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The debate on the 'productive problem' was a source of friction and dominated several Co-operative Union congresses in the 1880s and 1890s. Nominally it concerned profit-sharing in producer co-operatives, but deeper co-operative principles and purposes were at stake. This paper focuses on a specific contemporary project, and a specific individual, to revisit that debate. The project is Tenant Co-operators Ltd., Britain's first housing co-operative; the individual is Benjamin Jones, manager of the London Co-operative Wholesale Society, and the key figure in the co-operative's formation. Jones was an active participant on one side of the 'productive problem' debate. And yet the paper finds that the financial model chosen for Tenant Co-operators Ltd., and the alliances mobilised by Jones in its formation, cut across the divide created by the debate. The paper argues that, despite the passions surrounding the 'productive problem', the co-operative movement was united by a broad consensus which informed practical activities such as the formation of Tenant Co-operators Ltd. This consensus was focused on the goal of social harmony; and this goal was in turn informed by the powerful connections between the co-operative movement and the Liberal Party.

Introduction

In June 1889, on the second day of the Ipswich Congress of the Co-operative Union, the chair of the day rose to address delegates on 'The productive problem'. This issue, pitching 'individualists' against 'federalists', had become a regular item on the agenda of successive Congresses, and Benjamin Jones now put the case on behalf of the federalists.

Jones was manager of the London branch of the Co-operative Wholesale Society (CWS), a post which he had occupied for fourteen years, overseeing a remarkable growth in societies, members and sales in and around London. His speech at Ipswich (Jones, 1889) was a forceful presentation of the federalist case. He accused his opponents of suggesting that co-operative history began with the Christian Socialists of the 1850s, and of ignoring its deeper roots. He praised the principle of co-operative production, but denied that stand-alone co-operatives, as favoured by the individualists, were the best way to go about it. He produced figures to show that the volume of co-operative production carried out by the CWS itself, and by other societies integrated into the unified movement, was ten times greater than that carried out by the independents. And he attacked the individualists' emphasis on the 'bounty for labour' or profit-sharing, arguing that this was just one of many ways of ensuring a fair deal for co-operative workers. But his main themes were co-operative integration and economies of scale; these, he argued, were the key to the movement's success.

At exactly the time when he delivered this speech, however, Benjamin Jones was also deeply involved in a co-operative project which appeared to flout all these principles. He was the Chair of Tenant Co-operators Ltd. (TCL), Britain's first housing co-operative: a small-scale, independent company, funded by well-wishers and philanthropists, legally and financially detached from the wider co-operative movement. As Jones was speaking in Ipswich, TCL's first new-build houses were under construction at Penge in South London.

This paper focuses on Benjamin Jones, and in particular on his role in the formation of TCL, to shed light on aspects of co-operative activity in London in the 1880s and following years. It starts by reviewing the 'productive problem' and argues that this high-profile argument about co-operative principles masked a deeper consensus within the movement around the goal of social harmony. It shows how Jones subscribed to this consensus as an economic pragmatist who denied the existence of an intrinsic conflict between capital and labour. And it reveals the creation of TCL itself as an exercise in social harmony, drawing upon a network of alliances

stretching well beyond the co-operative movement. Finally, it describes the early history of TCL, and discusses its structural weaknesses in the light of the debate on the 'productive problem'.

The Productive Problem

The 'productive problem' was, on the surface, a debate about the status of workers in productive co-operatives. But on both sides, participants felt that a deeper set of questions, about the meaning and purpose of co-operation as such, was at stake. On one side of the argument were the 'individualists', passionately concerned about the internal workings of individual co-operatives, and committed in particular to the principle that a co-operative's workers should be entitled to a share of its profits, which they referred to as the 'bounty to labour' (Cole, 1944, p. 209). The individualists generally had less to say about the practicalities of co-operative survival in a competitive capitalist market. This, however, was the primary concern of their opponents, the 'federalists', for whom integration between individual societies, and the economies of scale which followed from integration, were the key to commercial survival. For them, internal arrangements within individual co-operatives were a secondary issue.

