THE POSITION OF EMPLOYEES IN THE CO-OPERATIVE MOVEMENT

BY

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The Position of Employees in the Co-operative Movement.

By Lilian Harris.

Among the chief problems of the Co-operative Movement to-day is that of the relation of co-operative societies to their employees. The growth of both co-operation and trade unionism has created a new situation. The general industrial position is leading the workers to demand a new status. Ordinary trade union action is directed to obtaining a voice in such matters as overtime, introduction of new processes, workshop management. Associations of producers in building, furnishing and other guilds are being formed. The Guild Socialists are advocating the complete control of industry by the producers. These demands, experiments and theories affect co-operative employees as well as the workers in capitalist industry.

It will be generally recognized that co-operative societies stand in a very different position to capitalist businesses. The Co-operative Movement represents a non-profit making system of industry, built up and democratically governed by the working-class consumers and responsible to them for millions of the workers' savings and capital. In this paper, it is not proposed to discuss whether some different form of controlling industry, such as Guild Socialism, is preferable. The position taken is that the co-operative method of controlling industry by the consumers(1) is a democratic and successful method of replacing capitalism, and that the problem of harmonizing the interests of consumers and producers, when the profit-making capitalist is removed, can be solved within the framework of the Co-operative Movement. The fact must be faced that these interests are often in conflict, and will always require adjustment. The suggestions made deal with the present situation of a transition period when capitalism is still dominant, and are intended to indicate the lines on which a solution might be found through joint action by co-operators and trade unionists.

The Need for Efficiency.

In approaching this question from the co-operative standpoint, it must be borne in mind that the fundamental requirement of the consumers is that the Co-operative Movement should be a thoroughly efficient system of carrying on trade and producing wealth. It is equally necessary to realize on what efficiency depends.

Everyone agrees that it requires good business management, skill in buying and selling, and up-to-date machinery. But these do not exhaust the essential conditions for efficiency. The importance of well-planned organization of work and of gaining the interest and willing co-operation of every individual worker are not only left out of account, but are too often replaced by a belief in routine methods and in a workshop discipline which subordinate men to machinery. So-called "Scientific Management" as practised in America (which is often very far from scientific) has emphasised this latter point of view.

The neglect of the human factor in industry has provoked a revolt on the part of the workers. Capitalism has failed to find motives which will induce the workers to use to the full the capacity for production given by modern methods and inventions. The workers have learnt that under capitalism, employers will not hesitate to attack the standard of living in bad times and that unemployment cannot be got rid of. They suspect that neither producers nor consumers get their proper advantage from increased production due to "speeding up" or "scientific management." They know that higher wages can be rendered nugatory by the control of prices by trusts and combines. No offer of increased individual earnings will therefore induce them to accept methods of work and pay which they believe will lessen their power to maintain the standard rates for their trade, or will increase unemployment.

The desire of the workers for some control of the conditions of their working lives is the underlying motive of trade union organization. At first their action was concentrated on the prime necessities of building up trade unionism and improving the standards of wages and hours. But for some time before the war, trade unions had been finding that these could not be maintained under the constantly changing processes of industry without a greater control of actual workshop conditions. Hence arose methods of shop organization inside many trade unions on the lines of the shop steward movement. The workers under one employer were brought together and Works Committees of an informal kind grew up. At the same time, some enlightened employers realized that to obtain the full value of modern methods of production required the full and intelligent co-operation of the individual workers. To secure this they made use of these committees of their workers. During the war, dilution and the great speeding up of production made it still more urgent for the workers to obtain further participation in controlling the conditions under which changes were introduced. Temporarily, Trade Unions secured a greater power than previously.

But since the war the vast mass of employers have reverted to their resistance to any interference by the workers with the
autocratic management of industry, and the recent lock-out of the Engineers turned entirely on this question.

The failure of capitalism is the opportunity for co-operation. A frank recognition of the demand of the workers for a new position in industry and a determination to find methods for establishing it would stimulate a great power for increased efficiency and production. It is equally to the interest of trade unionists to increase the efficiency of the Co-operative Movement in order to hasten the time when it can take over more industries, conduct them for use and not for profit, and bring them under democratic control.

The business advantages of building up such a partnership of Consumers and Producers would be:—

1. Cordial co-operation between the Management Committee and the workers in introducing all the modern developments of the application of science to the methods of industry and of expert organization.
2. The utilising of the technical knowledge of the workers in shop and factory organization and methods.
3. The full development of the special power of the employees to act as propagandists for increasing co-operative membership, capital and sales of co-operative productions.
4. The removal of the existing friction between Management Committees and large sections of the employees.

Employee Members of Management Committees.

In considering the methods by which these results might be obtained, the most obvious to co-operators is to arrange that employees should have full voting power for Management Committees and be eligible for election on them. Several societies have recently altered their rules with this object, but in a considerable number the employees can neither vote for nor sit on Management Committees.

These restrictions have arisen from the experience of some societies where the employees so organized their vote that they obtained a preponderating influence in the elections, not only of employee representatives, but of the whole Committee. In consequence, there has sometimes been a tendency in these Committees to consider the interests of the employees in preference to the security of the society and the interests of the consumer members. The effect was exactly the opposite to the partnership desired. Antagonism was created between consumers and workers, leading to the restriction of the employees’ voting powers.

From the point of view of the employees, the power to vote and sit as ordinary members does not secure the representation they desire. An organized minority can get great power as the deciding factor when the rest of the members are unorganized and
divided. But they cannot secure the return of their own employee representatives if friction is created, or any question is at issue which unites the other members against them, or even if some employee, popular with a large section of the ordinary members, stands against the organized employee-nominees.

An alternative method would be for a certain number of the Management Committee members to be employees, elected by the employees only. This would ensure their being the representatives desired by the majority of the employees. It would have the advantage also that the employees' point of view could be expressed on all questions coming before the Management Committee. This is undoubtedly a matter of importance, in providing information of great value in coming to decisions.

But it has also certain disadvantages. Representatives with a special interest may be so anxious to press it that they maintain an attitude of aloofness from the general well-being of the society and increase rather than decrease the friction between the Management Committee and the employees. Even more often, however, a small number of representatives are so influenced by the general atmosphere of the majority that they cease really to represent their constituents' point of view. Labour has seen many examples of this in its elected representatives.

A further and more important disadvantage is that the employee Management Committee members would only give direct expression to the needs and views of the particular sections or grades to which they belonged. At the same time, their presence on the Management Committee would do little to secure the dissemination among the employees of the reasons for and information about changes and developments, which are required in order to arouse their interest and secure their full co-operation.

It seems, therefore, as though little progress could be made at present through representation on Management Committees. Even if adopted, such representation does not give the employees the personal part, knowledge, and interest needed to arouse the sense of partnership which would result in greater efficiency, energy and loyalty. If this view is taken, it increases the necessity for finding other methods of building up a partnership between consumers and producers.

Works Committees.

