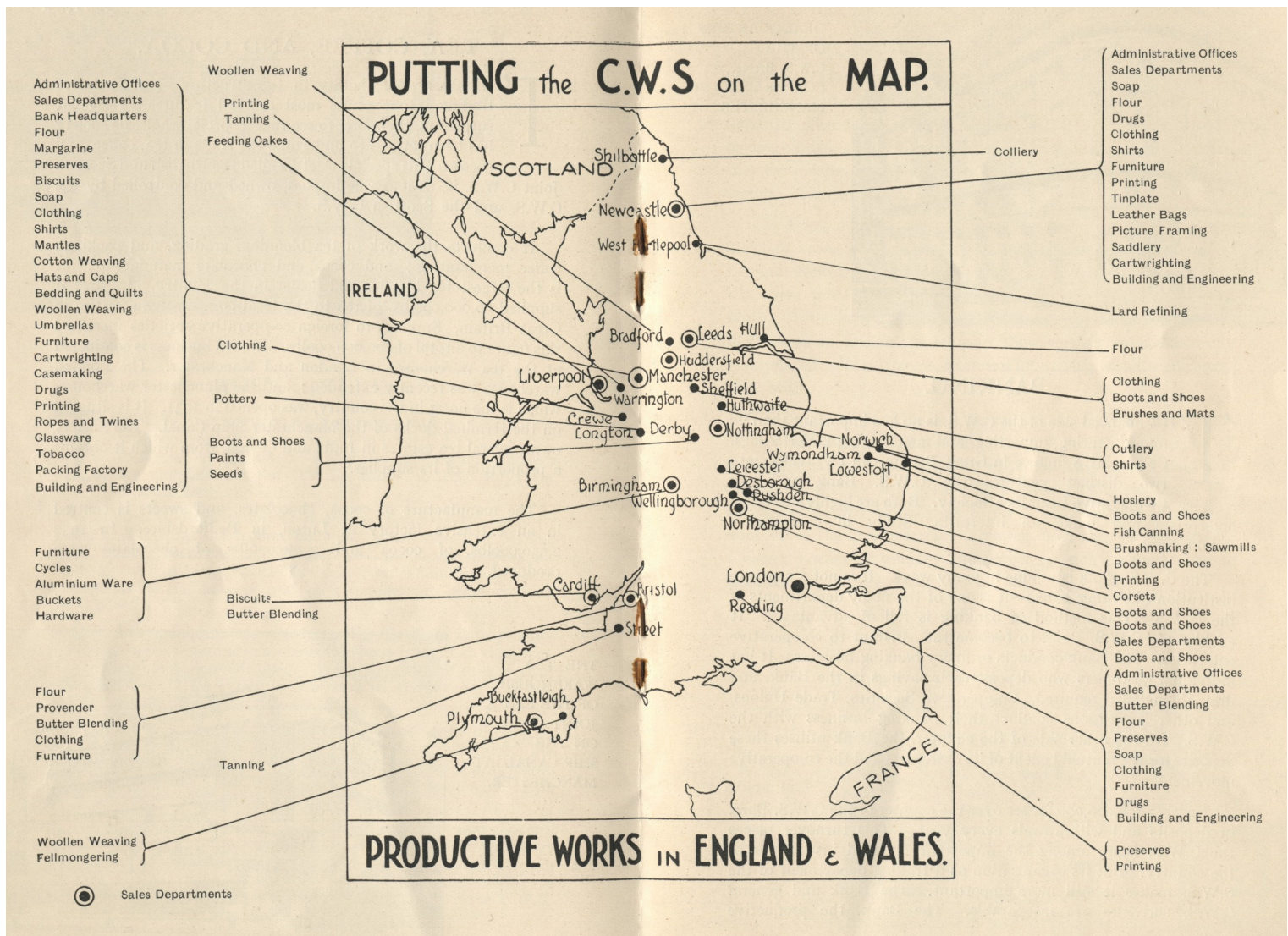
The Co-op was not prepared to be dictated to by private profiteers. In 1933 the CWS produced a wireless called 'Defiant' with two models available in Co-op shops. This was when private sector manufacturers refused to supply the CWS with wireless sets on acceptable terms.

Control of the supply chain meant that they could ensure that the working conditions and standards in their places of work were decent and in keeping with the standards of a co-operative. It meant that the quality of their products were under their control and supervision. They were in control of the terms of their business dealings and in control of price. And all this in the service of their members, the owners of the co-operative and in pursuit of the vision of a co-operative commonwealth.

[The National Co-operative Archive](#)

Decline of the Co-operative Movement

The concept of vertical integration was abandoned in the 1960's - the CWS changed its function from production, processing and selling to the co-operative societies to buying on their behalf. This fundamentally changed the way in which the movement operated and represented a loss of control over the supply chain.



The CWS in the mid 20th century

Increasingly in the 20th century, as private multiple retailers became more competitive, co-operative societies started to buy more produce from sources other than the CWS. This undermined the once successful co-operative model.

