

Rochdale Consumer Co-operatives in Australia: A Case of Rural Survival

Nikola Balnave and Greg Patmore

Historians have largely ignored the role that Rochdale co-operatives have played in the lives of many Australians. When considered by historians, Rochdale co-operatives in Australia are generally dismissed as being insignificant to the plights of the labour movement and the needs of wider society, apart from those situated in coal mining districts. This paper challenges such assumptions by providing an historical overview of the extent and incidence of Rochdale co-operatives in Australia. It primarily focuses on consumer co-operatives at the local level, and maps the extent and impact of the Rochdale movement based on the typology of coalfields, rural and metropolitan co-operatives developed by W K McConnell (1929). While the Rochdale movement in Australia has largely collapsed, Rochdale co-operatives still survive in some rural locations, despite McConnell's grim predictions.

Introduction

The idea of Rochdale consumer co-operatives was imported from the United Kingdom (UK) to Australia. Rochdale co-operative societies have played an integral role in the lives of many Australians, not only in mining areas, but also in rural regions and metropolitan centres. However, historians in Australia have largely overlooked Rochdales. They do not generally view co-operativism as significant, since the Australian labour movement preferred to take the path of trade unionism and the Labor Party rather than pursue co-operativism. There have also been doubts about the significance of 'islands' of socialism such as co-operatives as an effective challenge to capitalism. Indeed, Edgar Ross (1970: 46) argued that if the various types of co-operatives did succeed they would

blur the real issues of the working class struggle against exploitation and for economic security.

Finally, with few exceptions, studies of Rochdale co-operatives have focused on coal mining districts, with many arguing that it was only in these areas that the movement was of any importance.

This paper challenges the general perceptions about the insignificance of Rochdale co-operatives in Australia by providing an overview of their extent and incidence based on preliminary research. There are however a number of problems in undertaking this study. In Australia, the states had legislative responsibility for co-operatives, which meant that

the legislative and political context for the Rochdale co-operatives varied. There are problems with finding basic statistics on Rochdale consumer co-operatives particularly at the local level. The official data in NSW no longer lists the details concerning local co-operatives after 1952. Currently the NSW Registrar of Co-operatives only retains the annual reports of co-operatives for seven years. Further problems arise with the lumping of Rochdale consumer co-operatives with other co-operatives in aggregate data. The Mt Barker Co-operative in Western Australia, for example, was initially established in 1918 to serve the interests of fruit growers with the provision of a packing shed. It built and operated a power station from 1929 to 1934 and did not enter the retail trade until 1934 when it took over a struggling local store. It breached the Rochdale principle of one vote for each shareholder. Registered as a company it allowed farmers who were members full voting rights, but allowed town members access only to a share of profits and denied them a voice in its management. (The Albany Advertiser, 29 November 1968: 11, 14, 16)

This paper largely focuses on Rochdale consumer co-operatives at the local level, drawing upon the surviving records of a number of Rochdale co-operatives. It briefly examines the origins of the Rochdale retail co-operatives in the UK and maps the extent and impact of Rochdale consumer co-operatives in Australia based on the typology of coalfields, rural and metropolitan co-operatives developed by W K McConnell. (1929) While the Rochdale movement in Australia has largely collapsed,

Rochdale co-operatives still survive in some rural locations, despite McConnell's dire predictions.

The Origins

The origins of Rochdale consumer co-operatives date back to 1844 when, following an unsuccessful strike, 28 flannel weavers in Rochdale, England started the movement to combat low wages, high prices and poor quality food. Their interest in co-operation was built upon the foundations laid by Welsh manufacturer and social reformer Robert Owen, who believed that ideal communities based on co-operation rather than competition would eliminate unemployment and pauperism and create a prosperous and harmonious community. The Rochdale consumer co-operatives were founded on the basis of a clear set of principles. These included: the provision of capital by members at a fixed rate of interest; unadulterated or pure food to be supplied, with the full weight and measure given; market prices; cash purchases only and no credit; a dividend or 'divi' based on profits to be divided among members in proportion to the amount of purchases; management to be based on democratic principles with 'one member one vote' rather than 'one vote one share'; and a share of profits should be allotted to education. (Lewis, 1992: xv xvii)

Despite a number of legal and economic obstacles, the Rochdale movement in England grew apace over the ensuing century. Private retailers attempted to limit competition from the co-operatives by persuading wholesalers to stop or restrict supplies to the co-operatives. There were also concerns about relying upon private manufacturers more concerned with profits than product quality. Therefore, the consumer co-operatives established a Co-operative Wholesale Society (CWS) in England in 1863 and Scotland in 1868. The wholesalers also operated on Rochdale principles such as a fixed rate of interest on capital and a 'divi'. The wholesale societies ultimately became global enterprises with purchases of primary products from countries such as Australia and New Zealand and tea plantations in Sri Lanka and India. The English CWS also moved into banking and insurance. The consumer co-operatives formed a Co-operative Union in 1869 for education, legal, propaganda and political purposes. The Women's Co-operative Guild, was formed in 1883, aiming to promote an

interest by women in the co-operative movement and protect female employees. Consumer co-operatives even formed a Co-operative Party in 1917, which has had an electoral agreement with the British Labour Party since 1927. By 1948 there were 1,030 consumer co-operatives in the United Kingdom with 10,162,000 members. (Carr Saunders, Sargent Florence and Peers, 1940: 156-7; Cole, 1951: 24; Heaton, 1925: 300-303; Hilson, 2002)

Overview of the Historical Literature

Australian labour historians highlight the perceived insignificant or ambiguous role of Rochdale co-operative movement. Ray Markey (1985: 51) dismisses it by noting that

consumer co-operation never gained the working class support that it had in Britain and seems to have taken strong hold in the coalfields ...