As already pointed out, trade union developments and experiments by enlightened employers show that the formation of Works Committees offers a means for joint co-operation of the workers and the management. Sometimes these Works Committees are limited to one question only, such as time-keeping or dilution. Others deal generally with workshop conditions.
Recently, a number of co-operative societies have formed Joint Advisory Committees of the Management Committee (1) and the employees. Enquiry was made at two of these societies, and favourable accounts of the work of these committees were received from both. It is to be hoped that the Co-operative Union Labour Department will strongly encourage this development.

The actual constitution of Works Committees varies greatly, and must necessarily be adapted to the different circumstances of different forms of business, and to the functions of the Committees. A Distributive co-operative society with the workers scattered over an area of 100 square miles will need different methods to a factory where all the workers are collected together. But there are certain questions which apply to all.

1.—RELATION TO TRADE UNIONS. It is essential that the Works Committee should be based on trade union organization and closely connected with it. Otherwise it will be suspected of being a means of undermining trade unionism, which has been the object of some employers. It is therefore necessary (1) that all the workers should be trade unionists (a principle already recognized by co-operators, many societies making trade unionism a condition of employment); (2) that the constitution and rules of the Works Committee should be drafted in consultation with the trade unions concerned and approved by them; (3) that it should be laid down that general wage rates, hours, and other questions dealt with by trade unions, should continue to be negotiated with them; (4) that arrangements made by Works Committees do not debar further trade union action in regard to the points at issue. In practice it is found that recognition of these principles secures amicable working with trade unions, and that Works Committees accepting them are able to remove many causes of friction.

2.—COMMITTEES OF WORKERS ONLY V. JOINT COMMITTEES WITH THE MANAGEMENT. The Co-operative Works Committees so far have taken the form of joint committees of the Management Committees and the employees. Outside the Movement, however, many of the Works Committees dealing with general workshop questions consist of representatives of the workers only. (2) In some cases these Committees meet the Management at fixed times; in others, no regular meetings are settled, but meetings are held when either the Management or the workers desire it.

The advantages of committees of the workers only are (a) that more responsibility is given to the workers; (b) that there is greater

(1) Manchester and Portsea Island.—The constitution and rules of the Portsea Island Joint Staff Committee are given in Appendix A.

(2) The numerous coal mine "Absentee" Committees and Iron Work Time-keeping Committees, which have strictly limited functions, are Joint Committees.
freedom of discussion, details can be thrashed out, and much
time saved when the meetings with the Management are held;
(c) that there is less fear that the employees may consider their
representatives to be too much influenced by the Management;
(d) that the Committee can meet as often as it likes, and that it
can more easily arrange for consultation with sections of the workers
specially concerned in any proposal.

If the Works Committee is to be a live and active body, the power
to hold frequent meetings is important. If all meetings are joint,
co-operative Management Committee members would be met with
a difficulty which does not arise in capitalist firms. In the latter,
the Managing Directors give their whole time to the business, and
usually one or more of them has been keenly interested in the
Works Committee when one has been formed. But in distributive
co-operative societies the Management Committee members only
give part time, and often find it very difficult to add to their existing
duties. The Co-operative Wholesale Society Directors have to
deal with factories all over the country, which makes a difficulty
even for whole-time directors.

The best form of committee can only be found by experiment,
and it is suggested that it would be useful to combine the two
methods on lines similar to the system adopted in one large busi-
ness. In this business there are sectional committees of the workers
only, at which questions receive preliminary discussion. Their
proposals come before a joint committee, meeting once a month,
and consisting of three representatives from each sectional com-
mittee and an equal number of representatives of the directors
and managerial staff. The proposals approved by the joint com-
mittee are usually remitted to the sectional committees to be
carried out. The essential points appear to be: (1) that the workers’
side should have power to meet separately when they wish, and
also to call general meetings of all or sections of the employees for
consultation; (2) that the committee should have free access to the
Management Committee whenever required.

3.—Representation of Various Grades and Sections of
Employees. If a Works Committee is to be of value it is necessary
to secure representation of all departments and grades employed,
of unskilled as well as skilled workers, of women as well as men.
There should be definite provision for the representation of women
by women, and of unskilled workers by unskilled workers. (1) At
first there may be a difficulty in securing active representatives
of these classes of workers, who have had so much less experience
of organization than the skilled trades. But unless these classes are
directly represented, the committee will not adequately fulfil

(1) "Works Committees," Report by the Ministry of Labour, March,
1918, page 17. Price 6d.
its objects, and it has been found that in time the work of the committee will develop the necessary interest and qualities, and that admirable representatives will come forward.

4.—FUNDS FOR THE WORK OF THE COMMITTEE. Certain expenses must be incurred by a Works Committee. To be successful, it must have a competent secretary for the workers’ side, and arrangements must be made to enable him to give sufficient time to get into touch with employees who have proposals or grievances to bring before the Committee, to do the clerical work, &c. Arrangements must also be made to enable the members to attend the meetings.

In existing Works Committees, outside the Co-operative Movement, different methods have been adopted to meet these expenses.(1) Sometimes the Management pays the secretary his ordinary time wages, or average piece wages, and also pays the members for time lost if meetings are held during working hours. In other cases, the workers re-imburse their representatives from trade union funds or by special contributions. In both the Manchester and Salford and Portsea Island Co-operative Joint Committees, all the expenses are paid by the co-operative society.

When the Management pays the whole or a large proportion of the secretary’s and members’ lost time and expenses, there is a danger that the employees will feel the Committee to be too dependent on the Management, and lose confidence in it. And if Works Committees are generally adopted, this may occur in co-operative societies. At the same time, as the Committee is intended to benefit the business by increasing its efficiency and smooth working, it seems desirable they should contribute towards the expenses of the workers’ representatives, &c. It is therefore suggested that in co-operative societies, the society and the employees through their trade unions, should each contribute an agreed proportion of the expenses. In order to increase the responsibility of the committee these contributions should be given in the form of annual grants to be expended by the committee itself as it thinks best.

The Functions of Works Committees.

It is essential that definite work and powers should be given to the Works Committee, especially in connection with the conditions of work which are of the most direct importance to the workers. It is therefore suggested that the functions of a Works Committee should include:—

I.—ADVISORY DISCUSSIONS on any matters, financial, commercial, or dealing with conditions of work, which either the Management or the employees desire to raise. It is desirable that no

restriction should be made as to the questions which can be raised for advisory discussion.

2.—Consideration of Proposals from Employees for Technical Improvements in Organization, Methods or Machinery. A source of efficiency, which would be opened up by bringing the workers into some kind of partnership, is that of making use of their technical knowledge in improving organization. It cannot be doubted that, under our present system of industry, there is much waste of ability because subordinate workers with constructive ideas have no opportunity for getting them considered and carried out. The branch Manager may see ways of advertising, or of preventing delays in deliveries of goods ordered, which the Management Committee never hear of. The counter man may be a better organizer than his manager, but has no chance of putting his ideas into practice. When promotion comes, initiative and inventiveness have too often been crushed under the long years of routine. The mechanic sees a possible improvement in his machine, but has no means of testing it. He fears, too, that only the employer will make any profit out of it.

