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GREETINGS: 1923!

Those who labor with hand and brain for the cause of Co-operation, we greet with comradely good wishes, loyalty, and cheer. Those who desire the growth and success of Co-operation, we greet with the assurance of devotion to the fulfillment of their desires. Those who yet live without interest in Co-operation, we greet with the hope that soon the day may come when they will awaken to a knowledge of its saving power. Greetings to all, in this New Year 1923!

Slowly and painfully the world is learning the sad lesson that it is in the grip of forces which would lead it to destruction. In the high places are the agents of a woeful power. But gradually and with glorious assurance the world is discovering that the people are developing a force to save themselves.

Year-by-year and step-by-step Co-operation grows. It enters the dark places and brings light. It feeds the hungry. It houses the homeless. It cheers the hopeless. While politicians struggle in despair, while the old profit-system decays, Co-operation with steady swing moves on toward eternal justice.

We greet the New Year with confidence and hope that it will bring the world yet nearer to the day of its deliverance. And when that day comes, they who bear aloft the light of Co-operation in these dark hours will be proclaimed and greeted as the saviors of men.

VITAL ISSUES

GOVERNMENT "AID" FOR FARMERS

Many farmers will rejoice over the attempt being made to grant them governmental assistance, through the enactment of the Norris-Sinclair Bill now pending in the Senate and Congress. Others will be sceptical as to the value of such "aid". The Bill, offered, no doubt, with the best intentions of helping the farmers who are in a deplorable financial condition, raises an issue between the Government and the voluntary, co-operative marketing organizations of the farmers.

The Norris-Sinclair Bill provides for the creation of The Farmers and Consumers Financing Corporation, of which the Secretary of Agriculture is to be Chairman. The Chairman and two persons to be appointed by President Harding, are to constitute the Board of Directors, in which the management of the corporation is to be vested. The Federal Government is to subscribe $100,000,000 of its funds for the capital stock of the corporation, which, according to the language of the Bill, "shall be empowered and authorized (1) To build, buy, lease, and operate elevators and storage warehouses"; to buy agricultural products from producers and to sell them to any person or consumers; to act as agent of any person or organization producing agricultural products, in the sale of such products; to make advances for the purpose of assisting
any person or co-operative organization in financing the sale of agricultural products, among other things.

Analysis of the functions which are to be performed by the Farmers’ and Consumers’ Financing Corporation, discloses that the corporation, managed by three Directors who are all political appointees, is to be permitted to spend $100,000,000 in carrying on functions now conducted on the proper basis by independent, voluntary associations of producers. The Bill would set up in competition with co-operative producers’ organizations a corporation dominated by a Government (a most reactionary one, at that), and managed by politicians. We know the interests that control the Government; therefore we know who would control this corporation—and it is not the farmers.

Nevertheless there are a few farmers’ groups, and a progressive legislative group, which have endorsed the Bill. Such groups have always been committed to political, rather than to self-help measures. The only explanation we can give of the advocacy of the Sinclair-Norris Bill is the desperate plight of the farmers, who in their opinion require immediate assistance from the Government. They need help undoubtedly. The question is—would a government corporation provide the right kind of help?

We would direct the attention of the advocates of this Bill to the present shaky condition of the Italian agricultural organization as an example of the demoralizing effect of governmental assistance to co-operatives. Millions of lire had for many years been loaned by the Italian Government to the co-operatives, which came to rely more and more upon such aid. Now that the hostile Fascist Government is in power, all subsidies have been withdrawn and the Italian co-operatives are tottering.

It would seem to us that our co-operative infant in this country will never learn to walk on its own feet if it is to be wheeled around in a rickety government perambulator, by a political nurse of questionable character.

H. R.

**HOW MAY ORGANIZED LABOR GET CONTROL OF THE FACTORY?**

If the workers can not successfully get control of the factory by organizing as producers, as experience has shown, how may they accomplish this task which is the hope of the world? The Co-operative Movement offers the solution.

The Co-operative Movement is the movement of the organized consumers. It begins in the practical way and ends with the ideal. It is the only co-operative method that succeeds in the world of competitive industry. Experience shows that the more members the consumers’ society has the better it is for all. An organized craft of workers may adopt its principles.

The clothing makers for example, may organize as a consumers’ co-operative society. They consume clothing as well as other commodities. They may open a store where the products of the capitalistic chains in which they work are sold. They will buy these products for their store in the capitalistic market, and sell to themselves. And non-members also will buy in their stores. Their distributive business grows. They open more stores. Or other groups open stores, and they federate to form a larger society with larger selling and consuming business. The consumers’ society which runs the stores may then start a small factory to produce for it when its sales have reached a volume to justify such a step. In this way the factory output may be increased. But the reverse of this is dangerous—factory output in excess of guaranteed sales is the capitalistic method and the method of the producers’ profit-sharing factory. By maintaining a distributive business with a membership of consumers the product of the factory which the consumers own is disposed of by the scientific co-operative method.

This program is slow and requires serious work on the part of the members of the co-operative. It is not easy or so spectacular as to take a lot of the workers’ money and put it at once into a big manufacturing plant. But it is safer and surer way to work-to-day in the midst of competitive capitalist business. Such a society with its retail stores and its factory must connect if possible with other co-operative societies to become a part of a federation in which other avenues of distribution of its product may be found. But there is one hard thing for the non-co-operative trade unionist to grasp—that is, that in all of these things the interest of the worker as a consumer must dominate the interest of the worker as a producer. He must grasp this, because this is the only method at the present time that can work in competition with capitalistic industry.

The way back to the control of productive industry is by the road of consumers’ co-operation. This is more than a theory; it is proved by a hundred years of experience.

J. P. W.

**HOW WE GET RICH UNDER CAPITALISM**

Old stories are worth repeating if they are good. The story of the two Irishmen and the keg of beer belongs in this category.

Jerry and Tim bought a keg of beer which they were going to sell at the Fair at a handsome profit. The brewer took their money and gave them a receipt which they were to hold until the keg was sold. When the keg was sold, the profit was to be divided among the partners.

The two men were good friends. They opened a small factory to produce for it when its sales had reached a volume to justify the step. The factory output may be increased. But the reverse of this is dangerous—factory output in excess of guaranteed sales is the capitalistic method and the method of the producers’ profit-sharing factory. By maintaining a distributive business with a membership of consumers the product of the factory which the consumers own is disposed of by the scientific co-operative method.

When they reached the Fair the keg was nearly empty. But worse yet, in spite of the scrupulous care they had exercised in selling one another the beer at the full retail value as the brewer advised, neither the profit nor the original investment made on the full keg had been realized on the business! The buying price was right, the selling price was right, the overhead expense was zero—and still there were no earnings! Do you remember those years of the War and up until the end of 1919? How prosperous we all were! Like Jerry and Tim, we drank a lot of beer in those days, and the dimes flew around like snowflakes in a February blizzard. The bankers and newspaper owners all told us the country had never seen such good times as these. But they neglected to tell us that the keg was nearly empty.

We have seen dozens of co-operative societies play the same tricks with them. They open the new store, and the bell on the cash register begins to jingle as the goods go over the counter to the customers. Ask the directors or manager whether the store is paying and they will quote you the amount of sales for the past week and become upon you with a foolish pride. Ask them for the overhead expenses, or inquire as to whether apparent profits are at the expense of a depleted stock of goods on the shelves, and they will act as though you had insulted them by trying to inspect irrelevant matter into the discussion. The sales were big last week, and...
the co-operative district plan of organization for educational, advisory, auditing and accounting purposes, as well as establishing methods of bookkeeping, is an ideal one. We feel that such district organizations should be established in every state and that they should be as strongly as possible of men representative of the Labor Movement, who have the confidence of that movement, and who can speak for it with authority. We recommend that arrangements be made with every organization that feels sympathetic to the Co-operative Movement for soliciting donations or providing for regular contributions to the work of education, and for establishing and building up the Co-operative Movement in every state until such time as the Co-operative Movement itself is sufficiently strong financially to do that work.

It should be pointed out to the trade unionist that if it is of sufficient importance to him and his family, that he should devote time and energy to establish and maintain a Trade Union Movement which has among its most important purposes securing from the employer the highest wage that his labor can command; he should also understand that it is equally important that he should organize to protect these wages and to secure full value in the necessary of life who stand in between him and the point of production.

It should be pointed out to him that not only can he save money in operating his own co-operative store, but that also when there are enough co-operative retail stores in operation they can unite to form a wholesale which cuts out still more of the middleman, who stand in between and the point of production.

It should be pointed out that, as the co-operative movement extends into the field of production, it will enable the trade unionist to own his own job and thereby secure the very safest and sanitary conditions of labor to protect his life and health. As the Co-operative Movement extends into the field of production, it can also be used to enable him to compel the private employer to grant the same condition in private industry.

Where the workers in co-operative societies are owners and operators of productive industries, in operating their own plants, buying their raw material, making it into the finished article, shipping and distributing the products, they have a complete record of indisputable facts as to the cost of every item entering into the putting of the finished article into the hands of the consumer. This enables these workers to understand where there is dishonesty or inefficiency in the operation of the private plants. It should be pointed out to the trade unionist that when the Co-operative Movement has developed into the financial field, it will not only establish banks and stores where they may deposit his money and receive the full legal rate of interest upon it, but in addition, he can be sure that these finances will be conducted always in such a way as to benefit him.

When the Co-operative Movement has developed to the point at which it is operating its own banks, it also provides the most reliable and cheapest kind of insurance against sickness, accident, and unemployment. Building and maintaining such banks can be established and the funds used to furnish the working man the very best kind of a home at actual cost. In all of these activities, as the worker has control, he is enabled him to see to it that only union material is used and union men and women are employed. This means a continual building up and strengthening of the power and influence of the Labor Movement.

The Co-operative Movement brings the women—the mother, the daughter, and sisters of the workers—into the struggles of Labor in a helpful way. They not only come to understand the commercial and financial problems, but also to understand the industrial problems of the workers.

It should be pointed out that the Co-operative Movement establishes a basis on which the workers in agriculture can provide for their own co-operative store, buy and sell their own raw material, and so create the conditions of the United States. It can help each other and see each other’s problems from a friendly point of view. This educational work should be done where possible through the official publications of the Trade Union Movement. The officers of the trade union organization should be reached with pamphlets.
and books. Speakers should address the regular meetings of the local trade unions and distribute or sell literature and books on Co-operation. General public meetings should be held. Speakers on the subject should be arranged for in every community from time to time. Such speakers should be provided for the programs on Labor Day and all other occasions when Labor is holding mass meetings, celebrations, etc. These should be men and women who are capable not only of presenting the case in an effective way, but who are also able to answer intelligently any questions put to them by either the un-informed or the enemies of the Co-operative Movement.

To accomplish all these ends and to make this plan concrete, we offer in conclusion the following specific recommendations:

1. Every large trade union and central body should have a Committee on the High Cost of Living and Co-operation. This committee should be composed of five or seven members. They should read the necessary literature to make them familiar with the history, principles, and methods of the Co-operative Movement.

Before the members of such a union start with the organization of a co-operative store or other enterprise, this committee would serve the useful purpose of protecting them from making false steps and being taken in by spurious enterprises.

2. Every State Federation of Labor should have such a committee and should have a State Co-operative Advisor where possible. Under no circumstances should the State Advisor be limited to his duties in the capacity of a public speaker. He should make himself thoroughly informed on not only the theory but the practical points of Co-operation. If possible, he should be a man who has had co-operative experience. His function should be to go among the existing co-operative societies, study their methods, watch their progress, and give them the advice necessary to guarantee success.

This method is not experimental but has been tried in several districts in the United States. When we realize that in Western Pennsylvania the work of the last two years by such an Advisor, an equal amount in the Chicago District, and a similar amount in the Puget Sound District, we realize that such an Advisor would be a highly profitable investment. In the face of the fact that the working people in the United States in the last three years have lost $15,000,000,000 in spurious and fraudulent enterprises masquerading as co-operative, we realize the possibilities and the need of co-operative advisors for trade unions.

Such a trade union State Advisor should functionate until a State or District Co-operative League is formed to take over this service.

Every State Federation of Labor should be an affiliated fraternal member of The Co-operative League, and should contribute to its support, in the interest of co-operative education, guidance and protection.

4. Every State Federation of Labor should join with the existing co-operative societies in the formation of a District Co-operative League for the federation of these societies. As the District League becomes effective, and as more and more co-operative societies are organized to add to its strength the District League should perform and take over the co-operative functions which have been performed by the trade unions prior to the existence of the District League.

5. If possible, arrangements should be made whereby The Co-operative League would be a protective organization on the Committee on Co-operation of the A.F. of L., as well as the committees representing each State Federation of Labor and the Central Bodies. The selection of such representatives should be left to The League so that the co-operative societies would not only feel that they were being represented by some one whom they selected themselves but that they could make that representative responsible to The League.

REPORT OF COMMITTEE ON LEGISLATION
PRESENTED BY E. RAIFSAERT

Shortly after its appointment by the Second Co-operative Congress in 1926, this Committee on Legislation made a study of existing co-operative legislation, with especial reference to the problems of consumers' co-operative societies. It found that the eighteen states had no laws at all, authorizing the formation of co-operative enterprises; that the co-operative laws of no state agreed with those of any other state; that most of these laws were grossly inadequate, while in only four or five states were the laws fairly satisfactory. Even the best co-operative laws were found deficient in many important respects. Barely half of the states provide for the fundamental co-operative principle of "One vote, one member"; few prohibit voting by proxy; only impose restrictions on the use of the word "co-operative". In short, it was found that the present state of co-operative legislation hampered the development of the movement; it was making it difficult for co-operatives to incorporate.

The Committee felt that there was a great need for a uniform co-operative law, which should be adopted by every state in the Union. A study of the existing laws and of the legislative needs of co-operatives resulted in the formulation of the following basic principles, which should be contained in a model and uniform co-operative corporation law:

1. The nature of a co-operative should be defined according to the Rochdale principles.
2. Co-operatives should be required to incorporate, for the protection of the members.
3. The law should provide for democratic control by the membership through the following provisions: One vote for every member. No proxy voting. Initiative, referendum and recall.
4. The law should define the manner in which savings are to be employed.
5. Protective measures aimed against spurious societies, such as limiting promotion expenses, prohibiting the misuse of the word "co-operative", and providing penalties for such misuse.
6. Exemption from the burdens of taxation, which should only be imposed upon enterprises organized for profit.

With these points in mind as the basic principles, the Committee made a uniform state co-operative law, the Committee set itself to the task of drafting such a law. After frequent conferences among the members in the vicinity of New York, and much correspondence, the Committee drafted an act which followed as closely as possible the text of the best existing laws. Every word in the draft was carefully scrutinized by the members of the committee. The act was rewritten many times, until it was deemed sufficiently satisfactory to be published.

The proposed Uniform Co-operative Act follows the principles outlined above in that it defines co-operation, provides for referendum, initiative and recall, gives each co-operative corporation a powerful charter, and limits promotion expense. It also provides that co-operatives be charged only a nominal fee for incorporation and exempts them from franchise or other taxes.

Proxy voting is prohibited. Where societies are spread over too wide a territory to make meetings of all members impossible, the society may provide in its by-laws for the formation of districts and the holding of district meetings to elect delegates who shall represent the districts at meetings of the corporation.

The manner of distributing savings is defined. It is provided that a reserve fund shall be created, that patronage dividends shall be paid, or savings may be used for the general welfare of the members, according to the Belgian plan, or employed for educational purposes. The proposed Law has "teeth" in it. Section 15 provides that the word "co-operative" shall not be used in a business title except by associations incorporated under the Co-operative Law. This section prohibits false representations as to the purposes of organizations. The misuse of any derivative of the word "co-operative" or any word similar thereto, is also prohibited.
The section makes it possible to enjoin the sale of stock, notes, bonds or other evidences of indebtedness or securities in violation of the Co-operative Law, and such injunction may be applied for not only by official agencies, but by any citizen of the State. In addition to the possibility of immediately preventing violations of the laws, through injunctive proceedings, penalties are provided for violation of this section.

The Act was promulgated with simple explanations of the basic provisions, and comparisons were made with existing laws. In February, 1922, the Act was published and distributed on a large scale. Copies were sent to every State Attorney-General, to all legislative reference bureaus, to the legislative committees of the B. L. F. & E., to prominent labor leaders and attorneys throughout the country, to state departments in charge of the administration of the co-operative laws, to co-operators who requested copies, to United States Senators and Congressmen, to the editors of liberal publications, to professors in colleges conducting courses on Co-operation, and to persons interested in co-operative legislation.

Unfortunately the Act was published too late to be introduced in the 1922 session of state legislatures, but assurances were received that it would be introduced at the next sessions of many legislatures.

Many gratifying comments have been received from those who secured copies of the law. A Deputy Attorney-General of Wisconsin has written that the Act is the best experience of the co-operative movement throughout the world. Some suggestions were made for minor changes in the wording of the law. The edition is now almost exhausted, and a further edition should be printed for distribution among the legislative committees of all labor unions.

Recommendations

The Committee desires to see its labors in drafting and giving wide circulation and publicity to the proposed Uniform Co-operative Act, rewarded by the generous support of the Movement, the General Assembly and the state legislatures. It therefore requests the Congress to give formal approval to the law and take any further steps that may be necessary for bringing its enactment into effect.

The Committee trusts that with the general support of the Act it will be able to report back to the next Congress that a majority of the states have enacted the legislation necessary to the sound development of the Co-operative Movement.

Program for Future Work

The corporation of co-operative credit institutions is hampered by the lack of proper banking and credit union laws. There is not a single state in the Union that has a co-operative law. Only about one-third of the States have credit union laws, many of which are not workable. As the development of co-operative credit is essential to the expansion of the whole Co-operative Movement, the Committee should turn its attention during the next few years to the thorough study of co-operative banking legislation, and the possible drafting of a uniform law.

It is recommended that a Committee on Legislation be continued as one of the standing committees of the League and that such a committee be as far as possible for consultation relative to co-operative legislation during the coming period of legislative sessions.

THE RISE AND FALL OF THE SEATTLE FOOD PRODUCTS ASSOCIATION

BY U. G. MOORE

The Cooperative Food Products Association was launched in Seattle in January, 1918, to assist the meat cutters and butchers against a lockout of a local packer, and to place the Association on a Rockdale basis so that it might be consolidated with the Seattle Consumers' Association, led to the sale of the condenser to the King County Dairymen©s Association, which later failed, leaving the Food Products carrying the bag to the tune of some $30,000.

A slaughterhouse was started. Owing to errors in operation and an incomplete checking system which failed to prevent leakages, it had to be closed down and finally sold at a loss of some $2,000. In the meantime, expensive ideas in the line of a milk distributing plant led to the purchase of a lot in the south end of the city which netted a big loss in the end.

A good cow will produce enough milk to fill up several people. The Cooperative Food Products Association was for a time a good cow, and many and varied were the plans only to be filled up. It was desired to increase the membership—very well, no trouble to find Jack Horner, Plum Expert. Jack, with the help of other Plum Experts, began to sell stock, and business was booming. The Food Products began business by taking over quarters not very well located and not well adapted to their purpose, although the fact that they were vacant for a short distance away overshadowed the other features as long as the yards continued to operate.

In the beginning the Association limited its activities to the handling of meats, both wholesale and retail, and the business grew by leaps and bounds until at one time it reached a total of $35,000 in one month and the net worth of the Association grew very fast.

Of course, this meant a lot of money to spend, so plans were immediately formulated to spend it. The first outlet was found in a scheme to erect a milk condensory. Gross errors in construction; miscalculations in the amount of available milk, lack of a market in the co-operative movement, and a desire to place the Association on a Rockdale basis so that it might be consolidated with the Seattle Consumers' Association, led to the sale of the condenser to the King County Dairymen©s Association, which later failed, leaving the Food Products carrying the bag to the tune of some $30,000.
power with the Association, the business was almost wholly non-membership trade, so that the closing of the shipyards was a severe blow, and its effects were immediately felt. The location began to lose its value to us, but we were then tied to it by a lease which had about a year to run, and prevented our opening a branch store in West Seattle, where the most active of our members lived. This brought dissatisfaction, although it is only just to say that some of our staunchest workers were in that part of the city.

A portion of the Board of Trustees was possessed by an idea that a big market was the only basis upon which to operate the Food Products. It is no secret that they did not understand Rochdale co-operation. If they had, the cloth would have been cut to fit the membership, but instead there was a constant effort to develop the Association along a speculative line.

The failure of the Seattle Consumers’ Association, the National Co-operative Wholesaler, and the humorous record left by Ames of San Francisco, hurt the Food Products Association; in fact, the co-operative movement throughout the Northwest was in a rather sorry state in co-operative education. Mention is made of it here only because it was an element in the failure of the Food Products.

Many conferences were held in an attempt to bring the two organizations into one, but these efforts were constantly thwarted because reliable financial statements could not be obtained from the Seattle Consumers. When we finally secured one, and found how seriously the Consumers’ assets had been impaired, an exceedingly liberal offer looking to consolidation was made, but partisan bitterness on the part of some members of the Consumers, the approaching unemployment crisis, and inertia on the part of the Food Products membership, all combined to abort the effort.

However clearly the effect of all these things are seen, it is a certainty that not all of them combined were sufficient to cause the Food Products, for the operating losses, outside of the condensory and slaughterhouse failures, had been no greater, perhaps not as heavy, as among competitive concerns throughout the city.

With the decline of the shipyards the value of the South End Market location began to dwindle. A new location was necessary. Then certain members of the Board began to talk of a new co-operative in another “big” market, in the face of a fast diminishing non-membership trade and a small membership support. As a member of the Board I fought this from the start. It was not co-operation. It diverted our energies toward competition and speculation, and away from building a co-operative organization. It was a constant temptation to job hunters. I insisted we should secure a location to fit our buying membership, forget the scramble for transient trade, and set to work to build up a membership of co-operators.

The Board for a time supported this view, but after sickness compelled me to give up Board work, the old idea was trotted out and forced through. A new location was chosen, and an estimated expenditure of some $10,000 to $12,000 to properly improve and equip it, was secured, and an orgy of spending developed in which the money was spent in building and equipment, and some $4,000 besides. The Association found itself in a new location alongside three of the worst price cutters in town, its membership trade wholly insufficient, and most of the old transient trade lost. It was then but a matter of time.

At this point the effects of the minor occurrences began to be felt. There was no comeback in the membership, and although the Associated Grange Warehouse generously loaned its credit and its managing ability, and joined with a few of the staunchest supporters of co-operation in putting forth strenuous efforts to save the institution, it went to the wall, and still another wing was added to the co-operative school of experience.

From this failure we ought to have learned some lessons.

1. When we buy from a competitive store we have to wait a little longer for getting our goods. If we carry that attitude ever into the co-operative, failure is assured. We should know what is going on. In the Food Products certain influences were constantly working away from co-operation. The desire of the membership to operate the association was not strong enough to lead the members to find out what co-operation really meant, so the struggle against this adverse influence had to be carried by a few.

I have said before, and I still hold it to be true, that co-operation is certain to be wrecked by violence no outside power can wreck a co-operative. It all comes from the inside. And it is equally true that if even 20 per cent of the membership is well grounded in co-operative principles no set of men can wreck it from the inside. We get lazy, inert, indifferent, and easily diverted—then the wooden horse is hauled in.

The membership of every society, or a volunteer group, should have general instruction from time to time in accounting, so they will be able to bring intelligent criticism to bear upon a financial statement. Usually, unimportant and trivial items are criticized and important ones missed. Sound business principles should be set forth clearly outside of general business meetings, which are apt to be controversial. When the members understand what the principles are they will soon learn to apply those principles and not be diverted by trifles or personal animosities.

To make this the overwhelming lesson, and it no doubt applies elsewhere as well as in Seattle. Too many do not understand the most elemental principles of co-operative management, and so fall into the hands of smart talkers and big sounding propositions.