The individualists were an unlikely alliance between figures such as G. J. Holyoake, working-class, Owenite and atheist; and figures such as E. O. Greening and E. V. Neale, whose roots were in middle-class Christian Socialism. But they had in common an understanding of co-operation as a moral endeavour. Holyoake sought to keep faith with Owen's vision of co-operative justice (McCabe, 1922, pp. 35-45); while Greening and Neale sought to transcend the conflict between capital and labour (Gurney, 1994, pp. 257-9); and, in the promotion of independent producer co-operatives, these distinct moral visions found common ground.

Their ambition was to establish producer co-operatives as self-governing enterprises, in which workers acted as their own collective employer. But, like other enterprises, they needed investment, which in the mid-nineteenth century could hardly come from the workers themselves. Typically, therefore, there was a two-stage process. The first stage saw investment by philanthropic supporters, and until their investment was recovered, decisions were made by managers acting on their behalf. Then, when the investors had been paid off and the enterprise was on a secure footing, the second truly co-operative stage could begin, with the advent of workers' self-management (Cole, 1944, pp. 101-2). This was the ambition, but in practice most independent producer co-operatives never got as far as the second stage. Instead, they collapsed, with investors losing their money and workers losing their jobs (Cole, 1944). Some survived, generally those based on specialist, artisanal skills which did not require high levels of capital investment, but by the early 1880s there were only twenty co-operative societies which could be described as 'productive', and most of these were not independent but were part of the CWS or otherwise integrated into the movement's national structures (Cole, 1944, p. 204). Nevertheless, enthusiasts for independent producer co-operatives continued to organise and agitate. In 1882, Greening, Neale and others formed the Co-operative Productive Federation to provide practical support to producer co-operatives; and in 1884 the Labour Association was created to carry on educational and propaganda work (Bonner, 1961, p. 114; Cole, 1944, pp. 204-205).

Those producer co-operatives which failed did not do so because they were co-operatives; they failed because they were small businesses vulnerable to market pressures, and to competition from larger and meaner rivals, just like other small businesses. But the economic circumstances which made life difficult for them also created the conditions for retail co-operatives to thrive. The prolonged period of deflation known as the 'Great Depression', which lasted from the early 1870s to the 1890s, was also a period of slowly rising real wages and living standards (Hobsbawm, 1968: pp. 104-5, 132-6). For working class families just beginning to have some degree of control over their household income, retail co-operatives, which offered their members quality goods and a 'dividend' which could be used either as 'cash-back' or to build up savings (Bonner, 1961, pp. 96-7) were very attractive.

Retail co-operatives, even considered in isolation, therefore had a distinct practical advantage over most producer co-operatives. They had less need for significant start-up investment; could establish customer loyalty and grow cumulatively through many small transactions; and offered prospective members an immediate, practical, financial benefit. And, from the 1860s, they had the further advantage that they were *not* isolated.

The CWS, formed in 1863, was a central purchasing hub jointly owned by and accountable to the retail societies, supporting them by buying in bulk, and producing basic commodities such as flour in its own mills. From the mid-1870s to the mid-1890s, co-operative retail sales rose from £2 million to £10 million, and membership from under 200,000 to 900,000 (Cole, 1944, pp. 210-11). The contrast between this story of steady cumulative retail success, and the roller-coaster experience and frequent failure of the independent producer co-operatives, could hardly be starker. And yet despite this contrast, and despite the argument between individualists and federalists, the two sides also had much in common. This becomes evident when we consider the career of E. V Neale; and the goal of social harmony.

Neale, a wealthy and well-connected lawyer, became involved with the movement in the 1850s, as part of the Christian Socialist initiative. He was committed to independent producer co-operatives and lost much of his personal fortune by investing in unsuccessful engineering and metal-working co-operatives in London. But unlike some of his Christian Socialist friends, who approached the co-operative movement as a vehicle for their own ideas, he became deeply interested in and committed to the movement in its own right. Above all, he understood the need for mutual support between individual co-operatives. In 1852 he helped form the Co-operative League, a first attempt at a broad co-ordinating body; and ten years later he was instrumental in the passage of the second Industrial and Provident Societies Act which led to the creation of the CWS. From 1873 to 1890 he served as General Secretary of the Co-operative Union. In the context of the productive debate, Neale is generally seen as an 'individualist' — but in his practical work for unity and integration his instincts were essentially 'federalist'. He championed issues dear to both sides of the argument, and while performing this balancing act, he remained a respected and popular figure across the movement — all of which calls into question the notion that the 'productive problem' revealed a deep and fundamental clash of principle. It suggests, rather, that it was essentially about a difference of emphasis.