The Works Committee can provide the machinery needed to enable all proposals made by the employees to be fully considered. The value of such machinery is discussed in the Labour Ministry’s Report on Works Committees. It is pointed out that a “suggestion box” is by no means sufficient. “A comparison of the results secured in establishments more or less similar (so far as work is concerned) would suggest that the success of an awards scheme (for improvements suggested) depends to a great extent on the action of the Management. When the Management gains the confidence of the workpeople and has devised methods of considering suggestions which appeal to the workpeople, there is much more powerful response than in works where, though there may be a suggestion box, these conditions are absent. . . . The fundamental matter is that everyone should be encouraged to think about the processes or the organization of the works.” The dissatisfaction and discouragement arising from the lack of opportunity is also brought out. “It should be noted that workpeople very commonly complain of the staff’s attitude on such matters; any suggestion, they say, is apt to be brushed aside with the remark that they are not paid to think, but to work. . . . For lack, therefore, of encouragement, or because of actual discouragement, ideas of value are held back, and the capacity for ideas destroyed.”

In matters requiring expenditure, the Works Committee would be responsible for sifting out the suggestions made by the employees, and for bringing those agreed on as practical before

(1) Page 35.
the Management, thus securing their consideration. Where no expense (or expenditure within some fixed limit) would be incurred, it might be agreed that the Management Committee should undertake to give facilities for the new proposal to be tested in practice. The question of making money awards for improvements adopted and arrangements as regards patenting inventions could be settled jointly by the Management and Works Committees.

3.—Consideration of Complaints, Grievances and Discipline. Works Committees would be responsible for receiving and enquiring into the complaints and grievances of the employees. It would be their business to bring such grievances as they considered substantiated before the Management. Such a system would tend both to wipe out frivolous complaints, and to secure that real grievances were adequately represented to the Management. The Management would, on their side, inform the Committee of any complaints about bad time-keeping, slackness, &c., and would secure their co-operation in removing them. It is possible that such matters as time-keeping might be placed entirely in the hands of the Works Committee, as experience has shown that Committees of the workers can deal most effectively with them. Such Time-keeping Committees have been established at coal pits and iron works. The vexed question of the employees becoming members of a co-operative society might also be dealt with by the Works Committee. Another function exercised by one Works Committee (at Peek, Frean & Co.) is that of receiving appeals against what are considered unfair dismissals, and reporting on them to the Directors. In one year eight such appeals were made, and in two cases the men were re-instated.

4.—Welfare Work. It is becoming more and more recognized that it is part of the business of well organized industry to provide for the health and well-being of the workers. A certain amount of welfare work for women and boys is now part of the requirements of the Factory Acts.

But welfare work, organized automatically by the employers and carried on by a paid superintendent responsible only to the employer, is open to abuse, and has aroused great suspicion among the workers. Trade unions, therefore, strongly advocate that the workers should have a large share in the organization of welfare work, and for such a purpose a Works Committee would be an admirable instrument.

The organization of games, choirs, social life, &c., would be entirely carried out by the Works Committee, the expenses being met partly by the employees taking part, and partly by grants from the co-operative society, including the use of rooms.

(2) "The Works' Manager of To-day." By Sidney Webb. Page 139.
The Works Committee would act in an advisory character as regards the provision of dining rooms, rest rooms, and other amenities requiring capital or other expenditure. It would have a large share in, and in some departments, complete control of the administration of these amenities. For instance, it might undertake the entire organization of meals.

The full value of Welfare Work to both the Management and the employees can only be gained if the workers take their share in organization, and thus feel responsible for the development and use of amenities. The appointment of a first-rate Welfare Supervisor, who has the full confidence of the workers, is of great importance. To secure this confidence it is suggested that the supervisor should be appointed by and responsible to a joint sub-committee of the Management and Works Committees (or to the Joint Works Committee, if that is the constitution adopted). The supervisor's salary would be provided by the society as part of the expenses of the Works Committee, and included in the grant allotted to it.

5.—PROPAGANDA AND EDUCATION. The establishment of the Works Committee is intended to strengthen the interest of the employees in the society, and it should be one of its objects to make them thoroughly understand the Co-operative Movement, and to stimulate their effectiveness as propagandists. The distributive employees have great influence on the sale of co-operative productions, and it is a serious weakness in the Movement that so little has been done to make the employees convinced co-operators, considering it part of their business to press co-operative goods, to secure the largest possible trade from the customers, and to press casual customers to become members. It is sometimes held that the education of employees is the business of Educational Committees, but experience shows that the mere arrangement of classes for employees outside business hours awakens little response. The best results are obtained in societies where the General Manager takes the matter in hand, and it must therefore be recognized as part of the business organization of the society. As it is a matter of securing the individual understanding and enthusiasm of the employees, the Works Committee, jointly with the Management, would be a most suitable body to deal with it. Many methods might be adopted to increase the interest of the workers in the society. In one large capitalist factory it is the custom for a new worker to be taken through every department with full explanations, during his first week, before he settles down to his work. A co-operative employee in a large society was anxious to arrange for all the employees to visit the new milk sterilizing works which had just been opened. Most valuable of all, a Works Committee would tend to create the atmosphere of real partnership in the Co-operative Movement, which would affect all the workers and arouse their loyalty to the Movement.
Closely connected with propaganda is the question of co-operative, technical and general education of the employees. Any classes arranged should be held in working hours, and education in all these directions is far more likely to secure response, if asked for and organized by the employees themselves, than if arranged by those they look on as their employers. In providing most of this education the Works Committee should work in close connection with the society's Educational Committee.

6.—Consideration of the Conditions Under Which Science and Expert Organization Should be Applied to Methods of Work. This is probably the most important function of a Works Committee, and opens up a large field of work and many developments which are dealt with in the following sections:—

**Application of Science to Methods of Work and Business Organization.**

It is not yet realized what great possibilities of increased efficiency and production lie in the improvement of the individual worker's methods, physique, and suitability to his work. Nor is it realized how the scientific study of these matters reinforces the demands of the workers for a share in controlling the machine, instead of being subordinate to it. The workers are thoroughly rational and justified in their determined opposition to the introduction of autocratic so-called "Scientific Management" as practiced in America, which has been described by one of its advocates as requiring the high-priced man to do exactly as he is told from morning to night, and as encouraging types of workers who more nearly resemble the ox in their mental make-up than any other type.

But the work now being done by the Industrial Fatigue Research Board and the National Industrial Psychological Laboratory shows that the American methods are largely unscientific, and that the application of science to industrial methods of work may be as advantageous to the worker as to the employer, if the workers have their proper voice in the conditions introduced.

Scientific attention has been chiefly given to the following subjects:—

(a) **Fatigue.** The detrimental effect of fatigue on efficiency is very marked. Output can often be largely increased by arranging shorter spells of work or rest pauses.\(^{(1)}\) In a munitions factory 15 minutes rest was given in each hour, resulting in a distinct increase in output and piecework earnings. A Lancashire firm increased daily output by 6 to nearly 11 per cent. by giving 5 minutes rest each hour except the last. Ten to fifteen minute breaks in the morning and afternoon spells, when tea is supplied to the workers, have shown similar results.

