

# Why did Consumer Co-operative Societies in Britain Use Tokens?

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Tokens are basically a working class phenomenon. At the many times in history when British governments have issued insufficient small change, or have failed to strike denominations small enough to enable the poor to make purchases, tokens have appeared. Most have been of small face value, and issued without the authority of 'the Crown' or Government. Usually they have been made of base metal or occasionally more ephemeral material such as leather. They often, but not always, carried marks that identified the issuer. Although not usually legally sanctioned, token issuers have rarely been prosecuted.

From 1577 to 1583<sup>1</sup>, during the reign of Elizabeth, the city of Bristol issued square copper farthings which were authorised by the Crown to circulate in Bristol and within a radius of ten miles. Later, during the uncertainty of the civil war and the Commonwealth, many thousands of different unauthorised issues were made by cities, towns, merchants and innkeepers throughout England and (to a lesser extent) Wales and Ireland<sup>2</sup>. There were further large issues starting in Scotland in 1780, moving to Wales in 1787 and extending throughout industrial and urban England and Ireland<sup>3</sup>. A final large series, including for the first time quantities of silver six pence and one shilling pieces, appeared at the beginning of the nineteenth century<sup>4</sup>. The need for change came as workers moved from the land, where they may have had no use for cash, to the towns and cities of the industrial revolution. Ironically, the demand for small change greatly increased at a time when the Government totally abrogated their responsibility to meet that demand.

While some token manufacturers may have had the best of motives, many others were able to take advantage of a vulnerable public by issuing poor quality pieces that were irredeemable. Many other tokens were used for 'truck' payments, whereby a worker would be employed on what appeared to be reasonable wages but, come pay day, would receive not official 'regal' money

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but tokens struck for, and issued by, the employers. These tokens could often only be spent in the company shop where prices were high and goods adulterated. Truck Acts were passed to attempt to prevent this practice<sup>5</sup>. There were exceptions where tokens were worth their full face value, and some early socialists and co-operators such as Thomas Spence were involved in token issues<sup>6</sup>. Good value silver countermarked Spanish dollars were issued by Arkwright at Cromford Mills, and by Robert Owen at New Lanark<sup>7</sup>. One thing, however, epitomised most pre Co-op token issues - fraud.

In view of this inauspicious past, how was it that consumer co-operative societies in Britain came to use so many tokens? Although I have studied tokens for some 20 years I have never before addressed this apparently simple question. Throughout the early history of money, there were issues not officially sanctioned which were accepted as money. Usually they were made to meet a need for small change but, as we shall see from a study of co-operative issues, this was not always the case. Co-operative dividend can be defined as a distribution of surplus profits in direct proportion to the amount spent by the customer-member during the dividend period. This has to be explained because, firstly younger co-operators may never have encountered dividend, and secondly, because dividend is not a fixed amount decided in advance<sup>8</sup>. Dividends were paid by societies as early as Lennoxton in Scotland in 1812<sup>9</sup>, but after the Rochdale Pioneers set up their famous society in 1844 more and more consumer co-operatives adopted the system. The question arose at once of how to pay dividends economically and equitably. A number of systems were tried, but for many co-operative societies from the 1850s onwards the answer was to have metal checks made, with the value of the purchase and the name of the society stamped on them.

Most societies used metal checks, but Scottish societies also issued them using early forms of plastic<sup>10</sup>. This was the age of the metal ticket, with a proliferation of the 'die sinkers' on which they were cast. Metal tickets were advertised as being cheaper than the calling cards that were de rigueur in Victorian society. For example, the firm of E Cottrill in Birmingham issued a small copper token bearing the words 'Cottrill's embossing press and die complete, 12/6d - medals - like this cheaper than cards'. The

cost of manufacture was of the order of a half to a quarter penny each, plus ten shillings for the die. Plymouth Co-operative Society, for example, in 1862 purchased 14,000 checks in ten values up to £1, for a total cost of £9<sup>11</sup>. Checks were issued for all sums from a quarter pence (rarely), half pence, one pence in series up to 11 pence, one shilling (equivalent to 12 pence) in series up to ten shillings (this value often appearing as a 'half sovereign'), £1 and later £5. The lower value pieces tended to be bracteates (struck on one side only) like the foil covering chocolate money, but somewhat thicker. They were usually of plated iron, occasionally of copper or brass. Higher values were often struck on both sides like ordinary coinage, in copper or brass, and sometimes in zinc. The checks could be obtained at very short notice from manufacturers such as Hinks, Iliffe, Smith and Leonard of Birmingham, Ardill of Leeds (a most prolific manufacturer), and Gill of Sheffield<sup>12</sup>. There was great competition, and co-operative societies changed suppliers in exchange for reduced prices. It seems that most manufacturers were prepared to work for co-operative societies, though Pope of Birmingham, one of the largest firms at the time, is absent from co-operative order books; perhaps there were political objections on one side or the other. These checks were unlike any coin-like object previously issued, in that their stated value was not their face value. If a customer purchased one shilling's worth of goods he or she received a token marked with the value 'one shilling'. No doubt even at this early stage unscrupulous people would have been trying to pass the pieces as if they were money. Some high value checks featured symbols of labour such as sheaves, beehives or farming implements. A large proportion of co-operative societies chose metal checks, and it is worth noting that the Rochdale Conservative Society also issued dividend checks<sup>13</sup>.