John Child (1971: 45) notes that they made "little headway", while Ken Buckley and Ted Wheelwright (1988: 174) claim there was no Australian development of consumer co-operatives except in coalmining areas. While Bob Connell and Terry Irving do see the co-operative store as a common feature of the Australian 'union town', the working class impulse for co-operation through co-operative stores, building societies and friendly societies "was contained within a bourgeois social form – the joint stock company". (1992: 128) A number of labour historians, such as Markey (1985) and R B Walker (1970), recognise the significance of the debates concerning co-operation during the 1890s, but have little to say about the Rochdale co-operative movement. Edgar Ross (1970) in his history of the Miners' Federation recognises the important role that coal miners played in the Rochdale movement and the 'valuable' support that the retail co-operatives gave to miners during industrial disputes. Despite this, he concludes that the co-operative movement never influenced

the direction of working class endeavour to the extent of any other various brands of socialism ... (1970: 45-46)

Erik Eklund (2001: 234) in his study of relationship between storekeepers and the working class also highlighted that Australian

private retailers shared “the virulent anti co-operative mentality” of their British counterparts and opposed the Rochdale co-operatives as a threat to their economic viability. He notes that despite this, the Rochdale movement achieved “some success” before 1940.

The retail history literature has little to add to our understanding of Rochdale co-operatives in Australia apart from demonstrating the confusion over the extent and influence of the movement. Kimberley Webber and Ian Hoskins (2003) emphasise the significance of consumer co-operatives to the history of retail in Australia. In contrast, the majority of writers of retail history either neglect or downgrade the role of co-operative stores. Kim Humphery (1998: 51) notes that a limited consumer co-operative movement existed in early twentieth century Australia, but dismisses it as providing little threat to the independent grocer or to the development of larger retail firms. Gail Reekie (1993: 124) briefly notes the active participation of women in consumer co-operatives, and hence in consumer politics. Beverley Kingston (1994: 32-33) argues that the co-operative movement

was one of several working class ideas adopted and developed out of recognition by the middle classes

identifying the Melbourne Mutual Store and the Civil Service Store in Sydney as the most memorable examples of the co-operative movement in Australia, both of which “were modelled on London’s middle class co-operatives”. Reekie and Kingston both emphasise the Civil Service Store, although this was not considered to be a true Rochdale co-operative by the movement (The Co-operative News, 1 October 1925: 5; 1 August 1928: 4) again demonstrating the confusion over the character and role of consumer co-operatives in Australian history.

There are exceptions to the general neglect of Australian historians to consider Rochdale co-operatives. The most significant history produced by the co-operative movement is Gary Lewis’ history of Rochdale co-operation in NSW (1992). It was published by the Australian Association of Co-operatives and was based on a PhD thesis. Unfortunately, labour historians interested in consumer co-operatives have generally ignored it. The book highlights that the Rochdale movement was riddled with divisions

and unable to unite around common goals. A major schism occurred between federalists and individualists. The federalists subordinated production to consumption and stressed the loyalty of tied stores to the Co-operative Wholesale Society (CWS). They were concerned that autonomous producer co-operatives would not share their profits with consumers and would through a Co-operative Union dominate the consumer. Individualists believed that the CWS was necessary but not sufficient to achieve a Co-operative Commonwealth. They saw production as the primary act of humanity and feared that the CWS if dominant would fritter away surpluses through endless ‘divis’ and be governed by commercial rather than social imperatives. There were also tensions between some women in the Guild and the male dominated CWS over the direction of the movement. The Rochdale movement in Australia was unable to form alliances with the labour movement and agricultural co-operatives. Despite its contribution, there are limits to Lewis’s study. While it recognises the presence of the Rochdale movement in other states, it reinforces the general pre occupation with NSW. Although Lewis is critical of the federalist approach, the book provides a ‘top down’ history of the co-operative movement by relying on federalist sources such as *The Co-operative News*. There is no detailed examination of the individual co-operatives and their local communities.

There have been several studies by labour historians that recognise the significance of the Rochdale co-operatives at the local level. Annette Salt (1985) in her study of the women on the Northern Coalfields during the Great Depression notes that refusal of the Kurri Kurri Co-operative to merge with the Newcastle and Suburban Co-operative during the 1980s was a measure of the strength of community identity or localism in the town. However, with the exception of a reference to the participation of a Women’s Committee of the Kurri Kurri Co-op in a 1933 march, the role of the co-operative in the 1930s Depression is ignored. In Broken Hill, Bradon Ellem and John Shields (2000) note that the Rochdale co-operative movement played an important role in the efforts of unions to fight stores set up by employers. Yet, as Daphne Hampton’s (1986) work on the history of retail co-operatives in the lower Hunter Valley reveals, retail co-operatives also occupied a potentially contradictory position in mining communities.

While Hampton notes for example that the Kurri Kurri Co-op Society provided financial credit for miners and their families during strikes and periods of unemployment, it was forced to take legal action against members to recover debts.