The foundation first. And what is the foundation? The co-operative desire; the co-operative understanding, achieved by study and experience. That is the mental side. On the economic side, organize your customers (your members); know what and how much of it they use per week or month. Buy accordingly, and handle it in as small a space and at as little expense as possible.

Thus may we move on to a realization of the actual kingdom of heaven taught by the great co-operator on the shores of Galilee two thousand years ago.
FARMERS’ CO-OPERATION IN IOWA

Of the 512 farmers’ buying and selling co-operators in Iowa 435 alone did nearly $65,000,000 worth of business in 1921, according to the Federal Bureau of Agricultural Economics. This figure includes both marketing and purchasing activities. Nearly every farmers’ co-operative purchased supplies for its members, in addition to marketing their wheat, corn, oats, live stock, etc. Besides the household necessities supplied by the co-operatives, farm requisites were purchased for members, such as barrels, sacks, and other containers, feeds, fencing, fertilizers, fuel, hardware, implements, seeds, and spraying materials.

The Farmers’ Union Exchange of Iowa, with which a great many of the co-operative societies of that state are affiliated, recently became a constituent member of The Co-operative League, thus linking up the farmers’ co-operatives of Iowa with the national educational headquarters of Co-operation.

NEW CO-OPERATIVE BAKERY OPENED

A mass meeting and concert marked the opening of the new bakery of the Brownsville and East New York Co-operative Society of New York City, on December 16th and 17th. The new bakery plant, erected by means of the bond issue subscribed to by the progressive consumers of New York, seated almost a thousand co-operators, who listened to speeches by Dr. J. P. Warhase, who spoke on behalf of The League; Abraham Shiplace, the President of the Association; B. C. Vladek of the “Jewish Daily Forward”; M. Pine and J. Goldston, labor leaders, and Charles W. Ervin of the “New York Call”.

Up to this time, the co-operative bakery was a subterranean old cellard which they had rented. While this was no worse than other bakeries in the neighborhood, it was not a considerable improvement upon them. The desire to produce the highest quality of product led the association to erect a new bakery and to equip it with the finest and most efficient machinery. The bakery is now a model from the sanitary standpoint, and it is said that there is only one other bakery in New York to equal it. The five monster ovens will be able to turn out $10,000 worth of goods every week. The plans of the bakery call for the erection of two stories, although only one has been constructed. As soon as the demand warrants it, another story will be added. The building and new equipment cost $60,000.

The Co-operative Bakery has been a thorn in the side of the private bakers in the neighborhood, who are forced to keep their prices within bounds, due to the competition of the bakery owned by 1,300 consumers. With a new plant and up to date equipment, it promises to make things interesting for the private bakers.

AN EDUCATIONAL CONTEST

The Adamston Co-operative Mercantile Company of Adamston, West Virginia, the former lone Co-operative Mercantile Company of Virginia, is cleverly using the competitive instinct of its members as a means of educating them on the Co-operative Movement. Their idea is so good that we pass it on with our suggestion that other societies do likewise.

The Adamston Society is conducting a contest, open to all people of their town, for the best article on the history, practical results, and ultimate aim of Rechdale Consumers’ Co-operation. To the winner of the contest will be given free one share of stock, of the value of $50.00. Articles will be judged by the staff of The Co-operation. The judgment of those who decide the contest will not be based upon the grammatical or rhetorical style, but rather upon the evidences of the writers’ study of the subject. The prize will be awarded at the semi-annual meeting of the society in January. With the announcement of the contest is contained a list of literature published by The League.

News of the election, reminding co-operators of the value of their vote and the importance of education in the spread of the Co-operative Movement; that: “We know of no more stimulating method of creating interest in co-operative literature. The contest makes members concentrate on the study of Co-operation, and it popularizes co-operative literature.

THE BRITISH ELECTIONS AND CO-OPERATION

The spectacular results of the recent British elections of Members of Parliament were extremely gratifying from the co-operative point of view. The Co-operative Party had eleven candidates in the field, polling 190,000 votes, and electing four candidates to Parliament.

This is equivalent to a gain of 400 per cent in the strength of the Co-operative Party; for in 1918 when the party was launched, it elected only one candidate to Parliament, out of ten candidates, polling 47,476 votes. A. E. Wasson, the former lone Co-operative M. P., was defeated by the co-operative voters, but went through the coalition in his district of the Tory and Liberal parties.

He was defeated by the narrow margin of 129 votes, although he is entrenched in the former seat, by 4,000. The four successful candidates are very active in the Co-operative Movement; two are members of the Central Board of the Co-operative Union; one is the president of the Sunderland Society, and another joint editor of the “Scottish Co-operator.”

The Co-operative Party has organized its own tactics and selected its own “whip,” or parliamentary leader. In addition to the candidates elected by this party, the Labour Party is decidedly sympathetic to cooperative legislative interests. At least a score of the successful labor candidates are co-operative directors or are otherwise active in the Movement. The Labour M. P’s include Sidney Webb.

It should be stated that although co-operators have gone into politics, they have not by any means relinquished their aim to build the new world by means of voluntary non-political mutual aid.

We know of no more stimulating method of creating interest in co-operative literature. The contest makes members concentrate on the study of Co-operation, and it popularizes co-operative literature.

THE FASCISTI AND CO-OPERATION

The Fascisti, the black-shirted Ku Klux Klan of Italy, in their vicious fight against all progressive social movements, have been serious threats to the Co-operative Movement. Through the rule of the bomb and the stiletto, the Fascisti have not only captured the Government, but they have confiscated the property of hundreds of co-operatives, and have seriously interfered with the operation of hundreds of other societies.

The chief Italian representative on the Central Co-operative Alliance, A. Verganini, reports that: “The persistent attacks, enrochements, acts of violence, massacre of hundreds of our best men, burning of property, devastation and pillage which have been experienced in nearly all our provinces, and the large number of wounded and refugees, have brought about an indescribable helplessness and threatening situation. Co-operative Societies which have been violently suppressed can be counted by the hundred, whilst hundreds more have been paralyzed owing to the fact that their managers are expressly forbidden to live in the same places in which the societies operate; again, hundreds of societies under the menace of destruction have
been obliged to pass into the hands of the Fascists.”

Manufacturers, private retailers, and peasant proprietors contribute heavily to the funds of the Fascists. Millions of lives are spent by the latter in their work of destruction and terrorism. Complaints to the Government against Fascist atrocities receive no attention. The Royal Guards, the police, and the courts of justice have themselves accomplices of the Fascists in their acts of violence. Co-operative stores have been burned to the ground, others have been compelled to close down, many have been compelled to turn over the premises paid for by peasant proprietors, the police, and the courts of justice are themselves accomplices of shirted assassins, while the police looked on with approval.

And now the Government itself has fallen into the hands of the Fascisti, and their chief, Mussolini, blazingly serves notice upon Parliament, elected by the votes of the people, that he will only permit them to meet so long as they will consent to act as a rubber stamp, formally approving of the measures proposed by the Fascisti.

The Co-operative League, in common with national co-operative bodies all over the world, has addressed to the Government of Italy, its protest against the outrages of the Fascisti against the Co-operative Movement.

“AMALGAMATED” BANK PROSPERS

The bank established by the Amalgamated Clothing Workers in Chicago in July already has $1,500,000 in resources. When it opened for business July 1st, it had a capital of $300,000 and a surplus of $100,000. Since that time, it has received more than $1,000,000 in deposits, and $100,000 of additional resources. The bank has 3,500 depositors.

It is reported by Samuel Levin, a Director of the bank, that money was loaned to workers at a low rate of compound interest, and that their employers, it was alleged, that they preferred stock for which she had paid $100 a share could be bought on the open market for $27, while the common stock could be bought for $14. Co-operatives should keep these facts in mind dealing with the L. R. Steel Company and its subsidiaries.

BROADCASTING CO-OPERATION BY RADIOPHONE

Co-operative education and propaganda are now literally in the air. The message of Co-operation has hitherto been preached by word of mouth, by means of the printed word, and through the object lessons contained in the pure milk, wholesome groceries, substantial homes and other services supplied by co-operatives. Now the radiophone, the latest means for bridging the distance between man and man, is being used to teach men the value of co-operative activities.

In Marquette University, at Milwaukee, Wisconsin, a radiophone set was installed for broadcasting lectures. Father Joseph Reiner, of the university, reports that the very first lecture to be broadcasted was one on the Co-operative Movement. Thousands of radio “fans,” listening intently with receivers to their cars for the latest news of human activities, heard the clear message of Co-operation, the greatest activity of all. Father Reiner, who is attempting to organize intercollegiate study groups in all colleges and universities, is giving a course of lectures on Co-operation at Marquette University, which will be sent to the four winds. Word was received that the first lecture was heard in Sault Ste. Marie, Michigan, about four hundred miles away.

THE MILFORD N. H. SOCIETY

The Co-operative Society of Milford, New Hampshire, conducting a little grocery store, is doing a business at the rate of about $38,000 a year, expects to give a 7 per cent savings-return to members, and 3½ per cent to non-members. This society has a membership consisting largely of farmers.

FROM THE LEAGUE HEADQUARTERS

A COURSE ON CO-OPERATIVE ORGANIZATION AND ADMINISTRATION

A practical course for Co-operators to be conducted by experts working in the movement, will be given at the Co-operative League House, 167 West 12th St., New York City, Monday evenings at 8 o’clock.

JAN. 15—Organization Problems. What kind of business are we going into? What kind of members and how many? How much capital do we need? Who shall the officers be? What kind of a man do we want for manager; what are his qualifications? How can we find him? Before beginning business: what should the members be studying? the director? the manager?

JAN. 29—The Manager’s Job. How it differs from that of the private store-keeper. His relation to directors, to members, to patrons, to employees, to jobbers, and salesmen. Window dressing. Making the store attractive. Can he meet the competition of the chain stores? What of the self-service idea? Should he join the Grocers’ Association? Getting a rapid turnover of stock. Capitalizing the patrons’ criticisms, and making these people 100% purchasers. The manager and educational work?

FEB. 5—Delivery Service or Its Substitutes. What stores have operated it successfully? Can it be relied on in a large city? In the country? Problem of routing, soliciting, collections.
kind of a person makes a good delivery man? How can we cover the cost of delivery? Substitutes for delivery: bulk buying, delivery; delivery by part-time boys, the private delivery service; service by Associated Business Men; the store-at-your-door.

Forem. 12—Watching the Overseer and Other Figures. What proportion of the managers go to salaries? To rent? To fixed charges? To depreciation? To delivery costs? Should we do business on credit? What does this actually cost the business? The cash register; saleslips; accounts with jobbers. How to record members’ purchases for the annual rebate.

Forem. 19—The Bookkeeping of the Society, and the Control System. Single or double entry? Problem of doing the bookkeeping in odd hours. Co-operating with the manager.

The control system. How it works. The manager’s job. Can he use it in all departments (meat and green goods)? Are there short cuts or omissions he can use? The Control Committee.

Forem. 26—The Board of Directors and the Committees. Responsibilities and Functions of the Board. Duties of the officers. Directors’ meetings. Committees from the Board. Committees from the membership. The work of the committees on Education, Audit, Control, Store, Women’s Guild, etc.

Man. 5—Other Co-operative Activities and their Special Problems. The bakery, restaurant, locker shop, laundry, housing, banking.

Man. 12—Why Some Fail; Why Others Succeed. Relative Importance of educational work, store efficiency, administrative control, etc.

Concrete examples examined.

Questions and discussion.

This course is open to all. Those who wish to join the class should communicate with the director of the course. 

The class will be conducted only on condition that the minimum of 20 people register for the course.

**CHAIN STORE ATROCITIES**

Co-operative Managers and Directors complain continually about the competition of the chain stores. It is easy to complain; but complaint solves no problems. Co-operatives have excellent educational and propaganda material in the story of chain stores methods.

1. Trickery and petty thievery is almost universal in the chain store business. The big chain companies themselves, in their frantic attempt to undercut their competitors and attract trade, resort to numberless rascally little devices to bamboozle the public.

2. The managers in their turn, often honest enough in their intentions, are almost always underpaid and overworked. They dare not turn in a cent less than the full amount of cash for which they are accountable each week to the company, on penalty of losing their jobs. Nor can they trick the cash control system of the corporation which employs them. The only method at their disposal for making up deficits and leakage or for padding their pay envelopes is at the expense of the innocent consumer.

3. The clerk himself is underpaid. He is given careful instruction by the manager in the devices for making up shortage or waste or for padding his wages at the expense of the buyer.

Thus we have a powerful corporation, a self and efficient manager, a clever young clerk—each animated by the profit motive, taking their toll from the unsuspecting customer! And the public is almost completely ignorant of this intricate system of deception and chicanery; for no matter how these companies may compete as to prices, none of them dares expose the small trickery of their rivals. They are all blood brothers here.

Many chain store managers come to the office of The Co-operative League. They are naturally excited, often thoroughly alarmed at the corruption they are learning to practice upon women and children under the pressure that is exerted upon them. They want to get into clean business, into co-operative stores. We have never yet met a manager or ex-manager of a chain store who could tell us he had given his customers honest service. And yet when we tell some of this to the gullible public, they say we are sensation mongers, defamers, unfairly blackmailing the efficient chain store system with which we cannot compete.

Here is the great opportunity of the co-operative store managers and directors. Every co-operator should be familiar with the sleight-of-hand practices in and out of the store. Every co-operator should be tricked into using these methods in the co-operative store. There is a bigger card than that to play.

Expose these tricks mercilessly and continually, and compare them with co-operative methods. There is no better way of contrasting the profit system with the co-operative system.

In future issues of *CO-OPEEATION* we are going to run in the column headed “Chain Store Atrocities!” stories of the petty grafting which takes place every hour in the chain stores of the country. We shall give hints as to methods of combating these tricks. We want co-operators, especially men who have worked in chain stores, to send in to us their own experiences with adulteration, short weight, cash manipulation, etc., as these are practised. Of course, we will publish no names in repeating these tales.

**A CORRECTION**

Due to typographical errors in the December issue of *CO-OPEEATION*, the following sentences were omitted from the bottom of the first column on page 206, in the article “A Symbol and A Word”:

“But the symbol itself might not be suitable for use on all occasions. Something more easily copied is required for certain occasions and certain co-operative groups. Therefore it was decided that a word be invented to fill this need. The result is as follows:"

**CLUSA**

By a similar mistake, the two cuts which follow in the second paragraph were reversed. The word itself, enclosed within a border of the place now filled by the word and symbol combined, and vice versa.

**THE CORRESPONDENCE FILE**

ONE OF THE NEW DIRECTORS

I enjoyed every minute of the Congress and came away with many new ideas and desires for the great cause of humanity.

It was a pleasure indeed to meet the folks from the other societies. Many of the societies seemed to put foremost work of educational work, store efficiency, administrative control, etc. with them we shall give hints as to methods of combating these tricks. We want co-operators, especially men who

HOW CO-OPERATORS BEAT THE MILK TRUST

I have probably seen from the newspapers that we had a mild winter and a mild winter on account of the weather and the cold. It happened like this: On December 1st, the farmers raised the price to us one cent per quart. We came away with the price to the consumers one cent; so did all the milk companies in St. Paul and some of the independent companies in Minneapolis. But the Northland Company, recently organized and composed of four of the largest distributing companies here, did not raise their price. On the day we distributed our notices notifying our customers of the raise, the Northland Company published a statement in the newspapers stating that through their consolidation they were able to cut down their overhead and enable to sell their milk at the old price. This was nothing more nor less than the declaration of a price war to hit the Franklin Creamery.

We called a meeting of our employees immediately explaining the proposition to them, and they decided to work for nothing until this war was settled. We then decided to cut the price one cent below the Northland Company, with the result that the whole city woke
up to the situation. Within three days the Northland Company started to pull all the wires at their disposal in order to get a settlement. During those three days new business came in faster than we could take care of it. In short, we did the best thing that could happen, as far as we were concerned, at the time we opened our new plant. But that is the way these gentlemen have always acted when things did not look the best.

We were wondering where we were going to get all the business to keep the new plant busy; but as usual our competitors came to our rescue. The war is now over and I think they will think twice before they start another. Public opinion has certainly turned against them.

As you know, our Co-operative Law in the state of Minnesota is one of the best in the country, and we expect in the next session of the state legislature to improve on it. We may be able to get through the Model Co-operative Law drawn up by the Co-operative League. The progressive element will practically have control of the two houses in the next session.

With best wishes for the Co-operative League, we are

Franklin Co-operative Creamery Ass'n,

EDW. SOLEM, Manager,

Minneapolis, Minn.

A WARRIOR AT BATTLE CREEK

Am fighting like anything to put the Battle Creek Co-operative on its feet, and will do it or die in the battle.

We expect to move into larger quarters soon. Think we will order a bundle of Home Cooperatives in the near future. The fight is fierce, but when I think of the fine men and women who have battled against the world, determined to win, I pause to rest for a moment; then on and on I go.

With deep appreciation,

W. J. ROGERS, Manager,

Battle Creek Co-operative Society,

Battle Creek, Mich.

FROM A CREDIT UNION

I read "Co-operation" from its first word to its last, and find myself again and again wishing that I could express to you my appreciation of the information and reasoning that give high value to its pages.

What about the eligibility of a credit union for membership in the Consumer League? I read with deep interest of your symbol. I am strongly inclined to think that we use it impressively in many ways. I wish I knew how to handle the privilege of using it.

NEW SUBSCRIPTION CONTEST

The Co-operative League is again offering a prize for the largest number of subscriptions to "Co-operation" sent in by any one person between the first of November and the first of February, 1928. Any one can compete for the prize, which is a copy of any book on Co-operation, the subscribers may choose from the list of publications of The League or its bibliography.
THE CO-OPERATIVE LEAGUE

A magazine to spread the knowledge of the Co-operative Movement, whereby the people, in voluntary association, produce and distribute for their own use the things they need

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THE HOME CO-OPERATOR

VITAL ISSUES

THESE NATIONALIZATION PROGRAMS

Nationalization is the popular watch-word for tens of thousands of American liberals and progressives to-day. The Plumb Plan has been before us for three or four years. Just now it is the "Miners' Plan" for Public Ownership and Control of the Coal Industry.

Compared to present conditions in these industries, such programs as this are good; certainly they cannot produce anything worse than we have now in the administration and control of railroads and coal. But they are patchwork schemes; and we experience a constitutional horror at mere reforms when something permanent might be done.

Take, for instance, this new coal plan. First, the Government would buy out the mine owners and we should have government ownership. Second, a Federal Commission of Mines, the majority of its members appointed by the President, will control budget and policy on the basis of fact finding. Third, a National Mining Council, with miners, technicians and consumers represented, will administer policies.

Obviously, this plan puts ultimate control into the hands of the Government. And neither the miner nor the consumer is going to gain greatly under the benevolent dispositions of Mr. Harding or his successors. The miner may get a steadier job under federal control, but if his organization is reduced to the impotence of the Postal Employees' Association and his pay correspondingly whittled away, we do not envy the miner his position as a government employee. The consumer will get just as little in the way of service as the statesmen at Washington dare give him without alienating his vote on election day. Both these conditions will exist, not because the President and his fellow politicians are necessarily dishonest, but because they are necessarily dishonest, but because they are interested in the private profit which can, strangely enough, be extracted even from government owned industries.

But our more immediate objection to such programs as these is that they almost entirely ignore the consumer and the whole principle of Production for Use. True, the coal plan mentions consumers, but its whole appeal is to the miners and the miners' sympathizers and friends. We are as ready as the next man to fight for the rights of the miners, but we do not think it wise to shed our sentimental tears all over him.

We believe that the average miner...
would respond wholeheartedly to a straight out proposal for joint ownership and control by organized consumers and organized producers of just as large a part of the coal industry as these organizations are ready to tackle,—quite independent of the Government. We have a suspicion that the miners will not be overenthusiastic for this government ownership of coal. If any reader of ours is in doubt, he might put on some extra heavy winter togs, a pair of hip-boots and wade out to some of these tent colonies to inquire just what these men and women really think of the state and national governments attitude toward miners in general. If our reader succeeds in getting through the outlying army of company gunmen and National Guardsmen alive, he may get some valuable information.

FROM ARISTOCRACY TO DEMOCRACY

The British co-operators are steadily acquiring land. Up to the present their holdings in England alone amount to over 40,000 acres of farms. This comes about by striking societies purchasing farms and by the acquisition of farm lands by the Co-operative Wholesales. Among these properties are often old estates of the British aristocracy, Calderwood castle, with the adjacent farms, is one of these. The C. W. S. in recent years has acquired several historic properties. Some of these old manors houses and country seats are used by co-operative societies as vacation houses and sanatoriums.

From “The Producer” we learn that the Hinckley Society has purchased Hinckley Castle and buildings. Part of the buildings will be used as a dairy and the remainder for vacations and sanatoriums.

The present executives of the International Association of Machinists are uniting with The League in exposing the latest fraud on the workingmen. It is unfortunate that some labor men are still tools of the “fakirs”, but it is a fact that today a member of the machinists union and an ex-vice-president of the International Association of Machinists are going about personally with the agents of Harrison Parker selling “beneficial membership” in the “Co-operative Society of America.” This is a private business scheme, masquerading under the name of “co-operative.”

Within the last few weeks the agents of this organization have called upon hundreds of people who are sympathetic to labor. They would have had difficulty in selling their “stock” but when an international vice-president is introduced by them, and shows his credentials, and recommends it, working people take notice. It is respectable and a “great investment”. “Provide for your old age by investing in the great Co-operative Movement”, is the slogan.

One woman the other day, in a western city, was advised by such men to invest $2000. She died a few weeks later in the hospital. And the woman had only $200 cash available but she handed that over. We have been told that a working woman in Chicago put all her own and her childrens savings in $3,000 and when she found what had happened to her money she committed suicide.

Some day, sooner or later, the labor movement in the United States is going to really take hold of the Co-operative Movement and make use of it just as does the labor movement in European countries.

But today every sort of fraud, fake and fancy can step into the field and command the interest—and capital—of the working people.

Fortunately the intelligent leaders of the labor movement are aware of this. One of our leaders, speaking at a conference of the rank and file in Co-operation is the fundamental need. They are working toward this end.

MACHINISTS, BEWARE!

The Minneapolis Co-operative Electric Association is the “workers’ corporation for doing electrical work and selling electric equipment. It started in a strike of the Electrical Workers’ Union. Somebody advised the striking workers to organize a ‘workers’ co-operative’, to be owned and controlled by the workers. They did so.

Unlike most such attempts, this one succeeded. It has become so successful that now the stock is all owned by six men. The result of this “co-operative” has taken six men out of the ranks of labor and converted them into capitalists. They employ a large number of other men. They make as much money out of the consumers of Minneapolis as they can. No social problem of today is solved nor is there any approach made to the solution of any problem except for the six men whom the enterprise created.

This is precisely the fate that the Minneapolis may have suffered, had it not been for the fact that the workers in this case secured sound co-operative advice.

The tendency of the so-called producers’ “co-operative” is for ownership and control to fall into fewer hands. The Franklin Creamery of Minneapolis has 6,000 stockholders. The Electric Association has six. Both are successful. But it depends upon what kind of success we are after.

PROFITS ON MEAT

“Figures don’t lie” was once a respected old maxim. Now the maxim reads: “Figures don’t lie, but liars do figure!”

Some of the figures supplied to the public by large corporations in these days of monstrous profits look as if they had been dressed up for appearances. During the past few years, the mail have been full of letters sent to editors by the so-called “journalists”, quoting the figures to show how low their profits are. In spite of the fact that meat was selling at double its pre-war prices, according to the stories given to the press the beef packers were barely able to live through the first year of operation. One prominent packer, whose personal fortune is measured by the scores of millions, gave out an interview in which he informed the consumers that he was wearing last year’s shoes and patched clothing, because he, too, could not personally afford the profitting prices.

The figures, when closely examined, however, showed that the public was being deceived on this real condition of the packing companies, and on the profits which consumers are paying on meat. According to the San Francisco Star, Armour and Company increased their capitalization from $20,000,000 to $210,000,000 since 1916. In 1916 the company was capitalized at $25,000,000. In October of that year a 400 per cent stock dividend was declared, and the capitalization increased to $100,000,000. Through the issuance of additional stock, both preferred and common, the capitalization within a few years was increased.

