

machinery has often been adopted with advantage. In Catholic Italy we have a capital example of co-operative societies, renting even the land, not to speak of the machinery, oxen, and utensils owned in common. Nay, the harvest is often sold in advance to co-operative societies in the vicinity. Also in America, one learns with surprise that the products co-operatively bought and sold by the farmers reached the sum of £340,000 in the year 1915.

In the *Irish Monthly* for November, 1917, Mr. Cruise O'Brien gives us a valuable illustration of what results from wise co-operation. He is describing a co-operative creamery. "Here (as in the co-operative store) we have the same rule as to open membership, although it would be much more profitable for the members of the creamery to close their share list when they were strong enough; and although, indeed, it often involves a certain sacrifice on their part to keep their membership open to newcomers at a time when the original members have borne the heat and burden of the day. Here also we have a rule limiting the amount of shares which the member may hold, and also the interest which he may receive on his share capital. Every member is paid for his milk at regular intervals, usually each month, and is given, to begin with, a price less than the value it will ultimately fetch as a manufactured article. The difference in value is made up at the end of the year, and represents what is called a dividend, as in the case of the co-operative store, but what is really the deferred payment, just as in the co-operative store the so-called dividend is really a saving. Finally, the co-operatively organised producer in his creamery provides for a bonus to his employees, just as the co-operatively organised consumer in his store."

Here you have detailed the very idealism of brotherhood. No doubt, like all things human, it may have its faults and shortcomings, yet it comes very nigh to the genuine Christian spirit.

But now comes the crucial question of all. Can the practicability of Co-operation be shown in the case of the ownership of industries? Dr Ryan (*Distributive Justice*, p. 223) puts the difficulty as clearly as can be, when he deals with what he calls the "perfect" form of productive co-operation, which he defines as the form "in which all the workers engaged in a concern own all the share capital, control the entire management, and receive the whole of the wages, profits, and interest." Alluding to pre-war conditions, he says: "In this field the failures have been much more numerous and conspicuous than the successes. Godin's store works at Guise, France, is the only important enterprise of this kind that is now in existence. Great Britain has several establishments in which the workers own a large part of the capital, but apparently none in which they are the sole proprietors and managers. The "labor societies" of Italy, consisting mostly of diggers, masons, and bricklayers, co-operatively enter into contracts for the performance of public works, and share in the profits of the undertaking in addition to their wages; but the only capital that they provide consists of comparatively simple and inexpensive tools. The raw material and other capital is furnished by the public authority which gives the contract." (*Distributive Justice*, p. 223.)

Dr. Ryan readily admits that the obstacles standing before individual co-operation, such as risks to be incurred, need of much capital and very able directive talent, are not insuperable. What has been done on the land can gradually come to be done in the cities, though often against greater drawbacks. The practical workings of such a co-operative enterprise are thus described by Cruise O'Brien: "A number of people, who are, say, bootmakers, form themselves into a co-operative society in order to carry on their work. The people who actually make the boots are the owners of the society. They elect their committee from among themselves; they provide capital, and instead of, as one might expect, taking all the profits for themselves, they divide the profits between labor, capital, and purchasers. Their other rules have exactly the same

features as we have noted in the other two types of society which we have touched on (i.e., the co-operative store and the co-operative creamery)."

The first difficulty in the way of co-operative production is the large capital required in many industries. Yet it is a fact that billions of dollars have been handled annually in the co-operative banks of a single country. According to a pamphlet issued by the International Institute of Agriculture at Rome, the business transacted by urban co-operative banks in Germany in 1910, reached the large sum of £746,120. Yet there existed, besides these banks, another rural co-operative system. The former banks were managed on strictly business lines, showing a completely developed organisation.

The second difficulty is co-operative management. Here we have the example of the Co-operative Wholesale Society of Manchester, whose sales annually, before the war, were £30,000,000, and were increasing at the rate of a million pounds per annum. Few mercantile establishments in the world have ever run so large a business. Yet the society never borrowed and had money to lend. The Wholesale Society was built up, by means of members from the retail societies in a definite proportion, and the latter societies took out one share for each member valued £1. In reference to management we may quote the report regarding it drawn up, some years ago, by the United Mine Workers of America: "The business of the wholesale co-operative societies is managed by 32 directors, elected by the local societies. These directors give their entire time, at a salary of 1750 dollars per annum. It is almost unthinkable for the average American business man to consider a proposition of this kind: 32 men coming up from the ranks of ordinary consumers by popular election, conducting an enormous business more economically than the large establishments of trade in England, and giving their best efforts entirely for the motive of rendering good service and securing a comfortable salary, with the honor that goes with a public service efficiently performed. We should judge from what we learn that these directors are more devoted to their business than the ordinary business man. Their efficiency cannot be challenged."

These facts are uncommonly interesting. Still with all this said, we cannot fail to notice the vast difference between these enterprises, made up by creditors and consumers, and the co-operative production as exemplified in the self-governing workshop. Even under co-operation if religious principles are set aside—one class of workers may possibly oppress another. Yet one point needs emphasising. It is this: Co-operative production, though confronted with difficulties which have rendered its success less certain than in other co-operative enterprises, may in future be carried on more auspiciously under wise Government aid and foresight. A true religious spirit, such as the Catholic Church could infuse, would certainly lead to success. Progressive taxation of incomes, limitation in the future purchasing of shares, definite regulations regarding the shares of those who no longer are actively engaged in their respective industries, stability of prices to prevent the evils of excessive competition, and other similar methods, might yet make of Co-operation the system which may become the leading factor in social reconstruction. In all probability it will co-exist with other forms of ownership, both public and private, and a more perfect Government regulation.

But what must be ever borne in mind is that co-operative production differs essentially from Socialism in every respect. It is based upon the private ownership of capital by all the workers, instead of depriving them all alike of this benefit. It is purely constructive in its nature, while Socialism is mainly destructive and revolutionary. It is not dependent on confiscation, on political machination, or even upon the ballot, but must obtain its recognition solely through superior efficiency and the rightful Government protection. Where the Socialist promises, the Co-operator acts.

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