What led consumer co-operative societies to choose metal checks? In 1861, Derby Co-operative Society<sup>14</sup> introduced a system of paper receipts, with counterfoils but without members' numbers and with the amount of purchase written on by the cashier. So if, for example, you spent a shilling you would receive a paper check to this amount with your purchases. But, on one 'divi day' a woman walked in who had changed the 'one shilling' on her ticket to 'eleven shillings', and tried to claim the higher

dividend. She was arrested, but the forgery charge was dismissed by the judge who ruled that she had not committed an offence. Metal checks were cheap to use, fairly indestructible, incapable of alteration and difficult to forge. Not surprisingly, soon after this incident the Derby co-op turned to issuing metal tokens.

Following a purchase, tokens to the equivalent value of the goods would be handed over, with no record having to be made of the member's share number. Over time, small value checks would be exchanged and dividend was usually only paid on checks of one shilling or more. Come divi day, customer-members would return their checks, where they would be counted and the relevant dividend paid. This system is known as an 'onus' system, because it is up to the customer to retain the checks and later claim the dividend. The system was in principle cheap to run, though divi days were labour intensive, with many checks to be counted and entitlements to be calculated. Often in those days dividend was quite high, and members might receive two shillings and six pence (2/6d) for each £1 of checks. What may surprise some is that non-members also received checks with purchases but, come divi day, they received a reduced dividend of around one shilling and ten pence (1/10d). There was a drawback to this. As no record was kept of individual purchases, non-members could sell their checks to members, at a price that was in between the value of the checks to each of them. This was to their mutual benefit, but in the long-run to the detriment of their co-operative society. Differentials in dividends did not apply just to members and non-members; sometimes a society's trading departments paid different dividends using separate 'departmental checks'. Wealthy members would, on occasion, take advantage of more impecunious members who would sell their checks at a discount if financial problems prevented them waiting for the six monthly or annual dividend. So early on in their issue it was made a rule that checks were not transferable. A wonderful reference in Leeman's study of co-operation in Nottingham records that in 1865 a 'black sheep had entered the fold' and that 'some members had been trafficking in non-members' checks to the detriment of the society'<sup>15</sup>. (Nowadays we associate 'trafficking' with more serious offences!). In 1900 a member was thrown out of the Rugby Society for 'serious check irregularities'.

There were other drawbacks to metal checks. In 1866, Lincoln Society was surprised to receive more checks at divi day than had been issued. Someone had counterfeited several thousand pounds worth of checks, or more likely had got hold of the original dies. The checks were all called in and buried in the co-operative society's farm - they have never been found. In another incident a man called Clark was arrested and charged with attempting to obtain money by deception when claiming dividend from a Huddersfield society. When police visited his home they found dies for eleven co-operative societies' checks, probably obtained from the manufacturers or stolen from the societies. He was sentenced to 15 months hard labour (so it seems the woman from Derby had got off light!). Paying dividend was labour intensive. Even though only high value checks were used, they still needed to be counted. No-one knew how many would be returned, and some would no doubt be mislaid or stolen, to the good of other members (who then had more of a surplus for distribution), but to the detriment of the individual member and the spirit of co-operation. Also, members could choose when to cash in their checks; if a low dividend was expected, members could withhold their checks until the next divi day. However, some societies paid their dividend on the basis of how many checks were redeemed, sharing a fixed surplus among those who applied. If a low dividend were expected by the members, few checks would be returned but those who did return them would receive a higher dividend, then the next year there would have been many outstanding checks and perhaps a very low dividend. Most co-operative societies realised eventually that, in spite of their initial attractiveness, metal checks had a great many drawbacks including encouraging un-co-operative actions by members! Slowly, societies introduced paper systems that allowed records to be kept of members' purchases, and their entitlement to dividend. The 'onus' had switched to the society and, subject only to recording and accounting errors, the correct dividend was paid at the appropriate time to all members. By the turn of the nineteenth century, few societies were still using a metal check system; the Royal Arsenal Society was unusual in continuing it right up to the 1960s.