This device of course enables the company to declare dividends which seem to be modest. A 10 per cent dividend on a capital stock of $200,000,000 does not seem as excessive to the public as a 100 per cent dividend on a capital of $20,000,000, though the profits are the same. Wage increases are staved off, by pleas that the companies are hardy making expenses, and consumers are tricked into believing that there is very little profit in the meat business.

Co-operative control of the packing industry by the consumers may seem to be a rather remote solution of the problem, but it is none the less a sure one. The consumers of Switzerland are supplied with meat through the largest packing house of that country, which was bought out by the co-operatives and is now under their management and control. They can attest to the savings effected through cooperation and the administration of a basic industry. At the same time Swiss consumers are spared the knowledge of the thousand and one tricks resorted to by extortionate profiteers in making the public bear the great burden of the least possible pain.

H. R.
Before embarking in the coal business a consumers' society usually has a more or less successful store, and the more successful it is the better the prospects of making a success of coal distribution:

First, because it should have established a high credit rating so that it will be able to go into the market and buy successfully;

Second, it will have a large number of enthusiastic members who will be anxious to buy coal from their own organization;

Third, the larger the number of customers the society has in other lines of merchandise, both members and non-members, the greater their market for coal.

If a society is making a success of a grocery store there would seem to be no good reason for neglecting to enter the field of coal distribution, but great care should be exercised to keep down the initial investment to as low a figure as possible.

I might cite the experience of the Villa Grove Society as an example, and while the local conditions will modify circumstances a great deal, yet the general principle remains the same. The Villa Grove Society was successful in getting in touch with a friendly mine operator who was willing to ship them coal although they did not have the bona fide equipment of a regular coal dealer, viz., coal sheds, scales, office, etc.

They took orders for the coal at the store and when a car arrived they engaged teamsters to deliver it from the car, weighing it over the public scale owned by the city. The weigher was a private individual and the public immediately took to the idea of getting coal that was weighed over the public scale in preference to taking chances with private dealers' weights.

The business grew rapidly and the society put on one team of their own delivering and began negotiations with the railroad company to lease ground for coal sheds. It had long delay on account of all their ground on side tracks being taken up, but the railroad finally called a lease held by a private dealer and gave the Co-operative Society part of the ground.

The society immediately erected sheds with ample storage capacity and purchased another team and wagon. The Villa Grove Society find that for coal and ice, horse delivery is the most economical.

They are still weighing coal over the city scales, as it is very conveniently located to their yards and the cost is small, 15 cents per load. They have proceeded on the policy of making the business pay for the extensions and improvements.

The experience of the society has been that after the coal business was well established and their credit rating high, they could buy coal from a great many different firms without any question of whose scale was doing the weighing or what our equipment was. In the early part of the game, however, this is a sample of letters received in reply to inquiries:

"Gentlemen:"

"In reply to your letter:"

"We are in position to furnish you with ten to twenty cars of Franklin County coal for the coming season. Our present basis of price is $4.15 per ton, f.o.b. mines, on prepared sizes."

"The quotation, of course, is made on the assumption that you have yards, scales, office and the proper equipment to take care of the coal business in your community and that you have proper financial rating to take care of your obligations."

"Through one of our members we finally got in touch with a friendly operator who was willing to ship coal to us to be distributed from the car."

"The city installed a public scale and we paid 15 cents per load for weighing, delivery being made by teamsters at 75 cents per ton. All orders were taken at the store and the orders were given to the public weighman and he directed the teamster where to deliver."

"The coal business grew rapidly and a team of our own was put on. We had many orders for coal that we were unable to fill, so we made up with a friendly local operator who was willing to ship them coal although he did not have the necessary equipment."

"As long as the mines maintained the prevailing retail price in spite of the fact that we had a higher freight rate. In those days (1914) the miner received 63 cents per ton for digging the coal, and the dealer extracted $1.25 as his charge for working the scale beam and issuing the weight ticket."

"The miners' union resolved that the yard should be operated for service at just enough to pay operating expenses. After we began the service the home operators came to terms."

"We are still running approximately under the same basis on which we started, with the exception that our $65 scale has grown to two scales, one on each railroad, costing $1,800. Deliveries are made by the teamsters' organization on a toonage basis. The teamster collects for delivery and for the coal, and pays all moneys so collected to the man in charge of the yard."

"Here is a summary of our operations for 1921: Received 233 cars, 1,404 tons. Cost of coal at mines $26,570.72; freight on same, $2,848.30; war tax on freight, $85.40; operating expenses, $2,542.50. Total cost of coal, $31,746.92. Net profit for same out of the profits of the first car of coal."

"This is one instance where the coal miners' organization used its power to drive the middleman off its back."

"This is one instance where the coal yard preceded the store. The store developed later. A short explanation is necessary. The coal bills were due every 10th of the month. About half our sales were cash sales. This cash was used to specialize in a few lines in large quantities, such as potatoes, apples, coffee, lard, and feeds. Later, flour, bacon, coffee and lard in smaller quantities were added. In a year's time we had a regular retail store of the business had outgrown the location."

"In 1918 the reorganization took
FOREIGN NEWS

CO-OPERATORS PROTEST RUHR INVASION

The seizure of the Ruhr Basin, the heart of Germany's industrial system, is poisoning the relations which existed between the Central Union of German Consumers' Co-operative Societies and the German Co-operative Wholesale Society. It will be remembered that the German Central Union is the most powerful educational federation on the Continent, embracing 3,000,000 members enrolled in 1,800 local societies. Its affiliated societies in 1921 did a business in excess of five billion marks. As the co-operative unions comprise almost one-third the population of Germany, their protest is representative of the point of view of the German people. The dispatch is as follows:

"To the Co-operators of All Lands:

"The Peace Treaty of Versailles, which makes a mockery of the self-determining right of the people, has led to frequent reparations demands far exceeding the resources of the German people, and in their ravages upon Germany have affected the entire civilized world."

"In the meantime, the rational nations of the world are debating the principle that barbarism directed against the German people will degenerate into barbarism against all humanity.

"Unheard of sacrifices have long been made by the German people, already exhausted by many years of war and robbed through the Peace Treaty of many of their most valuable resources."

In conclusion, we wish to say that conditions in the country in regard to coal supply are such as to make a complete collapse of industry before we can reach that point, and even with as little as faith in the efficiency of government interference, I think it will be necessary for some plan of nationalization in the near future. Not because it is the best plan, but because the co-operative plan will not work fast enough to avert the chaos that looms ahead in that industry.

With a ruthlessness known only during the worst days of embittered warfare, unbearable burdens are laid during times of peace, by the methods of militarism, upon a population entirely defenseless and incapable of resistance, and full of longing for peace. The impossibility of fulfillment of these exaggerated and boundless demands has resulted in threats of force.

"In the name of the German people, we protest that no other method can replace the present day methods, and that all lovers of peace command the end of the ruinous and degrading greed for land. We appeal to the Co-operators of all lands, in the interest of the Co-operative International, to join us in our protest and appeal."
cess is less marked, although a few intricate industries are manned by these groups.

The co-operative farm has developed in two directions. The farmers, by buying or leasing large areas of land, succeed in eliminating the rent collector and in stabilizing employment. But the Catholics organize the individualistic type of community, in which each farmer cultivates his own plot, paying rent to the society; while the Socialists organize collectively, working the land in common and pooling their crops to be sold all together by the society. The members of the first type of co-operative farm sell their crops individually; there is little social responsibility or economic solidarity. The Socialist farms, on the other hand, are similar in their social significance to the syndicalist co-operatives in the cities. In two of these villages theaters are being built from the profits of the farms, and one of these is equipped with reading and recreation rooms as well. Without doubt, both these kinds of farmers’ co-operatives preferred heavily during the war; but that has been done by such groups in other countries as well. Their contribution to the agrarian movement is the effectiveness of their efforts to rid of petty landlordism and much of the outrageous exploitation by the middlemen. There are about 500 of these farms.

Italy also has about 2,750 village banks, 800 urban people’s banks, 1,500 creameries, 1,600 supply societies, 6,000 stores. The movement is not as sound here, though, as in other European countries. It is divided by political and religious prejudices. Each group is animated by great fervor; there is much idealism, and the exhilaration of battle lends to the societies a picturesqueness which is interesting locally; but these people have yet to learn that there is no room for battle between true co-operatives—at least until some of the flanges of the profit system have been drawn. Unfortunately, the Italian seems to be a politician or deeply interested in politics. This results in widespread division within the co-operative ranks, and renders impossible any effective central organization for the entire movement. This is in very sharp contrast with the movement in Germany, where politics and political discussion is positively forbidden.

Italian experience provides a warning to certain farmer and labor interests in the United States. For years the Italian government made grants to the co-operatives, helping them when they were in trouble, advising them with their problems, etc. But within two years the government has suddenly withdrawn all aid, progress stopped, and many societies had to merge or close. Cooperators were leening on a support which is never sure, in any country, for governments come and go. German co-operatives, on the other hand, have always insisted on rigid self-help and mutual help in time of stress; and today the German movement is becoming the most powerful in all Europe.

CO-OPERATIVE NEWS FROM DENMARK

The consumers’ movement of Denmark, according to a correspondent in Copenhagen, is both a city and a country development. In the cities and towns most all of the membership is industrial workers. In the rural sections of the country, almost the entire membership is independent farmers (Denmark has no tenant farmers). There are 1400 of these societies with a membership of 400,000. A special Central Organization of town societies only includes 30 of these latter associations with a membership totalling about 50,000.

The Socialist movement has practically no influence upon the rural co-operatives; whereas in the towns, most of the leadership are Socialist. A certain collaboration takes place between the social-democratic party and these town societies, although technically, the societies are non-political. The Danish co-operatives themselves cannot have precise figures as to the proportion of members in the Danish Parliament who are members of the consumers’ societies. The Socialist representation in the Parliament is: in the Lower House, 48 out of 149; in the Upper House, 22 out of 76. Though the town societies and the rural societies differ on many things, they have united in the establishment of the Danish Co-operative Wholesale Society, and this institution serves them all impartially.

SUBSIDIZED WORKERS’ FACTORIES

The “Swiss Co-operator” of Dec. 6, 1922, publishes an interesting bit of news from Germany with regard to workers’ co-partnership factories. We pass it on to our readers, together with the comment of the Editor of the “Swiss Co-operator”.

“Creation of a producers’ co-operative to give work to the unemployed.

The German Syndicalist Union in 1920 founded a co-operative enterprise for the manufacture of clothing, in order to procure work for the unemployed in the clothing and textile industries. The Minister of Labor of the German Government granted this enterprise a subsidy of twenty-five million marks, from its fund for productive assistance, but at the end of 1921 he refused to grant an additional subsidy. This led to the dissolution of the society.

To this news is appended the following significant comment of the editor of the Swiss journal:

“We should note that this question of workshops for the unemployed is controversial among the ranks of unionists. In order to sell their products to advantage, the workers are obliged to content themselves with the lowest possible salary. This gives rise to disastrous competition among union members; while on the other hand, where these workshops pay the union wages, they cannot exist without subsidies. In either case, say the opposing unionists, the disadvantages of these producers’ co-operative workshops appear to outweigh the advantages.”

CONTRIBUTED ARTICLES

SUCCESS AT CRYSTAL FALLS, MICHIGAN

By CEDRIC LONG

The Co-operative Society at Crystal Falls is a decided success. Yet it violates some of the important rules and practices of Rochdale Co-operation. Probably the enemies of Co-operation would say its success is due to these violations; but as a matter of fact the society is prosperous in spite of these errors, and if they were corrected the prosperity would be even greater.

It is eleven years since some farmers and workers opened the store in Crystal Falls, after importing a co-operative manager from another part of the country. Today the membership includes many of the professional and business men of the town, and people of all nationalities and all creeds are buying their groceries, meats, flour and feed co-operatively.

Two years ago the full $30,000 for which this society is incorporated was entirely paid in, and since then, owing to various causes, the directors have not yet reincorporated for a larger amount. Therefore, we have here an illustration of the evil of limited capitalization; no new shares can be sold. The business is successful, hence the shares which originally sold for $10 now have a current value of $15—50 per cent above par! When the new papers of incorporation are filed, a large part of the surplus will be allotted to the members as a stock dividend, and shares will again be at par.

This society is also paying interest on capital at the rate of 8 per cent—one other factor which boosts the value of these $10 shares. This rate should of course be two or three per cent lower, and a larger share of the earnings of the business should go toward savings returns.

Again, the outstanding accounts with
members and customers run up to about three-fourths of the amount of the paid-in capital stock. Accounts receivable on the books almost always amount to more than $15,000, and they have been as high as $25,000. The average manager would die of fright at such figures.

But Andrew Ostrand, the manager, makes this business go in spite of such handicaps. The society now owns its large building, has three trucks, seven horses, and four wagons; employs sixty-three people, and does a monthly business of $17,800. Last year a savings-return of three per cent was given to all purchasers.

When the local ice company began to charge the society excessive prices for ice, they put in a refrigerating plant, and now save hundreds of dollars a year on refrigeration.

The packing houses believe they have a monopoly of the meat business. Doubtless they thought they could get prices they wanted in Crystal Falls. But the co-operative goes them one better; for even though the packers can deliver their meats to farmers from whom they buy cattle, there are farmers in and near Crystal Falls who belong to the consumers’ co-operative. Manager Ostrand turns his back on the big meat concerns in Woodridge, N. Y., and now buys his cattle from his fellow co-operators, and several times a week a butcher to the great profit of the Co-operatives, and several times a week goes to the farmers to get meat.

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CO-OPERATIVE STORE

ADVERTISING

By WILLIAM A. KRAUS

The growth and development of any organization of people depends upon the interest centered upon it by those constituting the group and also upon the extent to which it is capable of arousing a like interest in others. By means of periodical meetings and lectures on co-operative subjects and aims the co-operative ideal should be furthered. But these should not be confused with store advertising.

A committee on publicity should be a part of every organization. Enthusiasm tempered with tact, a keen conception of the habits and traits of the surrounding community, are essential. Publicity must conform with the prevailing conditions in the particular section. There must be no compromise. Plain facts should be presented in the most interesting way.

Co-operators should strive for efficiency and develop the habit of “Shop at the Co-op” among the people of the community. When this habit is established it is easy to further interest in other co-operative activities.

A regular monthly bulletin or paper should be published. A publicity policy modeled on these lines is bound to bring results. We must remember always that things worth having are worth working and waiting for.

FARMERS’ CO-OPERATIVE INSURANCE CUTS RATES

By BORIS FOGELSON

A saving of over $145,500 in one year is the accomplishment of the Farmers’ Co-operative Fire Insurance Company located in Woodridge, N. Y., according to the report of the tenth annual meeting of the association. Previous to the organization of a co-operative fire insurance company in Woodridge, the farmers were at the mercy of the powerful large industrial concerns, which were sure to give good service. The average rate was accordingly reduced from $9.06 per $1,000 of insurance to $4.45. On certain classes of insurable property the rates were $2.00. Needless to say, the premiums charged by the Co-operative Company are much lower than those of the private insurance companies, resulting in a saving of $145,000 during the past year, to the co-operating farmers.

Woodridge, N. Y., has three co-operative fire insurance companies, which are closely connected with one another. The insurance laws limit the amount of insurance which can be taken by any one company on a single property. In order to adequately provide for the risks, the three companies have been organized by members of the Co-operative Fire Insurance Company, called the “American Co-operative Fire Insur-ance Co.” and “The Third Co-operative Fire Insurance Co.” These three companies combined can now insure each building for $15,000, and each farm property for $25,000.

Combining the annual reports of the three companies, it is noted that they wrote 1,736 policies for $6,810,980 in insurance. Deducting the cancellations, losses, and miscellaneous items, the three companies, amounting to $2,821,480 in insurance, there was a net gain of 595 policies with $3,389,399 insurance. The total insurance in force at the close of business on December 31, 1922, was $3,822 policies for $9,728,584. The figures for income of the year are very gratifying. The three companies had a combined income of $70,854.62. Adding to this the balance from last year of $27,373.65, there was a net income of $98,228.27, from which disbursements for the year were $98,191.45, leaving a net balance in the five banks of the companies of $66,036.82.
Although these co-operative companies are under the strict supervision of the Insurance Department of the State, and in spite of the fact that they have never been under the power to fight the rumors spread by agents of private insurance companies. Where these agents find they cannot influence the farmers with their lies against the co-operatives, they bring pressure to bear upon them, through the mortgagees. The latter are told that the property is not fully protected through co-operative insurance, and some of them have therefore prevailed upon the farmers to withdraw their insurance from the co-operatives.

In spite of this opposition, the co-operatives are becoming more popular, they are doing a greater business than ever before, and have persuaded many mortgagees to accept co-operative policies. The farmers of Sullivan County, New York, are learning through practical experience that they can insure themselves through their own companies at a lower cost than is possible by private stock companies.

There can be no genuine co-operation unless the profits gained by (the workers') toil are divided among their workers for every cent that was earned by the workers toil. The farmers of Sullivan County, New York, are learning through practical experience that they can save insurance, and do it successfully, and there is a certain amount of pleasure and keen delight in showing them that they are wrong as usual.

Because why are you working for the Franklin Co-operative? This pamphlet is one more proof that the workers on the creamery. It contains letters from 60 of the employees of the creamery, written in answer to the question “Why Are You Working for the Franklin Co-operative?”

One of the very weak places in the co-operative associations of this country is the working staff. In the majority of cases the employees are not true co-operators; they are job-holders. Yet there can be no genuine co-operation until the workers themselves get the co-operative spirit and transmit it to the customers in the store or bakery or creamery.

A very few quotations from a few of the letters follow:

“Because I believe in co-operation as the best way to change the present economic system under which the consumer is paying the highest; the producer gets the lowest possible for his products. Co-operation is the place for democracy in industry. We recognize no masters, no slaves.”

“Because the Franklin Creamery is operating a business for the good it may do, rather than making an exorbitant profit for one individual.”

“Because the Franklin Creamery pays enough wages so that my wife and I are able to keep out insurance. There are no dividends to cover the cost of printing and postage.”

Furniture Fire Insurance Through Co-operation

In a small office in the Yorkville section of New York is housed one of the oldest and most successful co-operative societies in the United States—the Workmen’s Furniture Fire Insurance Society, with 40,000 members scattered over the country and a total insurance value of $500,000. The Society now has branches in 52 cities. Established in 1872, the Society recently celebrated its fiftieth anniversary. In all these years, the average assessment for each $100 on insurance has been only 10 cents, and recently it has been only 10 cents; insurance at from one-third to one-tenth the customary rate charged by private companies is now offered. This organization is essentially for workers only. Each member has only one vote; none but members can take out insurance. There are no dividends whatever to be paid to capitalists, for the Guarantee Fund is paid by the members themselves.

A few German Socialists, members of the First International, back in 1871, began the propaganda meetings were held for several months. At the end of the first year, the membership was only 84. During these years a split occurred in the ranks of the European Socialists due to the disputes be-
between the “Marxians”, “Blanquists” and “Bakunists”. Marx and Engels refused to serve on the General Council of the International, and as a solution to the difficulty, the headquarters was moved to New York where it remained from 1872 until 1876. Naturally the majority of the Socialists, occupied with their Socialist controversies and campaigns, had but scant use for this little Co-operative Insurance Society—which, however, was destined to outlive not only the First International but one or two others besides.

For the society operated without the services of a single paid officer. In 1876 the first branch was established in Paterson, and other branches followed in rapid succession. In 1889 there were 4,000 members enrolled; in 1890 nearly 14,000; and in 1915 close to 30,000.

To-day the membership includes many nations, and the society is probably non-Socialist; yet the original spirit still animates the society and its officers. We quote briefly from the Fiftieth Anniversary report:

"Every worker capable of thinking for himself should perceive that in an organization such as the Workmen’s Furniture Fire Insurance Society * * * can be seen, in a small way, what ultimately can supplant the capitalist society, based on class divisions—through a form of co-operative enterprise on a gigantic scale. The establishment of such a form of society would mean the end of exploitation in its entirety.

* * * * * "What a tremendous Power itself as an organization which is capable of really producing something in the line of co-operative educational work. Taking into consideration the short time which the League has been in existence and the relatively small funds it has had at its disposition, the work it has so far accomplished is not to be slighted. The most important educational work done by the League has been the routing of speakers. The speakers in the meeting held in last August, decided to route Mr. Cedric Long, Technical Adviser of The Co-operative League, on a speaking tour to the upper peninsula of Michigan, to Northern Wisconsin, and to Northern and Central Minnesota. The speaking tour was planned to last three weeks, and to begin at Sainte Ete, Marie, Michigan on October 5th, but unfortunately Mr. Long was taken ill at Crystal Falls, Michigan, which was to be his second engagement in the schedule and had to return to New York. However, the Executive Board of The Co-operative League sent Dr. Warbasse, the President of The League, to fill the most important engagements of Mr. Long, after October 13th. On the strength of this, Dr. Warbasse has spoken at Ashland, Wisconsin, on October 15th, at Cloquet, Minnesota, on the 16th, at Duluth, Minnesota, on the 17th, at Two Harbors, Minnesota, on the 19th, Superior, Wisconsin, on the 20th, and Minneapolis, Minn., on the 21st.

Mrs. Edw. Solen of Minneapolis, has spoken twice under the auspices of the Northern States Co-operative League, in June at Siblea, Minn., and in July, at Glenwood City, Wis.

Mr. H. Sondergaard of Minneapolis, spoke in July at Glenwood City. Mr. Almane, the secretary of the League, spoke at the following places: Green, Minn., in April; Cremwell, Minn., in May; Wright, Minn., in June; at Glenwood City, Wis., at Dorothy, Wis. and Brule, Wis., in August. The Co-operative Central Exchange, however, and not the League, financed these trips of the secretary.

The Secretary on his trips secured so far 50 one year, and 135 half-year subscriptions for "Co-operation". The Organiser of the District League, the treasurer, the secretary and Mrs. Edw. Solen of Minneapolis, have been active in securing individual members for the League. Altogether 47 individual members, each paying $1 a year in dues to the League, have been secured. The following Co-operative Consumers’ Societies are affiliated with the Northern States Co-operative League: Franklin Creamery Ass’n, Minneapolis, Minn., 6000 members; Central Exchange, Superior, Wis., 4500; Union Consumers’ Society, Duluth, Minn., 306; Croquet Society, Croquet, Minn., 275; Farmers’ Store, Glenwood City, Wis., 210; Farmers’ & Consumers’ Ass’n, Wentworth, Wis., 86; Farmers’ & Consumers’ Society, Brule, Wis., 76; Pilsen Ass’n, Mogent, Wis., 54; Farmers’ Co-Wright, Minn., 80; Producers’ Ass’n, Ashland, Wis., 100; Central Creamery Ass’n, Superior, Wis., 35. This is a total membership of 11,772.

An interesting development in the young history of the N. S. C. L. has been the fact that such an organization as the Minnesota State Federation of Labor has considered the work the League does so important that it has decided to appoint a member of the League and has even asked for a privilege to be represented on the Board of Directors of the League. It is the only fraternal organization which has paid its dues in fraternal membership, as called for by the Constitution of the District League.

THE FREEMAN ON CO-OPERATION

We direct the attention of our readers to a stimulating editorial entitled "The Failure of a Theory", contained in the October 25th issue of "The Freeman". Lack of space prevents us from quoting more than a few sentences from the editorial, with which we are wholly in accord.

"The Freeman" attributes the fact that the peasants of Russia have been more successful than the city workers in the post-revolutionary conduct of productive operations to the training received in co-operative enterprises by the former.

When the landlords had been expelled, the peasants extended to the estates a system of allotment and cultivation which had previously been in vogue within the holdings of the village-communities. Thus it was not necessary for the peasants to unite under a centralized leadership, or to accept and act on a complex programme, or to adopt over-night a new way of life; they had learned by years of hard experience to maintain themselves in comparatively isolated, semi-co-operative groups, and each of these groups was prepared to en-
gave in self-directed labor on the former landlord's estate, the morning after the manor house was burned."