Historians have generally overlooked some literature following World War 1 concerning the Rochdale movement which provides useful insights into the development of Australian movement. The Rochdale co-operative movement during the 1920s attracted the attention of a number of academics including Herbert Heaton (1925), F R E Mauldon (1927) and W K McConnell (1929). Heaton, who was later described as a "staunch member of the Adelaide co-op", (*The Co-operative News*, 1 April 1944: 17) highlighted the significance of the Rochdale co-operative movement in South Australia. He noted that generally co-operatives were less important in Australia than the UK because of the focus of the labour movement on unionism and politics. He also claimed that some unionists opposed it because the 'divi' could be viewed as a reduction in the cost of living and therefore an argument to prevent wage rises in the arbitration courts. Heaton also saw the greater individualism in new countries such as Australia leading to a preoccupation with personal advancement rather than 'concerted action'. He also tried to explain 'waves of interest' in Australian retail co-operatives over time emphasising the rising cost of living during and after World War I. (Heaton, 1925: 295 308) Mauldon was very critical of the Australian Rochdale movement noting that there was little of the 'buoyant idealism' that characterised the UK movement and claimed that the majority of the co-operative shareholders were little more than 'dividend hunters'. McConnell (1929) also tried to explain the growth of the consumer co-operatives in NSW in terms of 'economic pressure', particularly profiteering, and 'idealism'. Like Heaton, McConnell emphasised that the Rochdale movement had a broader geographical appeal than just the coalfields.

McConnell (1929) placed the Rochdale co-operatives into three main categories - the coalfields, the rural districts, and the metropolitan area. British immigrants played an important role in bringing the Rochdale principles to coalmining districts. As McConnell (1929: 265) argued,

it would be almost impossible to over estimate what the movement in this State

[NSW] owes to the idealism, enthusiasm, and experience of the ex British Co-operators who have settled in these parts.

He also attributed the strength of co-operatives in coalmining districts, in which failures were relatively few, to the community of interest, comparative immobility of population, anti capitalist spirit and organising capacity of coalmining districts. (McConnell, 1929: 265-269) McConnell's inclusion of the Newcastle and Suburban Co-operative as a coalmining co-operative is misleading. Hampton (1986: 8) in her study of retail co-operatives in the local Hunter Valley argues that the Newcastle and Suburban Co-operative "was never wholly a miners' society". It drew upon the large and diversified industrial working class of the Newcastle district, which meant it was more robust than the mining community co-operatives that relied on the economics of coal.

The Newcastle and Suburban Co-op would be more appropriately defined as a metropolitan co-operative. In this category, McConnell noted just one success – the Balmain Co-op Society. He attributed failure in the metropolitan area to the effects of the post war depression, inexperience and bad management, and the comparative absence of community of interest. McConnell also argued that the failure of the Railway and Tramway (R&T) Co-operative Society significantly damaged the reputation of consumer co-operation in the metropolitan area. The R&T Co-operative Society differed from Rochdale consumer co-operatives in that it sold at cost. It established branches in a large number of rural and metropolitan areas, and often in suburbs where "newly established 'Rochdale' stores were struggling for life." (McConnell, 1929: 269) As McConnell notes, this resulted in the demise of both. The need for co-operation between co-operatives, regardless of their form, is thus highlighted by this experience.

McConnell noted the existence of consumer as well as producer co-operatives in rural areas of NSW. He argues that Rochdale co-operatives had particular appeal to orchardists and poultry farmers due to closer settlement and a "community of interest". Rural towns, which had some industry and were important railway junctions, were also sites of retail co-operatives. McConnell took a pessimistic view concerning the future of the Rochdale co-operatives in rural towns. He saw the issue of credit as a factor

operating against these co-operatives. Consumer co-operatives, he claimed, could not assure the dependence of the primary producer on extended credit, particularly in times of drought. Overall, McConnell (1929: 268) felt that the “capitalist outlook” was too strong in rural areas, that

individualism rather than community of interest predominates

and that

the economic struggle that confronts the wage earner hardly enters the life of the primary producer at all.

After an overview of Rochdale co-operatives, the remainder of this paper will explore the history of Rochdale co-operatives according to McConnell’s categories.

Overview

The first registered consumer co-operative in Australia was in Brisbane in 1859, before the separation of Queensland from NSW. (The Co-operative News, 1 March, 1925: 12) Despite the economic long boom that followed the Australian gold rushes, Rochdale consumer co-operatives peaked in the 1860s against the background of concerns over unemployment and urban poverty. (Heaton, 1925: 305; Lewis, 1992: 9) Concerns about living standards and disillusionment with the existing political system led to a second wave of interest in the late 1880s and early 1890s. Over 50 societies were registered in NSW between 1886 and 1900. Many were short lived, and when the first official statistics were collected in 1895, only 19 societies out of 62 still existed. There was a lull in registrations from 1895 until 1905 as the economy faced depression and drought. In the following decade, against a background of economic prosperity and rising prices, 55 new societies were registered in NSW. However, by the end of 1914 only 45 remained, four of which were in liquidation. While there was little activity during WWI, the post war boom and its aftermath provided the conditions for a renewed interest in consumer co-operatives. There were concerns with rising prices and declining living standards. There were 31 registrations in NSW alone in the three years following the war’s end, and during the next three years the registrations

totalled 22 in that state. In 1923 there were 152 consumers’ societies in Australia, with a membership of 110,000 and a capital of 1,800,000 pounds. (The Co-operative News, 1 March 1925: 12; Heaton, 1925: 305; McConnell, 1929: 263 264) While the Depression of the 1930s weakened the Rochdale co-operatives, they grew in the recovery that followed. Lewis (1992: 133) has calculated that while the membership of Rochdale co-operatives in NSW fell by more than half from 60,000 in 1929 to 24,000 in 1933, their numbers began to grow in NSW from 1935.