Co-operative societies

- Can buy from any source.
- Need to supply what members/customers want.
- Societies need to keep local suppliers on side.
- Will support CWS...if the price/quality are right.

But CWS

- Can't sell to private firms.
- Wants to be main, if not sole supplier to co-ops.
- Serves as a 'commercial hothouse' – have to have the best quality at the best price to attract co-operatives.
- Control over supply chain – source of goods to delivery.
- Conflict! 'The dysfunctional federation'!

Anthony Webster 'Building Co-operation'

This became a big problem in the latter half of the 20th Century and the CWS business model began to fail. The findings of the Co-operative Commission of 1958 and other reviews pointed to the need to reduce the number of co-operative societies through mergers and for the CWS to have greater control and leadership. This was strongly resisted by the co-operative societies which valued their independence and autonomy. As society changed with the loss of working class neighbourhoods when the manufacturing and mining industries closed down, and the private sector became dominant, co-operative societies found that they could no longer give a dividend to members. This further undermined member loyalty and any particular significance of the co-op.

There followed many mergers including the merger of the CWS with its retailing arm (CRS), the new society became known as the Co-operative Group which in turn began to eat up independent Societies. It became one big retail co-operative society which controlled 85% of co-operative trade in Britain. After disastrous financial mismanagement in 2013, it sold off all of its assets except for food and funerals. As a result, the Co-operative Group became just another supermarket chain, not much different to Marks & Spencer, Sainsbury or Waitrose. Whilst the Co-operative Group remains technically a co-operative, it has lost its co-operative vision and purpose.

NOTES

The Co-operative Union/Co-operatives UK

Note: The The Co-operative Union began providing administration services for the **United Kingdom Co-operative Council (UKCC)** and the **Industrial Common Ownership Movement (ICOM)** in 2000. This ultimately led to the UKCC deciding to wind up and allowing the union to take over its functions, and ICOM merging with the union to bring together the retail and worker co-operative sectors for the first time since they split in 1880.

The Co-operative Union changed its name to Co-operatives UK in 2002

from A Century Story by Desmond Flanagan (Preface)

“The Co-operative Union ... has been and still is the keeper of the Movements ideals and principles, the social educator, the technical advisor, the arbitrator, and the watchdog. It is the all embracing central organisation which knits together the whole Movement, provides the machinery for policy making, for negotiation on its members’ behalf and for communication to and from the Movement.”

The membership of the Co-operative Union/Co-operatives UK consists of retail co-operative societies and all other kinds of co-operatives. In 1900 there were 1,400 retail societies in membership, in 1950 there were 1,000, by 1960 there were 875. Today there are 15. This is due to societies merging and forming fewer but much larger societies. Much of this was facilitated by Co-operative Retail Services (CRS).

Apart from the Co-operative Group and the remaining co-operative retail societies, the Co-operatives UK membership is made up of hundreds of co-operatives (worker owned and multi-stakeholder co-ops, credit unions, educational, community and federal). It is these co-operatives which have the potential to be the Co-operative Movement of the future.

Steve Thompson
January 2021

Book Review

Who Was J.T.W. Mitchell?

By Stephen Yeo

Published 1995 by CWS Membership Services

This is a fascinating book of less than 100 pages about a man known by everybody as Mitchell.

J. T. W. Mitchell was Chairman of the Co-operative Wholesale Society from 1878 – 1895, re-elected quarter by quarter all through that period. By the late 1880's the turnover of the CWS was in excess of £6m per year. By 1897, there were 8,407 people employed by the Society, working in the distributive departments and in the bank as well as in the productive works and services.

I quote from chapter iv which includes excerpts from Mitchell's speeches.

“Our Movement was no longer a theory, it was a great fact, the best outcome of civilisation and an embodiment of Christianity in trade. The economists of the last century made selfish individualism the basis of commerce and taught that men should compete with one another for their own good. Co-operation taught that men should work together for the good of the whole community, that wealth should not be confined to a few, but distributed for the benefit of the entire population. The present condition of things in the social and industrial world was a scandal to so called civilisation. A few were living in palaces, clothed in silk and velvet, and thousands of men, women and children were half

starved and in rags. Co-operation would bring to the masses of the people the comforts which heaven designed them to enjoy in this world”.

In 1897 he told a public meeting at Congress that his ambition was no less that ‘to create a new order of things’, ‘to change the world’. This was his language in front of the Royal Commission on Labour during the early 1890’s too. He wanted a ‘new state of things’. ‘He was anxious that the lever which the working classes now had in their hands should not be employed to make other men rich, whilst they, (the workers) labour and toil and sweat for a bare existence, but to secure for them a perpetual redemption from all acts of slavery and tyranny... Capital was not the enemy of the working man: it was his friend. He wished them to use it for their own elevation and the good of their children. He asked why should not they conduct productive societies as well as distributive and thus secure to themselves the profits made in those manufacturing concerns. There was no reason why twenty years hence, Accrington should not be one gigantic productive concern and that the profits should be divided amongst the whole inhabitants of the town’.