\(^{(1)}\) The following illustrations are taken from "Mind and Work." By Professor C. S. Myers. (University of London Press Ltd.) Price 6s. Pages 72 and 73.
The effect of long hours(1) and spells on the general health of the workers has also been studied, and it is found that fatigue tends to produce overstrain and neurasthenia. The physical fatigue of manual labour is much less injurious than the fatigue of mental occupations, even in the case of such routine as minding an automatic machine. In retail co-operative societies, no direct test of output is possible, but it is obvious that the work of shop assistants implies considerable mental effort. Time lost through sickness would be decreased and good salesmanship increased, if more attention were given to arranging suitable hours and spells of work.

Bad lighting, bad ventilation, vibration, noise, all have their effect in causing fatigue and decreasing efficiency. In one factory an improvement in lighting increased output by 8 to 27 per cent.(2)

(b) MOVEMENTS. Another way in which output can be largely increased is by discovering the smallest number of and least fatiguing movements necessary for a given process. Sometimes this implies making the most convenient arrangements for assembling parts, with benches or tables at suitable heights. In other cases, the individual is required to do his work in a particular way.

It is in movement study that the need for real scientific experiment is very marked, for hitherto movement study has been mainly in the hands of "efficiency experts," without adequate psychological knowledge. The "efficiency expert" has sometimes assumed that, because a speedier method is devised, there is no increase, or even a decrease, in fatigue, or that, because one method suits one worker, therefore it will suit all workers. It is the "efficiency expert" who is chiefly to blame for the idea that movement study encourages "driving," and makes men into machines, which has been rightly the main ground of opposition to "scientific management."

But, properly applied, movement study is both beneficial to the worker and increases production. If the reasons for the improved movements are explained so that they are accepted rationally and not purely mechanically, and if freedom for variations to suit the individual is given, the technique of movement becomes part of technical training in a particular occupation. Production is increased, not by forcing the worker to increased effort, but by enabling him to do more work with the same or even less effort. In a considerable number of cases the improvement required is in the Management, so that materials to be used, tools, &c., may be placed in the right position—a distinct advantage to the worker. Fatigue is lessened, and there is the satisfaction of carrying through

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(1) The full effect of reduced hours of work may not show itself for some time. The human organism requires time to adapt itself to improved conditions. "Mind and Work," pages 77 and 78.
(2) "Mind and Work," page 67.
an operation in the best possible manner. Every worker develops
some habitual way of working, and the object of movement study
is to guide this habit on to the least exhausting and most efficient
lines.

The effect of improved movements on production is shown in the
following instances.(1) In an office where girls had to fold letters
with enclosures output was increased by 300 per cent. In cotton
piece folding, the number of movements was reduced by a third
to a half, with the result that 400 dozen pieces were folded instead
of 125 without increased fatigue. In a sweet factory the working
time wasted in fetching and replacing trays was reduced by nearly
two-thirds. In one business the output in various processes of shirtings,
putting up cloth, packing cloth and pillow-case making was
increased by 80 to 230 per cent., earnings increased about 140 per
cent., while labour cost was reduced by 50 to 60 per cent. In cloth-
making, output was increased by 70 per cent., hours were reduced
from 54 to 45, and at the same time earnings were increased by
70 per cent., while labour cost was reduced by 10 per cent. through
lessened cost of supervision.

(c) SELECTION. It is obvious that efficiency would be in-
creased immensely, if it were possible to secure always both the
best man for the job and the best job for the man. With the object
of securing such an improvement in industrial organization, science
is being applied to selection of workers. It is known that in some
individuals the constructive instinct, with its capacity for leadership,
is predominant. In others is found the submissive instinct,
with its preference for less responsible and more mechanical work.
There are wide differences between individuals as regards span of
memory or manual dexterity, or speed of reaction to a given signal.
In a pencil factory, where 12 pencils have to be picked from a heap
with one hand, some fail after many attempts, while others are
successful at once.(2) In a bicycle ball factory it was found possible,
by selection of specially fitted workers, to increase the output by
over 240 per cent. and to increase the accuracy of the work by
two-thirds.(3)

There is at present great waste owing to workers drifting
from one department or occupation to another for several years,
going through the unproductive learning period in each before they
find their suitable and permanent trade.(4) And there is perhaps
even more waste in the large numbers who remain all their lives
at uncongenial and unsuitable occupations, never, in consequence,
using their full capacity for production.

(1) "Mind and Work," pages 14, 16.
(2) "Mind and Work," page 86.
(3) "Mind and Work," page 89.
(4) "Mind and Work," pages 84, 85.
Methods of testing have also been discovered, which reveal the special interests of the person examined, his accuracy, steadiness, and neatness, his memory for names, figures, faces, facts, his improvability, suggestibility, &c., &c. The application of these tests "to those who offer themselves for different occupations, e.g., for machinists' or assembler's work, designing, clerical or secretarial work, salesmanship, &c., is obvious."

Tests of this character could be applied usefully both when taking on new workers and when arranging promotions, while the workers dissatisfied with their work would be able to get skilled advice as to the occupations in which they might hope to succeed best.

The importance to the Co-operative Movement of this question of selection of the best workers cannot be too strongly emphasized at the present time. For there is evidence that the class of workers now coming in is by no means of the highest standard. It has been found in some of the classes held for juvenile co-operative employees that the standard of intelligence is very mediocre. The teachers' opinion is that, to a great extent, the low standard is due to the fact that the large majority of the most intelligent and capable children now stay at school till 16. Co-operative societies, by retaining the custom of taking on their juvenile workers at 14, only get those of less good mental capacity. No one can doubt that to fail to get as employees, the most intelligent, vigorous, and go-ahead children will be a serious handicap to the whole movement.

It will be generally agreed that there is also great need for improvement in selection of the best workers for responsible and managerial posts. The qualities that enable men and women to make good in responsible positions need recognition early in life, for they dwindle away if unexercised and crushed by mechanical occupations.

It will be seen that improvements in all the directions described, lessening fatigue, increasing personal effectiveness, scientific selection, touch the interests, habits and customs of the individual worker most closely. Revised hours and spells require changes in meal times which are often at first disliked and upset home arrangements. Movement study requires the adoption of fresh habits of work. Scientific selection raises natural fears that a man may be forced into some lower-paid grade or occupation. Any attempt autocratically to enforce such changes will defeat itself by arousing a resistance on the part of the workers, which will lead to conscious and unconscious restriction of output and continued friction with trade unions. Such resistance will be further increased by the effect of new methods of work on systems of payment. The well-grounded fear that increased individual efficiency

(1) "Mind and Work," page 91.
will result eventually in cutting wage rates is one of the strongest motives against increasing output which affects the workers.

It is therefore essential that, in introducing these methods of increasing production and efficiency, both the workers actually concerned, their trade unions and the whole Trade Union Movement, should share with the Management, representing the consumers, in deciding the conditions under which they should be introduced into co-operative factories and shops.(

The Works Committee gives the machinery for consulting and informing the actual workers concerned. It enables the fullest explanations to be given of the proposed changes and the reasons for them, and for representatives of the workers to take part in the scientific enquiries needed. For this purpose, information as regards the objects and methods adopted for enquiry and experiment should be supplied through lectures by experts to all the workers. These should be paid for by the Management Committee. It is found that great interest is thus aroused. The Works Committee should be represented at all tests and experimental time measuring. It should further be supplied with full information as to the effects of the changes as regards production, capital expenditure, labour costs and prices, so that the workers can fully understand any new system of payment introduced and feel assured they are not being cheated. The basis of rates of payment would be decided as now by negotiation with the trade unions.

