

Co-operation

A post-war opportunity missed?
A Welsh perspective

Alun Burge



Co-operation

A post-war opportunity missed?

A Welsh perspective

Alun Burge

Alun Burge worked with agricultural co-operatives in Nicaragua, El Salvador and Peru in the 1980s and 1990s. He joined the Department of Social Justice of the Welsh Government in 2002, where he worked for ten years. He is writing a history of the co-operative movement in South Wales.

This is a revised and updated version of the paper 'Nationalisation, Voluntarism and the Welfare State: A Co-operative View of Collective Organisation and Socialised Services, 1945-59', which was presented at the *Comparing Coalfields in Britain and Japan Symposium*, Gregynog, March 2011.

The Wales Co-operative Centre

The Wales Co-operative Centre is pleased to sponsor this Bevan Foundation publication. The Centre was set up 30 ago and ever since we've been helping businesses grow, people to find work and communities to tackle the issues that matter to them.

Our advisors work co-operatively across Wales, providing expert, flexible and reliable support to develop sustainable businesses and strong, inclusive communities. 2012 marks our thirtieth anniversary as well as the United Nations International Year of Co-operatives.

Wales Co-operative Centre
Llandaff Court
Fairwater Road
Cardiff CF5 2XP
Tel: 0300 111 5050
Email: info@walescooperative.org
Twitter: @WalesCoOpCentre
Facebook: Wales Co-operative Centre

The Bevan Foundation

The Bevan Foundation is the only charity in Wales committed to tackling all aspects of poverty, inequality and injustice. As an independent, influential charity we shape government policy, inform public opinion and inspire others into action. With no core funding we rely on donations and support from our members to continue to tackle the biggest issues facing Wales today. You can support our work by donating, joining or signing up to our monthly e-newsletter at www.bevanfoundation.org

The Bevan Foundation
145a High Street
Merthyr Tydfil
CF47 8DP
0845 180 0441
Registered charity no: 1104191

Bevan
FOUNDATION

Published October 2012

ISBN: 978-1-904767-54-1

Co-operation

A post-war opportunity missed?

A Welsh perspective

Synopsis

In 2012, Rowan Williams, the Archbishop of Canterbury, and David Cameron each spoke of the role of the state and voluntary sectors delivering public services. Their viewpoints differed considerably, not least in their views of the Cameron Government's notion of a 'Big Society'. The positions taken by Williams and Cameron echo a debate that occurred between 1945 and 1959 between the co-operative movement and the Labour Party on the delivery of public services and industries. Placing that earlier debate within a current context, this essay asks what lessons can be learned from the arguments of the post-war period and how they could be applied today.

To the generation (of us) who were born after the Second World War and who grew up in the 1950s and 1960s, the Welfare State has continued to be a source for pride and gratitude. The Thatcher and Major governments from 1979 to 1997 laid assaults on the industrial changes that had been introduced by the post-war Labour Government, including reversing the nationalisation of the coal industry and privatising the railways. However, while successive Conservative governments set about the nationalised industries, and the workers within them, they did not attack the fundamentals of the welfare state, and its social provision, including the National Health Service, remained relatively unscathed.

The arrival of the Conservative-Liberal coalition saw David Cameron's Government preparing to go where Thatcher had feared to tread. The coalition looks to replace the reassurance of Beveridge's 'social security' with the Americanised undeserving-poor concept of 'welfare', where individuals are considered once more to be to blame for the fate that befalls them, rather than their being seen as having to cope with societal ills. As a part of his reshaping of

the way that issues of social policy and social justice are perceived, Cameron introduced the notion of 'Big Society', to shift the balance between the state and the third sector in public service delivery, and increase the role of the voluntary sector in delivering services, with a consequential decline in the role of the state. While it may have started as a vague pre-election concept, Cameron, in government, sought to give it substance including through a £600 million 'Big Society' social investment fund,¹ which describes itself as building a social investment market in the UK and 'acting as a champion of the market in general'.²

In March 2012, the Archbishop of Canterbury, Rowan Williams, addressed the National Assembly for Wales on the relationship between society and community. While recognising the achievements of public welfare, he said that 'there needed to be a move away from an assumption that 'all problems are to be solved top down from the State'. He said there was certainly a problem in seeing 'centralised state provision as the solution to everything' and that the challenge is 'to find the right kind of balance between statutory provision and local initiative'. He identified problems of dependency and argued that 'a mutual taking of responsibility pushes back at passive welfarism or passive statism'. Arguing that 'some things are inherently good because they required co-operation', Williams identified the ideal of the co-operative movement and the co-operative tradition in Wales as challenging orthodoxies of left and right, which he rooted in 'a very moral sense of what human beings are...a doctrine of human nature'.³ More recently, he dismissed the Big Society as 'aspirational waffle' which was 'designed to conceal a deeply damaging withdrawal of the state from its responsibilities to the most vulnerable'.⁴

The positions taken by Cameron and Williams in the early 21st century echo an earlier debate, which took place in the labour movement in the period after the Second World War, in which the co-operative movement was centrally involved. As the Labour Government was undertaking a programme to transform British society, including the nationalising of industry and public services, and the extension of the welfare state, arguments were being made about the balance between the state and the voluntary sector in delivering services, and about the nature of the relationship between the individual and the state. While the historical context and political motivations were different ones from now, it may be possible to use them to reflect a mirror on current issues.