“If the trade of this country could be carried on solely by co-operation, in fifty years time the Society could buy up the whole of the land of England’.

‘That was no exaggerated theory, but practical fact’. He did not believe it to be a Utopian idea. He believed it to be a practical idea of trade that they should secure to themselves the great benefits both of import, manufacturing, merchanting and banking.

J.T.W. Mitchell (1828 – 1895) known by everyone simply as ‘Mitchell’.

Many co-operators of the 19th century were secularists like G. J. Holyoake and Robert Owen. But not all. J.T.W. Mitchell was Deacon of Milton Congregational Chapel, Rochdale and interpreted Christianity in terms of the well-being of all mankind, putting all his energy into the co-operative movement. His grandfather had been a member of the failed co-operative shop at 15 Toad Lane which came before the Rochdale Equitable Pioneers Society at 31 Toad Lane. Mitchell joined the Equitable Pioneers in 1853, joining the committee in 1855, becoming Secretary in 1857 and Treasurer of the Education Department in 1868. He was also a member of the Co-operative Manufacturing Society, Rochdale. He was a committed member of Rochdale Temperance Society and was a Sunday school teacher at Milton Chapel.

Mitchell as Chairman of the most varied and possibly the largest business enterprise in the world at that time received something like £150 a year and died worth £350/17s/8p. “Perhaps no man in Europe presided over so large a business, and certainly no man presided over so vast a concern who took such slender remuneration for so doing” (Rochdale Observer 3rd April 1895).

“The bedroom in which he died in John Street, Rochdale was ‘humble in the extreme’. It contained some of the old furniture his mother had when he was a boy ‘reports and balance sheets.....took the place of ordinary literature’ – though Mitchell liked books – and there were portraits of a few friends, his Bible and a hymn book, and that was all” (William Maxwell – ‘The Late John Thomas Whitehead Mitchell’ in CWS Annual 1886 pp. 392 – 414, p. 397).

The principal debt we owe Stephen Yeo in this work is the painstaking uncovering of Mitchell’s credo from under a century of unflattering varnish. But we have him to thank too for catching the dynamism and the spirit of a man who for twenty years presided over one of the world’s biggest businesses and yet who died with no family to mourn him, with few worldly possessions, whilst registering hardly a footnote in history. Here is an historian redressing the balance.

This book review is on the Books page of the Principle 5 website:

<https://www.principle5.coop/books/who-was-j-t-w-mitchell>

In the 21st century, Co-operative Group executives were receiving over £1million salaries. Some were receiving multi-million £ payouts when they left after being employed for only a short time. These figures are all published and can be verified.

And they were the architects of the Co-operative Group’s downfall with the loss of its integrity, its property and its purpose.

April 2024

Time-scale of the founding of the Co-operative Wholesale Society (CWS)

There had for a long time been an aspiration amongst co-operators to have a wholesale the serve the co-operative movement. This began to take form on the 12th August 1860.

Lowbands Farm, Jumbo, Middleton where discussions began (a co-operative farm).

- 12 August 1860 – social gathering, tea in the barn
- Discussion of need for a co-operative wholesale – and to change the law to make it work.
- Meet in Manchester, Middleton, Oldham & Rochdale
- 4th November 1860 - first entry in the ‘Jumbo minute book’
- 25th December 1860 - report to conference at ‘Temperance Hall’ in Hewitt Street, Manchester.

Six of the original Rochdale Pioneers played a part in the establishment of the CWS. Other founders came from Middleton, Oldham and Manchester Co-operatives.

Founded as the North of England Co-operative Wholesale Society and registered on the 11 August 1863

- 1st official meeting; 10 October 1863
- 1st members' meeting; 21 November 1863
- Commenced trading; 14 March 1864

The CWS came to an end in 2001 with its merger with the retail arm (CRS) to form the Co-operative Group.

Independent Co-operative Commissions.

[1958 – Chaired by Hugh Gaitslell MP](#)

[2001 – Chaired by John Monks](#)

Some of the useful books in the Principle 5 collection (in random order).

A Century Story of the Co-operative Union 1869 -1969. Published by the Co-operative Union. 1969
Desmond Flanagan

British Co-operation. Published by the Co-operative Union 1961
Arnold Bonner

A Century of Co-operation. Published by the Co-operative Union 1944
G. D. H. Cole

The British Co-operative Movement. Published by Hutchinson & Co. 1955 revised 1960
Jack Bailey

Co-op: the people's business. Published by Manchester University Press 1994
Johnston Birchall

Building Co-operation. Published by Oxford University Press 2013
John F. Wilson, Anthony Webster & Rachael Vorberg-Rugh

New Views of Society, Robert Owen for the 21st Century. Published Scottish Left Review Press
2008. Edited by Richard Bickle and Molly Scott Cato

The Fall of the Ethical Bank. Paul Gosling. Published in 2018 by Co-operative Press

Who Was J.T.W. Mitchell? By Stephen Yeo. Published 1995 by CWS Membership Services.

[**A Timeline of the Co-operative Movement**](#)

Steve Thompson