The Works Committee would also watch the whole working of the new methods, and would thus guarantee that no attempt would be made to cut wage rates or alter methods without the consent of the workers through their Trade Unions.

The Managerial Staff.

The success of the Works Committee requires an active cooperation of the managerial staff, and brings to the fore that side of its work which consists in dealing with men and women. On the whole this side has not received the attention it requires, nor has it been realized that the change desired by the workers in industry is, not to abolish government or management, but to replace autocratic by constitutional control. This increases rather than diminishes the importance of the managerial position.(

(1) In a large boot works, the Works Committee has a preliminary discussion of piecework rates for new machines and often recommends agreed rates to the Conciliation Board for sanction. The trade union cordially approves of the committee, and this method works well. "Report on Works Committees," pages 100 and 101.

(2) For a full discussion of this aspect of the question see "The Works Manager of To-day." By Sidney Webb. (Fabian Bookshop, 25, Tothill Street, Westminster, London, S.W.1.) Price 5s.
It is essential that the Works Committee should have direct access to the Departmental and General Managers and Secretary of the Society, and that these should attend all the joint meetings of the Workers’ and Management Committee’s representatives. Departmental Managers should attend whenever questions concerning their departments are under consideration. In factories the foremen are usually represented as part of the managerial staff, but in distributive co-operative societies branch managers are usually included with the workers. The exact position will depend on the constitution of the Works Committees jointly agreed on with the trades unions concerned. It may be thought at first that time is wasted in meeting the workers’ representatives and discussing proposed changes with them. In practice, however, it is found that “more time is gained by the absence of disputes than is lost by the presence of discussion; more improvements can be introduced in an atmosphere of harmony than can possibly be introduced in an atmosphere of suspicion.”(1) The full benefit of Works Committees can only be obtained if there is “a sympathetic and capable management, ready to listen, ready to weigh carefully, ready to take pains in discussion, and prepared to persuade and to be persuaded.”(2)

In addition to their position in relation to the rest of the employees, the managers are themselves employees in relation to the Management Committee. It is most desirable that they also should have full opportunity of putting forward their proposals for improvements in technique and organization, and should discuss and receive full information about the changes and developments proposed in any part of the society. For this purpose it is desirable that they should form a Council of Managers, meeting regularly. A successful council of this kind exists in a Yorkshire Woollen Mill.(3) It consists of two directors and seven heads of departments. It “acts in an advisory capacity in regard to general questions of finance, ways and means, and expenditure, but in regard to inter-departmental questions, it is competent to act both as an advisory and in an executive capacity. . . . The Council makes use of the collective experience of its members, and, in consequence, the business is more efficiently managed. . . . When the Council meetings were first inaugurated, it was not easy for either directors or heads of departments to table their information freely, neither did either party always appreciate a frank review on matters relating to their department, but in course of time (the Council has been established eight years) confidence and a broader outlook have obtained, and members now pool their

(2) Report on Works Committees, pages 45 and 46.
experiences quite freely. In this way members are kept in touch with all activities, and instead of having a knowledge limited to their own department, they gain an insight into the whole concern.”

Some co-operative societies now hold meetings of their managers. At Woolwich, the Management Committee meets monthly all the heads of departments and principal buyers. Practically every department is reviewed and the position generally is discussed. These meetings are found very helpful. Occasional meetings with branch managers are also held.

Other Developments Needed.

The outline given of the functions of Works Committees makes it clear that these cannot be made fully effective unless there are further developments: (1) in the business organization of the Co-operative Movement, and (2) in creating joint machinery with the trade unions concerned, and the General Council of Trade Unions.

I.—Co-operative Organization. Most co-operative societies are content with very rough and ready methods of calculating working expenses in relation to the business done, and have not created the machinery necessary to show exactly where losses occur or economies could be effected. But if the confidence of the employees is to be obtained, and advantage is to be taken of the application of science to methods of work, the real cost of new processes and methods, arising from variations in capital expenditure, wages, and hours, must be worked out in detail by means of a Costings Department. To secure the selection of the most capable and suitable workers, and to deal satisfactorily with dismissals and certain other points of discipline, an Employment Department with an expert manager is needed. To negotiate effectively and satisfactorily on wages requires a Wages Department, with full knowledge of the wages of all employed; uniformity of standard would thus be secured, and the delays which are such a fruitful source of discontent would be avoided.

The Co-operative Wholesale Society is in a position to establish such departments immediately, and has already formed a Wages Department. Only a few of the largest distributive societies, however, would need the full time services of experts in such departments, and it would be desirable, in order to establish them, that federations of societies should be formed.

But local federations of societies will not be sufficient. The whole question of developing efficiency requires the fullest enquiry, and a Central Efficiency Department, adequately staffed and with a first-rate secretary, is needed to act on behalf of the whole

movement. It would be the business of this department to follow closely the new methods of business and works organization, to keep societies informed, and to take every means of pressing them to introduce improved methods.

This Central Efficiency Department would act conjointly with the General Council of Trade Unions, in securing enquiries by the industrial Fatigue Research Board and experiments by the National Industrial Psychological Laboratory.\(^1\) These enquiries, made under the joint auspices of consumers and trade unionists, would form the basis on which suitable conditions should be arranged for the introduction of new methods which would increase the efficiency of the Co-operative Movement, and, at the same time, safeguard the interests of the workers.

It would be desirable that this department should be formed jointly by the Co-operative Wholesale Society and the Co-operative Union representing the distributive societies, as both are concerned with manufacturing and distributive workers, and the work of the department would affect and be of value to both. The district organization of the Co-operative Union might possibly be used as the basis for local federations of societies.

2.—Trade Union Organization. Alongside these co-operative developments, corresponding developments in trade union organization are required. The difficulties of securing united action amongst numerous trade unions on such questions as the status of the workers and the introduction of new methods point to the advantage of amalgamations. It will be necessary for trade unions to create departments dealing with the application of science to industrial methods from the special point of view of safeguarding the health and interests of the workers in their respective industries. And, like the Co-operative Movement, the Trade Union Movement as a whole will require a central department organized by the General Council of Trade Unions to study the whole question of the new scientific methods. This trade union department and the co-operative Central Efficiency Department would enable the consumers and producers to work out together the best methods of dealing with this question, which is of such vital importance to both. They would make joint recommendations as to the arrangements for rates of pay, hours, &c., which would divide the advantages of new processes, as fairly as possible between lower cost of production and prices for the consumers, and better conditions for the producers.

Immediate Steps.

There is, however, no need to wait for the building up of the central machinery before making local and partial experiments.

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\(^1\) The Industrial Fatigue Research Board, 15, York Buildings, Adelphi, London, W.C.2, and the National Industrial Psychological Laboratory, Cambridge, are both desirous of undertaking such work at the joint request of employers and employed, provided those applying pay the cost.
These will rapidly show the necessity for central developments and the most suitable form for them.