Australian Rochdale co-operatives moved to form their own wholesale societies. As in the UK, local Rochdale consumer co-operatives faced serious challenges including price cutting by competitors, and the refusal of supply by some wholesalers concerned with maintaining relationships with existing businesses. In Australia, the New South Wales CWS (hereafter NSW CWS), founded in 1912 by four Hunter Valley consumer co-operatives (Newcastle & Suburban, West Wallsend, Wallsend & Plattsburg, Cessnock & Aberdare), faced obstacles in its early years. There were boycotts of the NSW CWS by flour millers and oil companies in the years prior to World War I. Manufacturers, importers and the agents of overseas companies refused to include the NSW CWS on their wholesale list. It became clear to the directors of the NSW CWS that

the only way to gain recognition was to become cash buyers on a large scale.

To achieve this

it was essential that the whole retail section of the Movement combine and make one strong buying organisation. (O’Neil, nd: 19)

Over the following years, the NSW CWS attracted an increasing number of societies as affiliates. It launched the *Co-operative News* in 1923, which was the main journal for the co-operative movement. A slump in membership occurred in the decade 1924-1934, but from 1935, the number of affiliates noticeably increased. In 1934, 15 societies were affiliated to the CWS growing to 37 by 1945. (O’Neil, nd: 19-23)

The co-operatives recognised the significance of women as the main purchaser of goods in most working class households.

This ranged from the fashion shows put on by the Lithgow Co-op in the 1930s to features in *The Co-operative News* on the upbringing of children, romance, beauty tips, cooking and knitting. While there were calls in the movement for equal pay, co-operatives in towns such as Lithgow followed the general practice of requiring women to resign from their jobs upon marriage.¹ In NSW the Women's Co-operative Guilds went beyond the supportive role expected by the NSW CWS. Some guilds frequently challenged the male dominated CWS by criticising their leadership and organising conferences to look at alternative paths for the Rochdale movement. (Lewis, 1992: 108-109, 137,170-1)

Despite the immediate post war boom in Australia, the development of Rochdale co-operatives in the post WWII period was disappointing. While by 1949 the NSW CWS had 110 affiliates, with some in Victoria, it went into permanent decline after 1957 and the *Co-operative News* ceased publication in 1959. The Co-operative Women's Guilds were also disbanded. The rise of chain supermarkets and shopping centres, the decline of working class communities in mining areas and the more widespread ownership of automobiles created difficulties. Car ownership reduced the need for home deliveries, a service provided by many co-operatives, and caused many rural co-operatives to lose customers to nearby retail centres. (The *Co-operative News*, 1 July 1957: 8, 1 April 1958: 4, 1 December 1958: 9; Lewis, 1992: 207; Webber and Hoskins, 2003: 29)

Many leading co-operatives failed to survive the major economic upheavals of the 1970s, 1980s and 1990s. The most spectacular collapse was the Newcastle and Suburban Co-op which achieved a peak membership of 95,000 in 1978 but closed in 1981. On the wholesaling side, the NSW CWS eventually ceased operations in 1979. The Co-operative Federation of NSW (CFNSW), which later became the Australian Association of Co-ops (AAC) in 1986, did unsuccessfully float the idea of reforming a co-operative grocery buying group in the early 1980s. The AAC eventually collapsed in 1993 due to financial problems associated with its internal banking services to members and a number of co-operatives lost money. The AAC had made some bad loans to the struggling NSW Rochdale consumer co-operative at Singleton, which also went into liquidation. In the wake of the collapse of the AAC the CFNSW was reformed. The CFNSW now

restricts its activities to lobbying governmental agencies and provides advice on legal and financial matters. There are currently Co-operative Federations in all other Australian mainland states. (Balnave and Patmore, 2006: 64-65; Australian Financial Review, 8 March 1993: 20; Sydney Morning Herald, 11 March 1993: 4)

At no point did the Rochdale movement establish a close official relationship with the labour movement in Australia. In the period prior to WWII, the co-operative movement regularly appealed for a greater link with the labour movement, urging unions to invest funds in co-operatives in preparation for industrial action. In turn, some Rochdale co-operatives in Australia provided credit to striking workers and allowed union closed shops. Calls within the Rochdale movement for unions of co-operative employees and the Co-operative Party did not please trade unions and the Labor Party. There were also concerns about the political effectiveness of the Rochdale movement in challenging capitalism and fears that the co-operatives were reinforcing capitalism through "business co-operativism". Despite the claims to the contrary, some unions believed that in the treatment of workers employees there was little difference between the co-operatives and the private sector. (Lewis, 1992: 105-106) However, at the local level, trade unionists and members of the Communist Party or the Labor Party were active in their local co-operatives. Notable labour activists on the Rochdale movement included Jim Healey and George Booth. Healey, the Communist Secretary of the Waterside Workers' Federation, was on the board of the North Sydney Co-op, while Booth, the Labor member for the NSW state seats of Newcastle and later Kurri Kurri from 1925 to 1960, was president of the NSW CWS for many years. (Lewis, 1992: 167; Radi, Spearitt and Hinton, 1979: 21)