The widespread consensus around co-operation as an expression of social harmony leads to a similar conclusion. The Christian Socialists' enthusiasm for co-operation in the 1850s stemmed largely from their perception of it as a working-class initiative aiming at social harmony, as opposed to trade unionism which appeared to them to be a working-class initiative aiming at social conflict. Others shared this view. Parliamentarians generally, both Liberal and Conservative, generally supported legislation which assisted the co-operative movement, but were hostile to equivalent legislation which might assist effective trade unionism (Cole, 1944, p. 125).

Within the movement, the notion of co-operation as social harmony was not limited to Christian Socialists. On the contrary, it was widely shared. Benjamin Jones, ardent federalist and critic of the Christian Socialists, was a passionate advocate of co-operation as social harmony and, like them, a passionate opponent of the notion of an intrinsic conflict between capital and labour. Co-operation for him was not just about increasing sales and membership, important though these were, it was also an educational exercise by which working-class people might come to understand that capital was not their enemy. In *Working Men Co-operators*, Jones and his co-author, future Liberal MP A. H. D. Acland, argued that: "The members of the stores become small capitalists ... almost without knowing it" and the growth of co-operative savings tends to "excite the instincts of the capitalist, and to acquaint the owner with a new view of the labour question" (Acland & Jones, 1896, pp. 15-16). And in his Ipswich Congress speech Jones declared with confidence:

The accumulation and organisation of capital by the workers are absolutely necessary for the emancipation of labour. The workers can do it if they like. The task is a fairly easy one. (Jones, 1889, p. 15).

Jones's understanding of capital was entirely conventional: capital for him was simply a financial investment seeking interest (Acland & Jones. 1896, p.102; Jones, 1889, p. 12), and as such essentially neutral. He argued that, if workers suffered injustice, it was not because capital or capitalists as a class were intrinsically exploitative, but simply because some individual capitalists were greedy. Take capital out of the hands of greedy individuals, and in Jones's view the problem would be solved.

Benjamin Jones and Friends

It followed from Jones's conception of capital that social progress meant working with people of goodwill from all classes. The network of friends, allies, and supporters which he drew upon in the formation of TCL provides us with a practical example of this. When the company was formed in 1887, the members of its founding committee fell into three broad categories: leading figures from the co-operative movement itself; businessmen and philanthropists, often linked to the Liberal Party; and social activists associated with Toynbee Hall in the East End.

The co-operative movement

Three figures from the co-operative movement, in addition to Jones himself, played prominent roles in the creation and administration of TCL: J. J. Dent; William Minet; and H. J. V. Neale. Dent was the Secretary of the Club & Institutes Union (CIU), the national federation of working men's clubs. Like Jones he was a working-class boy made good, and they were close friends. They sat together on the Co-operative Union's Central Board, and both were involved in Co-operative Builders, an independent producer co-operative based in Camberwell.

Minet was also a key figure in Co-operative Builders. He was a barrister, and a substantial landowner in Camberwell, as well as being a philanthropic supporter of co-operation. He was instrumental in creating Co-operative Builders and served as its Chair (Co-operative News, 19 October 1889) and, once TCL was established, he acted as its auditor (Yerbury 1913, p. 26). His family were old Huguenots, who developed their land into a carefully planned suburban estate, on proto-Garden City principles, complete with its own small park and library.

H. J. V. Neale was the son of E. V. Neale, who was still at this time the General Secretary of the Co-operative Union. The younger Neale was not as significant a figure in the movement as his father, but he was an active supporter, and he bore a famous name. He succeeded Jones as Chair of TCL.

Businessmen and philanthropists

The three most important businessmen in TCL were Pascoe Fenwick, Francis Buxton, and Walter Hazell. Fenwick was a City merchant with a social conscience and a particular interest in working-class housing; before becoming involved with TCL he published a short pamphlet on the subject (Fenwick, 1884/2010). It was Fenwick's promise of money which transformed TCL from an abstract idea into a practical proposition.