The Co-operative Wholesale Society might at once encourage the formation of Works Committees at suitable factories, make arrangements for Directors to be in touch with them, and provide costings and employment experts. In selecting factories, it would be essential to choose those where the managers were favourable to the experiment, as opposition by the manager could easily prevent success in the early stages. It would be desirable that one or two of the factories should be those where increased efficiency and production are required, and could be obtained by more scientific organization, in order to test the advantages both of obtaining the best scientific advice and of making agreed arrangements with the trade unions and actual employees as to the conditions of introducing new methods recommended.

Distributive societies have already begun to form joint advisory committees, and could enlarge their functions in order to give them more responsibility. They could approach the trade unions concerned with a view to a joint application to such a body as the Industrial Fatigue Research Board for an enquiry into the conditions of particular departments or classes of workers, where efficiency might be increased. Distributive societies could also either alone or jointly with neighbouring societies engage the services of costings and employment experts.

**What Works Committees are Doing.**

The possibilities of Works Committees are shown by the following instances, given in the pamphlet "Industrial Welfare in Great Britain":

The Works Committee of a firm in the North of England, employing some 2,000 men and women, "has already re-arranged the working day, allowed smoking in the works during certain hours, provided a break in the morning for women workers, detected and punished petty pilfering, and decided on the length and date of holidays. All new departures in policy and all new staff appointments are explained before they take place by the management representatives, and discussed by the committee, who form a link between management and workers, interpreting one to the other, and by this means avoiding many causes of misunderstanding and disagreement."

"The Bournville works council, working through standing committees, administers the recreation grounds, controls the catering department, and awards scholarships to universities and other educational institutions. It has also instituted a scheme for building houses for employees. It administers a sick benefit fund, controls savings and other charitable collections in the works, investigates accidents and takes preventive measures, administers
ambulance work, and awards prizes for the improvement of processes, &c. The firm makes the council an annual grant of £2,000, which it administers for any of these purposes.”

“In other firms the works committee has interviewed applicants for the post of welfare worker and made the final decision in consultation with the managing director, allocated the work at a period of bad trade in order to avoid dismissals by general short time, and generally undertaken a great deal of the work usually considered to belong only to the management. In this connection an employer(1) states that he has considered some of the functions of management which most concern the workers, with a view to seeing how far the autocratic (or bureaucratic) secrecy and exclusiveness which usually surround business management, as far as the workers are concerned, is really unavoidable, or how far it could be replaced by democratic discussion and joint action. The conclusion is that there is no reason inherent in the nature of the questions themselves why this cannot be done to a very considerable extent.”

“No one can read the minutes of a representative works committee for a year without being struck by the great development that has taken place in the kind of things discussed. Complaints of the quality of the tea in the canteen, or the underheating of a certain department, give way to a serious discussion on methods of payment or the best way to deal with the unemployment problem, and the way is prepared for an honest, open handling of really contentious matters when they arise.”

**Difficulties and Objections.**

The practical problems and difficulties of carrying out the proposals outlined, with the modifications of accustomed business methods entailed will undoubtedly be numerous. The best form of a Works Committee for a society covering a large area, the best methods of procedure, the exact powers and work, &c., can only be determined by actual experiment. In meeting these difficulties, experience shows that a long view is necessary. Results must not be expected in a week or a month. There must be willingness to discard methods which fail and to search for those which will succeed. It has been found that considerable time may be required for the management and the employees to understand and appreciate each other’s point of view, and that it may take two or three years before the committees have solved the preliminary problems, and have become thoroughly effective. If the Works Committees in large societies are to become a vital part of the co-operative machinery, their work will be onerous and varied, and they will require a competent official to organize it and to act as Welfare Supervisor. Such an official would undoubtedly stimulate and ease the work from the first, and enable many of the early difficulties to be overcome.

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(1) Mr. C. G. Renold, “*Workshops’ Committees.*” (Pitman.)
Experience has shown how much an efficient Welfare Supervisor can do in this direction. The appointment should be made jointly by the Works Committee and Management Committee as suggested on page 12.

The object of this paper is to point out that Works Committees are practicable and may provide the solution of many of the present difficulties of the relation of co-operative employees to the Movement, if co-operators and trade unionists together set to work to create the necessary spirit and machinery. There are, however, two objections to certain aspects of the proposals, one from the trade union and the other from the co-operative side, which need consideration.

1.—The Fear of Unemployment. The idea of increasing efficiency and production is looked on with suspicion by the workers, from the fear that, in consequence, some will lose their employment. As regards the actual co-operative employees, it may undoubtedly be claimed that the proposals for greater co-operative efficiency would not produce co-operative unemployment. For the result of greater efficiency would be that the Movement would extend rapidly, and would at once require a larger number of employees. But workers outside the Movement might fear that they would suffer, and it is unquestionably necessary that co-operators and trade unionists should work together to see that there is proper provision for lessening the disastrous effects of present-day unemployment. While, however, industry is carried on for profit-making, all such measures are only palliative. Nothing but the substitution of a system under which production is carried on for use can make it possible to abolish the causes of mass unemployment. The Co-operative Movement provides the beginnings of such a system, and to strengthen it and enable it to extend is part of the constructive work trade unionists can do in relation to unemployment.

2.—The Fear That Co-operative Employees Will Only Seek a Privileged Position. Faced with the difficulties and responsibilities of carrying on trade and industry in the midst of capitalism, co-operative Management Committees are alarmed at the possibility that suggestions for a partnership with the employees will only lead to demands as regards wages and conditions which will place the societies in an impossible position. It is said that the desire for a share in control is only felt by a very few employees, while more pay and less work is what the great majority want.

This view is emphasized by the friction which exists between Management Committees and the National Union of Distributive and Allied Workers and kindred unions. It is of importance therefore to understand the causes of this friction, and how these are removed by recent developments.
It should be noted that co-operative societies have found little difficulty in their relations with old established trade unions with fixed national or district rates. Both sides have been satisfied with the acceptance of trade union conditions. But until about 12 years ago, the distributive employees and a large number of the unskilled productive workers belonged to grades which, both inside and outside the Co-operative Movement, were unorganized and received low and variable rates of pay. When the Amalgamated Union of Co-operative Employees and other unions began to organize these workers, there were no national or district rates to enforce. The unions, therefore, had to use the regular trade union method under such conditions of securing the best rates they could wherever they were well organized. The existence of a special union for co-operative employees might have had considerable advantages in working out some form of partnership between consumers and producers. But it acted in the contrary direction, because it led co-operative Management Committees to feel that demands were being made specially on them. Other unions also made higher demands for their members in co-operative employment than for those in other employment. But in the A.U.C.E. there was no body of outside members who might insist on efforts being made to secure the same terms universally. The friction with the A.U.C.E. was complicated by trade union demarcation disputes. At the same time the Co-operative Movement lacked knowledge and system as regards the wages paid and the policy to be pursued.

At the present time, however, the causes of the friction have largely disappeared. The A.U.C.E. is merged in the N.U.D.A.W., with large numbers of members outside co-operative employment, and further amalgamations are probable. The establishment of Trade Boards in many partially organized trades gives a standard, of national rates. It is, therefore, an opportune time for both sides to reconsider their attitude.