The Coalfields

As McConnell (1929) and others have noted, Rochdale co-operatives became a common feature of coalmining districts from the early twentieth century. In NSW, the Hunter Valley, the Illawarra, and the Lithgow Valley had some of the largest and most prosperous societies in the state. The earliest retail co-operative in the Hunter Valley was the Borehole Co-op, which was operating a store at Hamilton in 1861. By 1866, it was also operating branches in the

coalmining towns of Wallsend and Lambton. A co-operative at West Wallsend in the Hunter Valley grew to such an extent that by 1924 it was supplying over 75 per cent of the town's demand for groceries, meat, bread, furnishings, dental services, optical, tailoring, insurance and a range of other services. (Hampton, 1986: 15-16; Webber and Hoskins, 2003: 27-8) The first attempt to form a consumer co-operative in Lithgow was in November 1891, but it collapsed against the background of the 1890s Depression. It tried to operate on a cash only basis, but was undercut by profit based retailers who provided credit to the unemployed. They successfully reestablished the Co-op in July 1901 following concerns over the bread price charged by local bakers. The Lithgow co-op opened its first store in November 1901 and commenced delivering bread in May 1903. (Lithgow Co-operative Society Research Group, 2001: 8-24; Lithgow Mercury, 16 July 1901: 2) In the Illawarra, the first Rochdale co-operative appeared in the mining village of Mt Kembla in 1885, but was short lived. The Woonona Industrial Co-op, which was established in 1896, became the largest in the Illawarra. (Lee, nd: 70-71) By 1951 West Wallsend, Lithgow and Woonona Co-operatives had 2,624, 6,475 and 6,299 members respectively. (Report of the NSW Registrar of Co-operative Societies for the Year ended 30th June, 1952: 13-14) Coalminers from Eastern Australia established a co-operative at the Collie coalfield in Western Australia, which opened a store in 1901. Originally, it organised market days, where farmers and townspeople could buy and sell produce. (Williams, 1979: 43) Miners also formed a Rochdale co-operative at Wonthaggi in Victoria in November 1912. (Rydges, August 1937: 666)

The coalfield co-operatives played a crucial role in the lives of their communities. The Woonona co-operative provided financial credit to sick, unemployed and striking members, and by treating their employees 'decently'. (Arrowsmith and Markey, 1999: 201-205; Lee, nd: 70-75; McQuilton, nd: 147-149) During the 1934 Wonthaggi coal strike the co-operative supported striking miners through a 'divi' on purchases, bulk sales and donations to the strikers' relief committee. While the Kurri Kurri Co-op in the Hunter Valley provided financial credit for miners and their families during strikes and periods of unemployment, it was forced to take legal action against members to recover

debts. Kurri Kurri also retrenched workers and rationed work for remaining employees during periods of economic crisis. (Cochrane, 1974; Hampton, 1986: 31, 33) There were differences between the coalmining co-operatives in their treatment of women. While the Woonona Co-op women's guild

enabled working class women to get out into the community as equal partners in community affairs,

women's guilds played no significant role in the history of the Lithgow Co-op. (Arrowsmith and Markey, 1999: 204)

Despite efforts to increase the appeal of the coalfields co-operatives, they collapsed in the 1970s and the 1980s. Lithgow introduced self service into its main grocery stores in 1962 and opened a delicatessen to provide a greater range of 'continental' goods. Collie introduced 'mobile shoppers', which were imported English buses fitted out with shelves and an aisle. They allowed members to purchase a range of goods without leaving their street. Previously they had to go down to the co-operative store and place an order for delivery. The West Wallsend Co-op voted in 1964 to merge with the Newcastle and Suburban Co-op to survive. (Mandry, T 2007, pers comm, 20 June; Lithgow Co-operative Society Research Group, 2001: 223, 243) The Woonona co-operative was wound up in 1970 in the face of supermarket competition, 'disposable consumerism', the decline of working class communities and the reduction in the need for home deliveries as automobile ownership became more widespread. John McQuilton claims that the decline of the co-operatives in the Illawarra was partly due to 'bad management' arising from poor employee training and inadequate recruitment of new members. (McQuilton, nd: 148-149; Webber and Hoskins, 2003: 28) The Lithgow Co-op closed departments and branches in the 1970s to keep it solvent and stopped issuing dividends in 1979. It, however, ceased trading in March 1980. (Lithgow Co-operative Society Research Group, 2001: 248-260)

The demise of the Collie Co-op in Western Australia followed the arrival in the town of a Coles supermarket, which was viewed by some in Collie as a 'breath of fresh air' in comparison to the Co-op with its old buildings, fixtures and management practices such as the regular stock take by the Co-op committee of

management. Some of the Coles suppliers undermined the co-operative by refusing to supply it at wholesale prices and encouraged Co-op management to buy from Coles at retail prices. With the demise of the Co-op, Coles increased its prices. Collie retailers also faced competition from growing regional centre of Bunbury, which was only 40 minutes away by car. There were also conflicts within the Collie Co-op between those calling for modernisation and traditionalists, who believed that shareholders would continue to shop at the Co-op because of their loyalty to the principles of co-operativism. In addition, the Co-op experienced a high turnover of managers, who did not hold a position on the committee of management and resented the committee's direct control over the detailed management of the Co-op. While a meeting of co-operative shareholders did vote overwhelmingly on 14 June 1980 to obtain a \$750,000 loan for modernisation of the premises, they were unable to obtain bank finance because the co-operative could not generate sufficient revenue to meet repayments. The Collie Co-op ceased trading on 1 May 1982. (Collie Mail, 19 June 1980: 5; Mandry, T 2007, pers comm, 20 June; Miffing, I 2007, pers comm, 18 June)²

The Metropolitan Areas

As McConnell (1929: 269) notes there were few co-operatives that survived in metropolitan areas of Australia. Even the Balmain Co-op, which McConnell highlighted as a success in 1929, did not survive. This Co-op in Sydney was established in 1902 and had 14,000 members by 1921. It expanded by the means of establishing branches in other Sydney suburbs. The Balmain Co-op, however, was hit by closures of the local industries during the 1930s Depression. Membership declined and it fell into debt. The Co-op went into voluntary liquidation in 1936. The NSW CWS took over its profitable bakery and renamed it the Sydney Co-operative Society. There were disputes with unions over the payment of under award wages and the NSW CWS sold it to a private sector, despite protests. (Lewis, 1992: 135, 145)