"It seems to us," says "The Freeman," "that those who contemplate the democratic control of productive operations by the producers, should be able to see that E's acceptance of a theory, even its unisonious and intelligent acceptance, can not adequately prepare the workers in industry to participate in the new task laid out for them. The ideal of democratic control makes a great appeal to certain elements of organized labor; but if the aim is ever to be realized, it must come about through the gradual extension of co-operative methods to one plant after another."

FROM THE LEAGUE HEADQUARTERS

CHAIN STORE ATROCITIES

Jones is a manager of a chain store. He has a large family to support. He is a steady and efficient worker and has a good head for figures. He is employed by the Square Deal Grocery Corporation.

Every Saturday night he makes up his weekly report and turns it in to headquarters. Once a month an inventory of the stock is taken. At the head office of the company a careful reckoning is made to learn whether Jones is "short" or "over" in his cash returns for the month. If he is five cents "short" he is sharply reprimanded; and a second or third offense means his discharge. If he is "over," not a word is said to him; the surplus is "pure velvet" for the company.

Jones knows no other trade than that of grocer. He has few family responsibilities and must not lose his job. He would be foolish to betray the system. He sticks with the Square Deal Grocery Corporation, plays the game as well as others play it, and keeps his mouth shut.

Next week we shall put on exhibition some of Jones's little merchandising tricks.

POLISH CO-OPERATIVE CARTOONS

Among the various calendars and almanacs which the Christmas mail brought into The League office, by far the most striking and the most useful were those issued by the Propaganda Division of the Wholesale Union of Consumers Societies of Poland. They are illustrated with co-operative cartoons which have power and insight.

They are vivid illustrations of the strength of Co-operation, and their message is so simply and strikingly told as to be understandable by anyone. A desk calendar issued by the Polish Union contains co-operative and philosophical observations by the pens of Prof. Charles Gide, E. Poisson, Marcus Aurelius, Victor Servay, Goethe, Mazzini, Maeterlinck and other great thinkers.

The Polish Union is to be congratulated upon the artistic and propaganda value of their publications.

OFFICERS OF THE LEAGUE

The Directors elected at the third Co-operative Congress have elected the officers of The League by referendum vote. The men elected are:

J. P. Warbasse, New York, President.
A. P. Bower, Pennsylvania, Vice-President.
John F. McNamee, Ohio, Secretary.
Waldemar Niemel, Massachusetts, Treasurer.

FROM A DANISH COLONY IN MINNESOTA

"Co-operation" looks like an old friend. (I read) every news number that comes to my home. Some thirty years ago I was an active member in Denmark and we organized our creameries. Making plans for co-operative stores and I want to see the progressive co-operation. We have had and have yet more than our share of false co-operative enterprises. I was President of the Muss Potato Exchange when that was organized.
and resigned before it began operation, because the Board of Directors, inspired by the State Bureaucrats, employed a college graduate without experience as general manager, and the Exchange is on its knees today.

The Farm Bureau, since it was organized into a State and Federal Association, is not quite satisfactory. The tendency towards Bureaucracy is growing.

LUDVIG MOSBAEK,
Akeley, Minn.

SOO CO-OPERATIVE EMPLOYEES GIVE BANQUET

The Soo Co-operative Mercantile Association of Sault Ste. Marie, Michigan, have an organization consisting of all their employees called "The Soo Co-operative Club, 1 with J. A. Smith as their president, Clara Jocque, secretary, and Arthur Nelson, treasurer.

They gave their first annual banquet on December 14th, 1917, as they have a new directors of the association and their wives, also Charles G. Clarke, retiring censor. This employees' organization has adopted its own rules and constitution and it assesses each member dues, which are taken out of the weekly pay check. In this manner they finance all their social activities.

At 5 P.M. the guests and club, numbering about 90, marched in to music furnished by Cardins' All Star Orchestra and seated themselves to a bountiful feed consisting of roast turkey, cranberry sauce and all the fixin's, made palatable by being prepared by the employees from the bakery department, using the large ovens for the roasting.

Mr. Smith acted as toasting-master and called upon President Ross, who spoke briefly on the fine co-operative spirit of all the employees, and congratulated them for their success it has attained.

The ardent wish of all the co-operative organization is to start the international business and ideal mutual relations, not by words, but in fact, therefore it is desirable to establish such a connection between the American and Russian Co-operation.

We have written this to represent to our readers in New York.

With co-operative greetings,

L. KINCHUK,
President of "Centrosojus,"
Moscow, Russia.

GREETINGS FROM BELGIUM

"We felicitate you upon the decisions that you have made in your Third Co-operative Congress, and hope to see them crowned with success so that the Co-operative Movement of your country will become more successful and powerful.

We hope to receive the printed proceedings of your Co-operative Congress.

Very cordially,

W. FERBY,
Secretary, "Le Co-operatif Belge,
Brussels, Belgium.

WANTED AT ONCE: Manager for a large co-operative baking concern. Steady position. Must be a high type of executive and experienced in the management of baking plant. Also must furnish bond. Apply by letter giving experience, references and conditions. Mr. S. Sode, Union Co-operative Bakery, 5801 Grandy Ave., Detroit, Mich.

The Board of Directors are planning on something special at this time of the year in a way of a celebration of its tenth birthday.

W. H. CLOUSER,

FROM THE RUSSIAN CENTRAL UNION

We regret very much having opened our branch office in New York after the beginning of the Congress, therefore it was impossible to send our delegates to the Congress with greetings.

As all the emigrated representatives in America have transmitted voluntarily all their affairs and the properties abroad to the Centrosojus, we are now in the position to develop our work in the United States.

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WANTED AT ONCE: Manager for a large co-operative baking concern. Steady position. Must be a high type of executive and experienced in the management of baking plant. Also must furnish bond. Apply by letter giving experience, references and conditions. Mr. S. Sode, Union Co-operative Bakery, 5801 Grandy Ave., Detroit, Mich.

The Board of Directors are planning on something special at this time of the year in a way of a celebration of its tenth birthday.

W. H. CLOUSER,

FROM THE RUSSIAN CENTRAL UNION

We regret very much having opened our branch office in New York after the beginning of the Congress, therefore it was impossible to send our delegates to the Congress with greetings.

As all the emigrated representatives in America have transmitted voluntarily all their affairs and the properties abroad to the Centrosojus, we are now in the position to develop our work in the United States.

The ardent wish of all the co-operative organization is to start the international business and ideal mutual relations, not by words, but in fact, therefore it is desirable to establish such a connection between the American and Russian Co-operation.

We have written this to represent to our readers in New York.

With co-operative greetings,

L. KINCHUK,
President of "Centrosojus,
Moscow, Russia.

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W. H. CLOUSER,
THE CO-OPERATIVE LEAGUE
(Member of The International Co-operative Alliance)
167 West 12th Street, New York

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Published Office, Willimantic, Conn.

Albert Sonnichsen, Managing Editor.

Vol. IX, No. 3
MARCH, 1923

Co-operation
A magazine to spread the knowledge of the Co-operative Movement, whereby the people, in voluntary association, produce and distribute for their own use the things they need

Published monthly by
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VITAL ISSUES

BLACK OR RED?
Washington has recognized the government of the black-shirted Fascisti, a government seized and held by force.

Red Russia is still without the pale of United States recognition.

The difference is force, violation of constitutional methods. Not at all.

The wrath of the Red revolutionists fell upon the workers and educators, leaders of the New Society. The victims of the Reds were the landlords, the profit-makers, and the aristocracy; of the Blacks, the co-operative societies, labor temples, and radical publishing plants.

Bloody red has the spectacle of Russia's devastation been pictured to us. But so dark and murky is the trail of the Fascisti that many of us in the United States cannot discern the effects of Black revolution.

New reports of Fascisti force and terror have just reached the Co-operative League, results of an inquiry of a committee of the International Co-operative Alliance recently sent to Italy.

Says the man on the spot: "I could have spent many weeks, even months, in Italy, paying daily visits to the premises of Co-operative Societies which had been either pillaged or set on fire. So far as I could discern none of these crimes has been punished, no indemnity paid to societies damaged."

A typically wanton act was the destruction of the headquarters of the Federation of Co-operative Societies of Romagna, the Rasponi palace at Ravenna. This was a famous old palace inhabited by Lord Byron in 1818.

When the Co-operators purchased it in 1918 they were so conscious of their duties of preserving and improving the historic place, full of works of art, that they appropriated 50,000 lire from the surplus savings of their co-operative society and entrusted Guerrini, a well-known painter, with the task of decorating the council hall of the administration with allegorical frescoes representing the triumph of science and co-operative agriculture over the adverse forces of Nature, such as malaria, marshes—

The work was just completed when, without warning, one night in July the building was broken into by a band of Fascisti armed with revolvers, hand bombs, and cans of petrol, and the palace and the works of the co-operators were totally destroyed by fire.

The damage to the actual property has been estimated by experts to be 11,200,000 lire; the historic and artistic damage is beyond appraisal.

The authors of these crimes enjoy
complete freedom from prosecution. The report continues:

"When I exclaimed to our Italian friends, 'But what is the government doing in the face of all this?' they replied, 'There is no government in Italy.'

"What about the courts?' They answered, 'The magistrates either cower at the acts of the Fascists or do not dare to oppose them. You know it is the private financial interests, seeking to destroy the growth of the workers' movement, which are acting under this political and nationalistic mask of Fascism. For instance, the majority of grocers in Magenta are Fascists.'

"This is what happened there. On the night of July 23rd five motor lorries with hundreds of masked armed men dashed up to the People's House in Magenta, laid about them with their clubs, half killed everyone, appropriated 5,000 lire of the co-operative bakery, and drove out of the town and forbid the workers' movement, who are acting under this political and nationalistic mask of Fascism. For instance, the majority of grocers in Magenta are Fascists."

The report continues:

"There is no government in Italy." A. D. W.

DO SOCIALISTS WANT CO-OPERATION?

"The institutions that come nearest to what Socialists aim at are the co-operative societies administered on a democratic basis by their members. They are controlled by their members." This is what the editor of The New York Call (December 26, 1922) says. It is good doctrine. But is that what Socialists aim at? Positively not. The Socialists aim at enlarging and strengthening the political state until it carries on all the necessary business of society; and the political state is a very different thing from Co-operative Society.

The same editorial says: "Enlarge the co-operative society to embrace the nation, modified and adapted for the greater functions it would still be exploitation. The militancy of Mexican oil lands and the employing the workers to train themselves in their own school of experience as they go.

"It is not an easy task. It means learning by trial, error, and success. But it is the only way it can be done. The people of Europe are slowly learning these fundamental lessons.

"It is a good sign that the Socialists want Co-operative Society. A still better sign will be, learning how to get it." J. F. W.

THE PROGRAM FOR WORKING-CLASS CAPITALISM

"You workers could take over these factories and run them yourselves. We want the workers to control industry and get rid of capitalism."

We heard that at a mass meeting the other day. We have heard it thousands of times before. It always wins great applause from a radical crowd. Most Socialists never seem to question the logic of it.

And yet it is illogical. When the workers take over the capitalist factory in which they work, it still remains a capitalist factory. It isn't the ownership by a wealthy man that makes the business capitalist. It is capitalist by its very form and structure. In this the Socialists have not grasped the fact that the consumers of the product pay a fixed price, and all the profits go to the owner. But the fault is not in the owner; it is in the nature of the business.

When Labor takes over a capitalist business, instead of the business becoming democratic, the workers become little capitalists. The capitalist business makes capitalists of its owners, no matter who they may be or what class they may have belonged to.

Business is thoroughly democratic only as its purpose is service rather than profit. That means a true organization within the business itself. Men organized on a basis of equality administer an industry so that it will fairly serve them all, with special favors to none. But that is something entirely different from capitalism.

British imperialism controlled by British Labor would still be imperialism. Exploitation of Mexican oil lands and Mexican labor by American workers would still be exploitation. The militaristic program of Secretary Weeks would not be transformed to pacifism overnight if the American Federation of Labor were to adopt it. We wonder why thousands of our radicals appear so anxious to have the American workers adopt capitalism.

The next time we hear this famous "Call to Action" from a radical platform we are going to ask some questions. We have already seen a large radical labor organization in this country undertake to start business in Russia on a capitalist plan. Why have these radicals such a grudge against the co-operative method of doing business? We wish we knew.

C. L.
REPORT OF COMMITTEE ON AGRICULTURAL CO-OPERATION

Presented by W. C. Lansdon

For more than fifty years American Agriculture has been groping about for some workable system of co-operative business. It is only within the last decade that much real progress has been made. During the last three years more than ever before and the advocates of Co-operative enterprises have been developed and with more or less efficiency and in many states of Co-operation like to believe that much practical good has been done; and that with increasing knowledge of principles and experience in methods there is assurance of even greater results in the immediate future.

Two distinct types of co-operative marketing associations have been developed and with more or less efficiency and in many states of Co-operation. The first type generally buys farm products from their members and frequently from other producers for resale at advanced prices. The profits from such transactions are distributed among the members who furnish the capital and the business. Enterprises conducted in conformity with the Danish plan almost invariably act only as agents for their producing members. This system requires no capital investment except to provide handling facilities, and associations so organized are carried on without profits, act only as agents for their producing members. The first type of enterprises were seriously retarded by constitutional and statutory restrictions. Proposed co-operative concerns were organized and conducted as joint-stock or common-law corporations. In these conditions it was usually only a short time until the big stockholders absorbed the holdings of the poorer members, and voting in proportion to their shares, reorganized the co-operative as a profit-making concern operated only for private profit.

The great increase in the number of Rochdale societies for marketing crops and purchasing supplies for the use of farmers was due almost entirely to the educational activities of the Grange, the various branches of the Society of Equity, and the Farmers' Educational and Co-operative Union of America. About 1910 Co-operation began to receive recognition from the law makers. Since that time more than four-fifths of the states have enacted statutes defining co-operative business and authorizing the formation of societies or associations to function in conformity with Rochdale principles. In Colorado, South Dakota, Nebraska, Kansas, Illinois, Iowa, Kentucky, Arkansas, and Oklahoma farmers' co-operative exchanges or wholesales with state-wide operating fields have been established and are being operated with varying degrees of success. These institutions are federations of local co-operatives, others are financed by individual share subscriptions, and still others by a combination of the two methods.

One of these state exchanges, the Jobbing Association of the Kansas Farmers' Union, has entered the field of hay and grain marketing. It owns two seats on the Kansas City Board of Trade and one on the Kansas City Hay Exchange, and sells great quantities of hay and grain consigned to it by members of the Union and others in Kansas and adjoining states. So far its services as a terminal marketing agency have been satisfactory and its business is expanding so rapidly that in volume of transactions it will soon equal or exceed the business of any house on that market. During the past five seasons this concern has handled bales of hay and tons of grain, and the experience in methods there is assurance that it has been able to fix the price paid for that commodity by Kansas dealers and consumers. Conservatively estimated, the Jobbing Association has saved Kansas farmers last winter $3,000,000 on twice since it began to handle that commodity in a large way.

In this discussion of farmers' Rochdale societies, no attempt has been made to distinguish between marketing and purchasing organizations.

Almost universally the same corporation serves its members in both ways. An elevator, organized primarily as a local outlet for the community grain production, usually acts as a distributing agency for farm supplies, especially commodities that can be handled in car lots and delivered to the member's wagon or truck through the door or from a warehouse. Feed, coal, salt, binder twice, farm implements and fertilizers are sold, and probably handled through an elevator association. A farmers' co-operative store generally serves its members as a produce station, and markets their eggs, poultry, butter, cream, and garden and orchard products.

Something like forty years ago the Farmers of Denmark laid enduring foundations for a system for the co-operative marketing of their products. Their associations were voluntarily formed, but once having joined with his fellow-producers the member entered into a legally enforceable contract to sell all his products through his own agency and nowhere else. California citrus fruit growers were the first American producers to adopt the Danish system to their own needs. During the past twenty-five years they have built up a great and successful business known throughout the world for its efficiency and its fine results. The history and the business methods of the California Fruit Growers' Exchange, which handles an annual volume of sales aggregating about $80,000,000, may be studied with profit by all who are interested in the co-operative marketing of farm products.

In time this movement, now generally known as commodity marketing, spread to other states and its influence and methods were applied to the selling of many other agricultural products. The Farmers' Union of Washington was the first body of wheat growers to undertake the practice of this interesting system in selling a great staple in universal demand. The movement initiated by Washington Union farmers resulted in the organization of wheat growers' associations in their own state and in Oregon, Idaho, and Montana. The four state units have now been federated into the Northwest Wheat Growers' Association, with its principal offices in Portland, Oregon, through which it now sells about 40,000,000 bushels of wheat a year.

Similar groups of growers have been organized in North Dakota, Nebraska, Colorado, Kansas, Oklahoma, and Texas. The Oklahoma and Texas associations have already federated into the Southwest Wheat Growers' Association, which handles an annual volume of sales aggregating about $80,000,000, may be studied with profit by all who are interested in the co-operative marketing of farm products.
The rich breeders and feeders of the corn-belt states were in a position almost as advantageous as that enjoyed by the ranchers of the plains. They bred their own feeders or bought them in the yards of the middle western markets. They dealt only in car lots and made their shipments of fat beef cattle directly to the commission houses in the great terminal markets.

With the small farmers scattered throughout a dozen states of the Mississippi and Missouri valleys the situation was entirely different. Selling enough cattle or hogs for a car-lot shipment, they were compelled for a long time to sell their few animals to local speculators.

In the course of time someone, impelled by the growing spirit of Co-operation, evolved the local live stock producers' co-operative shipping association. A number of small farmers formed a loose organization without incorporation or capital investment. They adopted a simple set of rules or by-laws, elected a president and a secretary, and chose a manager or shipping agent. Whenever a number of association farmers had enough fat stock—cattle, hogs, or sheep—to load a car, the animals were assembled at the local railroad yards and consigned to the terminal market in charge of the shipping agent. The proceeds of such co-operative shipments were brought back to the country and each producer was paid just what his animals were sold for on the market, less only the absolutely necessary expenses of handling the business.

The first producer's live stock commission company was placed in the yards of South St. Paul by the Equity Co-operative Exchange. This co-operative movement was so well supported by the producers that a second one was opened in the Chicago yards.

The Farmers' Union of Nebraska was the second group of producers to enter the terminal live stock markets. This organization opened its first producers' commission house at Omaha in April, 1917. This concern grew slowly at first but within a year was more than paying its way, and at this time leads all its competitors in the Omaha yards in the volume of its sales. Other houses were soon after established at Sioux City, Iowa, and at St. Joseph, Mo. These have all been extraordinarily successful from the beginning.

The Kansas Farmers' Union, following the leadership of Nebraska, opened its own house in Kansas City, Mo., in the summer of 1918, an enterprise in which it has since been joined by the Missouri Farmers' Association. The Colorado Farmers' Union entered the live stock commission business in Denver a little later. All these Farmers' Union houses have succeeded.

In the latter part of 1921 the Missouri Farmers' Association, a strong agricultural organization, placed a live stock commission company in the national stock yards in East St. Louis, Illinois. The Farmers' Union and other self-help farmers' organizations of Illinois, Iowa, Arkansas, and Missouri co-operated in the support of this house, which soon took first place on that market. During the early part of 1922 the equity houses at the Chicago yards at Laramie and Houston were reorganized as Farmers' Union concerns and under a new management, with no capital, and are now doing a large business with such satisfactory results that they will probably be able to distribute substantial shippers' dividends at the end of this year.

The nine co-operative commission houses for marketing live stock that have been established by the Farmers' Unions, the American Society of Equity, and the Missouri Farmers' Association make up a most remarkable group of producers' shipping agencies. In the aggregate they handle live stock sales amounting to more than $150,000,000 annually, and they have scarcely begun to realize the possibilities of the field that they occupy. For the most part these co-operative enterprises are true non-profit co-operatives, operating without any capital investment. One or two are incorporated and capitalized in nominal amounts, just sufficient to cover administrative and other expenses.

Here is a field for co-operative effort that is much more promising than is found in the operation of marketing agencies that are selected by the men who make fortunes by their conversion and distribution. There is no good reason why flour, bacon, butter, cheese, condensed milk, cane and sorghum syrup, preserved fruits and vegetables should not be prepared for consumption by co-operative organizations.

Insurance is a service that requires no capital investment. This is a principle that is overlooked or ignored by great numbers of enormously rich, powerful, and aggressive joint-stock companies. The man who buys an insurance policy is paying for something that he does not need and that he cannot use. If his premiums include provisions for dividends on invested capital, for the accumulation of unnecessary reserves, for the payment of his commissions to agents, and for princely salaries for administrative officers, he is charged for something that he does not need and that he cannot use.

The farmers of the United States have paid out millions of dollars in dividends on capital invested in the shares of insurance companies, for the building up of reserves useless to them but immensely serviceable to the inter-
CO-OPERATION

There should be a way to adapt them to American conditions. North Carolina, Massachusetts, Ohio, Texas, and probably a few other states, have passed enabling laws authorizing the organization of credit unions, and in some places a hopeful start has been made.

This report is already long, but not long enough to do more than sketch an outline of the field of agricultural Co-operation, and indicate the briefest possible way the helpful things that have already been done. We believe that the various sporadic and fragmentary co-operative activities of agricultural America are gradually crystallizing into a great national co-operative system of which most of the existing enterprises are to be integral and essential units.

We are certain that there is urgent need for reliable information concerning the history, principles, aims, and results of this great Movement. Co-operative business enterprises are organized and conducted to make money or to save money for their members. From their nature they can never be active or effective educational agencies for the collection of information among the millions of farmers who still have no conception of the possibilities of Co-operation.

We urge that all who have the rehabilitation and reconstruction of agriculture at heart give every encouragement and assistance to voluntary farmers' societies like the Grange, the Farmers' Union, the Society of Equity, and kindred associations. It is only through the intelligent activity of such organizations that the co-operative business of the farmers can be successfully established and conducted in the face of the growing opposition of special privilege and grasping monopoly.

CONTRIBUTED ARTICLES

FARMER CO-OPERATION AND FOOD PRICES

BY CAROLINE B. SHERMAN

(Assistant in Market Information, U. S. Department of Agriculture)

Will farmer co-operation increase food prices unduly? This is a frequent question met among consumers on the markets everywhere. Many arguments are advanced on either side. Are there any facts?

It has been demonstrated again and again that practically all farm products can be grown, with due care and development, in various localities the country over, if demand and prices justify it. Cotton, long considered a strictly one-region crop, is now grown in commercial shipping quantities in Arizona and California, and is grown experimentally in Utah and other states to the north. Tobacco, another great southern crop, is grown successfully in large quantities along the Connecticut Valley and in Wisconsin. Cranberries, usually considered a highly localized crop, are grown extensively in Massachusetts, New Jersey, and Wisconsin. In many other regions successful bogs could be developed if the demand justified the expense of development.

And this is a large country. The Southern States are as large as all France, California is as large as Italy. Production possibilities are immense—if prices justify development.

Most agricultural food products are perishable and cannot be held over from year to year as can manufactured products. The carry-over of any crop has a marked influence on the price of the new crop. As the season for early potatoes from Hastings, Florida, approaches, dealers make especial effort to dispose of the old-crop potatoes, knowing that they will be in little demand when new potatoes are available. Prices of northern-grown onions, stored and sold through the winter, drop rapidly as the
new crop of Bermuda onions from Texas begins to come on the market. In their turn, Bermuda onion prices drop later as the new crop of northern-grown onions is harvested, for Bermuda onions must be used rather promptly, and only northern-grown onions are bought for storage and deferred sale. As a general proposition, all stored foods are urged on the market as the season of fresh goods of the same kind approaches.