Co-operators should recognize the new spirit among the workers, and realize that, though the desire for a share in control may not be very general, it is felt by the more active and enterprising workers, who have great influence on the attitude of their fellow employees. To enlist their enthusiasm on the side of promoting the efficiency and progress of co-operation would be in every way valuable. Private firms have found it possible, by methods similar to those suggested, to arouse a strong sense of identity with and loyalty to the business amongst their employees.

Trade unionists should recognize that co-operative societies are conducting their business in a world where the greater part of industry is under capitalist control, and that therefore they cannot

(1) In some cases the co-operative conditions have been slightly in advance of Trade Union conditions.
adopt conditions in advance of their capitalist competitors unless those conditions result in greater efficiency. At the same time the advance of co-operation is of great importance to the whole workers' movement as a means of increasing its economic power and substituting for the present system of production for profit, autocratically controlled and benefiting a few, a system of production for use, democratically controlled, and benefiting the whole people.

A Joint Labour Policy.

On such a basis, a joint labour policy as regards co-operative employees might be agreed on between co-operators and trade unionists and carried out with goodwill on both sides.

Such a policy would include the proposals for Works Committees already made. In addition, action is required as regards (a) Trade Boards; and (b) Settlement of Disputes.

(a)—Trade Boards. These are so essential in providing a standard of national and district rates in occupations where the most friction has occurred, that co-operators and trade unionists should unite both to resist the disastrous proposals for limiting their powers and to secure their extension. The Co-operative Union and the General Council of Trade Unions have already taken up a strong attitude on this question.

Co-operators should further use to the utmost their power of obtaining representation on the various Trade Boards, and their general policy should be to bring up the rates at least to those now being paid by co-operative societies. The Co-operative Union has recognized the importance from the consumers' point of view, of taking this action in order to maintain a general high level of wages, in their Report to Congress, 1922. It might be desirable that the rates to be pressed for should be discussed with the trade unions concerned.

(b)—Settlement of Disputes. It is necessary that suitable machinery to settle disputes should be established in order to lessen the existing friction and to prevent its re-appearance. The Joint Committee of Trade Unionists and Co-operators has recently been doing valuable work, since the A.U.C.E. through its amalgamation became the N.U.D.A.W., rejoined the Trade Union Congress, and accepted the Joint Committee’s jurisdiction. But it has become the custom to refer disputes at once to this committee, instead of settling them by negotiation, and, in consequence, it has been overburdened with work. At the Trade Union Congress of 1922 a resolution was passed that a conference of the unions concerned should be called to consider the constitution of the Joint Committee and formulate a satisfactory plan for dealing with the conditions of employment of all co-operative employees.

There can be no doubt that joint consideration of the best machinery should be undertaken at once by the two Movements. The problem is by no means an easy one, as the number of independent co-operative societies and of independent trade unions makes organization difficult, and creates opportunities of friction by the failure of individual associations to abide by agreements and decisions. There have been a few such cases on the part of co-operative societies, and one or two have tried to enforce reductions without previous negotiation of any kind. Methods must be found by co-operators to prevent such action, as even one or two such cases endanger the whole relations with the employees' unions.

The methods by which co-operative societies deal with disputes are various. There are several Wages and Hours Boards, which are federations of management committees dealing with wages and other conditions over a considerable area. In other cases, individual societies deal separately with disputes. The weakness of the Wages Board is that it is a voluntary federation, and has no means of obliging a society to abide by the agreement. Possibly this could be overcome by societies entering into a contract to abide by an agreement, or to pay a fine as penalty. Apart from this difficulty there appears to be a considerable advantage in negotiating with a federation covering a considerable area.

In the past co-operative societies have found themselves at a disadvantage in negotiation, because the trade union permanent officials formed a skilled body of negotiators, while the co-operators had no such staff. The Labour Department of the Co-operative Union was formed to meet this position, and fulfils a useful purpose in doing so.

It is suggested that machinery for settling disputes might be set up somewhat on the following lines:

1. There should be, first, direct negotiation between the society or Wages Board and the trade union concerned, the co-operative society or Wages Board to be assisted by the Co-operative Union Labour Department, just as the Trade Union Branch is assisted by the Trade Union Central Officials.

2. Failing agreement, the dispute should be referred to a Conciliation Board formed of an equal number of representatives of the actual parties, i.e., the co-operative society and Co-operative Union Labour Department on one side and the Trade Union on the other, and of, say, one or two representatives appointed by each side, not directly concerned in the dispute.\(^1\) A Conciliation Board differs from an Arbitration Board because it does not give an independent

\(^1\) These additional members should act as mediators to bring the two sides together, and it might be advisable that they should not be entitled to vote. An alternative plan would be for the two sides to agree on a neutral chairman to act as mediator, without a vote.
award, but endeavours to secure that the two sides should come to
an agreement. It is therefore not only desirable, but necessary,
to have on it direct representatives of the experts who have been
concerned in the conduct of the previous negotiations. In order to
prevent negotiations drifting on and long delay in coming to de-
cisions, a short time limit should be laid down for the proceed-
ing.

3. If agreement is not reached, the dispute should be referred
to a Joint Committee, on the lines of the Joint Committee of Co-
operators and Trade Unionists. The conditions of referring
disputes would be as at present, as neither side is willing to accept
general compulsory arbitration, and the present method of agree-
ment as regards each dispute has proved a possible compromise. But
the procedure might well be systematized, so that, instead of
deciding each case on its merits, awards should be related to each
other, to avoid, for instance, the award of a higher rate for an
agricultural area than for a large urban area. The officials of the
Labour Department of the Co-operative Union and of the trade
union concerned would each conduct the case for their side, but
neither would be entitled to sit with the Committee during its
deliberations.

The success of this machinery depends on both sides doing
their best to settle disputes by conciliation, so that only a few
special cases are referred to arbitration.

In considering the creation of such machinery, it should be
recognized by both sides that we are in a transition stage, in which
the relation between wages and prices is still being worked out by
experience. The interests of producers and consumers therefore
conflict, but neither side will gain in the end by ignoring the position
of the other. The object to be aimed at is therefore to adapt
conditions by rational agreement and not by a trial of strength.
This implies a considerable change of mental attitude on both sides.

The Economic Importance of Co-operation.

In this paper the advantages to the Co-operative Movement
of increasing co-operative efficiency have been chiefly emphasized.
It should be realized that equal advantages would be gained by
the whole Labour Movement. The economic strength given to
Labour by the Co-operative Movement is often overlooked by those
whose chief work lies in the more fighting Movements. Co-opera-
tion enables individual trade unionists to build up reserves of savings,

(1) See Appendix B, "Constitution and Rules of the Joint Committee
of Trade Unionists and Co-operators."