1945 was a key moment in British history with the election of a socialist Government with a large majority. The new Government had a political philosophy that saw state organisation and delivery as an answer to social and economic ills. It also inherited a country fully accustomed to state regulation and wartime control in all aspects of life. The Labour Government had a strong mandate for social and economic transformation.

Yet, for a period of 15 years, from the mid-1940s to the end of the 1950s, the co-operative movement had considerable reservations about aspects of Labour's programme. Profound differences of view existed, based in the distinct histories and philosophies of these two parallel arms of the labour movement. The co-operative movement had long worked to provide for all its members needs 'from the cradle to the grave'. The decades-old vision of creating a 'Co-operative Commonwealth' was based in a markedly different approach to how industries and services should be collectively organised and delivered from that adopted by the Labour Government.

The contested issues were manifested in differences over the management and delivery of socialised industries and services, the role of the state in the organisation and delivery of socialised industries and services, the role of voluntarism in the delivery of industries and services and the balance between state and voluntary effort in the emerging welfare state. Together they posed larger questions about the role of the co-operative movement in a socialist state, and the nature of the relationship between the co-operative movement and a Labour Government during a period of social transformation. At their heart was the relationship between the individual citizen and the state, and the position of the individual in a collectivist society.

It is possible to explore the developing arguments through the writings of William Hazell, a co-operator from South Wales. Hazell was a collier at Lady Windsor Colliery, and President of the Ynysybwl Co-operative Society (Y.C.S.), who also regularly published articles in co-operative journals.⁵

In 1942, Hazell wrote of the need to shape post-war co-operation in relation to the state. He suggested that a new government would 'have its hands full' with the post-war challenges of housing, demobilisation and the transition of the economy back to peacetime production, so 'any sensible post-war State should welcome the opportunity of having at hand a ready-made instrument of economic production and distribution – with limitless potentialities of expansion.' He said that such an opportunity '**may never come our way again**'. With its close links in every village, town and city, its basis in social justice, and by the 'sheer merit of its economic stability' the movement should '**compel**' the adoption of co-operation by any post-war central government.⁶ The only issue that Hazell considered beyond the capacity of co-operation to deliver was housing. The magnitude of the housing problem, built up over decades, and his own experience as a local councillor, convinced him that only the state had the resources to address it.⁷

Wartime also gave Hazell experience of how the state could act as a motor for positive change in ways that had not previously happened, including through local councils. Initiatives, such as establishing nurseries for women war workers,⁸ gave clear sight of what might be possible and the speed at which it could be

achieved. However, when the Beveridge Report was published in late 1942, Hazell was unimpressed. In an article entitled 'Beveridge Report is Ambulance Work', he said that the Report envisaged no basic social or economic change; that the 'Unholy Trinity' of Interest, Rent and Profit remained untouched; and that it would not slay any of the five giants of Want, Disease, Ignorance, Squalor, and Idleness. It was, he concluded, what its title indicated, a report on social insurance on an actuarial basis, and gave 'Nothing for Nothing'. He continued that Beveridge's five giants were in fact 'One Giant with five heads, the giant being Competitive Capitalism'. He criticised Beveridge, saying that no revolution was proposed on any of the Report's 300 pages, adding that '[T]he worse than feudal land system; the financial octopus; the great industrial interests; the landlords – all can breathe again, for they remain untouched!'⁹

Hazell was delighted when a Labour Government, which he described as '[a] people's government', was elected in 1945 on a radical programme, set out in the Party's manifesto *Let Us Face the Future*. Aged 55 years, and a strong Labour supporter, he welcomed the introduction of the National Health Service and saw the implications of the takeover of the Bank of England as 'possibly the most important and tangible foundations for national and social progress'¹⁰. He supported the planning of towns, industry and finance, saying, in January 1947:

Let those who object to a *planned* town consider the *planless*, sunless, life-destroying towns and cities of the past. Let those who object to *planned* industry ponder the lessons, grim and tragic, of a century and a half of planless uncontrolled capitalist enterprise. Let those who scoff at planned finance, think deeply over the dominance of cruelly *planless* £.s.d and man's crucifixion on a cross of gold in modern times. There can be only one answer!¹¹

Hazell recognised that the Attlee Government had to travel a 'long and maybe hard road' and called for a 'rock-like' support from informed co-operators¹². For May Day 1947, he wrote:

The workers have their destinies in their own hands; they have liberty and freedom from past foul bondage. What May Day demonstrations demanded for 50 years is theirs. A Labour and Co-operative Government is in power at Westminster.¹³

However, as the national consensus which had endured since wartime came under economic and political stress,¹⁴ Hazell cautioned that freedom should be used with discipline. He advised that 'rebellions, and acrimonious divisions should be avoided like the plague. Unity was never more essential', and he acknowledged that 'Snags and discouragements will inevitably come. Even unpalatable pills...will have to be swallowed.'¹⁵

However, for readers of co-operative publications, there was no doubt that Hazell and others in the co-operative movement disagreed with the centralised, bureaucratic approach of the Labour Government and that their views were grounded in both co-operative values, as well as decades of personal experience.

