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Jesse Gray's Role in the Development of the British Co-operative Movement

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Co-operative Congresses, held annually in different towns and cities around Britain, were the big set-piece occasions of the British co-operative movement, having become by the later nineteenth and early twentieth centuries very sizeable events. Each year someone who was considered eminent, usually but not always from within the co-operative movement, was chosen to act as President and to give a Presidential address.

The choice of President for the 1906 Co-operative Congress in Birmingham (where over 1,460 people took part as delegates) was perhaps a surprising one: it was Jesse Clement Gray, the person who had much of the task of actually organising the event and who would later be responsible for editing the report of the Proceedings of the Congress ready for publication. J.C. Gray, as General Secretary of the Co-operative Union was effectively employed by the movement as its chief administrator.

Gray's speech as President was not necessarily what his audience was expecting. Gray had been General Secretary of the Co-operative Union since 1891, when he had taken over from Edward Vansittart Neale (at that stage already in his eighties). Gray had been Neale's Assistant General Secretary before that and — at least according to Beatrice Webb — had been acting up in the role of General Secretary as Neale grew older. He would have been known within the movement as an effective and highly efficient administrator. His speech at the Birmingham Congress showed him in another light, however, as a passionate advocate of co-operation and as something of a visionary.

Gray was clearly concerned that the movement was at risk of dissipating its powers. He pointed out in his Presidential address that, since the opening of the Rochdale Pioneers shop in 1844, co-operative societies had made profits which collectively totalled £152 million and yet the assets held by co-operatives in 1906 were only some £30m. "We may feel a great amount of satisfaction at the results of the past sixty years' work," he told his audience, but he went on to warn that the movement was weaker than it might be. The bond between individual societies and their members had increasingly become one just of self-interest: or in other words, how much of the profits each member would get as their dividend. Gray criticised the competition for trade which existed between some individual societies, too.

Gray had a proposal which he claimed would address the weaknesses. He asked delegates to give it their 'earnest consideration' and when he had spelled out his proposal he ended his speech with an impassioned peroration:

Then we may go forward towards the realisation of a true Co-operative State or Commonwealth, wherein justice and equity shall rule; where industry in all its forms shall receive its just reward; where homes shall be made healthy and happy; where all the comforts of life may be enjoyed by those who have earned them; and where the poor and oppressed may be uplifted and find rest, and misery and want be banished from our land.

His speech was greeted with ecstatic applause. After he had sat down, one of the delegates there rose to thank him, commenting: "We had all known Mr Gray as a worker. Now we recognised him as a thinker".

But there were also people in the audience shaking their heads. Gray's proposal was, indeed, an extremely radical one in that he was calling for the thousand-plus individual co-operative societies to come together, harnessing their strengths and assets. "Suppose all societies agree to merge membership into one great National Co-operative Society, to which all membership

and assets should be transferred. 2,259,479 members would become a member of the National Society," he said.

Interestingly (given what happened a century after 1906 when the Co-operative Group was established), Gray proposed that the CWS should be the means to create his new structure. "The CWS should adopt the new name of the National Co-operative Society Ltd, altering its constitution to admit individual members," he said. Its administration would be in the hands of a General Council of, he suggested, around 150 members, to be elected on a representative basis. This, Gray said, "in a sense would be the Co-operative Parliament".

Gray is not well-remembered by the British co-operative movement of the early twenty-first century (even though his marble bust remains where it has stood for over a century on the stairwell of Holyoake House in Manchester, the offices of the Co-operative Union and now Co-operatives UK). Nevertheless, his role was a highly significant one at an important time in the development of the movement. Indeed, it is arguable that, if his ideas had been adopted, the movement today might be in a rather stronger position than it currently is.

Gray was born in the small town of Ripley, Derbyshire, in 1854. His father was a local Baptist minister, and when he was still a child his father moved to the town of Hebden Bridge in West Yorkshire, to become the minister at the Birchcliffe Baptist church there.

Hebden Bridge was a mill town at that time, specialising in the production of fustian cloth and the manufacture of ready-made fustian clothes, fustian being a form of thick cotton cloth which was widely used at the time both for workwear and for leisure time clothing. Hebden Bridge was also, as I have described in my book *All Our Own Work*, the home of one of the most successful productive co-operatives of the later nineteenth century, the Hebden Bridge Fustian Manufacturing Co-operative Society Ltd. This society ran the town's Nutclough Mill where it employed for many years over three hundred workers, undertaking the weaving, cutting and dyeing of fustian cloth and in its manufacture into ready-to-wear clothing. The co-operative was established in 1870 and turned a profit every single trading half-year until eventually in 1918 it was the subject of a take-over offer from the CWS, and passed into the CWS's ownership.

The Nutclough Mill was the place where, more than anywhere else in the country, those with an interest in the idea that workers could control their own work came to see what a worker-run mill actually looked like. According to the local newspaper in Rochdale (in 1892), "co-operators look up to Hebden Bridge Fustian Workers in productive co-operation just as they do to Rochdale in respect to distribution."