Two metropolitan co-operatives that did successfully operate for a period were in Adelaide and Newcastle. The longest surviving was the Adelaide Co-op, which opened for business with 10 members in 1868, none of whom had any experience in running a general

store. Their occupations included a painter, a prison guard, a summons server, soap and candle maker, and a storeman. Its first manager, George Thompson, stayed with the Co-op from 1871 to 1905. By 1924, the Co-op had grown to 9,556 members with 11 departments, including grocery, bakery, men's clothing, motor repairs and a refreshment room. The Adelaide Co-op played a major role in promoting co-operatives in South Australia through the South Australian Co-operative Association. It also promoted the involvement of women through a Women's Guild and produced a *Co-operative Cookery Book* to attract the patronage of homemakers. The Adelaide Co-op specifically targeted traditional UK migrants by establishing two branches in local migrant hostels. Despite these innovations, the Adelaide Co-op went into liquidation in February 1962 after 94 years of trading. In the previous six years, membership fell from 26,000 to 9,000 with resigning members taking large amounts of capital with them. Poor property investment decisions and competition from non coop retailers assisted the rapid decline. (Fisher, 1924; The Co-operative News, 1 November 1923: 6, 1 August 1949: 18; The Advertiser [Adelaide], 2 February 1962: 8)³

The Newcastle and Suburban Co-op became the largest Rochdale co-operative in Australia. The Co-op's first store commenced business on 6 August 1898 and it was a founding member of the NSW CWS. In the post war period, it tried to modify its practices to maintain and increase members. The Newcastle and Suburban Co-op began self service in 1956 and in 1958 purchased a large van as travelling 'self service shop' to serve shareholders who could not readily buy their goods at the co-operative outlets. It also established a credit union for members and employees in 1962 and opened a large car park in 1967 to accommodate the post war growth in car ownership. The Newcastle Co-op also established further branches in the suburban areas by absorbing co-operatives at Boolaroo in 1957 and West Wallsend in 1964. At one time, it employed 1800 employees, with 500 working at its major store in Hunter Street. The Newcastle and Suburban Co-op sold a wide range of goods such as groceries, bakery items, clothing, beauty products and furniture. Its fashion shows, window displays and public relations events were an important part of Newcastle community life. The Co-op achieved a peak membership of 95,000 in 1978 but closed in 1981. Like Adelaide, there were plenty of alternatives in metropolitan

areas such as Woolworths and Coles supermarkets. Their massive turnover allowed heavy discounting which negated the benefits of dividends and interest payments on shares. (Hampton, 1986: 39; Ransley and Ransley, 1977: 50-52; Webber and Hoskins, 2003: 28-29)⁴

The Rural Areas

Rochdale co-operatives also became a feature of rural areas of Australia. In the Riverina region of NSW a group of Junee residents chose to purchase the local branch of the R&T Co-operative Society in June 1923, four months before the R&T Co-operative Society went into liquidation. The Junee & District Co-operative Society had 40 members by 30 June 1925. Membership of the co-operative remained very stable, generally resting in the mid 90s during the period before 1945. The exception to this occurred during the 1930s depression, when membership peaked during 1930-1 with 144 members on 30 June 1931. This increase in membership may have been a reaction by some Junee residents to the harsh credit policies of local privately owned stores. The Junee Co-op did not join the NSW CWS and sourced its supplies from private wholesalers. (Balnave and Patmore, 2006: 55-56) The origins of another significant Riverina co-operative at Griffith lay in the efforts of settlers to challenge the limited competition and high prices in the town. They formed the Mirrool Settlers Club in March 1915, which later became the Griffith Settlers' Co-operative Society and joined the NSW CWS. In later years modernised its operations and affiliated with commercial wholesalers and had 7,286 members by June 1981. Unlike Junee, Griffith's population consistently grew, attracting competition from non-co-operative retailers. There were also ethnic divisions in Griffith that spilt over into the co-operative. Despite the large Italian population of Griffith, its board directors overwhelmingly were drawn from the Anglo Celtic population of the town. A ban was introduced on Italian membership during World War II, which persisted into the post war period. (Kelly, 1988: 259; McConnell, 1929: 267-269)⁵

Rural Rochdale co-operatives also developed outside NSW. The Denmark Co-op in South West Western Australia commenced operations in 1920 and affiliated with the Co-operative Federation of Western Australia, which formed in 1919 to promote co-operation in that state. Like many of the Western Australian

rural Rochdales, the Denmark Co-op remained small, with only 110 members in 1935. It introduced self service in 1957, linked up with a private wholesaler in 1975 and opened a government betting agency on its premises in March 1982.⁶ In 1944 local residents at Nurioopta, in the Barossa Valley of South Australia, decided to purchase the local Sheards Department Store. Their Co-op expanded and it opened Barossa's first self serve Foodland supermarket in 1965 and a furniture division in 1987. (<http://www.communitystore.com.au/history>)

Credit and outstanding debts were a significant factor in the demise of rural co-operatives. Contrary to McConnell's (1929) assertions in the 1920s, rural co-operatives did provide their members with extended credit. The Junee Co-op shifted members' debt from individual store accounts to their own credit card accounts in 1989 with no loss of customers. This allowed the co-operative to eliminate a debt of approximately \$100,000 at the end of each month in individual accounts. (Balnave and Patmore, 2006: 62) The burden of credit to members, however, proved to be a problem for the Griffith Co-op in the 1980s. The Griffith Co-op also entered into a new venture, the Driver Superstore, which ended in financial disaster. (The Area News, 10 October 1982: 2)⁷ The Coolamon Co-op in the Riverina Region, which was established in 1921, expressed concern about the level of outstanding debts owing to the society in 1958. However, it was not until 1976 that cash trading was introduced for all but approved customers. While debt collectors were employed, outstanding credit remained a key issue in 1979 when the Co-op decided to sell its operations.⁸