In November 1946 - before the nationalisation of the coal industry took effect - he wrote the first of a number of articles that criticised the form by which the mines were to be nationalised.¹⁶ In them he questioned the top-down, statist model of management that was chosen to run the coal industry. While wishing the Minister of Fuel and Power and the Coal Board success, he argued that only co-operative principles could produce the results desired for the industry, and that a strong role for the co-operative movement in coal distribution should be part of a successful industry.¹⁷

Hazell had experience of different forms of management through his roles as a councillor in local government, as President of the Ynysybwl Co-operative Society, within the coal trades association of the co-operative movement nationally, and within the mining industry. Conscious of their respective strengths and weaknesses, he strongly believed that industries and sectors of the economy would be better managed if they were based in, or at least included, co-operative principles and management, rather than relying on state structures. He argued that co-operation should be more than “a plank in post-war reconstruction” – make it the very platform.¹⁸

The way in which the Labour Government organised social and industrial state intervention raised larger issues about the role of the co-operative movement in a socialist society. In an essay written in 1947, to mark international co-operators day, Hazell considered the fifth object of the Rochdale Pioneers of 1844. He observed that when the founding fathers of co-operation had written, a hundred years previously, ‘We shall proceed to arrange the powers of production, distribution, education and government’ it had been idealistic and ‘entirely impracticable’. Now, a century later, he said ‘for better or worse’ that is where they found themselves, for the labour movement had ‘captured Britain’s central Government and the destinies of “production and distribution” are largely in its hands’. He asked:

[W]hat part in ‘arranging the powers’ did the Socialist Government propose to allot to co-operation? Is co-operation to be merely a “tool of the state”, as under Communist rule, or is it to be in the role and place of an equal partner?¹⁹

The response of the Government was neither as, frustratingly, the co-operative movement was largely ignored. Whether the Ministers in the Cabinet had a trades union background, whose previous focus had been on the point of production

rather than consumption, were municipal socialists who were used to the local state delivering services or were state socialists, the new Government was not rooted in, driven by, or inclined towards co-operative approaches to the delivery of socialised industries or services.

As the first wave of industries were nationalised, Hazell wrote that some felt that the co-operative movement, with 103 years of pioneering achievement, with a growing strength, and within sight of triumph, was being forestalled by 'State Socialism', which was taking a short cut to the goal.²⁰ He engaged in the discussions of the day about whether the food supply system, including bread and milk, furniture, and coal distribution – all areas of co-operative activity – would be taken over, and delivered by local municipal authorities. With the nationalisation of the Bank of England and uncertainty around the future of iron and steel, Hazell wondered what would happen to the Co-operative Wholesale Society (C.W.S) Bank²¹ and co-operative foundries and metal industries? Observing that the movement was 'a fairly efficient operative unit, equipped for its task in no small measure,' he stated that any government that failed to recognise this would make the outcome much the worse for the citizens of Britain. He argued that the Soviet Government had reintroduced co-operation, not because of its love for Rochdale principles of co-operation, but because of realism based in facing up to past lessons learned of non-effective State distribution. As the British state adopted a centralised, monolithic structure for some industries, Hazell concluded with a certain irony 'Perhaps...Britain can learn from [the Soviet experience]'.²²

As the next General Election grew closer, and voices within the Labour Party considered what should be the next wave of development towards building a socialist society, tensions emerged. With state intervention in the ascendant, there was considerable discussion around whether the distributive trade and/or the retail sector - including the co-operative shops, which were the largest retailer at that time - should be nationalised. Hazell continued to express his concerns that the state accretion of roles, which people themselves had undertaken until then, could undermine the voluntary action that was key to people actively engaging in the delivery of services on their own behalf. Jack Bailey, originally from Miskin, Mountain Ash, who was General Secretary of the Co-operative Party (and an ex local councillor with Hazell on Mountain Ash U.D.C. two decades earlier) developed the same theme. He argued that 'wherever groups are able to plan for themselves this should not be regarded as an obstacle to good planning but welcomed as an example of democratic enterprise.' He continued 'Wherever we are able to preserve voluntarism we should do so. Compulsion is always a confession of failure and I see no virtue in the abandonment of voluntarism where it can be made to succeed'.²³

This terrain was being contested on many fronts. Aneurin Bevan and Jim Griffiths, two South Wales mining Members of Parliament and Cabinet members,

were in favour of nationalising industrial assurance companies, as part of the extension of a comprehensive network of social security. This would have required the nationalisation of the Co-operative Insurance Society (the C.I.S.) which was one of the largest industrial life assurance companies in Britain.²⁴ In 1948, Ian Mikado, a close ally of Bevan, advocated nationalising industrial assurance in a pamphlet entitled *The Second Five Years – a Labour programme for 1950*. Herbert Morrison declared that the Labour Party's proposals 'with regard to making industrial assurance into a public concern are made primarily on the basis of rounding off the social services and completing the great edifice...' However, there was solid resistance from the co-operative movement, which considered that 'the Labour Party was proposing to nationalise an already collectively-owned and democratically controlled institution'. While James Griffiths, the Minister for National Insurance said, in December 1949, that peoples' difficulties in life should not be used as a basis for making profit, and 'therefore...industrial assurance ought to be a public service', the opposition of the C.I.S. effectively killed the proposals.²⁵

