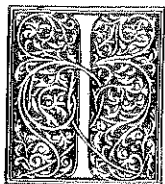




# THE ECONOMIC BASIS OF CO-OPERATION

By R. L. OUTHWAITE

(Republished from the *Co-operative News*.)



IN the tasks of social regeneration the first step should ever be to bring human endeavour into harmony with natural law, in free operation. The gardener will not sow, and at the same time leave branches overhanging the seed bed. He will first of all cut away, so that rain and the sun shall bring his work to fruition. But the social reformer is wont to plant in the shade, to think that his care is sufficient, that his watering-pot will suffice, and his bit of glass assure growth. So it is with men who think to see co-operative production grow and flourish in the shade of the Upas tree of land monopoly. Instead of first of all giving the forces of production full play by the removal of all unnatural restrictions, and then bringing the producers into co-operation, they assent to these restrictions, and busy themselves with trying to get methods adopted which would grow naturally in a state of economic freedom.

## *The Primary Production.*

Co-operative production should start at the basis of all production, the tilling of the soil. There it should be most easily established, and from there it would extend to the field of secondary production. But the private ownership of the land determines that there shall not be millions of small producers who would naturally co-operate. And the co-operator accepts the condition, buys a piece of land here and there, plants a co-operative settlement, waters it, puts glass over it, and is delighted to see the result of his endeavours to grow in the shade. But if he set to work and hewed down the overshadowing tree and let natural forces have full play, he would get natural growth that manifold endeavours will not produce when put forth under unnatural conditions.

## *The Danish Object-Lesson.*

Take, for example, the object-lesson of co-operation in Denmark. It grew out of the sub-division of the soil until it covered

every sphere of rural enterprise, from the grading of eggs to the breeding of stock. In Denmark first things were done first. The ancient Land Tax promoted the parcelling out of the land to the peasants; when it was abolished by a Conservative Party not many years ago, and the price of land consequently rose, the peasant demanded the taking of economic rent, and elected "single-taxers" to secure that this should be done. When the war broke out the valuation was in progress. The Danish peasants knew that to succeed in co-operation they must have economic freedom by the assertion of the common right to the soil. Freedom to import the grain of the world they had established and maintained, so that their small holdings might be factory sites, and their live stock be the machines turning untaxed raw material into butter, cheese, bacon, eggs, and so forth. Out of such freedom to produce as they had achieved co-operation naturally sprang. The enterprise that no peasant could singly embark upon became more easy of conduct in association with his fellows than if he had been financially equipped to carry it through on his own account.

The Danish peasants set about the regeneration of the countryside when Denmark had been reduced to bankruptcy and despair after the war with Prussia. It began with a call to a small and vanquished people to rise above the calamity that had befallen them. A great writer and poet literally took staff in hand and passed amongst the people, calling them to high service. The first step was the establishment of the peasant schools devoted to education that eschewed material ends and promoted the ideals of true citizenship. Nothing was asked from Government. So the basis was laid of co-operation. That material gain followed the substitution of the small farm and co-operation for the big estate and the individual capitalist the following figures disclose.

## EXPORTS OF DANISH FARM PRODUCE

### EXPORT OF BUTTER (18 kroner equal £1).

		Metric Tons.		Value.
1885	...	17,500	...	30 million kroner.
1905	...	79,800	...	156 " "

### EXPORT OF BACON.

		Metric Tons.		Value.
1885	...	9,800	...	8 million kroner.
1905	...	79,800	...	80 " "

### EXPORT OF EGGS.

	Million Score.	Value.
1885 ...	3.6 ...	3.3 million kroner.
1905 ...	21.0 ...	25.0 ,, ,,

### EXPORT OF MEAT.

	Metric Tons.	Value.
1885 ...	1,160 ...	0.5 million kroner.
1905 ...	15,400 ...	9.6 ,, ,,

### IMPORT OF HORSES.

	Number.	Value.
1885 ...	10,975 head.	8 million kroner.
1905 ...	29,421 ,,	19 ,, ,,

For 1905 there was an export of 123,679 head of Danish cattle at a value of 28 million kroner.

While the rural population declined in Britain the number of farms increased in Denmark from 211,315 in 1860 to 289,130 in 1905. The effect on production is shown in the following figures :

### AREA CULTIVATED IN DENMARK.

1875-1878 ...	3,870,000 acres.
1902-1906 ...	4,635,000 ,,

### CROPS RAISED IN DENMARK.

Yearly	Grain, Bushels.	Roots, Bushels.	Hay, Metric Tons.
Average.			
1875-78 ...	74,709,000 ...	24,270,000 ...	1,056,000
1902-06 ...	94,240,000 ...	289,500,000 ...	1,705,000

### STOCK OF DOMESTIC ANIMALS.

	Horses.	Horned Cattle.
1888 ...	375,500 ...	1,460,000
1903 ...	1,457,000 ...	12,690,000

It must be remembered that this wonderful era of the regeneration of Danish agriculture was that in which British agriculture declined, the countryside was depopulated, and the land monopolists clamoured for the protection and high prices that have now been granted to them.