Despite the problems faced by rural co-operatives, it is in these areas that co-operatives have survived in Australia. The consumer co-operatives still operate in Junee and Denmark, both of which are now members of the Independent Grocers of Australia (IGA) network, and in Nurioopta, which had over 13,000 members and a turnover of \$53.48 million (exclusive of GST) in 2006 2007. (<http://www.communitystore.com.au/downloads/2007AnnualReport.pdf>) The Junee Co-op in NSW had 1,401 members in 2001-02 and a turnover of \$7.9 million in 2004-5. The survival and prosperity of these Rochdale co-operatives need to be placed in the context of 'localism', which is a sense of place. The Junee Co-op and its leadership have played an active role in the

community, and formed networks with local businesses and the Chamber of Commerce. Over the years the co-operative has encouraged residents to 'shop local' rather than at other regional centres. In recent years, the Junee Co-op's strategy for maintaining (or at least containing) local shopping has involved the stocking of additional lines if other businesses closed and even taking over other failing businesses. This has contributed to the survival of the Junee Co-op, but also to the preservation of local job opportunities and to the sustainability of Junee as a viable rural community. (Balnave and Patmore, 2006: 60, 65)

Conclusion

Historians have largely ignored the role that Rochdale co-operatives have played in the lives of many Australians. When considered by historians, Rochdale co-operatives are generally dismissed as being insignificant to the plights of the labour movement and the needs of wider society, apart from those situated in coal mining districts. This paper challenges such assumptions by providing an historical overview of the extent and incidence of Rochdale co-operatives in Australia based on McConnell's three categories: the coalfields, metropolitan areas and rural districts. (1929: 265-269) Writing in 1929, McConnell noted that Rochdale

co-operatives were a common feature of coal mining districts, and that most in metropolitan areas were short lived. McConnell also noted that there was an absence of any real demand for consumer's co-operation in rural areas of Australia.

As in the late 1920s, Rochdale co-operatives continued to be a common feature of coal mining districts until the late 1970s/early 1980s. Private sector competition, poor management, and broader car ownership were all factors in the demise of these co-operatives. Similarly, with the exception of the Newcastle and Suburban and the Adelaide Co-ops, Rochdales did not prosper in metropolitan areas. While both co-operatives were strong in terms of membership and longevity, neither could cope with increased competition from chain stores. However, contrary to McConnell's predictions, it is in rural districts of Australia that Rochdale co-operatives have both survived and prospered. The 'community of interest', which McConnell argues to be a key element of co-operativism, has been a central factor in the survival of these co-operatives. A reciprocal relationship has developed in towns such as Junee where the Co-op has served and assisted the local community, and the community has in turn supported the Co-op. In such situations, the Co-op has helped to sustain the town as a viable rural community.

References

- Arrowsmith, N and Markey, R (1999) "Co-operation in Australia and the Illawarra", in R Hood and R Markey (eds), *Labour and Community. Proceedings of the Sixth National Conference of the Australian Society for the Study of Labour History*, Illawarra Branch, Australian Society for the Study of Labour History, Wollongong, pp201-204.
- Balnave, N and Patmore, G (2006) "Localism and Rochdale Co-operation: The Junee District Co-operative Society", *Labour History*, 91, pp47-68.
- Barossa Community Store – Our History, viewed 11 September 2007, <http://www.communitystore.com.au/history>.
- Buckley, K and Wheelwright, T (1988) *No Paradise for Workers. Capitalism and the Common and the Common People in Australia 1788 1914*, Oxford University Press.
- Carr Saunders, AM G, Sargant Florence, P and Peers, R (1940) *Consumers' Co-operation in Great Britain. An Examination of the British Co-operative Movement*, 3rd ed, George Allen and Unwin, London.
- Child, J (1971) *Unionism and the Labor Movement*, Macmillan, South Melbourne.
- Cochrane, P (1974) "The Wonthaggi Coal Strike, 1934", *Labour History*, no 27, pp12-30.
- Cole, D H (1951) *The British Co-operative Movement in a Socialist Society*, George Allen & Unwin, London, 1951.
- Community Co-operative Store (Nurioopta) Limited, Concise Financial Report for the year ended 31 January 2006, viewed 11 September 2007 <http://www.communitystore.com.au/downloads/2007AnnualReport.pdf>.
- Connell, R W and Irving, T H (1992) *Class Structure in Australian History. Poverty and Progress*, 2nd Ed, Longman Cheshire, Melbourne.
- Eklund, E (2001) "The 'Anxious Class'? Storekeepers and the Working Class in Australia, 1900 1940", in R Markey (ed), *Labour and Community: Historical Essays*, University of Wollongong Press, Wollongong.
- Ellem, B and Shields, J (2000) "Making A 'Union Town': Class, Gender and Consumption in Inter War Broken Hill", *Labour History*, no 78, pp116-140.
- Fisher, T (1924) *A Short History of the Adelaide Co-operative Society Limited*, Adelaide Co-operative Society, 1924.
- Hampton, D P (1986) *Retail Co-operatives in the Lower Hunter Valley*, Newcastle Region Public Library, Newcastle.
- Heaton, H (1925) *Modern Economic History with Special Reference to Australia*, 3rd ed, Workers' Educational Association of South Australia, Adelaide.