Three years later, Ian Mikado resurrected the issue whilst speaking on 'Forms of Public Ownership and Methods of Running Them' at a meeting in Aberdare in November 1952. He said that it was only the opposition of the C.I.S. that had prevented the Labour Government from introducing a nationalised industrial insurance scheme. Mikado argued that the whole co-operative movement was not a valuable example of public ownership because it was difficult to distinguish its relationship with the community from that of the private sector, and likened the position of the C.I.S. to the opposition of Lord Lyle to the nationalisation of the sugar industry.²⁶ Indeed, he argued that it 'sometimes seemed more difficult to ask the Co-op sector of our economy to fit in with the nation's demands than to get the privately-owned sector to do so'.²⁷ Mikado lamented that the movement had not placed its economic reserves into housing in 1946 to meet the need; this was ironic as housing was the one area which Hazell had identified, as early as 1930, and again in 1945 as being beyond the capacity of the co-operative movement to address. The content and location of Mikado's comments, would have been a matter of some [im]pertinence as, in May 1945, Aneurin Davies of Aberdare was appointed Chairman of C.I.S., a post he held until 1952, and was central in resisting the nationalisation plans.²⁸ Until 1929, Davies had been Managing Secretary of the Aberdare Society, when he was elected to be a Director on the Board of the Co-operative Wholesale Society (C.W.S.).²⁹ For Mikado to have chosen to make those comments in that location was very pointed indeed.

The tensions and stresses extended across the range of services and industries. While Hazell supported the National Health Service, the resulting loss of voluntary effort and local democratic accountability must have pained him.³⁰ Hazell's concern at the loss of what would now be called social capital, as a result of state activity displacing voluntary effort, can be sensed in his comments made in

1954 on convalescent care – an area which was closely related to the Health Service. Hazell felt that state intervention, and a more statist management approach, would undermine people's capacity and desire to do things for themselves. He highlighted recuperative care provided at the 'Porthcawl Rest' convalescent home as:

one of the glories of voluntary effort, and still remains under a democratically-elected committee and depends upon collected donations and subscriptions. No one has yet had the audacity to even hint that the 'Rest' should be nationalised, regionalised, or governmentalised in any way. Like a co-operative society, it runs itself and is proud of it.

He extolled the work of The 'Rest', saying it was supported by unions, co-operative societies and public appeals, and its Chair, Harry Williams of Cilfynydd, was a member of the Committee of Y.C.S.. Hazell described the "Rest" as having been used by over 125,000 people, which had recently extended its work to include paraplegics, particularly those injured in the mining industry, and had over 30 staff.³¹ This, to Hazell, was a preferable model of organisation and delivery than any that the state could provide.

Hazell's reservations about other aspects of the welfare state come through clearly. He identified the importance of an individual's duty of responsibility, as well as the risks inherent in that responsibility being displaced by the state, (issues highlighted in 2012 by Rowan Williams). In 1949, Hazell listed the services offered by the Ynysybwl Co-operative Society at each stage in taking an individual member through life, from birth to death. He talked of how members had used the 'ever popular' co-operative dividend (the 'divi') as a reliable stand-by in pre-welfare state sickness and health and to see them through rainy days, although this role was being replaced by the welfare state.³² Two years later, in 1951, Hazell said that there needed to be more individual discipline in the Welfare State³³, and in 1953, he described the Welfare State as 'over-paternal'.³⁴

A few years earlier, a friend had asked him what had become of the Co-operative Commonwealth – that 'State within a State! ...[which provided] "Co-operation for all purposes of life." ' His friend, he said, blamed it on politicians who, decades earlier, had stolen the co-operative movement's thunder, 'picked our brains', and had 'substituted for our beloved Commonwealth a Socialist State run by Fabians and Ruskin College students, plus retired trade union officials.' His friend said it required acts of men, not Acts of Parliament. Hazell, though, urged his friend not to waste time bemoaning lost opportunities for the 'live dynamic of voluntary mutual aid will outlast and outshine many schemes of static coercion by State or commune'.³⁵

Hazell argued:

The greatest mistake any State can make is to ignore or neglect the possibilities and potentialities of Consumers and Producers Co-operation – the finest... gift ever vouchsafed to modern Britain and the world-wide comity of nations.³⁶

Hazell therefore welcomed Lord Beveridge's lesser known works on voluntary action, published in 1948 and 1949. Describing Beveridge as 'one of the chief architects of State Action in social improvements', Hazell said that Beveridge had recognised that 'fields still lie open, outside the realm of compulsory State acts, for associations of voluntary, non-conscripted, [co-operative] men and women!'³⁷