(2) There have, unfortunately, been several instances lately where one
side or the other has refused to refer the case to arbitration. This emphasizes
the fact that it is not possible to enforce compulsory arbitration. But it is part
of the whole scheme of conciliation to create a spirit which would gradually
overcome such objections to agreed arbitration.
which greatly strengthen their resisting power in strikes and unemployment, and which would otherwise have strengthened capitalist employers. It has over and over again given collective help to Unions during disputes. No State or Municipal system of industry could give these advantages in a transition stage, and such advantages could be made much greater if all trade unionists become co-operators, and if the trade unions used all their powers to increase the efficiency of the Co-operative Movement. The effects of such action would be more far-reaching than is often understood. For the Co-operative Movements of the various countries could carry on international trade on non-profit-making lines, thus undermining one of the most powerful strongholds of capitalism. Neither consumers nor producers alone can free themselves from the tyranny of profit-making capitalism. If co-operators recognize the claims of the producers to a partnership which gives them greater control over their working lives, and trade unionists recognize that such a partnership means responsibility for the success of the Movement, the advance of the Co-operative Movement in the next few years might well alter the balance of economic power between the workers and the employers.
APPENDIX A.

Portsea Island Mutual Co-operative Society Limited.

Objects and Constitution of the Joint Staff Committee, formed March, 1921.

OBJECTS.

1.—The provision of means for securing to the employees of the Society a greater share in, and responsibility for, the determination and observance of the conditions under which their work is carried on.

2.—To secure the better utilization of the practical knowledge and experience of the employee.

3.—The provision of means for considering organization, improvements of process and appropriate questions of management, with special reference to the carrying into effect of new ideas, and the full consideration of the employees’ point of view in relation thereto.

4.—The provision of means for the enlightenment of the employees with regard to new and better methods of production and of distribution, particularly applicable to their occupations by means of lectures, demonstra-tions and discussions.

5.—The provision of means for the spreading and greater development of the principles of Co-operation generally, and of our own Society particularly.

6.—The establishment of means of social intercourse as between the employees themselves, and the employees and management.

CONSTITUTION.

A.I.—The entire body of the Management Committee to include the Managing Secretary.

2.—Representatives of the various sections of the employees, as follows:—

(a) Office, including cashiers

(b) Grocery Warehouse and Stores, one of whom shall be elected by and represent the Staff of Country branches (excluding Gosport)

(c) Drapery department

(d) Other Dry Goods departments

(e) Works department

(f) Bakery and Pastry (productive)

(g) Milk

(h) Traffic—to include Coal

(i) Cafés and Pastry Shops

(k) Farm

(l) Departmental and Branch Managers and Inspectors, who are not to be included otherwise above

B.I.—The representatives of the employees to be elected for twelve months, and shall be eligible for re-election. In the event of a representative of either Sections "A" to "L" receiving appointment as Departmental or Branch Managers or Inspector, if such appointment occurs within the first six months after election to Joint Staff Committee, he shall immediately cease to act as member of the Joint Staff Committee, and a successor shall be elected in the ordinary way for the remaining portion of the current term of the Committee. In the event of a representative ceasing to be employed by the Society, a successor shall be elected in like manner.
The election of representatives shall be conducted as follows:—Persons nominated must be full members of the Society. The nomination shall be signed by a proposer and seconder from the Section concerned, and these also must be full members of the Society.

Each nomination shall also be signed by not less than six assentors from the Section concerned.

Nominees may not nominate another candidate.

Proposers and seconders may not sign more than one nomination as such.

All elections shall be by ballot vote under the system of proportional representation.

Each Section shall elect the representative or representatives of the particular Section only.

C.I.—Either side shall have the right to co-opt persons having a particular knowledge of a matter under discussion, who shall act in a consultative capacity only. Such co-option shall be made only for the period during which the particular question is before the Committee.

D.I.—There shall be two Secretaries appointed, one from each side, who shall act conjointly.

E.I.—The Chairman of the Committee shall be appointed from the Management Committee.

F.I.—The duties of the Joint Secretaries shall be as follows:

1.—Prepare Agenda and Reports for meetings.
2.—To each keep a copy of the Minutes of the meetings.
3.—To do such other secretarial work as arises from time to time.

PLACE AND TIME OF MEETING.

The meetings of the Joint Staff Committee be held on the Second Monday in each month, commencing at 7 p.m., at the Society’s Board Room.

GENERAL.

1.—No recommendation shall be submitted from and by the Joint Staff Committee unless it has received the support of both sides of such Committee.

2.—All writing material to be supplied by the Society, but with no printed headings.

3.—All expenses in connection with the Joint Staff Committee to be met by the Society.

DEPARTMENTAL COMMITTEES.

Departmental Committees have been set up.

APPENDIX B.

JOINT COMMITTEE OF TRADE UNIONISTS AND CO-OPERATORS.

CONSTITUTION AND RULES.

1.—A Joint Committee, hereinafter called the Committee, shall be elected annually, and shall consist of eight members. Four shall be representatives from the Trades Union Congress Parliamentary Committee and four shall be representatives from the Co-operative Union.
2. — The Committee shall meet in the month of October in each year to elect a chairman and secretary, and arrange the order of its proceedings for the ensuing twelve months.

3. — The duty of the Committee shall be to make full inquiry into all disputes that may arise between a co-operative society and its employees, and act as arbitrators thereon whenever called upon to do so by either party concerned.

4. — Applications for the services of the Committee should be made —
   (a) To the secretary of the Trades Union Congress Parliamentary Committee by any body of trade unionists;
   (b) To the secretary of the Co-operative Union by any co-operative society.

5. — The secretary to the Committee, on receiving information of any difference between a co-operative society and its employees, shall communicate with the parties concerned and arrange for such difference to be referred to the Committee in accordance with Rule 3.

6. — In the event of the services of the Committee being declined by either party to the dispute, the Committee shall have power to make all necessary inquiry, and shall make a report, or give an award as they may deem fit —
   (a) To the parties to the dispute;
   (b) To the respective Congresses.

7. — For the adjustment of all disputes, and to avoid stoppages of work, any difference arising between a society and its employees in regard to rates of pay or conditions of labour shall be first considered by the parties concerned and (or) their authorised representatives, and, in the event of no agreement within a period of one month, shall be referred at once to the Joint Committee of Trade-unionists and Co-operators, whose award shall be final and binding.

8. — In the event of any question arising as to whether an award given by the Joint Committee is being observed or not, such question shall be referred to the Joint Committee for decision, and upon any decision that the award has not been observed, and neglect to comply with the order thereupon made, the party aggrieved shall have liberty of action to take such course as they shall deem fit, or as the Joint Committee shall direct.

9. — If the Committee should take any action on their own initiative, that is to say, without receiving information, or a request to act from a co-operative society or trade union, their decision shall not in that case be considered as binding on either party.

10. — Any society or body of employees acting contrary to these rules shall be deemed to be in the wrong until work has been resumed and the matter in dispute referred to and dealt with by the Committee in the manner prescribed by rules.

11. — The Committee shall make an annual report to the respective Congresses, containing full particulars relating to the number, nature, and result of each dispute inquired into and dealt with during the preceding year.

12. — Co-operative factories, workshops, and stores shall pay at least the recognized trade union rate of wages and work not more than the recognized trade union hours prevailing in each particular branch of industry in the district in which such factories, workshops, and stores are situated.
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