The key person behind the Nutclough Mill was a fustian cutter called Joseph Greenwood, the son of impoverished hand-loom weavers who was instrumental in establishing the co-operative in 1870 and who remained as its manager until his retirement in 1909. It was Greenwood who, shortly after the co-operative had successfully acquired the Nutclough Mill in 1873, recruited Gray to the newly created post of Secretary — basically, Greenwood's chief assistant.

Gray, as the son of a minister, had had the opportunity of a better education than most people in Hebden Bridge whose trajectory in life was to work in the mills, and when he left school at around the age of 13, he had a white-collar job, as an audit clerk for the Lancashire & Yorkshire Railway. Gray was just about twenty at the time of his appointment by Joseph Greenwood and he stayed as the Nutclough's Secretary for almost exactly a decade. Later he was to look back on those ten years as "being spent in connection with a productive society of whose success I am as proud as anyone can be".

However, in 1883, a vacancy came up unexpectedly for the post of Assistant General Secretary of the Co-operative Union, following the extremely premature death of the previous incumbent Joseph Smith. According to the advertisement in the *Co-operative News*, the job (paying £150 a year) was essentially of 'a propagandist nature' and needed someone ready "to promote the cause of co-operation by taking part in public meetings, conferences and festivals".

Gray was the successful candidate and moved to Manchester with his wife Mary and their two very young children in order to take up his post at the start of January 1884. Beatrice Webb in her book *My Apprenticeship* offers an interesting insight into Gray's personality. They met on several occasions when Webb visited Manchester, and she says they discussed religion and politics as they smoked cigarettes together. She describes him in her memoirs in this way: "He is an idealist: looking at co-operation not as a huge organised consumers' interest, but as a true and equitable co-operation between capital and labour. He is not a self-seeker; he is a refined and modest-natured man".

The life of the General Secretary of any national organisation or federation no doubt has its challenges, and certainly by the time Neale retired in 1891 and Gray had formally been given the position of General Secretary he was dealing with over 900 independent co-operative societies who were members of the Co-operative Union (CU). Sometimes there was a need for patience. In private correspondence, now in an archive in Oxford University, Gray let slip to a friend that the members of one society "are a most discontented lot and are never satisfied. They are always having a dig at The Co-operative Union in regard to some matter or other". Gray also had to deal with the fact that, as well as the 900 co-operative societies in membership, there were another 700 societies who had chosen not to join the CU. Admittedly these tended to be the smaller societies but there was of course no obligation on any co-operative to continue to pay their Co-operative Union membership fees.

Gray was leading the Co-operative Union at a difficult time. There was, for much of the later decades of the nineteenth century, a serious disagreement within the British movement, an issue that can almost be described as a doctrinal dispute. Effectively it came down to whether co-operative societies, when they were in the role of employer to their own staff, should treat the workers any differently from a conventional capitalist concern. The argument focused in particular on whether workers should earn a share of the profits that their labours had helped generate — the so-called bonus to labour.

Edward Vansittart Neale and Joseph Greenwood and other eminent figures in the movement such as George Jacob Holyoake (and particularly those in the productive co-operative part of the movement) were on one side of the argument. Their view was that it was central to co-operative principles that labour should get its reward in this way. But there was another, very powerful part of the movement, represented above all by the enormously successful CWS, which held the opposite view: the CWS had decided (after an initial period of experimentation) not to pay a profit-share to their employees. Their view was that all the profit dividend should go to co-operative members, which in the CWS's case as a secondary co-operative meant to the local societies who co-owned it.

I argue in my book that this dispute was probably the most significant issue which the early British co-operative movement had to face. The dispute could sometimes be vitriolic, with for example Holyoake angrily holding forth on one side and J.T.W. Mitchell of the CWS on the other. Gray, coming into the Co-operative Union from the productive sector found himself having to keep a divided movement together. He wrote at one point that "We had been divided in our opinions into the two extremes" and that he had tried "to make them meet and kiss each other." He went on to say that he thought he had failed in this respect. He was being too negative. What he succeeded in doing, against very strong fissiparous tendencies, was to keep the movement united around a single organisation, the Union — and that was quite an achievement.

One of his efforts to bridge the gap took place in 1886, when in presentations to two co-operative conferences that year he floated the idea of a restructuring of co-operative production in Britain. Co-operative manufacturing at this stage was taking place in two quite different ways: through independent productive co-operatives — what we would today call workers co-operatives — and also as wholly owned subsidiaries of the CWS, which operated its factories on conventional lines. Gray's proposal would have overcome this split. His suggestion was that co-operative production in Britain should be completely reorganised so that each

manufacturing works was both independently constituted but also federated together, through the CWS which would hold shares in each. The CWS would not run the businesses from the centre, Gray stressed. He wrote:

On the plan I propose, each productive workshop would have a separate existence in name, and would be independent in action so far as it did not clash or compete with others, and manufactured articles for which a ready sale could be found. These independent societies would each have a link with the centre by means of the representatives appointed from that centre to sit on its committee of management.