Continued high price means competition. One year, when his chief crops failed, a Virginia farmer fell back on his beet crop. More or less accidentally he had planted an unusual number that year, intending to feed them on the farm. He sent a wagonload to the Washington market and found that the scarcity of fruits and vegetables had made a demand for them. Twice a week, thereafter, during the season, he sent in a wagonload of beets, and they brought fair prices. The next year, a year of good crops, every local farmer brought beets to the Washington market, which was flooded with beets that no one wanted at any price.

The people in this country come from widely diverse countries, climates, races. They speak widely differing languages. We have the Negro landowners in the South whose holdings exceed 16,000,000 acres. Japanese growers thrive in the far West. In the single state of Minnesota are many towns in each of which a different language is spoken almost exclusively. Coloto, Minnesota, a prosperous agricultural community, is Scandinavian; Nen Ulm, another progressive rural section, is Red Lake Falls is French; Biborg is settled by the Dutch; Ghent is made up of Belgians. In a trucking district in Colorado, near Denver, the farmers are made up of Japs and Italians. An interpreter was necessary when they wished to work together recently in selling during a bad season. Rural co-operation has made great strides in the United States, but it is frequently against great handicaps of distance and difference in language, traditions, racial descent, and standards of living.

Whatever the theories or arguments about monopoly and price control, through co-operative marketing associations these facts stand out boldly:

1. Most agricultural crops can be grown in various parts of this country if price conditions justify it.
2. This country is a tremendously large one, larger than many European countries combined.
3. High prices for any product stimulate production of that product even under handicaps and at considerable expense.
4. Agricultural products are perishable or semiperishable.
5. Our people represent several races, they speak many tongues, and they have widely differing histories, standards, and viewpoints, and the great primary factors of agricultural production are subject to no human control.

Co-operation Succeeds Where Politics Fail in Brownsville

I attended the opening ceremonies of the Brownsville Co-operative Bakery in New York. Among those who participated in the celebration were Abraham L. Shiplacoff and Charles Solomon. Mr. Shiplacoff was a member of the legislature of New York for three terms. Before his election he had advocated and struggled for better conditions for the working people. When he became a member of the legislature of the state he introduced a bill which, among other things, provided an eight-hour day for bakers, prohibited underground bakeries, prohibited night work, and required that bread be produced under sanitary conditions. His efforts came to naught. His bill was jeered at and he was denounced. Bakers continued to be subjected to all kinds of boycotting by their bosses and to die of tuberculosis.

Mr. Solomon was elected by the working people to the legislature of New York as their representative to promote the interests of the people and not the interests of privilege. But because Mr. Solomon was elected for that purpose and by people who wanted only simple social justice, and also because he knew and said that the war was a capitalists’ war to win profits, he was not permitted to take his seat. His constituents were thus denied representation in violation of the simplest constitutional rights.

For all their efforts in the political field labor conditions remained unchanged in New York. Every year the bakers continued to be dirty and located in dark and unwholesome cellars. The bakers suffered with tuberculosis. The long hours and unwholesome conditions destroyed the lives of people who baked the bread and the lives of people who ate it.

Over in Brownsville, Brooklyn, the political district of these men, the bakeries were especially bad.

Several years ago a co-operative bakery was started. It kept down prices and stood for clean bread and union conditions for bakers. Gradually the people learned how to run their own bakery. Then it grew. Now it has built a new model bakery building. The building is 110 x 100 feet. All of the baking is above ground on the first floor. The big baking room is light and airy. The machinery is up to date. The health of the workers will be well protected; and that means the health of the consumers, too. The five white-tiled ovens will turn out $10,000 worth of bread a week. Four motor trucks will deliver the bread to the people. Each loaf bears, side by side, the co-operative and the union label.

Now, here is this same Shiplacoff appointed Educational Director of this society of 1,300 families. He will teach the people how to understand and to enlarge the co-operative idea which they have set going in their bakery.

Behind all of this is a lesson of profound importance. What Shiplacoff and all the combined forces of Labor have worked for, through the dubious agency of political government, and for which they have spent untold energy, time, and money to attain, they now have achieved by just going and doing it. The natural way, the scientific way, and the permanent way for the people
TEACHING CO-OPERATION TO THE U. S. SENATE

Smith W. Brookhart is one of the new Senators elected by the farmers and industrial workers of Iowa. Mr. Brookhart is not only a lawyer, an ex-officer in the United States Army, one of the crack rifle shots of the country, and a farmer, but he is a co-operator as well. He was invited to speak at the Council of Foreign Relations, on January 26th, in New York City, on the attitude of the farmers, the laborers, and the soldiers toward our foreign affairs. He arrived in New York in mid-afternoon, spent all his available time at the League House visiting with members of the Executive Board of The Co-operative League, and then went to the dinner of the Council of Foreign Relations.

There is space here for only brief extracts from the address Senator Brookhart made there:

"Perhaps not exceeding 40 per cent of our people consider themselves as farmers. They have a capital investment of about eighty billion dollars, which is perhaps less than one-third of the capital invested in the factories. They are not a privileged class; they do not receive more than a capital proportion without regard to indebtedness. Farming is also a business and a work of physical labor and they ought to be a business man. Economic conditions have intensified their labor and largely destroyed his functions as a business man. He has no voice in the price he will receive for his products. He has no voice in the price he will pay for his equipment. He has no power to add to his cost of production, he can charge only such additional prices as the public remedies of any wages. . . . He finds about 35 per cent of our people are laborers with far less chance of being self-owned or self-controlled than himself and than himself. He finds that 16 per cent of brain workers also with a less proportion. The other 10 per cent, or thereabouts, he raises as middlemen, capitalists, and profiteers. He finds this small class in possession of more than half of the national wealth. He finds it is in control of most of the machinery of production, of processing, of credit, of transportation, and of marketing. He finds its influence powerful in every department of government and its reward vastly more than a majority of the classes which the farmer serves as a producer and consumer as the final and complete solution of our staggering difficulties. In this he is joined by practically every laboring man and practically every of the soldiers. This union of thought manifested itself in the last election, where these three great blocks turned out to elect a representative of their own and filled their places with friends of this great co-operative progress.

"All of these have reached one conclusion as to international statesmanship. This can be described by one word and that word is "Failure." They see this statesmanship guided by economic power and economic greed. They see it building up armies and armies to control the land and rule the sea. They see its instruments of destruction in the air and under the sea. They see its war organized for the murder of the human race. They see its revolution and pestilence and death. They cry out with one voice "Failure."

"They are distrustful of all the old remedies. A League of Nations is proposed. They see most of its fourteen points disregarded. They attach this to financial considerations and they oppose it. It is proposed to cancel the war debt. They see in this a plan of the international bankers to make more easy the collection of their private debts, and this they also oppose. They lay the blame for the war on the~/ and the private remains of the war to the co-operative association is, the people of Wisconsin would be glad to instruct him when he returned home. Senator Lenroot charged Mr. Brookhart's Co-operative plan for Co-operation was "like that of the Russian Reds."

Mr. Brookhart has not yet won the support he wants for his banking legislation, but he is fighting for it as hard as ever.

FORGING AHEAD AT VILLA GROVE

J. W. Snider, the Secretary of the Society at Villa Grove, Illinois, writes to our files and got out the reports for the other three quarters also, and did some figuring.

The Villa Grove Society has done a business in 1922 of $143,071.07, making the total business in 1922 of $317,401.07, making it the largest co-operative association in the world. It is the Sermon on the Mount of co-operation. Since this time Senator Brookhart has been fighting day and night to get legislation before the Senate which will enable the farmers and workers of the country to organize genuine co-operative banks. He says that the only people in the way of this legislation are those who are fighting to prevent it from becoming law...
In spite of the shopmen's strike of the last six months, the business during the final quarter was the best in the history of the society, and they were able to pay a 6 per cent return to members and put another 6 per cent into the reserve. Mr. Snider says:

"The rail strike is still on here and it has been a heavy load, but we have carried it so far. We are in hope that the shop will get a favorable settlement soon, as it will put a large sum of money in our hands in the way of share capital, as many of the strikers had their eyes opened since July last. We expect a large increase in membership from them, as well as from the Transportation Brotherhoods. Co-operative stores can be a great help in time of strikes if they are soundly financed. But they must be well financed before the strike is called, as afterward will be too late. The strikers of Villa Grove know that only too well, some of them to their deep regret, as some who were not members of that Society were cast off by private-owned stores and forced to ask for relief from charitable organizations."

CONSUMERS' LOYALTY IN MINNEAPOLIS

The loyalty of the employees of the Franklin Co-operative Creamery is beyond question. Here is a splendid example of the loyal spirit of the consumers of the Co-operative Creamery in Minneapolis, which has made their business grow until they now supply 30,000 families with $1,700,000 worth of dairy products annually. The directors in order to experiment with a new way of increasing the business, sent out a letter to the 6,000 stockholders, urging them to report on a certain Sunday, and to go out to solicit customers for the new plant which had been opened up. The result was a big surprise. Half an hour before the appointed time, a large number of members were on hand, and hundreds kept coming all through the day. These loyal members drummed up so many new customers as to swamp the office. Half a dozen men had to work far into the night to route the new customers, and although the dairy had taken in an extra supply of milk, they ran short the first day. Twenty-five new wagons which were put on at the new plant were kept busy on their regular routes and with special trips. The results of this appeal for new trade to the membership far exceeded the brightest hopes of the directors.

This is the spirit which is making the co-operative creamery a thorn in the side of the private dealers, who are now desperately engaged in a price-cutting campaign against the Franklin Creamery. It is the spirit that wins.

MEETING OF INTERNATIONAL ALLIANCE EXECUTIVE

The first International Co-operative Alliance meetings to be held in Germany since the war, took place from September 30th to October 3d. The Executive Committee of the I. C. A. and the committees on International Co-operative Trading, and Banking met in order to consider matters of prime interest.

It was decided to establish an International Co-operators' Day, to be celebrated by Co-operators on the first Saturday in July.

The Executive Committee unanimously adopted resolutions in regard to the grave menace of war in the Near East, reiterating "the unshakable will for peace which animates the millions of Co-operatives throughout the world." A communication was received from the Secretary of the Italian Co-operative Union, vivdly depicting the brutality and violence of the Fascisti towards co-operative societies, hundreds of which have been destroyed by fire.

The Committee on International Co-operative Wholesale announced that the English C. W. S. had made satisfactory factory arrangements with the co-operatives of Belgium and of New Zealand. The New Zealand Co-operative Federation is to send its whole production of meat, butter and cheese to the English C. W. S.

INTERNATIONAL LABOR CONFERENCE ENDOWS CO-OPERATION

The Fourth International Labor Conference which met in Geneva, Switzerland, in November, under the auspices of the International Labor Office of the League of Nations, paid a tribute to the Co-operative Movement by passing the following resolution:

"The co-operative organizations, by the increasingly numerous undertakings in commerce, industry and agriculture created by them both in European and non-European countries, form a factor in the economic life of the world which cannot be neglected. In consequence it should be possible for them to give their opinion directly on all questions of labor legislation affecting them to the same degree as private enterprises. Moreover, the social and educational value of their practical work qualifies them to submit on labor questions the result of their experience."

The International Labor Office was instructed to appoint representatives of co-operative societies at its next session in Geneva in January, 1923, in order that the co-operative viewpoint on labor problems might be represented.

ACTIVITIES OF DISTRICT LEAGUES

The Northern States' Co-operative League enters the first full calendar year of an important program of action, which was laid down at the Minneapolis convention last October.

Perhaps the biggest task before the League this year will be the organizing of a day school for the training of co-operative employees, in accordance with plans adopted at the Minneapolis convention. The school will be held in Minneapolis in April and May. While the date of the opening of the school has at this writing been definitely set, it is likely that the school will be opened April 25th. The school will last for five weeks. The Executive Committee of the League is planning to engage three instructors to teach at the school, and expects to get assistance from the local co-operative forces in arranging night lectures in connection with the school, so as to enable greater numbers of people interested in co-operation to get the benefit of this school.

The Northern States' Co-operative League now consists of 11 co-operative societies, 47 individual members, and one central labor body as fraternal member. A circular has been sent to all these asking them to renew their membership in the League for the year 1923.

The Executive Board of the League is considering the publication of a pamphlet entitled "The Administration and Management of Co-operative Societies" in collaboration with The Co-operative League.

The Executive Board also plans to send the secretary of the League on a speaking tour, either in February or in March, to certain societies in Northern Minnesota and Wisconsin. The trip will probably be financed by the League and the Central Exchange together.

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A NEW LEAGUE PUBLICATION

The Report of the Proceedings of the Third Co-operative Congress held at Chicago in October is now published and ready for distribution. This Report is 154 pages in length and contains in full all the speeches, reports of committees, and such other business as came before this Congress of the Consumers Co-operatives of the United States. Among the reports contained in this little volume are highly valuable, for they present the only information and statistics so far assembled by The League on certain matters of co-operative enterprise.

Among these are the following:

- "Co-operative and Labor Banks."
- "Co-operative Restaurants."
- "Co-operative Distribution of Milk."
- "Promotion of Co-operation by Trade Unions."
- "Agricultural Co-operation."


NATIONALIZATION OR CO-OPERATION?

I am sorry to see in Co-operation what appears to be an attack on public ownership of natural monopolies. It is true that many of the public ownership schemes are put out to serve the interests of particular groups of producers, but public ownership is broader than that. It rests on the principle that natural resources and strategic positions in economic organization belong equally to all the world over, and nationalization is offered because the nation is now the largest human unit. It is a makeshift, rather poor in the case of German potash and Chilean nitrate, but the best we can do until the world is one nation.

But what can be monopolized ought not to be trusted to any part of the community, even a consumers' co-operative because that ownership will inevitably make inequality and injustice. The government is the only organization that represents all the people, and is the logical owner of monopolies. Operation is a different matter. That can be done under government apportionment and regulation.

THE CORRESPONDENCE FILE

-the people against the power of riches. It is influenced by riches in proportion to the influence of private owners on monopolies. Public ownership of such great monopolies as the railroads and the mines will reduce a large part of the financial world from the position of stockholders, active piggings of the public wealth, interested in every change in public policy, to that of bondholders, idle parasites, whose income is in the same way whatever the government does, and who therefore will spend no money in corrupting the government. The more government grows the less power private monopolies will have, and the more interest the people will take in making the governmental administration honest and efficient, for the people will take in making the governmental administration honest and efficient, for the people will take in making the governmental administration honest and efficient.

The people can control the administration, and will, when they are interested enough. The more people work for the government, the more the treatment of government employees will be a public affair.

The chief enemy of co-operation is the private ownership of monopolies, particularly transportation. Public ownership will make the growth of co-operation easier. It will pave the way to the taking over by consumers' organizations of things which are now too small to handle. Government itself will be entirely a consumers' organization, and as other governments follow suit, the federalization of the world will come.}

ARCHIBALD CRAIG.

Jersey City, N. J.
CO-OPERATION IN DEVASTATED GERMANY

I acknowledge thankfully the receipt of your kind letter of the 19th Jan., and have gladly taken note of its contents. We are happy that you have given your appeal such publicity in America.

The forcible occupation of the Ruhr region by the French troops has taken place because in the enormous deliveries of coal and wood there has been some slight arrear. It is quite natural from the commercial standpoint that there should be some little arrearage in the wholesale deliveries of these commodities and some arrear in the large returns would not have occurred if France had not rigorously refused these deliveries when offered and laid claim to considerable cost of time. As a result, final delays occurred which, even with the best of intentions, made it impossible to make deliveries on time.

Since France and Belgium used this pretext to invade the Ruhr, it is clear that they had long intended to take over the administration of Germany. The old German military party, which I otherwise in no sense would defend, is, in this case without any influence upon the matter whatever.

You hope as do we that passive resistance will win the victory. But such passive resistance means a great waste of our people's money, misery, and unnecessary suffering. When hunger invades the stomach to rebellion, no consideration is lost, and then there arises on each side the possibilities of violent outbreaks of despair. The time may come when this may become even more serious than can easily be understood. Germany is not in condition to feed the hungry masses with its own produce; it has not grain nor money with which to buy grain. If the hungry, half-starved, and half-naked masses are in an extensive manner the whole world will be shaken by the most dreadful effects.

With Co-operative Movement in the World.

For the Directors, H. KAUFMAN.

WITH THE FARMER CO-OPERATORS

One of the sections of our recent state convention of The Farmers' Union gave me encouragement. A long resolution adopted by a group of young leaders in a meeting in Kansas City read to us our convention for adoption or rejection. It advocated the treatment of a group of farmers' cooperative by the state to stabilize the prices of farm products on a parity with other products such as farmers have long been accustomed to buy. The predicted turnover occurred at a low price. We specialized on bread—a fifteen-pound loaf for five cents. This is selling close, but still a help to the farmer.

AUG. R. PEINZ
Goodhue County Cooperative Co., Red Wing, Minn.

LOW PRICED BREAD FOR CO-OPERATORS

I have been handling the advertising for the new bakery here the past year, and from a new beginning we have built up a good volume of business—selling over 1,700 loaves of bread Saturday before New Year's, which is a big volume for winter selling in a town this size.

This was made possible by strict, instructive, lowest advice given in the way of market conditions. We specialized on bread—a fifteen-pound loaf for five cents. This is selling close, but still a help to the farmer.

AUG. R. PEINZ
Goodhue County Cooperative Co., Red Wing, Minn.

A CO-OPERATIVE MESSAGE FROM FLORIDA

I want to express my appreciation again in regard to the valuable publication Co-operation, not only from the principle in which it is edited but the large treatment which is given to the whole American co-operative movement. It is printed, which makes it more of a pleasure to read, and the bookmark form in which it is made. I hope that those who have a co-operative principle will never change, even if it becomes as new as an "American Co-operative News." There is nothing in any issue which I pass by without reading. Whenever I have a spare copy of Co-operation which I want to read, I usually either give them to someone who I think will be interested in it, or else place them in the Recreation Room of the Charpenters' Union (of which I am a member), and being in the booklet form, more people read them.

LAWRENCE A. YEATMAN
Miami, Florida.

CO-OPERATION PUBLICATIONS

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<td>Home (Co-operator)</td>
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<td>International Co-operative Bulletin</td>
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NATIONAL CO-OPERATIVE LEAGUE

The following books are recommended as containing the best discussions of the modern Co-operative Movement. They may be ordered through The League:

(Eight cents a copy. Twenty-five cents per 100; $1.00 per 1,000)

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<td>Harris, J. E.</td>
<td>Co-operation, the Most Important Work</td>
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THE CO-OPERATIVE LEAGUE

(Member of The International Co-operative Alliance)
167 West 12th Street, New York

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In no part of the world is Co-operation further developed, or more successfully practiced than in Scotland. If you wish to keep in touch, read "The Scottish Co-operator" (Published Weekly) Subscription: Year 12 sh.; half-year, 6 sh.

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If you want to keep in touch with business, organization, administrative affairs, and problems of the British Co-operative Movement, read THE PRODUCER.

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1 Balloon Street, Manchester
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The trade and technical organ of British Co-operation.

THE HOME CO-OPERATOR

A four-page magazine for use in co-operative societies.

Issued monthly, in bundles, 1 per hundred.

Published by The Co-operative League
Publishing Office, Willimantic, Conn.
Albert Sommich, Managing Editor.
the dominant forces are far advanced in decay and disintegration. Their dominance is coming to an end. The end will be dreadful, indeed, unless there is some final rational organization capable of taking up the essential social functions as the old order fails to perform them. This co-operative societies are preparing to do. They are doing it. The process of organization of capable of doing the work both of a decaying commerce and the failing political governments.

That the people through their governments are turning to Co-operation to save them is a sign that sound sense has not yet wholly departed from the world. Its lesson to Co-operators is that our responsibilities are destined to grow with the changing current of events, and that we should build well the foundations upon which our structure is to rest.

J. P. W.

WHEN THEY ASK FOR BREAD, WHY GIVE THEM STONES?

The co-operative movement has as its goal the ending of the tyranny of the profit system. Between the system of private profit and the program of co-operative service there can be no true. The one points the way to life, health, knowledge, and brotherhood; the other to destruction, poverty, ignorance, and fratricide.

The co-operative societies of the country must emphasize these fundamentals continually. Most of them do not do this. There are hundreds of managers, thousands of directors and heads of committees in the societies of the United States who are constantly cringing before the profit system. They are afraid of offending influential business men or politicians. They find it easier to point out the likenesses between the two economic systems than to emphasize the differences. Such timidity saps the vitality of the movement.

"Oh, yes, I know the co-operative store," says a good neighbor, as she meets the secretary of the co-operative.

"I would like to trade there, even join; but my brother-in-law runs a grocery store across the town and he says co-operation is Socialism. Then he gives me very good prices when I buy from him, and when I need it he gives me credit."

What will the co-operative secretary reply? Nine times out of ten he will insist that co-operation is not radical, that it has nothing against the good brother-in-law's way of doing business. He will begin quoting the week's list price list of bargains at the co-operative, and will dilate on the petty conveniences offered by the co-operative store. Possibly that the point is a temporary customer. But what has he got? He has appealed to her profit-making, bargain-hunting instincts. He is pretending that the co-operative store is a superior kind of private-profit store. He and the manager will hold her only as long as they give her special favors, pamper her with special bargains, maintain the false relationship of the petty trader fawning before the grand lady customer.

A dozen, a score, a hundred such patrons or members will wreck a co-operative store. They are not ideal. They know no loyalty. They gradually become more and more exacting in their demands. They exert at first a subtle tyranny over manager and clerks and gradually dominate the co-operative with their profit-seeking ideas and habits. Even the directors themselves fall a victim to the pestilence. The co-operative which caters to the selfish whims of the bargain hunter by that much ceases to be a co-operative, and is strengthening the backbone of the profit system. We have something better to offer than petty bargains and price.

To the woman cowed by poverty we hold up the vision of a world of plenty. To the worker whose income is too scanty for him to make a living, the co-operative society which, during this period of hard times and unemployment, has "failed" according to business calculations, to the wage worker whose income is too small to live on, the co-operative is the backbone of the profit system. It's a wise horse that knows when it has enough on its back, and refuses to carry the load of an elephant.

C. L.

KEEPING DOWN THOSE EXPENSES

One of the common excuses made by managers for failure to run their stores at a profit is "lack of sufficient business." It usually passes as a very good reason. But there is no more reason why a business of $500 a week should be run at a loss than there is for a loss in a business of $5,000 a week. We cite the following as a proof:

Fiesleneyville, Illinois, has a little store which is a member of the Central States Wholesale. During the seven weeks between November 11 and December 31, 1922, the sales in this store totaled $446.44, an average of about $63.90 per week. The gross surplus for the period was $59.14, or 13.2 per cent of sales. Overhead expenses came to $44.46, or 9.9 per cent of sales. The net surplus was $14.58, or 2.3 per cent of sales.

It's a wise horse that knows when it has enough on its back, and refuses to carry the load of an elephant.

C. L.

CO-OPERATIVES LOWER PRICES

One thing that everybody who has studied the matter knows is that Co-operation lowers prices to the consumer. Whenever publishing in this magazine the figures illustrating the savings which are thus secured. The amount of money that is daily saved to consumers in the United States by co-operative societies is beyond calculation. Wherever a co-operative store is established, there the merchants know that they have to stop profiteering. The simple existence of the store helps all consumers-members and non-members.

A few years ago, in an Illinois town, the local merchants decided to put the co-operative store out of business. They cut prices on a dozen articles and had leaflets printed giving the reduced prices. These were distributed among the members of the co-operative society. As soon as the manager of the society saw one of these leaflets he went around to the private store and got a load of them and agreed to distribute them himself. And he did. But he stamped on each one: "You have to thank the Co-operative Store for these reductions. Stick to the Co-op. It brings down prices." The people saw the point. They realized that it had not been for the Co-operative the bargains would never have been offered.

The co-operative store in hundreds of American towns is a standing challenge to the profit-making merchants. Not only stores, but bakeries, creameries, restaurants, and savings banks, are saving money for the people. The existence of the Purity Bakery in Paterson, N. J., is keeping down the cost of bread to a million people. To the embittered by the futile struggle against a host of business competitors, the membership of the Purity in Paterson is a blessing. This may be proved by the fact that the profit-making merchant never likes it, and he is willing to go to any pains to destroy it. And he is the profit-making merchant, and that is one reason it is good for the people.