Francis Buxton was a barrister and banker, and a Liberal MP until 1885. He went on to serve as a director or trustee of various public and charitable bodies. He helped to drum up investor support for TCL in its early days, including the publication of a letter in *The Times* in March 1888 (Buxton, 29 March 1888).

Walter Hazell was a progressive employer whose printing company, Hazell Watson & Viney, was one of the first to introduce workers' sick pay (National Archives, n.d.). He was a supporter of women's suffrage, and in later years became a Liberal MP and Mayor of Holborn.

Finally, Jones had access to an important network of friends and colleagues grouped around Toynbee Hall in East London.

The Toynbee network

The key figures here are A. H. D. Acland, Samuel Barnett, Thory Gardiner, and Beatrice Potter (the future Beatrice Webb). Jones met Acland at the Co-operative Congress in Oxford in 1882. Acland, based at Balliol College, worked hard to bring the meeting to the city, in the hope of forging links between co-operators and the circle of university-based Christian Social activists with which he was associated (Briggs & Macartney, 1984, p. 45). He and Jones became allies, and, as mentioned above, together they wrote *Working Men Co-operators*, first published in 1884 but still being re-printed by the Co-operative Union as a standard text fifty years later. In 1885 Acland became a Liberal MP, and over the years his support for the movement earned him the title of 'Co-operative Member of Parliament' (Bellamy & Saville, 1972).

Soon after the 1882 Congress, the Reverend Samuel Barnett, Rector of St. Jude's Church in Whitechapel, spoke to Acland's group in Oxford about his proposed 'settlement' in the East End of London. His idea was that students and academics from the university should live alongside working-class families in a spirit of shared experience, neighbourliness, and harmony. In 1884 the settlement opened as Toynbee Hall in Spitalfields, with Barnett as Warden and the Reverend Thory Gardiner, his curate at St. Jude's, as sub-warden (Briggs & Macartney, 1984, pp. 5-8, 34).

Jones's office at the CWS in Lemn Street (Tower Hamlets, London) was only a short walk away from Toynbee Hall, and through the Acland connection it was natural that he should be in close touch with the settlement from the start. In 1886 he became a 'Toynbee Associate'; academics at the Hall helped with the new co-operative educational programme which Acland had helped to design; and when a fire damaged the CWS premises, Toynbee Hall made its own rooms available for meetings (Briggs & Macartney, 1984, p. 45). The key Toynbee figure in TCL was Barnett's curate Gardiner, who joined the founding committee in 1887, and was actively involved in the start-up campaign in 1888.

Toynbee Hall also brought together Jones and Beatrice Potter. Potter was recruited by Charles Booth in 1886 as a researcher on his investigation into London poverty, which was eventually published in four editions and 17 volumes as *Life and Labour of the People in London*¹. The Booth project (1886-1903) held its first meeting at Toynbee Hall in April 1886; Jones was there as a supporter, and Potter as a member of Booth's team. They became somewhat unlikely friends: Potter's references to him in her diaries combine genuine affection with sharp condescension (e.g., see Webb in Mackenzie & Mackenzie, 1982, p. 185²). Nevertheless, in December 1888 she left the Booth project to work, under Jones's supervision, on a "thoroughly exhaustive study" of the co-operative movement (Webb in Mackenzie & Mackenzie, 1982, p. 268). It was published three years later (Potter, 1891) by which time she was a member of the managing committee of TCL.

The Formation of Tenant Co-operators Ltd.

Working-class housing was a high-profile issue in the 1880s. It was high-profile especially in London, the poorest areas of which were appallingly over-crowded, subject to recent influxes from rural areas after the agricultural depression of the 1870s, and from Jewish migrants fleeing persecution in Eastern Europe. Politicians in both parties were keen to be seen to be doing something, especially after the Third Reform Act in 1884 which gave the vote to many skilled male workers.

Benjamin Jones saw this as an opportunity; housing was an issue on which the co-operative movement might intervene, and from the start, he seems to have envisaged this intervention not as a large-scale enterprise backed by the resources of the movement, but as a small-scale exploratory or exemplary project, drawing on philanthropic investment, which would grow over time. At first sight this approach seems to be at odds with his attitude towards the 'productive problem', where he stressed the advantages of integration and economies of scale,

but the contradiction is more apparent than real. Jones's consistency lay in his deep-rooted pragmatism.