Simon Heffer has described the late 1940s as 'an age suffocated by the state' when utopian aspirations were turned into a miasma of government regulations which controlled the lives of individuals as never before in peacetime.³⁸ It was in that context that Hazell was consistent in his opposition to the extension of state bureaucracy. However, while state regulation might be interfering in an individual's life, Hazell considered that collective action through cooperation could enhance the lives of individuals. Hazell considered co-operation to be the brightest example of public ownership to be found anywhere in the country and he extolled the fully democratic and open nature of the movement. This meant that awkward questions could not be avoided, unlike with state corporations such as the Coal Board. He explained that the movement had never been subsidised out of the rates (as municipal enterprises had to be); had not been supported by taxes, (as state enterprises were), nor had sought government subsidies to keep operating.³⁹ In July 1951, in the last months of the Labour government, A.A. Aubert, the Western Section Education Officer of the Co-operative Union stated in Llanelli that the co-operative movement had 'a great deal to offer for an alternative to the present structure of our nationalised industries'.⁴⁰ Hazell declared that 'there was nothing which the people could not do for themselves and receive, themselves, the benefits accruing.'⁴¹

Here, succinctly, in the positions of Hazell and Bailey, was a coherent co-operative philosophical, organisational and political alternative to the nationalisation and state delivery programmes of post-war Labour. The clarity of such arguments did not register with the Labour Party. Something of the view of its hierarchy can be gained from Aneurin Bevan, state socialist and proponent of nationalisation, speaking at the first meeting of the C.W.S. luncheon club in Cardiff, in 1952. He opined that the co-operative movement was living on its past, lacked the vitality and ingenuity of earlier times, and produced nothing new. 'There were no new ideas or adventuring,' which co-operators present refuted.⁴²

For more than a decade, Hazell argued against statism. His most powerful intervention came in 1953, when he called for the next Co-operative Congress in

Llandudno to come out with an equivalent of the Magna Carta which would 'bring us nearer in ideals and action to the free and just society which will some day have to be organised.' It is worth considering his article in detail, both for the nature and development of its argument, and for his trenchant criticism of the dangers of creeping state socialism. Whereas in January 1947, he had been prepared to extol the virtues of state planning, six years later he argued that co-operators were not against planners and organisers, for they did it all the time, 'But how much planning? How much state organising? That is where we disagree...' He railed against the extended tentacles of state control, asking had the time not arrived to say that 'democracy was made for man and not man for democracy?' Saying that principle had been sacrificed on the altar of expediency for far too long, he asked:

Do 'Democracy' and 'Socialism', in their 1953 interpretations, really entail the extinction of Co-operation as we have known it, or are its boundaries to be so circumscribed that we must scrap our dairies, bakeries, mills and factories and suffer relegation to keeping a few kiosks and sideshows which the State is unwilling, at present, to run?

He pointed out that as the state became more omnipotent, so distrust grew of its efficiency. Pointing to calls for management of the nationalised coal and railway industries to be decentralised, he wondered whether decentralised groups, such as co-operative societies could take over their functions. With Orwellian overtones, he added '[t]he fear of totalitarianism in catering for consumer-needs will recede once more, and bureaucracy lose its terrors' and be replaced by 'the joy and deep satisfaction of true voluntary effort, which is the real essence of a democracy made for man, as against a pseudo-democracy for which men are being mis-made'. He counter-posed the state's capacity to 'card-index, note, record, number and administer' with that of

discovery, believing, journeying, questing and searching by the chart of a slender hope, an awful longing, and the keeping alight of the dying smoking flax of a pure idealism: this is not for bureaucracy, but for joyous, co-operative, hopeful, travelling.⁴³

He continued:

the people are in danger of perishing upon a cross of ideologies and spurious-State worship, an erection which is democracy degraded into anti-democracy and a Socialism which is no longer social but retains only the 'ism'.

He discounted 'the determination to have a ready-made, labelled, cellophane-wrapped, creased-and folded new world', which he saw was an implicit danger in 'the reformer's eternal temptation to produce the finished article'.⁴⁴ While he

did not describe it as such, he implied that the moral value of things was in the way they grew *organically*.

While his critiques continued, Hazell later noted that changes were taking place. Speaking on 'Public Ownership Today and Tomorrow', at a Western Sectional Board educational school, organised by the Abersychan and Pontypool Co-operative Society, in February 1954, Hazell considered that the 'tide of excessive top-control in the nationalised industries has definitely receded', and that there was a trend towards decentralisation, with much more regional and area control being introduced.⁴⁵ Some weeks later, in the Co-operative News, he undertook an analysis of publicly owned bodies, including the Coal Board and the gas, electricity and airline industries. He said that while nationalisation had swept away old vices, it had introduced new ones, with some industries being strangled by bureaucratic controls. He pointed to growing demands for decentralisation and delegation of functions in the administration and management in all publicly owned undertakings, and that public pressure had helped address the top heavy structure of the Coal Board. Arguing that it was necessary for a service to be near the users and consumers, he welcomed the Divisional Boards as virile bodies with considerable autonomy.⁴⁶

Hazell's critical assessments continued for the rest of the decade. In 1954, in the third year of Tory Government, he wrote:

Some co-operators have thought they saw the end of the gleaming vision [of the Co-operative Commonwealth] in some political New Jerusalem whose foundations were State-laid. Over the years, however, the consumer co-operative ideal has held its ground, while political fortunes have followed the usual up-and-down pattern.⁴⁷

While Hazell, and other co-operators, continued to stress the weaknesses of the statist model, the Labour leadership pointed to the limitations of co-operation. In 1956, Bevan declared '[i]t is time we woke up: the co-operative movement is a bit dead'. Bevan argued it was necessary to recapture its spirit of idealism and drive, for '[t]he co-operative movement was not founded to make us into a nation of competent shopkeepers: it was formed to transform society'. In reflecting on the experience of the 1945-51 Labour Government, Bevan said it had done things of which they should be proud, although there had been a period when there seemed to be a loss of heart and vision. He also acknowledged that people thought that the nationalised industries were not sufficiently successful. However, in a beautiful piece of Bevan eloquence, he said that the people had been blinded by 'the sunshine of Tory promises of prosperity', a sentiment with which Hazell would have fully agreed.⁴⁸

In November 1957, Hazell looked back over the period since notice boards were put up at pitheads across the country declaring 'this mine now belongs to the

people'. Referring to the role played by 'the three lettered giant' - the N.C.B. [National Coal Board] since 'King Coal's kingdom was... changed into a republic' when the mines were transferred to the State, he said that 'the monster's claws had been clipped and his power strictly limited'. He then launched a profound critique on the new bureaucracies that were created in the name of the people, writing:

Eleven years have passed, and such is the whirligig of time and its strange revenges that thoughtful ones now inquire whether the board [National Coal Board] is just a new type of monster...? What kind of men is it breeding and evolving? They are better off [financially], but are they better men? Will nationalisation take the place of the older, voluntary, betterment methods such as co-operation and friendly societies with their self-government and character-building, thrift-inducing ideals? In the ultimate, one knows that neither empire, kingdom, republic, soviet, nor even the N.C.B. can regenerate the spirit of man.

He concluded: 'What shall it profit a man if he gain the whole world – and lose his soul.?'⁴⁹

And that, for Hazell, was the essence – the nationalised coal industry was seen to lack a soul, was dehumanising for those who worked in it, and was an affront to Hazell's faith in the human spirit, as well as being a less good form of collective organisation and service delivery. State delivered services and industries were producing lesser men as a result.⁵⁰

Co-operators continued to put forward alternative ways of organising, which would help redress the imbalance between state institution and individual. Speaking in 1958, in Ebbw Vale, the geographical heart of Bevan's nationalised British socialism, Jack Bailey spoke to a Labour Party day school on 'Social Ownership – a Co-operative View'. Bailey said that 'we must not put all our power-eggs in one basket' and argued that there should be 'as much diffusion of control in industry as possible in order to keep power for the people'. As an alternative to centralised power, he proposed the creation of small pockets of co-operative ownership, which could act as a stimulant to centralised industries. He also called for more public accountability over state owned industries.⁵¹

The arguments came to an end with the defeat of the Labour Party in the third consecutive General Election, in October 1959, which left such debates sterile. The Labour Party was left to contemplate the prospect of five more years in opposition, while the co-operative movement grappled with its own relevance in a rapidly changing, consumer driven, world.

Sixty years on, it is valid to ask if an opportunity was missed in the period post 1945. Could co-operative principles and organisation have been introduced to

the model of centralised, vertical, state controlled industry, not least in the case of coal, and could it have produced better results? Co-operators from the coalfield, who had worked underground and who knew the coal industry, such as William Hazell and Jack Bailey, with their sustained critique of state socialism presented a coherent co-operative counterpoint to the statist positions taken by people such as Aneurin Bevan and Arthur Horner, of the miners' union. Although the political and industrial balance weighed heavily in favour of the statist model, there were alternative routes to the socialisation of industries and services, and how socialism should be constructed, based in different values, principles and approaches to control and democratic accountability.

In the 1990s, the workers' buyout of Tower Colliery, located a few miles up the valley from the earlier family homes of Hazell and Bailey, demonstrated, that co-operative principles could be applied within the coal industry, and more widely. Taken over by the colliery workers in the period after de-nationalisation, the colliery functioned successfully - organisationally, economically and socially - until its coal reserves became unworkable in 2008. Does Tower go some way towards answering a sixty year old question...?

Finally, what might William Hazell's position be on David Cameron and the 'Big Society' and on the arguments of the Archbishop of Canterbury? Where, and to what extent do those things being advocated in 2012 relate to the positions taken by Hazell in 1952? Although committed to voluntary action, Hazell would have been deeply unsympathetic to 'Big Society' as he also had an unshakeable belief in extending and strengthening social ownership allied to a profound rejection of private ownership. He would have no difficulty in distancing himself from the notions of David Cameron – just as he had no difficulty in distancing himself from the top down and centralised statism of Aneurin Bevan. However, Hazell would have agreed with almost every aspect of the comments of Rowan Williams including values, moral imperative, co-operative orientation, and a belief in the human spirit. They would have profound discussions on how they should seek to achieve their goal - and the sixty years between them would be as nothing.