J. P. W.
CO-OPERATIVE HOUSING

By DANIEL W. HOAN

Millions of men and women in the United States are in need of homes that they cannot afford. The Secretary of Commerce estimated that there is a shortage of 1,200,000 houses. The U. S. Census Bureau in 1921 estimated that 54 per cent of the nation live in rented homes. This presents an economic situation which is appalling. More so because the problem made critical during the war is rapidly growing worse. Millions of people are living in such crowded conditions that their health and morals are seriously endangered.

In contrast to this prevalent situation in our country is the deliberate and orderly organization of home-building which is being carried on in many of the European countries. Since the war, every European country has accepted housing as a public social function. The resources of the people are being mobilized in co-operative and fraternal associations for home-building. The European municipalities and districts are making loans and in some cases outright subsidies to non-profit building associations so as to encourage large-scale building activities. In our country, however, neither the cities nor the states have recognized their responsibility or rendered such assistance to their citizens, with the exception of the City of Milwaukee.

THE MILWAUKEE PLAN

The most far-seeing and significant enterprise in co-operative housing that has been undertaken with the financial assistance of a municipality and district is the joint plan of action recommended and carried into effect by the Housing Commission of Milwaukee. In the Spring of 1919 the Mayor, the Health Commissioner and the Building Inspector urged the passage of a bill to empower the municipalities, the counties in Wisconsin and individuals to purchase stock in co-operative housing enterprises. Much opposition developed in the beginning. The plan was called paternalistic, socialistic, and revolutionary. Gradually, however, the opposition was overcome and it became possible by 1920 to incorporate the Garden Homes Company. The aims of this enterprise are:

1. The elimination of speculation in land values.
2. The economic and adequate planning of streets, sewerage, water, lighting, parks, and recreation spaces.
3. The elimination of waste and of private profit in home construction.
4. The collective ownership of homes by the workers, without the handicap of labor immobility.
5. The use of legal, technical and artistic skill for the benefit of Wisconsin’s citizens and home owners.

In the furtherance of this plan twenty-eight acres of land with good transit facilities were purchased.

Houses on plots 60x100 feet and over were built, each one amounting to an investment of $4,500. (The land $700, the house $3,800.)

Tenants buy shares in the Garden Homes Company. The preferred stock amounts to $250,000; the common stock $350,000. Shares are $100 each. The preferred stock may be acquired by investors other than tenants, and draws interest at the rate of 5 per cent. The common stock is owned only by the home occupant. It draws interest if the corporation so determines. The occupant is required to subscribe to common stock equal to the cost of homes on the partial payment plan. As the occupant pays for his stock the corporation uses that fund to purchase the preferred stock. The owners of the preferred stock stand much in the same relation as the holder of the mortgage on a home. Besides paying for his stock the occupant pays a rental sufficiently high to cover interest, taxes, insurance, depreciation, and repairs.

The control of the company is in the hands of a committee elected by the common stock holders. They pass on the fitness of administration and management. At present both common and preferred stock holders vote. The number of shares held is the basis of voting; each member has one vote irrespective of the number of shares held; but the tenants (the common stock holders) will gradually supersed the preferred stock holders in this matter. The latter’s holdings and gain complete control.

The home owners do not receive title to their specific houses. The tenant does not purchase a house. He owns stock in the company. This is in accordance with the experience of co-operatives in the world over. To eliminate all speculation in houses, the co-operative society as a whole purchases and controls the title to both the land and the building. This not only tends to eliminate exploitation of the tenants, but also prevents the development of a system of athletics at any time. The so-called unearned increment of land values is also preserved in this way for the whole group. The co-operative company—net the individual profits by any increase in the valuation of the property. It is not the purpose of co-operative building societies to enable tenants to obtain homes at bottom prices by the addition of any and then to allow the individuals to own and sell them for profit to others. Such a policy destroys the Society. The purpose of co-operative housing is to provide permanent homes for the people collectively owned and controlled by the tenant members without private profit or speculation in land and buildings.

GENERAL OPERATING EXPENSES OF THE MILWAUKEE PLAN

<table>
<thead>
<tr>
<th>Item</th>
<th>Cost Per Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Taxes</td>
<td>$30 per $1,000... $120</td>
</tr>
<tr>
<td>Fire Insurance</td>
<td>$5</td>
</tr>
<tr>
<td>Repairs</td>
<td>$60</td>
</tr>
<tr>
<td>Contingent.</td>
<td>$20</td>
</tr>
<tr>
<td>Life and accident insurance</td>
<td>$30*</td>
</tr>
<tr>
<td>Perpetual fixed charges</td>
<td>$2671</td>
</tr>
<tr>
<td>Five per cent interest on preferred stock on $4,500 per year... $206</td>
<td></td>
</tr>
<tr>
<td>Amortization payment toward ownership of stock... $120</td>
<td></td>
</tr>
</tbody>
</table>

*The payment of this insurance enables widows or dependents to complete the payments for share capital.
1 Equals $62.25 per month.
2 Equals $49.33 per month for first three months, then $34.33 per month. The end of 20 years all interest on preferred stock and amortization payments will be eliminated. The charges will then be $225.25 per month.

CO-OPERATI\"E APARTMENTS

In many parts of the United States co-operative societies have recently been formed for building multi-family dwellings to be owned and operated by the tenant members without profit or speculation.

In Brooklyn, New York, the Scandinavian Housing Associations own 20 buildings for 308 families. The first one organized in 1919. Gradually, the buildings can vary in cost from $48,000 for one six
A co-operative society purchases the land and builds its own co-operative apartment houses. In many instances it has been found expedient to purchase existing apartment houses. Such an example is to be found in the Stockbridge Apartments at 18 W. 75 St., New York City. Twenty-four tenants organized a co-operative society and bought out the owner of the property for $152,000. They paid down $30,000 in cash, the balance being covered by two mortgages. The tenants own the shares, ranging from $900 to $1,500, in proportion to the value of the apartment occupied. They pay from $75 to $105 monthly rental for six and seven rooms. This amount decreases as the mortgages are amortized. The rental represents a saving from $30 to $50 per month in that neighborhood.

In similar co-operative enterprises democratically controlled and owned by the members additional joint activities have been carried on, in the building, for the benefit of the members, such as a co-operative laundry and a co-operative restaurant.

Many co-operative apartments similar to the above examples exist to-day. It is impossible to describe them all in this report.

**NON-CO-OPERATIVE "TENANT OWNERSHIP"**

Recently in the large cities the great demand for housing has led to the launching of building enterprises for profit by real estate companies. Large promoting corporations have purchased and developed property, erected buildings, and sold them to tenants at their own price on what they have called the "Co-operative Plan." The property in most cases has consisted of a series of large buildings accommodating hundreds of families. The surroundings have been developed along the "garden plan" and community activity, gardens, children's playgrounds, tennis courts, and golf courses have been established by the promoters.

They differ from true Co-operation in the following respects: Shares voted rather than individuals are returned to the members in proportion to their shareholdings, rather than in proportion to their rental payments; tenants may sell their shares to the open market at their own price, rather than by the co-operative method of having the ownership of stock always controlled by the co-operative building society, and thus keeping the share value always at par.

Another profit-making plan which is using the word "co-operative" unwarantedly is that in which groups of tenants own portions of the property on a collective basis and along the same lines as outlined above, but in which the remainder of the building is rented to non-members for profit by the tenants' corporation, and to its advantage. The profits from the rental to non-members are estimated to be sufficient to cover the operating expenses, interest, and amortization. As a result of this plan the members of the corporation do not have to pay any rent at all. A number of these enterprises are operating in New York City.

**FUNDAMENTAL PRINCIPLES OF CO-OPERATIVE HOUSING**

Interest of the people in co-operative housing on the Rochdale plan is growing in this country. Your committee has the honor of presenting the development of this method of housing the people, the following fundamental principles will always be adhered to in order to insure the carrying out of the successful methods which have been achieved in Europe:

1. Legal ownership of the property always remains vested in the whole society. The members do not have title to the particular part of the property they occupy.
2. The members rent their homes from the society, upon long leases, life long, or longer if they desire. This gives them property in which they may develop a personal interest, for every purpose except speculation.
3. Upon the death of a member, the children or heirs have the privilege of becoming members and perpetuating the lease.
4. Invested capital receives a fixed interest, never exceeding the current market rate.
5. Shares in the society's capital stock always remain at par and should be non-transferable except with the consent of three-fourths of the society. The society should purchase back the members' shares if possible. It should always have the right to renew the eligibility of the purchaser of the society's shares.
6. Each member of the society has one vote regardless of the stock owned, thus insuring democratic control. Full responsibility for the administration rests with the board of directors elected by the tenant owners or by experts employed by the board of directors.
7. Surplus-savings accruing from the society's operations after all fixed charges and operating expenses are paid, if not placed in the reserve fund or used for expansion or other collective purposes, are returned to the tenant members in proportion to the amount of rental paid.
8. Whenever possible, a co-operative housing society should enter into other co-operative activities, such as laundry, kitchen, service, landscape gardening, playgrounds and play rooms, central library, infirmary, swimming pool, store, garage, and other common interests, and even large societies might organize their own architectural and building department and establish their own cement and brick and other works, as is done by the housing society of Copenhagen, Denmark.
CO-OPERATIVE BUILDING IN COPENHAGEN

Translated from a Swedish Magazine by O. A. Nilson

In the October, 1921, issue of CO-OPERATION, Dr. Warbasce, under the heading "European Impressions: Denmark," mentions among other co-operative enterprises "Arbeiderneandels Boligforening" (The Workingmen's Co-operative Building Association of Copenhagen). To commemorate the tenth anniversary of its founding this society issued in March, 1922, a pamphlet giving the history of its inception and remarkable growth and describing its activities.

As in other places, housing conditions in Copenhagen have suffered from unsound financial conditions. After a period of overbuilding and frenzied speculation, resulting in 1906 in over 9,000 empty apartments in the city, a reaction set in which gradually reduced the number of unoccupied apartments, and together with the inheritance of the World War brought on an acute building shortage with serious congestion and other evils in its trail.

Long before the crisis the unions of the building trades became concerned about the situation, and among other attempts to get a resumption of building urged the bankers to step in. The reply was, of course, that with a large number of unoccupied apartments there was nothing to be done, and when building could be resumed with profit it would be done. A suggestion that the banks refuse to act, the building workers might take matters into their own hands was met with the reply that they were welcome to try; they would soon discover that the task was beyond their power.

This, too, was the opinion of many of the workers themselves. They did not believe that co-operation could solve the housing problem, that the needed capital could be raised, nor that workmen could cope with the many difficult problems involved in building construction. However, on March 25, 1912, "Arbeiderne andels Boligforening" was founded with twenty-three members.

The pioneer work of the movement was done mostly by men already interested in co-operation as members of Consumers' Co-operative Societies, and the first building was erected through the united efforts of these two movements: Consumers' Co-operation and co-operative building. The numbers of one of the local consumers' societies, which, both through lack of capital and through opposition to the movement, had difficulties in securing a ten-year loan, joined the building society, and in the first building erected this society became a co-operator and received space for its store. Thus began, during the first difficult efforts, an intimate cooperation between these two related movements that was continued and remains to-day.

The first building was erected in 1913, the second and third in 1914. The part of the capital for these buildings that could not be obtained from the members themselves was, at first with considerable difficulty, and terms, borrowed from the banks. For the next building the society borrowed the money from one of the trade unions. The union, instead of depositing its money in the bank, to be lent by it to the building society, eliminated the bank thereby saving money both for itself and for the building society. This fourth building for sixty families was finished in 1915.

Another step forward was taken with the fifth building. In 1914 "Den Danske Andelsbank" (The Danish Co-operative Bank) had been started. It was founded as a rural bank and had no intention at first of doing business or having a branch in Copenhagen. But an application for a loan from the building society was not only granted but it also resulted in the location of the bank in Copenhagen, and with it began an economic co-operation to which has been attributed a great deal of the subsequent rapid growth of the building society.

While the housing shortage was increasing, the accomplishments of the co-operative building society secured for it the confidence of the public and a rapidly increasing membership. The sixth, seventh and eighth buildings, with a total of 223 apartments, in addition to stores, were planned and erected in rapid succession.

Through the Inter-Allied Housing and Townplanning Congress held in London in June, 1920, the society became interested in the English type of "garden-city" dwellings—good, sanitary, and inexpensive to construct—and to demonstrate its good points erected in the same year on one of its properties such a house. This resulted in a strong pressure on the society to erect a number of dwellings of this type. Accordingly plans were made to erect on a ten-acre plot a group of 140 such one-family dwellings each with its own garden, and centered around a small lake with attractively laid out grounds.

The co-operation with the Dansk Andels-Bank, which began when the bank financed the fifth building of the society, increased until all the finances of the society were transacted through the bank, and the two co-operative movements became in other ways closely affiliated. The business of the bank grew rapidly, so that it needed larger space. The result was the imposing structure described by Dr. Warbasce in the above mentioned article.
who had bought L. K. Steel stock be
sacked the offices of the company for
their money in vain. Although the
Steel Company had been boomed as a
co-operative, the committee of creditors
attributed the difficulties of the com-
pANY to the fact that it was "too much
of a one-man proposition," lack ing effi-
cient co-ordination.
In the meantime, the bankruptcy of the
"Co-operative Association of Amer-
ica" is announced in the press. Al-
though about $175,000 was invested by
4,500 persons in the association, which
was formed to establish 500 co-
operate banks in St. Louis, the assets of the company were
only $784 when the receivership was
declared. The "Co-operative" As-
sociation of America was run along the
lines of Harrison Parker's notorious or-
ganization. It was governed by three
self-appointed trustees, who were enti-
tled to a rake-off from the income of the
bankruptcies which went into
spurious co-operatives which was to conduct chain-grocery stores in
the "Co-operative Association of Amer-
ica" and a strong sentiment for such
in-
stances. Doubtless there would be
hundreds, if not thousands, of co-
operative banks organized by the people them-
selves, if there existed banking laws au-
thorizing such enterprises.
With this great need in view, The
League arranged a series of conferences of experts on co-operative banking.
For a meeting of experts, two cha-
ring, at which plans were laid for an
energetic campaign to support an amend-
ment to the National Bank Act which
would permit co-operatives to organize.
A Banking Committee was organized in
accordance with the instructions of the
Third Co-operative Congress, which
committee will advise groups endeavor-
ing to start co-operative credit enter-
prises, in addition to its legislative work.
The conferences have been attended by
each well-known experts as Senator
Ingalls, Miss Caro D. Coombs, E. A.
Fileau, W. F. Bergengreen, and Dr. J. P.
Warbasse.
Senator Brookhart has announced his
intention to introduce in the next ses-
sion of Congress a bill for co-operative banks, in the form of an amend-
ment to the National Bank Act of
Co-operative. Congress which has just adjourned he introduced a bill which would permit co-operative banks to incorporate with
only $15,000 in capital, with shares sell-
vhiching for as low as $10 each. The di-
vidends of stockholders were limited by the
bill to 6 per cent. The bill provided for the distribution of earnings to both
depositors and borrowers, on a patron-
age basis. No stockholder could have
more than one vote, and no proxy voting
was permitted. Senator Brookhart's bill
provided for the creation of a co-
operative reserve fund, to safeguard the in-
terests of the banks, and for an in-
pendant co-operative reserve system.

Naturally enough, the bill drew in-
dignant comments in the press, and it was painlessly
smothered in committee. Senator
Brookhart will introduce the almost
identical bill in the next session of Con-
gress, with the assurance that the in-
coming Senate will contain more mem-
bers favorable to such legislation, and
that a campaign will be organized by such
bodies as the League's Banking
Committee to make a national issue of
the Co-operative Bill.

CO-OPERATIVE TELEPHONES

Hundreds of telephone lines are being
operated by the farmers of this country
for mutual service, on a co-operative
basis, according to a bulletin recently issued by the U. S. Department of Agri-
culture. In 1912 there were 368 mutual
telephone companies, operating 125,956
telephones, with 95,033 miles of wire. The
likelihood is that the number of
these co-operatives has increased during
the past ten years. Certain it is that
the cost of service in the co-operative
telephone lines is considerably below that
of the private companies, for all types of
service. Whereas the joint stock or
profit-making companies charged $16
per cent, 7 per cent, and 7 per cent, re-
spectively, were returned to members. These
rebates totalled $3,726, which
represented earnings made on the meals of
members. The earnings made on non-
members' meals were put aside in a fund to extend the business to other
districts of New York. The figures for
the fiscal year are not in, but the sales
date exceed $300,000. Wholesome,
tasty food is supplied at the usual price, thereby
benefiting the patron.
During the first quarter of the year patronage rebates of 9
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"OUR CO-OPERATIVE
CAFETERIA"

"Our Co-operative Cafeteria" is the name of a highly successful organization in New York City that is everything that its
name indicates. It is owned and
controlled by consumers, it is thoroughly
co-operative in form and spirit, and it is
a model of perfection from the stand-
point of the cafeteria. Three branches are
doing business in crowded business
districts of New York. The figures for
the fiscal year are not in, but the sales
date exceed $300,000. Wholesome,
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CO-OPERATIVE BREAD AND STRIKES

In previous issues, we reported the splendid work done by the co-operative bakeries of Massachusetts, to feed the textile strikers of the Pawtuxet Valley last year. A fairly complete review of the co-operative aid during the strike is now at hand. When the strike against the proposed wage-cut broke out in the textile industry in New England, there were half a dozen co-operative bakeries in the district, organized among the Jews. Immediately, relief work was planned. Led by the bakery in New Bedford, Mass., thousands of dollars were collected from sympathetic organizations, including the co-operatives and labor unions. This money was spent in the purchase of flour, which was baked into bread in the co-operatives, without any expense to the strikers’ organizations. It is estimated that the co-operatives baked bread worth $13,600, at a cost of only $8,600, the funds being replenished by the co-operatives themselves. Thus the co-ops collected donations and made the most effective use of them possible, by turning dollars into bread for the strike.

A telephone call in the morning from the strike committee would notify the co-operatives of the number of loaves of bread wanted, and the rest was automatic. The New Bedford bakery supplied the strikers with 101,967 pound loaves of bread, and the Brockton, Woburn, and Farmington co-operative bakeries brought the number of loaves up to 170,967. In addition, the Lawrence co-operative bakery supplied the strikers in that city with bread, but a report of the extent of this aid is not available. It is safe to say that without the help of the co-operatives of Massachusetts, the textile strike would probably not have been won by the workers.

THE FINNS IN BROOKLYN

The Finnish Co-operative Trading Association of Brooklyn, N. Y., is now starting its fifth year of business. Those co-operatives do both wholesale and retail bread business, run a meat market, and on the top floor of their building have a large poolroom. In 1922 the bakery business was $14,726, the meat business $81,172, and the income from the recreation room $9,279, making a total of $267,001.

The surplus for 1922 was $9,661, and, as usual, 5 per cent was put aside for educational work, the balance going to the Reserve Fund. Since this society was organized the members have regularly voted each year to distribute no rebates to themselves. This is the explanation of their Reserve Fund of almost $18,000, their ownership of land and buildings valued at $311,100, and an inventory and fixture item of more than $30,000—all on a capital stock of $45,945 and loan capital totaling $80,602.

There are 1,767 members in the F. C. T. A. At the annual meeting they voted to buy more ground for the extension of their building, and to hire a full-time sales manager to work under the regular manager (Otto Arlund) as last all employees are to be given one week’s vacation with full pay. The membership voted full confidence in the manager and directors.

AN UPHILL VICTORY

The Farmington Co-operative Society of Farmington, Illinois, has just had one of the best years in the history of the society. A few years ago this co-operative had only sixteen loyal members, and it was about $3,000 in debt. Now the latest annual report found it with a membership of more than 200, and with a building of their own and thousands of dollars in reserve. The earnings made in the thirty-first quarter amounted to $5,926, or a return of 23 per cent on the share and loan capital. Most of this sum, $4,681, was distributed to members as a 10 per cent rebate on purchases; $691 was added to the Reserve Fund, $456 to their Building Fund, and $85 to the Educational Fund. In addition, interest was paid on loan capital. The society had at the end of the year more than $5,000 in the bank. A general merchandise business is carried on, the sales amounting to about $200,000 a year.

INTERNATIONAL EXECUTIVE MEETING

The Executive Committee of the International Co-operative Alliance met at Ghent, Belgium, February 3d and 4th. Three committees of the Executive met at the same place to discuss Co-operative Banking, International Co-operative Wholesale, and Co-operative Insurance.

The Executive Committee took advantage of its presence in Ghent to make arrangements for the International Co-operative Exhibition, which takes place in that city in 1924. The Palais des Fetes, an immense building, was chosen for the Exhibition. Fascist outrages against the Co-operative Movement were discussed by the Executive Committee. On behalf of the Russian Co-operative Movement, Leo Khinchuk proposed that an appeal be made to the Fascist government for financial aid for the devastated co-operatives in Italy be issued, and of which 25,000 lire. It was decided to seek an interview with Benito Mussolini in order to call his attention the attitude of the Fascisti against the Co-operative Movement. The question of financial assistance for the Italian societies will be considered by a special committee.

The proposal of the Alliance to annually celebrate the Co-operators’ Day met with approval on all sides. A manifesto and outline program are to be prepared for the guidance of co-operative societies. The first Saturday in July was selected for the annual co-operators’ festival. It was desired to adopt an International Co-operative Flag and Badge to express the spirit of international fraternity.

POLISH PRESIDENT A CO-OPERATOR

The President of Poland, Stanislaw Wojciechowski, who was elected to the highest office in the land December 30th, is one of the most prominent leaders of the Co-operative Movement of Poland. In 1899 Mr. Wojciechowski went to England as a political refugee, and he spent seven years in studying the co-operatives in the land where Rochdale Cooperative was born. On his return to Poland in 1906 he became a co-operative pioneer and has been important in shaping the development of the Polish co-operative societies.

RUSSIAN EXHIBITION

An All-Russian Exhibition is being organized in Moscow, that will open in August, 1923. Co-operative societies of all types are planning to take an active part in the exhibition. Goods will be displayed suitable for export, such as furs, timber, and the products of the kustar or home industries. Foreign co-operative societies are planning to exhibit co-operative products suitable for exchange with Russian products. American co-operative societies have been invited to submit their exhibits, for educational or trade purposes.

WOMEN CO-OPERATORS PROTEST RUHR INVASION

"In the name of all women who seek to build a new world of peace and international understanding between peoples through the co-operative organization of the world, the International Co-operative Women’s Committee protests against the occupation of the Ruhr, which is being carried on contrary to the provisions of the peace treaty. This occupation will aggravate the danger of war in Europe and inflame all those passions which may form the basis for its renewal. Therefore the Committee calls upon all women of the world, and especially mothers, to take a definite stand against every new peril of war, and to resist it by all means in their power. The International Co-operative Women’s Committee wishes to express its deepest sympathy with the invaded peoples and especially with the members of the German co-operative movement, and it hopes that all the forces in all nations will unite to avert the danger of fresh war."

THE INTERNATIONAL CO-OPERATIVE WOMEN’S COMMITTEE.
CO-OPERATION

FROM THE LEAGUE HEADQUARTERS

SECRETARY'S REPORT OF THE ACTIVITIES OF THE CO-OP. OPERATIVE LEAGUE FOR 1921 AND 1922

1. During 1921 and 1922 The League has sent out 177,360 pieces of literature and 1,696 books.

2. Published two monthly magazines, averaging 12,000 copies per monthly.


4. Sent out a news service regularly to 150 papers of the Labor Press.

5. Received and answered 6,879 letters asking for advice and information; and sent out 20,000 circular letters on routine work of the Co-operative Movement.