### *Land Monopoly Bars the Way.*

Compare the opportunity for co-operative production from the soil in Denmark with the opportunity in Britain, and the folly of endeavour that does not first attack the overshadowing monopoly

becomes apparent. Some seventy men hold half Scotland. Had seventy men held Denmark, there would have been no co-operative production there, and if there had been it would only have resulted in higher rents to the landlords. The editor of the *Estates Gazette* has lately reminded us that 1,700 men hold 14,000,000 acres in England and Wales. Is co-operative production likely to proceed amongst the tenantry of the holders of one-third of the country? So it is that the private ownership of the soil makes efforts for co-operative production mere ventures from outside, whereas it should be the natural order of things as in Denmark.

### *Further Economic Restrictions.*

And now by further economic restriction the conditions for co-operative production from the soil have been worsened. It has been pointed out that in Denmark the free importation of grain enables wealth to be produced *on* the holding as well as *from* its soil. Free Trade in grain is the sheet anchor of the peasant. But the Corn Production Act, by establishing a fictitious price for grain, is operating to stimulate farming in large areas by machinery and to wreck all hope of the establishment of a peasantry.

Therefore, those who wish to see co-operative production established at the primary source of production should concentrate their efforts on removing the restrictions which prohibit its natural development. The more men there are upon the soil the more will be the need for co-operation. Land monopoly prohibits the fullest utilisation of the soil. It is the Upas tree that must be hewn down before the seed is planted.

### *The Fundamental Principle.*

With this object in view we have first to lay down the principle that the land, the sole source of production, but produced by no man's hand, is the rightful heritage of all men. Through the land nature provides the opportunity of existence to mankind as through her provision of air to breathe. Private ownership of the land, therefore, is a denial of the equal right of all to life. All have an equal and common right to the land, and justice demands its establishment. Nor is there any difficulty about establishing the common right. The simplest method is that which the Commonwealth League has been founded to promote. Namely, that, following the precedent of the Military Service Act, on the appointed day all land shall be deemed to be held as from the community, and each holder shall pay the economic rent, or communal value, to the community.

### *The Common Right Asserted.*

By this simple process the private ownership of land will be forthwith abolished. All land will be held in trust for the community, and anyone holding a piece of the common property will pay into the Common Fund what others would be willing to pay for the privilege. By some it is proposed to reach this end by the taxation of land values, the progressive taking of economic rent. But the circumstances of the times, the terrible burden of debt, the vast army of unemployed men, some demobilised, and some still held to the Colours, the certitude that only an economic revolution can avert a condition of anarchy—these considerations make the assertion of the common right to the land in its entirety true statesmanship.

### *The Land Set Free.*

If this were done the foundation of the Commonwealth would be laid in justice, and economic forces would be set free that would make for co-operative production in every direction. As regards production from the soil, there would be an immediate transformation. Landlordism, the drawing of rent for permission to use the soil, would be swept away. The land user coming into occupation would only be called upon to pay for improvements effected on the land. Instead of paying a landlord the capitalised rental value of the land he would, year by year, pay its economic rent to the Common Fund. The value his labour added to the land, year by year, would be his, and no longer be subject to confiscation by a landlord as at present. The payment of economic rent would compel the fullest utilisation of the land, and the way would be opened for the establishment of millions on the soil of Britain. And the Common Fund, chiefly provided from the economic rent of city land, would enable provision to be made for communal facilities undreamed of to-day. For the provision, too, of capital if need be, and without interest, so long as its utilisation increased the communal value of the common property.

### *Co-operation Displaces Capitalism.*

Under such conditions, there would be less use for the capitalist on the countryside of Britain than there now is in Denmark. Co-operative production would be the natural outcome of the close association of individual producers. Space does not permit the showing of the effect of this economic revolution in bringing about the downfall of "capitalism" all along the line. But it follows that if at the primary, and virtually illimitable source of production economic freedom be established under co-operative production,

the countryside that has ever been the capitalist employer's source of cheap labour will no longer send men to the labour market to sell themselves as slaves. When there are no unemployed men to take their places the employed men in all industries will be free to determine what shall be their place in production. At the same time the demand for manufactured goods made by the peasantry will set up a demand for labour which will cause a further scarcity. Trades Unionism, which is now co-operation in bargaining for a wage, would advance to co-operation in production, the workers owning the factories and machines. So it is that those who, here and now, would see the foundations of the Co-operative Commonwealth well and truly laid will seek to assert forthwith the common right to the land by the simple process that has been indicated.