In his speech at the Co-operative Congress in 1889, Jones's argument throughout was entirely pragmatic in the sense that he backed what worked. So, for instance, he did not reject the 'bounty to labour' outright; he recognised that there were circumstances where profit-sharing worked, while insisting that there were also other circumstances where it did not, and where other arrangements were more appropriate. On the other hand, he believed that co-operative production generally thrived when it was integrated into the broad movement, but generally failed when it was fragmented into small independent units; so, he supported the former and opposed the latter. He was prepared sometimes to tolerate all options, and at other times to support one option alone, depending on what worked.

With this pragmatic cast of mind, Jones would have readily appreciated that the economics of housing provision are significantly different from the economics of those sectors where the co-operative movement was already well established: food and household retail and manufacturing. It was of course easy to lose money in housing, as many bankrupt builders knew to their cost; but typically, in London, money was lost because too many new houses were built speculatively in the hope of attracting high-value middle-class tenants who failed to materialise. The Peabody Donation Fund (later Peabody Trust — <https://www.peabody.org.uk>) and other philanthropic and semi-philanthropic housing associations had, however, demonstrated that there was reliable demand among skilled working-class families for well-built flats and small houses at affordable rents. This was the section of the housing market where Jones believed the co-operative movement might make its own contribution. He worked up a model in which working-class tenants would effectively 'rent to buy', using a co-operative framework to accumulate funds to buy their own houses.

As Birchall (1988) notes, in 1883 Jones took this idea to Henry Broadhurst, a 'Lib-Lab' (working-class Liberal) MP who had a particular interest in housing. Jones's scheme was intended for London, and Broadhurst advised him to start by winning the support of the trade unions on the London Trades Council. Jones dutifully presented his proposal to them, but nothing came of it. Birchall has argued, citing Yerbury (1913), that the unions disliked Jones's 'prejudice in favour of owner occupation' (Birchall, 1988, p. 94) but this is doubtful; there was in fact a long tradition of working-class support for owner-occupation, especially among skilled craft workers such as those who dominated the Trades Council. It is more likely that the London unions failed to respond to Jones's proposal simply because they were at this time weak, fragmented, under-resourced, and already had more than enough on their plate. But whatever the explanation, from Jones's point of view, his overture to the Trades Council was a false start.

Meanwhile, quite separately, a businessman called Pascoe Fenwick had published his own housing scheme. He calculated that there were 50,000 skilled working-class men in central London who would be prepared to move out into the suburbs with their families, thus reducing demand and rents in more central areas, so long as they were provided with 'cottages' close enough to railway stations for them to use the 'workmen's trains' to commute to work. He believed that suitable land was available along the railway lines, and after allowing for land and building costs, and for a regular dividend to investors, he estimated that it would take 20 years for tenants to pay back the investors, pay off the value of their homes, and thus own them outright. He suggested a 'Government Trust' be established to put this project into effect (Fenwick, 1884/2010).

Sometime in 1884 or 1885, Fenwick came upon *Working Men Co-operators*, co-authored by Jones and Acland, which referred, briefly, to the potential of co-operative housing. Fenwick saw that, in the absence of his 'Government Trust', the co-operative movement might provide an alternative framework for his scheme, and he introduced himself to Jones. From Jones's point of view, this approach breathed life back into his own project, which was not unlike Fenwick's, with the added advantage that Fenwick was prepared to put up the first £1,000 (Yerbury, 1913, pp. 45-7).

Over the next couple of years, Jones canvassed the networks described above, in the co-operative movement, among philanthropic Liberals, and at Toynbee Hall; and Fenwick presumably did the same through his own contacts in the City. In November 1887, a meeting was called at Jones's office at the CWS which formally resolved to establish Tenant Co-operators Ltd., and by the new year its 'Provisional Committee' had fifteen members (Yerbury, 1913, p. 21). Jones was personally committed to the project, putting in a loss-making investment of £100, money which he borrowed at 5% in order to re-invest it in the co-operative for a dividend of 4% (Birchall, 1988, p. 110).