- Hilson, M (2002) "Consumers and Politics: The Co-operative Movement in Plymouth, 1890-1920", *Labour History Review*, vol 67, no 1, pp7-27.
- Humphrey, K (1998) *Shelf Life: Supermarkets and the Changing Cultures of Consumption*, Cambridge University Press, Melbourne.
- Kelly, B M (1988) *From Wilderness to Eden. A History of the City of Griffith. Its Region and its People*, Griffith City Council, Griffith.
- Kingston, B (1994) *Basket, Bag and Trolley: A History of Shopping in Australia*, Oxford University Press, Melbourne.
- Lee, H (no date) "Workforce and Community 1880 1904", in J Hagan and H Lee (eds), *A History of Work & Community in Wollongong*, Halstead Press, Rushcutters Bay.
- Lewis, G J (1992), *A Middle Way. Rochdale Co-operation in New South Wales 1859 1886*, Australian Association of Co-ops Ltd, Sydney.
- Lithgow Co-operative Society Research Group (2001) *The Life and Times of the Lithgow Co-operative Society. A Social and Industrial History 1891-1980*, Lithgow Co-operative Society Research Group, Lithgow.
- McConnell, W K (1929) "Consumers' Co-operation in New South Wales", *The Economic Record*, vol v, no 9, pp263-274.
- McQuilton, J (no date) "Community 1940 1980", in J Hagan and H Lee (eds), *A History of Work & Community in Wollongong*, Halstead Press, Rushcutters Bay.
- Mandry, T (2007) former Assistant Manager, Collie Co-operative [Personal communication] 20 June.
- Markey, R (1985) "New South Wales Trade Unions and the Co-operative Principle in the 1890s", *Labour History*, no 49, pp51-60.
- Mauldon, F R E (1927) *A Study in Social Economics. The Hunter River Valley New South Wales*, WEA NSW, Melbourne.
- Miffing, I (2007) former committee member, Collie Co-operative, [Personal communication] 18 June.
- O'Neil, E (no date) *History of the Co-operative Wholesale Society of NSW from 1912 to 1948*, Unpublished Typescript. University of Newcastle Archives, B8045.
- Radi, H, Spearitt, P and Hinton, E (1979), *Biographical Register of the NSW Parliament 1901 1970*, ANU Press, Canberra.
- Ransley, H and Ransley, E (1977) "Short History of the Newcastle and District Co-operative Ltd", *The Newcastle and Hunter District Historical Society Bulletin*, vol 3, no 5.
- Reekie, G (1993) *Temptations: Sex, Selling and the Department Store*, Allen & Unwin, Sydney.
- Report of the NSW Registrar of Co-operative Societies for the Year ended 30th June, 1952.
- Ross, E (1970), *A History of the Miners' Federation of Australia*, Australasian Coal and Shale Employees' Federation, Sydney.
- Salt, A (1985) "Women on the Northern Coalfields of NSW", *Labour History*, no 48, pp44-53.
- Walker, R B (1970) "The Ambiguous Experiment: Agricultural Co-operatives in New South Wales, 1893 1896" *Labour History*, no 18, pp19-31.
- Webber, K and Hoskins, I (2003) *What's In Store?: A History of Retailing in Australia*, Powerhouse Publishing in association with the New South Wales Heritage Office, Sydney.
- Williams, H W (1979) *One Day in Collie*, Shire of Collie, Collie.

Notes

- 1 Lithgow Co-operative Society, Report of the Secretary to the President and the Board of Directors, 4 January 1932, 8 August 1932. Lithgow City Library.
- 2 Letter from C W Sussex to Ken Hay, 23 October 1980, Collie Library Local History Collection.
- 3 Adelaide Co-operative Society, Co-operative Cookery Book, Adelaide, nd; Adelaide Co-operative Society, Half Yearly Reports and Balance Sheets, 7 August 1946, 5 February 1947.
- 4 Newcastle and Suburban Co-operative Society, 121st Balance Sheet for the 28 weeks ended 16 August 1958, Newcastle, 1958; Newcastle and Suburban Co-operative Society, 128th Balance Sheet for the 26 weeks ended 10 February 1962, Newcastle, 1962.
- 5 Griffith Co- op Minutes, 23 December 1940, 15 April 1946, Box 2, File 14; Letter from K A Day to R A Vagg, 15 August 1984. Letter from W A Muirhead to I F Merrylees, 12 November 1984. Box 5, File 44. Letter from Registrar of Co-operative Societies to P S Howard, 3 November 1982. Box 5, File 47. Griffith Co-operative Society Archives, Charles Sturt University Archives, Wagga Wagga.
- 6 Co-operative Federation of Western Australia, The Fifteenth Annual Co-operative Annual Conference, Perth, 1935, pp4, 13; Denmark Co-operative Company Limited, Report and Balance Sheet for the Year Ended 31 January 1957; Denmark Co-operative Company Limited, Notice of Meeting, Denmark, 30 October 1975, Notice of Meeting, Denmark, 17 September 1982.
- 7 Griffith Co-op, Directors 65th Annual Report, Box 4, File 24. Press Release, 7 September 1984. Box 5, File 40. Griffith Co-operative Society Archives, Charles Sturt University Archives, Wagga Wagga.
- 8 Coolamon Co-operative Society, Directors Meeting Minutes, 21 October 1958, 1 April 1971, 31 July 1972, 10 October 1972, 3 December 1975, 27 July 1976, 24 August 1976, 15 May 1978, 6 June 1978.