The current independent societies (such as the Hebden Bridge fustian co-operative) would be integrated with this new approach and the Wholesale would separate all its productive works (such as its biscuit factory in Crumpsall, and the boot and shoe factory in Leicester) and have them registered as independent societies.

This idea was not accepted, mainly because of CWS resistance, but Gray's idea is worth remembering because it offered a coherent way in which co-operative production could have developed in Britain. The model Gray describes is of course almost exactly the model today employed by the federated group of co-operatives within the Mondragon family.

The dispute over bonus to labour not only affected the British movement but also hung over the early years of the International Co-operative Alliance. Gray was a frequent visitor to the conferences and congresses of other European co-operative movements, and his role in the successful establishment of the ICA was to be a significant one.

The ICA as originally conceived in a paper in 1892 by Neale and E.O. Greening would have been an organisation simply for those co-operatives which undertook to pay a bonus to labour — co-operatives which by that time were tending to be known as co-partnerships. This approach would have excluded the CWS from the ICA, of course, and it would also have effectively prevented the Co-operative Union from participating.

Gray undoubtedly knew that the ICA was an important initiative and that it would be highly regrettable to create an international alliance without the CU as the main representative body from Britain, but there were serious political difficulties to overcome on both sides. A careful reading of the accounts of the ICA's founding in 1894-1895 shows Gray working hard behind the scenes to sort out the problems. In the end, in the nick of time in the summer of 1895 and following what he had billed as a 'conciliation' Congress in Huddersfield, Gray had the political capital to bring in his organisation and the Co-operative Union ended up co-hosting the founding ICA event held in London.

Thereafter at the next four ICA Congresses, in 1896 (Paris), 1897 (Delft), 1900 (Paris) and 1902 (Manchester), Gray was present, helping secure a properly representative framework for the new Alliance, one which was broader than just the co-partnership advocates. His role in helping establish the ICA has not been particularly recognised, but I would argue that it should be.

It is appropriate in concluding to return to Gray's Presidential speech of 1906 and his impassioned call for the single national society to help bring about the Co-operative Commonwealth. Gray, I would maintain, was concerned at the rising power of capitalist businesses and saw that the co-operative movement, which might have been able to provide a significant alternative, was allowing itself to be marginalised. Gray had no love of the approach of the private sector to business. He had once described the capitalist's impulse in the following memorable terms:

You are an independent unit, existing without responsibility of any kind beyond your own personal desires or wishes — before you lies the world and society, make them your prey — so conduct and order your business life that it shall bring you wealth. The world is an orange, to be sucked — a sponge, to be squeezed — squeeze it to the utmost of your power. In all your exertions have in view your own material benefit, no matter who sinks or swims in the struggle.

In other words, if the twentieth century was to see privately-owned business prevented from sucking dry the orange of the world, Gray was arguing that co-operators had to respond. His proposal, however, was far too ambitious. In the months following the Congress was allowed quietly to disappear from sight.

A century later, the British co-operative movement eventually saw the creation of a major national society in the form of the Co-operative Group. The Group's troubled history in recent years does point up some of the dangers of having, as it were, all your co-operative eggs in one basket, a risk that Gray did not address. But the Co-operative Group was set up from a position of relative weakness and a National Co-operative Society set up in 1906 might have been a very different proposition.

The question to ask is whether Gray, who knew the movement and all the leading personalities in it extremely well, really thought that he could succeed in his proposal. Perhaps not. I think at some level Gray may have known that by 1906 the movement was too entrenched in its way to accept radical change. Nevertheless he perhaps felt that he had to try. Gray suffered ill-health in the last years of his life, and in the years after 1906 up to his enforced retirement in 1911 was only able with difficulty to continue in his duties. He may have had a sense in 1906 that his time was limited. When he died in 1912, he was only in his late fifties. His body was taken back from Manchester to Hebden Bridge where he is buried. A year later a modest monument, paid for by donations from the movement, was unveiled in the graveyard.

In its report of the ceremony held when the monument was unveiled the *Co-operative News* reporter wrote: "Whilst a memorial in cold marble may be something to look at, and a shrine for calling up memories of a distinguished comrade, let us seek rather to honour him by perpetuating his outlook". This seems an appropriate message to carry forward as we seek to maintain the idea of a co-operative movement in Britain today. But at the same time, it is surely also appropriate to remember once again just what Jesse Gray did achieve. His contribution was a considerable one.

The Author

Andrew Bibby is a freelance journalist and author. His book *All Our Own Work: The Co-operative Pioneers of Hebden Bridge and Their Mill* was published in 2015 and is available in paperback from Merlin Press. For more information on Andrew's work on co-operatives and mutuality, visit <https://www.andrewbibby.com>