In early 1888, committee members embarked on a publicity drive to attract investors. Jones encouraged CWS workers to take up shares (*Co-operative News* 18 February 1888); Dent from the CIU and the Reverend Gardiner from Toynbee Hall went on a speaking tour around London (*Co-operative News* 11 February 1888); and, as mentioned above, *The Times* (Buxton, 29 March 1888) published a letter about the scheme from Buxton. In April TCL held its first General Meeting as a newly registered company, and Jones was elected Chair (*Co-operative News* 28 April 1888). Among the items of business was an application for funds to the Public Works Loan Commission.

The committee also discussed its broader social ambitions, on which there were sometimes different views. Commuting was one such issue. In Fenwick's view, working-class commuting was at the heart of the whole project. He envisaged skilled, relatively well-paid workers moving out to the suburbs with their families to become commuters; the implication of which was that TCL should build or buy suitable houses or flats close to railway lines in London's suburbs. The Reverend Gardiner, however, took the opposite view. Inspired by his experience at Toynbee Hall, and the settlement movement's emphasis on neighbourhood, locality, and contiguity, he argued that the co-operative should buy or build houses close to tenants' places of work. He was opposed to commuting which in his view "caused men to neglect their duties as citizens" (*Co-operative News* 28 April 1888). This implied an entirely different strategy, by which TCL would first identify geographical clusters of potential tenants, and then acquire or build dwellings for them, close to their existing workplaces.

In the event, TCL supported Fenwick, not Gardiner. In August 1888 it acquired its first properties, six houses at Upton Park in East London. A few months later, after receiving a Public Works Loan of £3,000, it bought a parcel of land next to the railway line in Penge, in suburban South London, where there was sufficient space to build a whole street of small terraced houses and flats. Over the following years the co-operative expanded to three other suburban sites, a block of flats at Camberwell, and groups of houses at East Ham and Epsom.

Tenants or Shareholders?

In January 1887, Benjamin Jones spoke in a debate at Toynbee Hall. The subject was "Co-operation versus Socialism", and Jones's socialist opponent was a leading member of the Social Democratic Federation. When the discussion moved to housing, Jones set out a vision of an "Industrial Dwellings Company" which would give investors a fair return on their money while providing working-class tenants with decent homes. He wound up with a challenge and a prophecy:

If the wealthy men of London would not do this, the working-men co-operators of London would do it as soon as they got the capital. They would soon have more money than they knew what to do with, and they would ... come forward to help their brethren to solve the dwellings difficulty (Champion & Jones, 1887, p. 26).

There can be little doubt that in this speech, Jones was setting out his vision for TCL. At this time, in January 1887, he had been working with Fenwick for about two years, actively canvassing his networks for support and investors, and the decision to form TCL as a registered company lay only three months away. His outline of an "Industrial Dwellings Company" therefore gives us a valuable insight into Jones's thinking on the verge on TCL's formation.

His vision had three elements. Firstly, it relied on philanthropic investors who would not be greedy, but would be satisfied with reliable though modest dividends, because they wished to help working-class tenants acquire their own homes. Secondly, it repeated Jones's regular theme of capital as a neutral factor, which could be harnessed in the interests of the working class once liberated from the grasp of greedy individuals. And thirdly it envisaged a scheme which would grow, cumulatively expanding its capital resources so that "the working-men co-operators of London ... would soon have more money than they knew what to do with" enabling them to fund the provision of more and more homes over time.

Absent from Jones's speech, however, was any reference to the management or administration of the project. Perhaps this simply reflected the nature of the event at which he was speaking, a debate in which his primary aim was to capture the sympathy of his audience. Or perhaps he saw management as a second-order question which would look after itself, to be paid for out of rising income. But it is nevertheless a striking omission given that Jones himself was a salaried manager in the CWS, and — in other contexts — an ardent advocate of professional administration as one of the benefits of economies of scale.

The question of scale turned out, in fact, to be TCL's key weakness, in ways which were remarkably reminiscent of the independent producer co-operatives of the mid-nineteenth century. Like them, it was conceived and launched as a small enterprise; and like them, it envisaged a two-stage process. The initial investment came from philanthropic investors and the Public Works Loan Commission, but it was anticipated that over time the tenant-shareholders would build up their own fund, and the balance would shift away from investor domination and towards tenant co-ownership (Birchall, 1988, pp. 95-6). However, as with most of the independent producer co-operatives, this second stage was never reached. TCL was always too small to generate the level of income necessary for tenant-shareholders to take over, let alone for the co-operative to accumulate, grow and expand its activities in the way envisaged by Jones in 1887.