6. Published a syllabus for the study of Co-operation in schools, colleges and study groups.

7. Sent speakers to 273 meetings, including one extended trip from coast to coast.

8. Sent two delegates to the International Co-operative Congress in Switzerland, who visited over 200 co-operative institutions in ten countries, addressed audiences in Denmark, Germany, Czechoslovakia and Switzerland, and lectured at the International Summer School at Basel.

9. Interviewed 843 visitors in the offices of The League from the United States and 13 foreign countries.

10. Conducted three courses in Co-operation over a period of six months, embracing Educational Subjects, Store Management, Accounting, etc.

11. Circulated illustrated lectures and moving pictures on Co-operation.

12. Wrote 124 special articles for magazines and newspapers.

13. Organized 12 Women's Guilds, and sent special suggestions for socials, entertainments and members' meetings to societies.

14. Gave legal advice on incorporation, charters, taxation and litigation to co-operative societies.

15. Drafted and published a Model Co-operative Law for introduction in all states.

16. Investigated and lodged formal complaints with state authorities against fake co-operatives, and warned societies of fraudulent and unsound enterprises.

17. Advised the societies of the Pacific Coast how to save themselves from the wreckage of the Pacific League.

18. Published advice and warnings on the falling market, overbuying, income tax, and other practical business policies.

19. Gave written advice on problems of store management, sent out technical advisers, and supplied accountants and auditors to co-operative societies.

20. Provided one district adviser for Missouri, Kansas and New Mexico. Sent one adviser to a struggling society for two months in Pennsylvania.


23. Conducted an Employment Bureau which supplied managers to co-operative societies.

24. Carried on intercourse with the International Co-operative Alliance and many foreign unions, giving information, opinions, and advice.

25. Sent delegates and representatives with credentials to several foreign congresses and societies.

Some of the points of progress which The League has made are as follows:

1. Three hundred and thirty-eight societies, representing a membership of 165,000 and a turnover of $40,000,000, have affiliated with The League.

2. The League has become incorporated under the New York State Co-operative Law, which necessitated a few minor changes in its constitution and name. This protects all member societies, just as individuals are protected in their local society when it is incorporated, i.e., responsibility is limited to the amount of capital share capital; membership fee paid.

3. The Home Co-operator, a four-page monthly magazine, has been started and favorably received by the societies as a means for educating their membership.

4. The League has been established in a building of its own. This gives attractive and permanent working quarters where regular meetings, schools for the study of Co-operation, a library, and reading rooms are free to all.

5. Five District Leagues have affiliated with The League: The Missouri, Ohio, Kansas, Maryland, and the Northern St. Lawrence Leagues.

6. A member of the Executive Board of The League was elected to the Central Committee of the International Co-operative Alliance by the Tenth International Congress in 1921.

7. The League is recognized by the International and by the societies of other countries as the authoritative union of co-operative societies of the United States.

8. Of the 3,000 societies in the United States two years ago, a small fraction have failed during the business depression of 1921 and 1922.

9. The present hard times and unemployment have retarded the formation of new societies. During the war new groups were starting stores every week. Many of these were mushroom organizations whose members were seeking only a reduction in the high cost of living. They did not long survive. Now the situation, organizing under the auspices of The League show different spirit. They proceed more slowly and carefully and give more attention to education.

Those societies with a good educational foundation have survived so far. Slowly but surely The League is gathering into its organization the substantial co-operative societies in the country.

CHAIN STORE ATROCITIES

Mr. Small is the Manager of the little store in the town of Brooks. Across the street is the Co-operative store whose manager is a Mr. Stoddard. Small was worked for the company for only a few months, but already he has done well by both his company and himself and family.

This concern puts up its own brand of canned fruits (peaches, pineapples, pears, etc.). These cans, large size, sell about ten cents below the price for the standard brands of the same fruit. They are the same size as the cans bearing the standard labels, but they are filled nearly one-half with water. Where the popular can has twelve half peaches in it, this has eight; and other fruits are packed about the same way.

Small's company also uses small baskets as containers for potatoes, onions, and other dry vegetables. The baskets in which berries are sold are a little smaller than the regulation quart pint baskets. But the company sells all these commodities "by the basket", not "by the bushel", or by the quart or pint. Therefore the law cannot interfere with them. And by marking potatoes a few cents lower than the price which the co-operative across the street charges for a genuine half bushel, or by reducing the price of berries two cents below what the co-operative charges for a full quart of the
same berries, the chain store easily draws all the bargain hunters in the neighborhood away from the co-operative.

Stoddard, over in the Co-operative Store, has recently taken steps to expose these practices. In the centre of his longest counter he has placed two Macon jars. Into one of them he has poured the contents of a can of his own best brand of pineapple; into the other the contents of the can sold under the private brand of the chain store. Over them he hangs a sign reading:

**COMPARE OUR CAK OP PINEAPPLE WITH THE WATER.**

When you buy canned fruit are you paying for fruit or water?

GET WATER FROM YOUR OWN PUMP
GET YOUR CANNED FRUIT AND VEGETABLES FROM THE CO-OP

Stoddard has also put on the end of the counter a half bushel basket and one of the baskets used across the street. Across each he has laid a two-foot rule. Standing upright in each is another two-foot rule. The visitor sees at a glance the difference between the two baskets in width and depth. On one basket he has a label "WE USE THIS AT THE CO-OP". The other bears the inscription "WE BORROWED THIS FROM A COMPETITOR, BUT WE USE IT FOR EXHIBITION PURPOSES ONLY. WE BELIEVE IN HONEST MEASURES AND FAIR SERVICE."

The bargain hunters still flock to the chain store, but they are not so numerous as they were a few weeks ago. And many of them are grumbling to Small, the manager. That neighborhood is getting an education in chain store methods.

A CO-OPERATIVE SPEAKER AVAILABLE

Mrs. M. W. Cheel, a member of the Executive Board of the Co-operative League, is leaving California for New York the first of May. She will make speaking engagements after that date. Co-operatives often write to the League office asking where they can find a good speaker on Co-operation who will come and address their societies. Mrs. Cheel has been active in the co-operative movement for almost ten years; has seen the European movement, has visited hundreds of societies; has organized dozens of Women's Guilds for co-operative associations, and knows the technical side of store management and co-operative organization. Societies in search of a speaker and who want at the same time to have their directors or managers confer with one who has at one time or another been up against almost every co-operative problem, should write immediately to Mrs. Cheel, addressing her so that the letter will reach her by April 25 at Ontario, California.

Letters should state approximate date on which writer would like to have the meeting held. Mrs. Cheel will probably spend from 10 to 20 days in covering the territory between Iowa and New York. She has already made two dates in Illinois.

The League finds it necessary to ask that each society arranging to have Mrs. Cheel contribute at least $10 toward the expenses of the trip.

A STORY WITH A MESSAGE

"When the Whistle Blows," is a stirring tale of co-operative adventure in a typical American town, written by the well-known writer, Bruce Calvert. It proved such a success in The Home Co-operator that The League has decided to issue it in pamphlet form. It will probably be off the press within a month. In the form of a piece of fiction, holding the interest from beginning to end, it carries over a message that months of talk and discussion could not make so clear.

MOVING TOWARD GREATER EFFICIENCY

"After a long and strenuous effort, I have finally succeeded in gaining the adoption of the Co-operative horizontal accounting system by the stockholders of our co-operative. I feel this is a great gain for our society, as we only showed a very small gain in savings for over $26,100 volume of business the last six months of last year."

H. E. GASKILL, Middleport, Ohio.
A NEW ENGLAND CO-OPERATIVE BAKER

The correspondence file

WITH THE KENTUCKY CO-OPERATORS

TOO MANY MANAGERS SPOIL THE STORE

Rapid progress at Superior.

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PUBLICATIONS OF THE CO-OPERATIVE LEAGUE

HISTORICAL

TECHNICAL

ONE-PAGE LEAFLETS

MONTHLY PUBLICATIONS

CO-OPERATION (In bundle lots, $.75 per hundred). Subscription, per year........................................ $1.00

HOME CO-OPERATOR, 4 pages........................................................ $1 per 100

CO-OPERATION (In bundle lots, $7.50 per hundred). Subscription, per year.............. $1.00

ONE-PAGE LEAFLETS

(One cent each: 50 cents per 100: $2.50 per 500: $4 per 1,000)

The following books are recommended as containing the best discussions of the modern Co-operative Movement. They may be obtained through L. H. How, 16 East 25th Street, New York City:


BOOKS

The People’s Year Book, 1923. Cloth, .80; paper bound...................................... .50-

Syllabus for Course of Lectures, with References and Bibliography.......... .25

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Australian Co-operative Movement. In Yiddish....................................... 1.00

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Consumers’ Co-operative Societies in N. Y. State, (Published by Consumers’ League). .10

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Co-operative Book for Europe’s Homeless 10

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How to Organize a District Co-operative League............................................. 10

How to Start and Run a Woman’s Guild.............................................. .65

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(Member of The International Co-operative Alliance)
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Wholesale Grocers and Jobbers, Bakers
We supply goods to Co-operative Societies
We are organized to enable Co-operative Societies to do collectively what they cannot do individually.

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The organ of the Canadian Co-operative Movement, owned and conducted under the auspices of The Co-operative Union of Canada.

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The organ of the Canadian Co-operative Movement, owned and conducted under the auspices of The Co-operative Union of Canada.

THE HOME CO-OPERATOR
A four-page magazine for use in co-operative societies. Issued monthly, in bundles, $1 per hundred. Published by The Co-operative League. Publishing Office, Willimantic, Conn. Albert Renichsen, Managing Editor.

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MAN SWAMPED BY MACHINERY
While we Co-operators are occupied trying to reorganize society upon a different plan, it is a good thing occasionally to leave our job, go up above the world, and take a bird's eye view of the people that we are striving to guide into a better path. When we do this we discover that we are dealing with a complex situation.
It is easy to see that machinery has developed faster than the human intelligence. Man has not kept pace with his own mechanical creations. The people have reached a saturation point in their ability to take care of mechanisms and their products.
Here is a man driving a motor car, propelled by explosive gases and electricity, or flying through space at the rate of two miles a minute. But the intellectual at the throttle is often that of a cave man, who less than ten generations back had no conception of a vehicle faster than a dugout canoe. No wonder people get hurt. Airplanes, rapid-fire guns, and poison gases are dangerous things to be in the hands of simple folks. This is evidenced by the fact that a few years ago they obeyed orders and started killing the people that at one another,—with the result that ten million of them were killed.

VITAL ISSUES
We see people with powerful devices in their hands, but they have not the intelligence or the training to use them advantageously in their own interests. The products of science and invention now threaten to destroy them.
While mechanical devices are being produced beyond man's power of control, the same is true of our social machinery,—the political state. Man has no effective control of this great organism. What makes the matter still worse, he thinks he has.
The individual is becoming less and less expressive. Centralized power, with its propaganda and control of opinion, overpowers him. Governments can now do things of which the majority of citizens disapprove, yet the people seem powerless. Man is becoming swamped in his own political complexities.
The hope lies in a democratic organization of society which can develop experts and executives to administer the machinery of industry and of society in the interest, not of any privileged class, but of the democratic mass. To this the Co-operative Movement adds an economic method that results in people working together for their mutual good rather than in opposition to one another.
Unless the people can organize themselves, and get into their hands the control and determination of their own fate, the future of mankind is wrapped in hazardous uncertainty.
J. F. W.
"WHERE DO WE GO FROM HERE?"

"Oh boy, oh joy, where do we go from here?" was the chorus of a happy-go-lucky war song which many a regiment on their way up the gangplanks of the transports that took them over to the battlefields of Europe. A whole world now seems to be singing this song, though in a minor key, while walking off a plank into a sea of destruction. For all trained observers of the world to-day, political and economic, but we are on the brink of terrible possibilities.

Imperial economists regard most countries of the world as insolvent. The cost of the Great War has burdened those who survived the war’s murder and destruction with staggering debts that can never be paid. The February Bulletin of the National City Bank of New York contains astounding figures on the national debts of the principal countries of the world.

Austria, which in 1913 had a national debt of 7,313,000,000 crowns, in 1922 owed 14,600,000,000 crowns. The national debt of Germany mounted from 5,017,000,000 marks in 1913 to 1,559,000,000,000 marks in 1922. France, one of the “victors” of the war, had a national debt of 316,984,988,000 francs in 1922, as against one-tenth that amount in 1913. Italy increased its indebtedness from $1,029,000,000 in 1913 to $22,665,000,000 in 1922.

The National City Bank attributes the increase in paper currency, and consequent depreciation in its value, to the extravagant habits of governments. Nations are spending far more than they can collect from their subjects. "War-time armies have not been reduced appreciably, and government payrolls are met by speedily up the printing presses which are turning out paper money. The workers of Europe find that their wages in the beginning of 1923 are worth only one-tenth of their value a year ago. Unemployment in Great Britain threatens the peace of even that country, where labor leaders dine with the king. The invasion of the Ruhr by France has again let loose hatred and the lust of militarism among nations already on the brink of ruin as a result of the late war. No man knows where the world is bound for, in its mad scramble over the precipice. We can only hope that the spirit of Co-operation between the peoples of all nations may yet avert the cataclysm which threatens civilization itself."

"UPLIFT!" VS. JUSTICE

"Uplift" vs. Justice

"The rich will do everything for the poor but get off their backs", said a wise old cynic, who no doubt knew all about the "welfare work" in large industrial corporations. A report issued by a labor union in Great Britain, which has employees in private business organizations and in co-operatives, is a searching indictment of the hypocritical attitude of "co-operative firms that "uplift" their employees with one hand and exploit them with the other. A striking contrast is offered by the report of the National Union of Distributive and Allied Workers, between treatment afforded employees by the soap trust of Great Britain and the conditions of work of the employees of co-operatives.

"Our experiences in the soap trade have been most intolerable", says this report. "Eighty per cent of the country’s trade is done by a well-known combine which has used every available lever to maintain its profits at the expense of the worker and the consumer. Although Government inquiry in the trade showed up the firm in a bad light, it was unrepentant. This combine of associated firms has, whilst booming profit-sharing on the one hand, with the other insistence of standards against the appeals and the arguments of the workers."

Compare this with the conditions of employees in the soap factories owned by the Co-operative Wholesale Society. The report states: "Our membership in the C. W. S. soap factories is done by a well-known combine which has used every available lever to maintain its profits at the expense of the worker and the consumer. Although Government inquiry in the trade showed up the firm in a bad light, it was unrepentant. This combine of associated firms has, whilst booming profit-sharing on the one hand, with the other insistence of standards against the appeals and the arguments of the workers."

"The world’s note circulation", says Mr. Austin, "outside of Russia, to-day aggregates 10 times as much as one year ago. Russia’s total is 40 times as much as a year ago; Germany 35 times, Austria 17 times, Poland 4 times, and Hungary 3 times as much as one year earlier." France in 1914 had 4,730,000,000 francs in gold francs and 3,600,000,000 paper francs in circulation. At the beginning of 1923 the book had decreased to 3,671,000,000 francs, while its paper francs in circulation had grown to 37,065,000,000. While the gold stock of Germany had dwindled from 1,314,000,000 marks in 1914 to 1,005,000,000 marks at the beginning of 1923, its paper currency grew during the same period from 2,014,000,000 to 3,871,788,000 marks. Even Great Britain exhibited alarming tendencies. In 1914 it had 40 pounds in gold for every 25 pounds in paper issued; at the beginning of 1923 the balance had turned, and there were 40 pounds of paper issued for every 15 pounds of gold.

The National City Bank attributes the increase in paper currency, and consequent depreciation in its value, to the extravagant habits of governments. Nations are spending far more than they can collect from their subjects. "War-time armies have not been reduced appreciably, and government payrolls are met by speedily up the printing presses which are turning out paper money. The workers of Europe find that their wages in the beginning of 1923 are worth only one-tenth of their value a year ago. Unemployment in Great Britain threatens the peace of even that country, where labor leaders dine with the king. The invasion of the Ruhr by France has again let loose hatred and the lust of militarism among nations already on the brink of ruin as a result of the late war. No man knows where the world is bound for, in its mad scramble over the precipice. We can only hope that the spirit of Co-operation between the peoples of all nations may yet avert the cataclysm which threatens civilization itself."

"Co-operation" does not mean to put him together again after that terrible fall. Several thousand co-operative Humpy Dumpty's have fallen off the old wall during the past 80 years in the United States. Back in the seventies of the last century there were thousands of flourishing societies in America and practically all of them failed. Twenty or thirty years ago there were hundreds more, and they failed, too. Since 1900 hundreds of others have gone to pieces.

There was good reason for failure during all those dreary years, for there was no national clearing house for information, no established technique of organization, management, financing, accounting. Every society was a lone lamb in the midst of a pack of wolves, and in time of trouble the federal blast for help merely served to whet the appetites of the hungry animals that stood waiting for a chance to pounce. During the last few years there has been no excuse for such isolation by co-operatives. The national federation, The Co-operative League, has centralized times without number practically in a United States. They all know the League exists, and those that refuse to help strengthen it or seek advice from it when hard times come have no good reason for blaming anyone but themselves.

But to return to Humpy Dumpty. In many parts of the country there are societies which do not join the League, do not reply to letters, do not keep up any form of contact. Then, suddenly we begin to get long and confidential communications. The A. B. Society or the Y. Z. Association is in trouble. Will the League analyze the enclosed financial statement? Will the League recommend a new sure-fire, guaranteed all-wool manager? Will the factories. The difference is that between charity and justice."

H. R.
League send an adviser who will straighten them out at once! The League invariably tries to go to the help of these societies. And almost invariably it finds a Humpty Dumpty edifice falling off the wall. The liabilities of from $5,000 to $15,000 in excess of assets, an incompetent or dishonest manager, an unskilled and frowzy store, with almost no trade, a discouraged membership, and creditors thumping at the door. Often the directors and members themselves know that their society is ready for the worst and the undertaker, but they put up a bold front to the League as though to say, "Now, then! Show us what you can do. Bring on your magic and save our store."

The League's staff has no magic. It is composed of ordinary human mortals. It does not piece together broken eggs, especially after they have been scrambled as well as smashed.

During the past two years there have been dozens of these appeals for help. They have come into the League office, and not more than one or two of these societies have been saved. The co-operatives of the country will not find salvation by crying for help when they are just toppling off the precipice. Salvation can come permanently to the movement only as the societies unite in a cohesive federation and contribute something to its wisdom and its work.

"Oh, but 'Humpty Dumpty' is only a Mother Goose rhyme, a fairy story," they say.

Don't let them fool you. We are willing to stand the four lines of this jingle up against any verse in Scripture. They are Gospel truth.

C. L.

LABOR BANKING

Report Presented to the Third Co-operative Congress by W. F. McCaleb

The high purpose before those of us who are interested in the development of the co-operative idea in the banking field is to bring to the brothers, generally, a realization of the power they hold, if they will but take control of their own credits. That means control of credit mechanisms—banks, trust companies, building and loan associations, credit unions, etc. At the moment it seems that the banking phase of the great co-operative movement overshadowed all other developments in importance, for it means the use of capitalistic banks. It is only of late in this country that the co-operative idea has bitten into commercial banking, and it appears desirable to dwell upon this development at the outset because of its influence in developing the possibilities of co-operation. A large number of the smaller type co-operative financial institutions, the Credit Union, or People's Banks, most certainly will come with an increase in the number of commercial banks.

It may be well at this time to go into some details touching the Brotherhood of Locomotive Engineers' National Bank of Cleveland, for the example of that institution has had a far-reaching effect.

On November 1, 1920, the Brotherhood of Locomotive Engineers' Co-operative National Bank opened its doors, and while its resources on that day only amounted to $650,971.77, they are today (October, 1922) more than $40,000,000.

Usually banks lose money on their operations for the first twelve months, but the B. of L. E. Bank actually paid a dividend of 6 per cent to stockholders, and a savings dividend of 1 per cent to stockholders. This was again duplicated for savings depositors for the six months just closed, and a dividend of 5 per cent was paid to stockholders covering period from November 1, 1921, to June 30, 1922. In addition to this, at the close of the first year's operations $25,000 was added to the surplus and on June 30, 1922, another $10,000 was placed in that account, making the paid in capital, surplus and profits to-day $1,300,000.

When the Brotherhood of Locomotive Engineers organized it was decided to operate as a national bank, and the institution is now functioning under the National Bank Act. While legal limitations prevent the bank from being wholly co-operative, yet in most essentials it is so. Dividends are limited to not more than 10 per cent in any one year and the stockholders have agreed thereto. Provision has been made for distribution of earnings among depositors in proportion to the value of their accounts with the bank. The stock remaining in the hands of the Brotherhood and a stock dividend of 6 per cent by members of the Brotherhood. A further precaution taken to insure the stock remaining in the hands of the great co-operative is the provision that stockholders may not dispose of their shares except through the Purchasing Committee of the bank.

Under the present financial system it seemed necessary, in order permanently to secure control of the institution to the workers, that participation in ownership be denied those outside of the organization; 51 per cent of the stock is owned by the Brotherhood and 49 per cent by members of the Brotherhood. A further precaution taken to insure the stock remaining in the hands of the great co-operative is the setting up of the institution is the provision that stockholders may not dispose of their shares except through the Purchasing Committee of the bank.

One of its fundamental doctrines from the beginning has been that so far as might be consistent, support be given the farmers and workers in general. This policy has been pursued vigorously. The B. of L. E. Bank loaned to the Bank of North Dakota in round figures $100,000, this being made up in the form of a loan of $50,000 to the bank, and the purchase of $50,000 of its bonds. Leans also were made to a number of agricultural banks in the West, and the Wheat Growers' Associations were supported. To this date, however, these actions have been experienced by reason of these actions—the Bank of North Dakota retired its $50,000 loan, and the smaller banks in the West conducted themselves as well as they could in the terrible state of depression throughout all agricultural districts. In short, the operations of the Engineers' Bank have brought its management the satisfaction of having served an oppressed people by providing for them, at the time not a cent has been lost in doing so.

The B. of L. E. National Bank of Cleveland came into conflict with the Clearing House Association of the city, that organization having through the public press of the city issued an extravagant advertisement for almost a week condemning all banks not associated with it and which failed to display its membership sign, the so-called "Sign of Safety." The officers of the bank were of one mind in the matter, and replied vigorously to the attack, challenging the Clearing House Association to come out into the open and lay their cards on the table so that the public might be fully aware of the underlying basis on which it functions. Since the date of the reply of the Engineers' Bank the Clearing House has not so much as murmured a word. The organization is deliberately charged that they are a monopolistic group of bankers dedicated to the purpose of fixing minimum rates of interest to be paid to depositors and fixing the fees and interest charges which are to be levied on borrowers. The idea is absurd and all too true and the Clearing House is well aware of it.

Now, to go into a brief discussion of the effect of the example of the Brotherhood Bank in the matter of stimulating the organization of other like institutions throughout the country and the spread of co-operative banking.

On February 1, 1921, against a very considerable opposition on the part of the banks already established, the Cooperative Bank & Trust Company of Tucson, Ariz., with a capital of $70,000, opened its doors and bearing the beacon for that section of the country.

On October 17, 1921, the Brotherhood of Locomotive Engineers purchased control of the Bank of the People's State Bank of Hammond, Indiana. It was then a member of the local Clearing House Association
and as such paying 3 per cent on savings deposits, and subscribing to all the other rules and regulations designed to give the depositor as little as possible for his money. Application was immediately made to change the name to "The People's Co-operative State Bank of Hammond", which was granted; a sign, "4% Paid to Savings Depositors", was hung in the window, and a similar profit sharing policy to that the Engineers' Bank in Cleveland was announced, all of which resulted in an immediate expansion in the usefulness of the institution, increasing its field for usefulness. All this was too much for the Clearing House banks, and they took immediate action to expel the recalcitrant institutions from their midst, which was done; but without harm to the insurgent, for its totals have continued to expand. The assets of the Hammond bank have been multiplied by three since we took control of it. Totals are now in excess of half a million.