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## *The Commonwealth League*

**F**OLLOWING on the Military Service Act The Commonwealth League demands:

That on the **Appointed Day** the Crown, as trustee for the People, shall collect for the People the economic rent of the land.

### THE LAW OF THE LAND

"It being a received and now undeniable principle in Law that all lands in England are holden mediately or immediately of the King." Blackstone ("Commentaries," Vol. II., p. 106).

*President:* R. C. LAMBERT

*Secretary:* R. L. OUTHWAITE

*Office:* 43 Chancery Lane, W.C.2.      Join at any subscription.  
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# "BACK PAY" FOR EX-SOLDIERS?

By R. L. OUTHWAITE

(Secretary of the Commonwealth League)

*In response to appeals from Ex-Service Men and Trade Unionists we are re-printing the article on "Back Pay: a Hint to Ex-Service Men," which appeared on our leader-page yesterday. It is felt that if the idea on which the article is based is widely taken up, the whole position of demobilised and discharged men will be incalculably strengthened.—DAILY HERALD, June 10th, 1919.*



THE reduction of the out-of-work pay brings the demobilised soldier to the plight of semi-starvation in the land he has been told he saved from foreign possession. It is an unjust and intolerable state of affairs, and the creation of a vast reservoir of cheap labour must menace the position of all workers and strengthen that of the Capitalist as a buyer of flesh and blood. In this crisis it is essential for the maintenance of their own self-respect, and to secure public support, that the ex-Service men should make a claim that is based, not on benevolence, but on justice. I am seeking publicity and support through the DAILY HERALD for a proposal that I have put before hundreds of ex-Service men, and which has met with their enthusiastic approval. They detest the payment which bears the stigma of a "dole" and makes them appear to be recipients of outdoor relief. Now these men were paid as soldiers 1s. a day, or, towards the end of the war, 1s. 6d. a day. The fact that they were willing to go for nothing in response to the call presented to them, or could be forced to go, was taken advantage of by the State.

## PAID LESS THAN KAFFIRS

The British soldier in the front-line trench was actually paid only half the amount given to the Kaffir labourer working at the rear, who got 2s. a day because he refused to go for less. What I propose is that the ex-Service men should demand as "back-pay" the difference between the pittance they got and a more reasonable rate of pay that they should have got. To determine the latter, the Australian rate of 6s. a day may be taken. I would, therefore, urge that the ex-Service men should demand, as back-pay, the difference between the 1s. a day, or 1s. 6d. a day, they got and the 6s. a day they should have got.

This, at the former rate, would amount to about £90 a year for each year of service, for privates. The same principle can be applied as regard

N.C.O.'s, the Australian rate again being the precedent. This instead of the miserable "gratuity" of £5 for each year of service, which is generally swallowed up in debts. The back-pay of the private would then be a more just approximation to the gratuity of the junior officer, and this would in itself be a measure of justice.

#### HOW TO GET THE MONEY

The provision of a substantial sum would enable ex-Service men to establish or re-establish themselves in many occupations where some money is required. It is obvious that this demand would remove from ex-Service men all stigma, and such a demand would compel the support of all Trade Unionists.

If this demand be made the reply will be that the money required cannot be found. In this connection regard should be paid to the service the soldiers were called upon to render. "Your country needs you," declared the recruiting poster. They were told they were needed to save the land of Britain from seizure by the enemy. Therefore, it is obviously just that the back-pay of the ex-Service men should be made a charge upon the land of Britain. The value of the privilege of holding for private use any portion of the land of Britain is measured by the economic rent, which is the annual sum that can be obtained for the privilege. By the simple process of calling on the holders of the soil of Britain, who style themselves landowners, to pay economic rent to the Common Fund, the money can be obtained to provide the back-pay of the soldiers.

#### BENEFIT TO WHOLE NATION

Moreover, and even more important, the provision of revenue from this source will compel the full utilisation of the land by all holders, or its surrender to others for full utilisation. The ex-Service men will, therefore, not only receive their back-pay, but also be supplied with abundant opportunity for its beneficial use. I would urge the ex-Service men to demand their "back-pay." To demand that the service of saving the land shall be made a charge upon the land. By doing so they will not only advance an individual right, but also the common right of all to the land of Britain. By doing so they will not be seeking to benefit themselves alone, but all men.

*Postscript.*—The prospect of national bankruptcy, due to the "marauders at the rear," provides a reason why ex-Service men should forthwith put in their claim to Back-Pay, and base it on the land, the one and only national asset. They should now establish their right to come in before all other creditors, and certainly before the bondholders. The claim should also be made on behalf of the widows and dependents of the dead, for the Back-Pay due on death passes to the next of kin.

R. L. O.