This economic failure had practical organisational consequences. TCL generated enough income to pay its investor-shareholders' dividends, but not enough to pay for a professional manager or staff. Its administration, financial management, collection of rents, oversight of repairs, relations with local councils and statutory authorities, structural problems at East Ham, a difficult housing market in Epsom (Birchall, 1988, pp. 95-6), were all dealt with, year after year, by unpaid volunteers from the management committee. In his history of the co-operative, TCL's Secretary John Yerbury ruefully observed that: "The Committee has always consisted of busy volunteers ... men willing to give their unpaid services for the benefit of those poorer than themselves" (Yerbury, 1913, pp. 56-7).

As he made these comments, Yerbury gazed west to Ealing Tenants Ltd., a 'co-partnership' venture founded some years after TCL, whose experience was very different (Yerbury, 1913, p. 57). In Ealing, there was a paid staff from the start, which was affordable because this was a large-scale, high-value project, a single planned estate of 680 handsome 'Arts & Crafts' dwellings, intended for affluent middle-class families, able to make sizeable up-front investments to join the enterprise, and to pay considerable rents thereafter. TCL, by comparison, had something under 200 small houses and flats, intended for working-class families able to pay only modest rents, scattered over five sites.

It followed that control of TCL remained with its committee of external investors and philanthropic supporters, some of whom were Yerbury's (1913) "busy volunteers". Meanwhile the tenants, many of whom were also shareholders, were offered no role in decision-making or in the day-to-day running of the co-operative. This seems to have led to a fair amount of confusion about how things were meant to work, where the co-operative principle was meant to apply, and what exactly was the status of tenant-shareholders. This confusion came to a head with the Penge rent-strike of 1900-01.

In 1900, the management committee responded to an increase in local rates by putting up the rents of co-operative tenants in Lucas Road, Penge. This was not well received, and the tenants

refused to pay. Their representative, Richard Janes, a tailor living at no. 42, argued that the rent-rise was invalid because the tenants, in their capacity as shareholders, had not agreed to it. The rent-strike ran on into 1901, and after unsuccessful attempts to resolve it internally, the dispute ended up in the High Court. Here the judge found that, according to TCL's rules, the management committee did indeed have the right to raise rents and was not obliged to obtain the consent of the tenant-shareholders. According to Yerbury (1913) the tenants accepted this with a good grace, and Janes joined the TCL committee as "a valued tenant-shareholder member" (pp. 50-53). But this suggestion of a happy ending is contradicted by other evidence. By 1911, of TCL's body of almost 200 tenants, only 51 were tenant-shareholders (Birchall, 1988, pp. 95-6). Yet when the co-operative was first established, it was a condition of joining that every tenant should be a shareholder, a condition which underpinned the long-term vision of a self-managed co-operative collectively owned and run by its tenants. The fact that only a quarter of the tenants were shareholders in 1911 implies that this ambition had been abandoned. It implies that old tenants had resigned their shareholdings, or that new tenants had failed to take up shareholdings, or both; and it implies that TCL accepted this state of affairs and had relaxed or cancelled the original rule. A direct connection between this and the High Court judgment cannot be proven, but it is striking that a judgment which struck at the status of tenant-shareholder was followed in a few years by a collapse in the number of tenant-shareholders.

On the other hand, the fact that tenants wanted to remain speaks well of the broader culture or atmosphere of TCL. The co-operative's turnover of tenants in Penge was much lower than that of their private-tenant neighbours. Census returns show that in Lucas Road, about one-fifth of TCL's houses and flats were inhabited by the same families throughout the decade from 1901 to 1911; and in addition, a few families had moved house within the street. Meanwhile in Phoenix Road directly opposite, occupied by private tenants, there was not a single house which accommodated the same family in 1911 as in 1901.