As discussions now take place about the introduction of co-operatives and other forms of mutual organisation and social enterprise into the delivery of public services, it is timely to consider whether – or not – there are lessons which can be learned from past approaches. Are there any issues that emerged between 1945 and 1959 that are relevant to today? If so, how best can they be applied and adapted to current contexts?

There is benefit to be gained from closely studying our history to inform our future. Much of what is now the current welfare state was, until the Second World War, delivered or underpinned in the South Wales valleys by co-operatives, or co-operatives in all but name. For example, health provision, including some

hospitals, was operated by Medical Aid Societies (in effect health co-operatives), or through other locally controlled provision, such as through the miners' lodges. However, after many decades of state delivered welfare and health services contributing to improving standards of living and quality of life, there are strong and legitimate arguments for continued state provision, although this is not to say that there are no areas where co-operatives could not make a valuable contribution to delivering services. The outcome of the issue of state and voluntary delivery of public services is one that will have a profound and long lasting effect on the lives of the people of this country and careful consideration is now needed to determine what is in the best interests of citizens and broader society. An analysis is needed both from a co-operative perspective, and from a wider one which locates co-operation in the social, political and economic 'realities' of early 21st century Wales.⁵²

2012 is a different ideological moment from 1942, when Beveridge published his report. Our society has become steadily less collective over the last 70 years and recent decades have seen a marked rise in individualism. When the state took over areas that now comprise parts of the welfare state, it displaced voluntary effort and undermined people's capacity and desire to do things for themselves. After 65 years of people's expectation that the state 'will deliver', it cannot (nor perhaps should not?) be assumed that by reversing the process, and withdrawing the state from an area of public service, that voluntary effort will – or could – move in to replace the state and fill the vacuum, particularly in a coherent way which would provide some (e)quality of provision. It is the likely patchwork in provision, and the unmet needs that would result, that lay bare a central fallacy of David Cameron's 'Big Society'. It is one that needs to be exposed.

FOOTNOTES

- 1 *The Guardian*, 4 April 2012, p 5.
- 2 Advertisement for Big Society Capital, *The Economist*, 16th-22nd June 2012, p 24.
- 3 'Archbishop's Address at Welsh Assembly', 26 March 2012, <http://www.archbishopofcanterbury.org/articles.php/2424/archbishop...>
- 4 www.bbc.co.uk/news/uk-18570664
- 5 William Hazell's history of the Ynysybwl Co-operative Society, *A Gleaming Vision*, is being re-published by the South Wales Records Society, forthcoming. For a general introduction to co-operation in South Wales see my "'A task worthy of the most sincere devotion and application": The Co-operative Movement in South Wales and its History', *Welsh History Review*, 2007, pp. 59-71.
- 6 Hazell, 'Some Method Will Replace Business for Financial profit – Will It Be Ours?', *The Co-operative News*, 21 November 1942, p 10. Emphasis in original.
- 7 Hazell argued this as early as 1930 and it was a position he maintained consistently over decades. In March 1945, he said that housing needs were 'so overwhelming that what we [the co-operative], or any other voluntary movement may do can be only a drop in the bucket'. Instead, he argued that 'Co-operators, through their political party, should support national State action on housing, and not waste effort and fritter away energies on what must become merely trivial results through voluntary action.' The co-operative movement, he stated, should concentrate on the furnishings needed for the new housing, and possibly the provision of building materials. (Hazell, 'A Co-operator at the Westminster Conference of Urban Authorities', *The Co-operative Official*, March 1945 pp.77 & 79) Emphasis in original.
- 8 Maternity & Child Welfare Committee, Mountain Ash Urban District Council, 21 January 1942 & 17 March 1942; Ministry of Health & Board of Education circular issued 5 December 1941.
- 9 Hazell, 'Beveridge Report is Ambulance Work', *The Co-operative News*, 13 February 1943, p 10; editorial 16 January 1943.
- 10 Hazell, 'GAS Review of an Industry Which is Down for NATIONALISATION', *The Co-operative News*, 30 March 1946, p 9.
- 11 Hazell, 'After Two Wars – A Comparison', *The Co-operative News*, 11 January 1947, p 9. Emphasis in original.
- 12 Hazell, 'Vitamins in Politics', *The Co-operative News*, 6 April 1946, p 10.
- 13 Hazell, 'May Day is a Challenge', *The Co-operative News*, 3 May 1947, pp. 9 & 10.
- 14 See Kenneth O. Morgan, *The People's Peace*, Oxford, 1999 second edition, pp. 67-70.
- 15 Hazell, 'After Two Wars...', op.cit..
- 16 Hazell, 'Co-operation Must Remedy New Coal Problem', *Co-operative Review*, November 1946, pp. 215-6.
- 17 *Ibid.*
- 18 Hazell, 'Honouring a Practical Saint', *South Wales Supplement*, February 1950, p i.
- 19 Hazell, 'The Pioneers Fifth Objective', *The Co-operative News*, 19 July 1947, pp. 9 & 14.
- 20 Hazell, 'If you Are Forestalled Do Not Despair', *The Co-operative News*, 30 August 1947, p 9.
- 21 Now the Co-operative Bank.
- 22 Hazell, 'The Pioneers' Fifth Objective', op. cit..
- 23 *The Co-operative News*, 2 December 1950, p 16. In his 1951 book *The British Co-operative Movement in a Socialist Society*, G.D.H. Cole said that no important co-operative interests had been nationalised between 1945 and 1950. Cole, apparently, did not consider as relevant issues the displacement of voluntarism by the state, much less the soul of the individual, as did Hazell (see below).
- 24 R.G. Garnett, *A Century of Co-operative Insurance*, George Allen and Unwin, 1968, has a detailed account on pp. 231-66.
- 25 Garnett, *ibid.*, pp. 236, 239 & 243.
- 26 *The Co-operative News*, 6 December 1952, p 16; 13 December 1952, pp. 2 & 5.
- 27 *Aberdare Leader*, 6 December 1952, pp. 1 & 8.
- 28 At one meeting in Downing Street, in July 1949, the Co-operative National Committee representation included Jack Bailey of Miskin, Mountain Ash and Aneurin Davies of Aberdare, who was the Chairman of the C.I.S., while the Labour Party Committee representatives included Jim Griffiths of Ammanford/Llanelli, Aneurin Bevan of Tredegar and Morgan Phillips, General Secretary of the Labour Party, who was from Aberdare/Bargoed (Garnett p 253).
- 29 For more on Aneurin Davies and co-operation in Aberdare see my 'From Cwmbach to Tower: 150 Years of Collective Entrepreneurship in the Aberdare Valley, 1860-2010' *Llafur*, forthcoming.