But this was certainly not the end of tokens. A second usage was for pre-payment of delivered goods such as bread, milk,

coal and oil. Checks were bought in advance, sometimes at a discount, and left out for, or handed to, the delivery person. If dividend checks were being used, they could also be used to buy pre-payment tokens (a case of members buying tokens with tokens!). This system avoided the need for deliverers to collect money each week, and was almost certainly encouraged by the societies for both practical and security reasons. The system continued until recently, and may well be still in operation somewhere in Britain. Bread was sold in 'quartern' or 'half quartern' loaves, so you can find tokens that say 'bread' on one side and 'quart' on the other (which may well lead some to conclude wrongly that a check could be used both for bread and milk). Tokens for milk included gill, half pint, pint and quart sizes, with some having details of the type of milk required, such as sterilised or pasteurised. Coal tokens might detail the amount, type of coal, and occasionally the price. Early checks were made in copper, later aluminium, and finally most turned to plastic or pressed fibre. When the price of the goods changed, the colour of plastic tokens was changed. (Presumably the old colours became obsolete<sup>16</sup>).

The third and final type of token was the 'mutuality issue'. During the depression of the 1920s, many people turned to obtaining goods 'on tick' from door to door salespersons known as 'tallymen'. This system was full of abuse, with poor quality goods and exorbitant rates of interest. In 1923, co-operators in London devised a system which led, against the Rochdale principles (which insisted on cash trading) but for the best of reasons, to the Co-op becoming a money lender. Members could obtain small loans to buy goods at the Co-op, the usual practice being to borrow £1 and pay back a shilling a week for 21 weeks. This seems quite generous, but it represents an annual percentage rate of around 12.5 per cent! Some members were borrowing money and then spending it at non co-operative stores, and so mutuality checks were devised. These, unlike dividend checks, had a face value equal to their purchasing power. A member would receive a loan in checks which could only be exchanged for goods at the Co-op, with change also being given in checks.

Now most co-operative society tokens have gone, but in their time more than 10,000 different types of check have been issued by hundreds of co-operative societies<sup>17</sup>. As the UK

consumer co-operative sector contracts, with mergers of smaller societies into ever large regional and national societies, we can at least remember these smaller, locally based societies from the tokens that they issued.

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- <sup>1</sup> Rudding, R (1840) *Annals of the Coinage of Great Britain*, London p348 (where the date is given as 1574. Wilson, P C (1970) *English Copper, Tin and Bronze Coins in the British Museum, 1558-1958*, London, p10 (where the date is given as 'probably January 1577')
- <sup>2</sup> Williamson, G C (1967) *Trade Tokens Issued in the Seventeenth Century*, London
- <sup>3</sup> Dalton, R and Hamer, S H (1977) *The Provincial Token-Coinage of the Eighteenth Century*, Massachusetts
- <sup>4</sup> Davis, W J (1904) *The Nineteenth Century Token Coinage*, London
- <sup>5</sup> The Truck Acts were repealed in the 1980s by the Conservative Government led by Margaret Thatcher
- <sup>6</sup> *British Numismatic Journal* (1969) Vol 38; Thompson, R H (?) *The Dies of Thomas Spence, 1750-1814*, pp126-162
- <sup>7</sup> Seaby (1984) *British Tokens and Their Values*, London, P140, 144
- <sup>8</sup> The issue of 'reward' cards is not the same thing - it is a trade discount, fixed in advance
- <sup>9</sup> Bailey, J (1955) *The British Co-operative Movement*, London, p12
- <sup>10</sup> Briscoe, R (1960) *Centenary History: the story of the Plymouth Co-operative Society 1860-1960*, p15
- <sup>11</sup> I have a £2 check from this period, so the record may not be entirely accurate
- <sup>12</sup> Hawkins, R N P (1989) *A Dictionary of makers of British metallic tickets, checks, medalets, tallies and counters, 1788-1910*, London
- <sup>13</sup> Rains, D R (1997) *Catalogue of Co-op Checks & Tokens*, Beeston.
- <sup>14</sup> Unsworth, W L (1927) *Seventy-five Years Co-operation in Derby*, Manchester
- <sup>15</sup> Leeman, F W (1963?) *Co-operation in Nottingham, 1863-1963*, Manchester

<sup>16</sup> Rains, *ibid* lists 6,500

<sup>17</sup> Some older British readers of this article may be able to provide more information on this point, and are invited to do so by writing to the author care of the editor.