This contrast cannot be explained by differences in numbers or social class: the two streets had about the same number of dwellings, the same social mix, and their residents were subject to the same employment pressures. The most likely explanation lies in their different forms of housing tenure. Lucas Road's tenants had in TCL a landlord which, for all its difficulties, was driven by a sense of social and moral mission and was less likely than commercial landlords to make unreasonable demands, or harass tenants, or impose regular or arbitrary rent rises. In addition, whereas in other roads different tenants paid their rents to different landlords, in Lucas Road there was just one common landlord, TCL, which may in itself have encouraged a sense of community or neighbourliness. So perhaps, despite the memory of the rent strike, Lucas Road's history as a co-operative venture continued to count for something.

It was argued above that TCL shared many of the problems of the small independent producer co-operatives of the mid-nineteenth century, but in one crucial respect it was different: it did not collapse. TCL did not go bankrupt. Despite its difficulties, and its unpaid and under-appreciated volunteers, TCL generated sufficient income to pay its investors' dividends, to keep its properties in good order, and to provide decent homes, at reasonable rents, for several decades. It may have failed to achieve the co-operative self-management, and the cumulative growth and expansion, hoped for by its founders, but as a small practical housing initiative for working-class families, it was a modest success.

TCL was finally wound up as an independent company in the mid-1930s and absorbed into the wider co-operative movement, its dwellings split up and transferred to one or other of the various large London societies. The houses and flats in Lucas Road, for instance, were acquired by the South Suburban Co-operative, which for many years let them exclusively to its own staff. The last of those former co-operative employees, long retired, were still living in the street well into the second decade of the twenty-first century, in houses built more than 125 years earlier by TCL.

Conclusions

The story of Tenant Co-operators Ltd., and the role of Benjamin Jones in its formation, are significant for the history of co-operative housing. But they also shed light on the state of the wider co-operative movement in the late nineteenth century.

By the 1880s, the movement had established itself as a powerful presence in British society, with hundreds of thousands of members and millions of pounds of sales. Benjamin Jones, as manager of the London branch of CWS, was a leading figure in this, one of a new cadre of 'bureaucrats of working-class origin' (Schatz, 1976, p. 39-40), pragmatic administrators committed to growth and commercial success. Jones had built up the movement in London, transforming it from one of the movement's outposts into one of its strongholds. But he saw himself as more than a manager; he saw himself as a pioneer and initiator, as represented by his role in the formation of TCL; and as a thinker and advocate, making the case for co-operation through his publications, speeches, and links with academics such as Acland and the social activists of Toynbee Hall. And his particular ideas and concerns illustrate two important aspects of the co-operative movement at this time: its commitment to social harmony; and its links to Liberalism.

Jones championed co-operation against socialism and argued that the working class should understand and embrace capital as a means of its own liberation. He envisaged the co-operative movement out-performing private capital in the marketplace, bringing about a social transformation legally, peacefully, without the need for class conflict. This vision of social progress through co-operative trading was widely shared within the co-operative movement.

It was also entirely acceptable within the Liberal Party, that loosely articulated cross-class alliance which sought to gather up all that was deemed 'progressive' in British society, from non-conformism to trade unionism, and provincial pride to free trade. This was the co-operative movement's natural political home, in tune with its instinct for social harmony and its distrust of class conflict. The number of former or future Liberal MPs who were recruited by Jones to play a public role in a small, experimental housing co-operative illustrates the strength of this association in action. And, given TCL's mission to provide housing specifically for working-class tenants, it also illustrates the Liberal Party's sense of itself at this time as the natural party of the working class.

There were, of course, some for whom Liberalism was not good enough. During the 1880s a movement for working class political independence was starting to take shape, and it would eventually give rise to the Labour Party. Jones's friend Beatrice Potter, and her future husband Sidney Webb, would go on to become major figures in that new party. But this account of TCL, and of Benjamin Jones's role in its formation, reminds us that in the late nineteenth century there was an alternative view, also rooted in the working class, and also committed to its progress, but envisaging a very different way forward.

The Author

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Notes

1. A collection of the volumes of *Life and labour of the people in London* is available online at the Wellcome Collection (<https://wellcomecollection.org/works/e67mj94f>). A collection of notes and maps from the project can also be accessed at the LSE collection, *Charles Booth's London – Poverty maps and notebook* (<https://booth.lse.ac.uk/>).
2. Beatrice Webb's written diaries as well as typescript versions are available at LSE Digital collection Webbs on the Web. <https://digital.library.lse.ac.uk/collections/webb>