- 30 *The Co-operative News*, 25 September 1948, p 3.
- 31 Hazell, 'This "Rest" is no "Rest"', *South Wales Supplement*, March 1954, pp. i-ii.
- 32 Hazell, 'Ynysybwl Society's Diamond Jubilee', *South Wales Supplement*, May 1949, pp. i-ii. The 'divi' was also used to pay for holidays and 'quite a number' of members had used their dividend to buy the house they lived in.
- 33 Hazell, 'There's a Welcome on the Hillside', *South Wales Supplement*, February 1951, p i.
- 34 'W. Hazell's Appeal to Maturity', *The Co-operative News*, 20 June 1953, p 10.
- 35 Hazell, 'LOST A Co-operative Commonwealth', *The Co-operative News*, 9 December 1950, p 10. The distorting consequences of the Russian Revolution of October 1917 on the political organisation and ideology of the left in Britain continues to be discussed as one of the tragedies of the Soviet experiment. (Andrew Davies and Alun Burge, e-mail discussion, June 2012.)
- 36 Hazell, 'The Thunder of a Falling Feather', *The Scottish Co-operator*, 23 December 1950, p 11.
- 37 *Ibid.* Lord Beveridge, *Voluntary Action*, George Allen & Unwin, 1948, and Lord Beveridge and A.F. Wells, *The Evidence for Voluntary Action*, George Allen & Unwin, 1949.
- 38 Simon Heffer, *British Cinema in the 1940s*, BBC Radio Three, September 2010.
- 39 W. H., 'Old Man Datum - Movement Hamstrung', *The Co-operative News*, 9 July 1949, p 10. While not bearing his full name, and using only the initials 'W.H.', the article reads as his, both in style and content.
- 40 *South Wales Supplement*, July 1951, p iii.
- 41 Foreword, *Tredegar Industrial & Provident Society Limited 1901-1951*, Tredegar, 1951, p 9.
- 42 *The Co-operative News*, 15 March 1952, p 1. This rebuttal was justified, considering the pioneering work being undertaken with self service shops.
- 43 Hazell, 'A Congress Creed: Democracy for Man – Not Man for Democracy', *Co-operative Review*, April 1953, pp. 82-3.
- 44 *Ibid.*
- 45 'Are Chances Missed in New Towns?', *The Co-operative News*, 20 February 1954, p 12.
- 46 Hazell, 'Movement Would Gain by Decentralisation', *The Co-operative News*, 17 April 1954, p 10. Almost as an aside, he added that the Welsh nationalists had been advocating a Welsh Coal Board; Welsh Electricity Authority, and he felt that any Welsh Water Board would charge customers in England higher prices for Welsh water.
- 47 Hazell, *The Gleaming Vision*, p. 124.
- 48 *The Co-operative News*, 26 May 1956, p 16.
- 49 Hazell, 'Vale of Clydach (IV): Invasion by the Monster – Coal', *South Wales Supplement*, November 1957, pp. i-ii.
- 50 In one of his last articles, Hazell published a satirical piece which lampooned the coal industry's production targets, saying that, since nationalisation, the output of red tape had increased by 300 per cent. Hazell, 'A Good Word for the Flick-Knife', *Co-operative Party Monthly Letter*, Vol. 16, Number 6, June 1959.
- 51 *The Co-operative News*, 18 January 1958, p 9.
- 52 The recent essay by Mark Drakeford 'Extending the Co-operative Model to Public Services' is a valuable start to this process.