In April, 1922, the Producers' and Consumers' Bank of Philadelphia, Pa., opened its doors with totals of $155,831.22. It was criticized on the score that it was operating under a deed of trust; therefore, after some deliberation, it was decided to make application for a state charter as a trust company, which was granted May 23, 1922, on a capital of $200,000. It is expected that control of it. Its total assets are now about $1,000,000, and it is planned to have branches in all the important California cities. The San Bernardino Valley Bank has been active in disposing to workers of the stock taken over, and it will not be long before the loan extended by the bank in Cleveland will be liquidated. Despite the strain of the railroad strike, the patrons of the bank have stood by it, an indication of the awakening of workers to the importance of Co-operation. The totals of this bank have increased since we took it over by $1,000,000, while every other bank in San Bernardino has lost.

April 25, 1922, the Amalgamated Clothing Workers of America obtained permission to open their bank in Chicago, and proceeded to dig themselves in at 371 W. Jackson Boulevard under the name of "The Amalgamated Trust and Savings Bank", with a capital and surplus of $300,000. This institution is operated along the lines under which the Engineers' Bank functions. They propose to open branches throughout the city. They have now passed the million mark in assets.

A charter has been granted by the Comptroller of the Currency to The Transportation Brotherhood Bank of Minneapolis, the preliminary work being in the hands of officers of those organizations located in that city. The charter was granted on April 24, 1922, and the bank will open its doors December 1.

The Order of Railroad Telegraphers will open a national bank in St. Louis on April 1, 1922. The bank will have a capital of $500,000, with a paid-in surplus of $50,000, and will closely follow the line of the Engineers Bank in Cleveland.

A member of the B. of L. E. living in Birmingham, Ala., began agitating a workers' bank for that city shortly after the Cleveland bank opened. The bank, known as The Federated Bank and Trust Company, has an authorized capital of $125,000; surplus of $12,000, fully paid. The State Federation of Labor, as well as the local Central, are actively supporting the project. On October 1, 1922, this bank opened its doors. The total assets to-day approximate a quarter of a million dollars.

Among the cities where the example of the Cleveland institution has been felt is Pittsburgh. Labor leaders have been active there in organizing the Brotherhood Savings and Trust Company. A charter has not yet been granted, but stock is being subscribed and it is anticipated that a long length of time will elapse before this will have been taken care of. The proposed capital is $500,000, shares of a par value of $100, subscriptions to be paid in at $10 per share in order to accumulate $50,000. No individual will be allowed to subscribe for more than ten shares.

Youngstown, O., also is represented in this movement, and for a group there has been granted a state charter.

In May, 1922, the Brotherhood of Railway and Steamship Clerks, Freight Handlers, Express and Station Employees held their convention at Dallas, Texas, and authorized their officers to proceed with the building of a co-operative bank. Action, however, has been delayed on account of the railroad strike, but it is only a question of a short time until another workers' bank will be built in Cincinnati.

The time is ripe for a wide growth of labor banks—all that is needed is persistence and efficient administration of these projects throughout the country. Inquiries have been received from the fields concerning the facilities that should be taken to organize labor banks, and the fact that they are so widely scattered speaks loudly of the thought that is being given to-day to the matter of control of credits:

Arkansas—Little Rock, cotton plant; Alabama—Mobile; California—San Francisco, Sacramento, Dunsuir, Oakland, Orinda, Fillmore, Colorado-Denver; Georgia—Glenville; Florida—Miami; Indiana—Peru, Elkhart, Ft. Wayne, Indianapolis; Illinois—E. St. Louis, Decatur, Joliet, La Grange; Iowa—Burlington, Kansas—Kansas City, Topeka, Wichita, Concordia; Kentucky—Somerset; Montana—Livingston, Miles City; Michigan—Port Huron, Jackson, Owosso, Grand Rapids; Maryland—Baltimore; Mississippi—Erie, State Line; Missouri—Hannibal; Pennsylvania—Harrisburg, Chester; Oregon—Portland; Oklahoma—Oklaloma City, El Reno; Nevada—Sparks, Yerba; North Carolina—Raleigh, Greensboro; New Mexico—E. Las Vegas; Ohio—Sandusky, Akron; New York—Buffalo, Rochester, Utica, New York City; South Carolina—Florence, Greenville; Texas—Dennison, Paris, Fort Worth, San Antonio, El Paso; Tennessee—Nashville; Virginia—Richmond, Roanoke, West Virginia—Bluefield, Huntington; Washington—Spokane, Seattle; Wisconsin—Milwaukee, Green Bay, Wyoming—Cheyenne.

The Chief Executive of the Brotherhood of Railway Carmen of America has developed interest in the co-operative program, and it can be said that it is but a question of time before that organization will take its place among the forces now pushing the co-operative line forward.

Samuel Gompers, President, and Frank Morrison, Secretary, of the American Federation of Labor, as well as others high in the councils of that great league, have definitely stated that they are of the opinion that workers' banks will be a great factor in the overthrow of the powerful financial barons whose sole end is the satisfaction of greed; and they have also said that it is quite possible such an attack would be the most strategic of all the sorties heretofore made.

From results following in the wake of the organization of the Brotherhood of Locomotive Engineers' Co-operative National Bank, it seems those in favor of Co-operation stand to gain most by spreading their doctrine through the working classes, and by enlisting the workers' organizations to get behind it and establish it.

In closing, it is recommended that wherever it is desired to start a co-operative financial unit of any kind, search be first made for competent men to handle its affairs, and when they have been found diligent, that effort be made to collect the necessary capital, or to provide for its collection with certainty. It does not appear wise to further an organization of any form that does not provide for examination from an outside source. This is essential so that it may be protected from decay and degeneration on the inside, and live a healthy life.

The method of organization of Credit Unions and co-operative financial institutions will differ greatly according to
Co-operative stores are generally grocery stores. It is well known that the grocery business is a very precarious one. Practically all of the elements of business uncertainty enter into the grocery business. Co-operative grocery stores have been subject to business conditions the same as other grocery stores. But co-operative groceries not located in industrial centers, especially when fostered or partly financed by labor unions, are subject to the special difficulty of industrial strikes. As a rule, such co-operatives are owned and supported by wage workers.

After a strike has been on for a short time, the question of the co-operatives giving relief to the strikers is soon raised. Relief is money paid by labor unions to members during strikes. Part of the co-operative message in that the movement is a part of the labor movement and will assist its membership in time of strike. Naturally the members expect the co-operative to give them assistance when the time of need arrives. Few co-operative groceries are financially able to give much assistance in the way of relief. The strikers do not have a business training and do not know the financial weakness of their little store. And even if they were aware of this, ‘everything possible must be done to win the strike.’ The winning of the strike is the more immediate problem, and if by sacrificing their store they can strengthen the fight, they will unhesitatingly do it. How labor organizations can foster co-operatives, and the co-operatives can, when the need arises, support the labor union, has been beautifully worked out theoretically. But in its application we meet with many unexpected practical problems. The experience of the co-operatives in Central Pennsylvania during strikes has been unusually rich in this respect. We have organized stores where a strike was on. We have had strikes called after the store had been in successful operation for some time. We have had general strikes that affected all of the stores.

A co-operative store was organized in Janesville in the heat of a strike. This was done contrary to the advice of the organizer. The strike was on. Labor sentiment was running high but funds were very low. The workers being on strike did not have much money. It was possible to raise only twelve hundred dollars to start the store. This was not sufficient. The members knew it, but expected to make up in zeal and loyalty what they lacked in capital. Under an efficient management probably this would have been possible. But soon their surplus was gone and they found themselves in financial difficulties. The store is still in operation today. A losing proposition and the strike is still on. And at the present time it seems to be a race between the strike and the co-operative as to which shall end first. The strikers are not going to be paid, but somewhere receiving a small amount of relief but the store has lost all the advantages gained by its past successes.

A store was organized at Berlin, Pa. This is a mining town, at the time partly union and partly non-union. No discrimination being made, all of the non-union miners took stock in the co-operative store. When the miners’ strike was called on April 1, 1922, all of these non-union miners joined the U. M. W. of A. and came out on strike. At the time the settlement of the national strike was made the union was unable to reach an agreement with these local operators. Many of the newly organized men were forced to go back to work as non-union men. This store had been very successful up until the time of the general strike. When it undertook to extend relief to the extent of about four thousand dollars, and before the ending of the general strike, they were in financial difficulties. We have succeeded in making a considerable improvement in their affairs, and the store is now fairly prosperous. But there is much dissension among the members, owing to the fact that it is partly union and partly nonunion and there is much bitterness between these factions. This bitterness is the cause of much dissension within the co-operative association. Proper strikes do not usually bring about a favorable readjustment of affairs. General strikes do not have as destructive effect upon co-operatives as local strikes. The reasons for this are—local strikes generally last longer, and during a general strike, there is more interest and enthusiasm and more leniency on the part of creditors. Our first general strike was in 1919. Practically all of our stores were in prosperous condition at that time. The members were also prosperous at that time. True there was considerable need for relief and as a rule, the co-operatives extended it where there was need. The strike lasted only a few weeks and all the stores quickly recovered from its effects. In 1922, a general strike was called on April 1st. Work in the mine as well as other industries in Central Pennsylvania had been very slack for a long time previous. The stores had suffered somewhat from this slack work, and few of the members were in condition to stand a long drawn out strike such as
this proved to be. Almost immediately, demands upon the co-operatives were made by their membership for relief. Practically all of the stores granted it. Some carried it to the danger point. All suffered severely. The strike was followed by unusual slackness of work. A condition which still continues, and the slightest improvement in work would make their future secure.

The amount of actual aid given to strikers during this strike will never be exactly known. It was extended in so many different ways that it is impossible to trace it. Sometimes it was given in the form of donations; generally in the form of extended credit. Owing to the lack of work after the strike, few of the members were able to pay what they owed the store. Most of the stores had gone into debt for the goods which they gave to their members on credit. Of course a part of the bills due to these stores will never be paid, but the larger percentage of them will be paid sometime in the future.

The most difficult problem that this condition raised was the question of the stores keeping up their stock of merchandise, a part of which their trade was greater than their ability to pay. Another serious effect was the interference with the established plan of doing business. Most of these stores had been operating on a cash basis and the change to a credit basis, then back again to a cash basis was a severe test upon their business organization.

This brief description of a part of our experience in strikes gives some information on three interesting subjects: First: Does it pay labor organizations to establish co-operatives as an aid to strikes? It does. It gives them some elementary training in business which is of value to them in every department of the labor movement. It enables them to buy a stock of merchandise which, if necessity requires, can be used in support of the strike.

Second: Is assistance from labor organizations anything for co-operatives? From a strictly business viewpoint, no. The stores would be better able to protect themselves during strikes if they had no connection with the labor movement. If considered as a part of the general education of labor, decidedly yes. It shows to labor, the necessity for entering into business to protect their interest. It diffuses more or less throughout the membership, knowledge of the need of business education. This knowledge can and will naturally mould itself into co-operative sentiment. So in the end, losses by co-operatives in strikes, money spent by strikers in the establishment of co-operative education is merely money invested in the labor movement with educational gains that guarantee future financial dividends.

Third: Is it a wise policy for labor unions to confine membership in co-operatives to their own members? decidedly no. A true co-operative movement is a community institution, and though at first glance, it might look philanthropic on the part of a labor union to use its funds for educating the public in co-operation, I know of no better medium of carrying the message of labor to farmers, professional men and workers of the unorganized crafts. And finally, in these days when labor is not able to give sufficient help and knowledge into the movement than will recompense the labor union for its efforts. This is particularly true during strikes. The close association in the co-operative movement of union men with others, form contracts which are of immeasurable value to both parties.

In conclusion we would say that we have no desire to divorce the co-operative movement from strikes as long as strikes exist. It is true that strikes add to the troubles connected with the co-operative store, but in their present state, they are more of an educational institution than a business one. They make an elementary school of economics in which all who are or wish to be obliged to study. A sound co-operative movement cannot be established without the help of a live labor movement. And by a program of labor education and by propaganda, a labor policy appears to us to be absolutely ruinous, equally for France and for Germany, for by diminishing the economic resources of the latter, it makes it still more difficult for her to carry out her reparations engagements.

In view of the way we alienate the sympathies of the majority of the countries, which should have more value to France than billions.

This opinion which I am expressing is that which is held by a large part of the French population, not only among the working class, but among the intellectuals. They realize that for four years France has been obliged herself, at her own expense, to repair the devastation of the ruined regions. France has already spent for this purpose 100,000,000,000 francs. People think that since they have been able to raise this amount of money, the Germans should have been able to find an equal amount. They believe that the German industrialists have earned many billions, which they have hidden in American, Swiss and Dutch banks for the sole purpose of concealing them from their creditors. And I believe this also.

Nevertheless, personally I condemn the policy of the so-called moderates and even of the occupation of the Rhine provinces, and I have written many articles in protest against this policy, for the reasons that follow:

1. Because the occupation of the Ruhr is not only for the purpose of seizing property (this might be justified) but because it implies necessarily the principle of measures to be taken against Germany, which naturally provokes in return acts of violence on their part—a policy odious to all free spirits. When it is said that the Germans have done even worse in the regions which they occupied during the war, we emphatically refute this argument; for it is precisely because we have publicly condemned these methods by Germany that we must have the strength on our part not to imitate them.

2. Because from the financial and economic point of view this policy appears to us to be absolutely ruinous, equally for Germany and for France. For by diminishing the economic resources of the latter, it makes it still more difficult for her to carry out her reparations engagements.
NEWS AND COMMENT

SOO CITY CO-OP PROSPERS

A saving equal to 54 per cent of the capital stock subscribed was made by the Soo Co-operative Mercantile Association of Sault Ste. Marie, Mich., during 1922. This thriving association, affiliated with The League, conducts a main store and bakery, and, in addition, four branches. The combined business last year was $296,186, on which it returned $16,145 to stockholders and employees. Since it was organized, in 1913, the total sales of the association have amounted to $1,350,066, on which the sum of $44,918 was returned to stockholders, customers, and employees. This is equivalent to almost double the amount of the capital invested.

The Soo Co-operative owns its own main building and warehouse, and it has a reserve fund of $13,059. Its bakery business is bigger than that of all the other bakeries in town combined. Groceries, coal and meat are also sold. This co-operative is combating the popular notion that mixed nationalities cannot work together in harmony. Among the nationalities represented are English, German, French, Swedish, Finnish, Irish, Danish, and other co-operators, united on the program of Business for Service.

MORE CO-OPERATIVE EDUCATION

The Franklin Creamery of Minneapolis is determined that the employees in the service of the Co-operative who want to know more about the movement in general and their own jobs in particular shall not lack for opportunity to learn. A short course of ten weeks has been started and a training force will be built up from some of the best co-operative technical experts of the Northern States. The workers will learn in these classes why milk is pasteurized and handled; the best methods of handling and transporting milk to the consumer; the responsibilities of the dairy employee to the public; the problems of management and administration of milk distribution, etc., etc.

ACTIVITIES OF DISTRICT LEAGUES

NORTHERN STATES CO-OPERATIVE LEAGUE

A meeting of the Board of Directors of the Northern States Co-operative League was held in Minneapolis, Minn., on the 15th and 16th days of March. At this meeting a definite date was set for the opening of the Training School for Co-operative Employees, which is to be held in Minneapolis under the auspices of the N. S. C. L.

The school will open on the 4th day of September, 1923 (the day after Labor Day). While it was originally planned to hold the school this spring, the Board of Directors deemed it necessary to allow more time for advertising the school, as well as for the prospective students to prepare themselves better for the school through previous study.

The school is scheduled to last five weeks, closing October 6th. A tuition fee of $20 will be charged each student. The instructors at the school will be men who are thoroughly versed in the subjects to be taught and who have previous experience in similar work.

The Board of Directors of the Northern States Co-operative League, at their Minneapolis meeting, also decided to issue 10 scholarships of $20 each, to be given upon application to all those who either can show merit in work done for the Co-operative Movement in this community or who are anxious to do such work in the future.

Applications for these scholarships should be addressed to the Secretary of the Northern States Co-op. League, whose address is: P. O. Box 147, Superior, Wis.

While the proposed school, which is to be held in Minneapolis next fall, has been termed above a “Training School for Co-operative Employees”, this should not be misconstrued to mean a school for training of those only who are at present employed by co-operative concerns. In determining the qualifications of those who are to be admitted as students of this school, the resolution adopted by the last annual convention of the League reads as follows:

"That anyone ambitious to educate himself so as to more efficiently serve either the Co-operative or the Labor Movement, and who has the recommendation of any bona fide Co-operative or Labor Organization, shall be admitted to the school."

During the year 1922, the first year of its existence, the Northern States Co-operative League had 47 individual members, outside of its affiliated societies. As a result of a circular sent some time ago by the Secretary of the League to all these individual members, 23 of them have so far renewed their membership in the League for the year 1923, by paying an annual fee of $1.00 into the League fund. Three new individual members have also been secured, bringing the total to 26. It is expected that a second circular, presently to be sent out by the Secretary, will bring in the rest of last year’s members. As the League has so far only three individual members in such a stronghold of co-operation as Minneapolis, it is also expected that those friends of the League there will work hard to bring in a host of new individual members from that city.

An agreement has been reached between the Executive Board of the Northern States’ Co-operative League and the Executive Committee of the Co-operative Central Exchange to route Mr. S. Alanne, secretary of the League and manager of the educational department of the Central Exchange, to certain societies in Northern Minnesota and Wisconsin in the month of May.

The schedule for Mr. Alanne’s trip will be as follows:

Lake Nebagamon, Wis., May 3rd
Moose, Wis., May 4th
Ino, Wis., May 5th
Wrenshall, Minn., May 7th
Cloquet, Minn., May 8th
Two Harbors, Minn., May 9th
Winton, Minn., May 10th
Brainerd, Minn., May 11th
Staples, Minn., May 12th
Spooner, Wis., May 14th
Chetek, Wis., May 15th
Blonder, Wis., May 16th
The purpose of the trip is to try to bring those societies, which so far have kept aloof from the Northern States Co-operative League, closer to the League, and also to do general educational work along the co-operative lines.

CLEVELAND DISTRICT CO-OPERATIVE LEAGUE

According to reports from Elizabeth Bertram, the newly appointed Secretary of the Cleveland District League, the work there is being vigorously pushed. To date the following organizations have united with the League, and others expect to join in the near future: Workingmen's Co-operative Company, Bohemian (6 stores). Slovenian Co-operative Company (3 stores). The Co-operators Company (1 store). Cleveland Co-operative Tailors. City Co-operative Dairy. The largest Jewish Co-operative Bakery with 2500 members hopes to so far unite with the League only because of the large membership dues they will have to pay; but some kind of an adjustment will be made. The Y. W. C. A. Co-operative Store is doing such a very small business and on such a small capitalization, that the per capitan here, also, is a heavy tax upon them.

Beginning in March a Co-operative School of Commercial Training with ten lessons in simple accounting was opened under the auspices of the League. Mr. H. E. Carrier, a professional instructor in accounting is teaching the class. Both labor union and co-operative officials are very much interested in this practical aid to their work. Students pay $5 for the course, and if the enrollment is large enough, some of this will be rebated.

The City Co-operative Dairy is continuing its progressive encroachment upon the business of private distribution of milk in Cleveland. Lately they have succeeded in inducing the Atlantic and Pacific Tea Company to carry Co-operative Milk in all the A. & P. stores in the city. The new manager of the Dairy, Mr. Myron A. Loomis, has a rich background of dairy experience. For four years he was with the University of Minnesota, for one year with the United Farm Dairies at St. Paul, and for two years in the Dairy Department of the University of Tennessee.

FROM THE LEAGUE HEADQUARTERS

CHECK UP THAT OVERHEAD EXPENSE!

The League has often sent to its constituent societies advice on keeping down the overhead expenses. We have sent out bulletins showing just what portion of gross sales should go to each item of operating expenses.

The New York State Department of Farms and Markets made a study of operating expenses in private retail grocery stores in New York City in 1918, and published their findings last year.

In 1919 the Bureau of Business Research of Harvard University made a similar study of various grocery stores throughout the country, and published their report in 1920. Now we have the report of the Bureau of Labor Statistics of the U. S. Department of Labor as to the results of their study of expenses in retail co-operative grocery stores made in 1920.

Following is our composite of all these figures. The New York City study was of 128 stores; the Harvard studies, of 175 stores; the U. S. Department of Labor studies, of 72 stores.

<table>
<thead>
<tr>
<th>Item</th>
<th>N. Y. City Studies</th>
<th>Harvard Studies</th>
<th>U. S. Dept. of Labor Studies</th>
<th>Average</th>
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<tbody>
<tr>
<td>Sales Expenses:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Wages</td>
<td>6.6%a</td>
<td>4.9%</td>
<td>5.5%b</td>
<td>5.67%</td>
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<tr>
<td>Advertising</td>
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<td>.2</td>
<td>.2</td>
<td>.2</td>
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<td>Wrapping</td>
<td>1.7</td>
<td>1.4</td>
<td>.7</td>
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<td>Total</td>
<td>7.4</td>
<td>5.9</td>
<td>7.7</td>
<td>6.44</td>
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<tr>
<td>Delivery Expenses:</td>
<td></td>
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<td></td>
<td></td>
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<tr>
<td>Wages</td>
<td>1.7</td>
<td>1.4</td>
<td>b</td>
<td></td>
</tr>
<tr>
<td>Total</td>
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<td>2.4</td>
<td>.7</td>
<td>2.01</td>
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<td>Salaries</td>
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<td>2.0</td>
<td>b</td>
<td></td>
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<tr>
<td>Supplies</td>
<td>.1</td>
<td></td>
<td>.2</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>2.1</td>
<td></td>
<td>.2</td>
<td></td>
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<td>Fixed Charges:</td>
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<tr>
<td>Rent</td>
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<td>1.1</td>
<td>.8</td>
<td>1.4a</td>
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<td>Light, heat, power</td>
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<td>.33</td>
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<td>Insurance</td>
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<tr>
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<td>.2</td>
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<td>Repairs</td>
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<td>.07</td>
<td>.3</td>
<td>.19</td>
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<td>Depreciation</td>
<td>.1</td>
<td>.27</td>
<td>.4</td>
<td>.34</td>
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<tr>
<td>Total</td>
<td>3.2</td>
<td>3.02</td>
<td>1.9</td>
<td>2.94</td>
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<td>Freight, drayage, etc.</td>
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<td>.1</td>
<td>.7</td>
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<td>Miscellaneous expenses</td>
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<td>.50</td>
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<td>Loss from bad debts</td>
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<td>Total Expenses</td>
<td>14.1</td>
<td>14.6</td>
<td>10.3</td>
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GROSS AND NET PROFIT IN GROCERY STORES, AND TURNOVER

<table>
<thead>
<tr>
<th>Item</th>
<th>N. Y. City Studies</th>
<th>Harvard Studies</th>
<th>U. S. Dept. of Labor Studies</th>
<th>Average</th>
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<tr>
<td>Net sales</td>
<td>16.4</td>
<td>17.0</td>
<td>16.7</td>
<td></td>
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<tr>
<td>Net profit</td>
<td>2.3</td>
<td>2.0</td>
<td>2.8</td>
<td>2.4</td>
</tr>
<tr>
<td>Annual turnover</td>
<td>8.3 times</td>
<td>8.3 times</td>
<td>3 to 5 times</td>
<td>8.3</td>
</tr>
</tbody>
</table>

- a. Rents and wages are much higher in New York City than elsewhere; and allowance should be made accordingly.
- b. Wages for delivery and office salaries are included in Sales Wages in this study.
- c. Not given.
- d. The figures given in this line do not express the actual total of figures immediately above. This may look like a mistake in addition. As a matter of fact, all these figures are common, not average figures. For instance, the Harvard Studies are of 175 stores. If averages alone were taken, a few extremes would throw the final figures so far off that the results would not be at all representative. The common results are found by comparing only those that are quite typical.
- e. Statistics gathered from 158 societies.
- f. Procured by dividing the average inventory for the period into the net cost of the goods sold.
- g. Procured by dividing the invested capital into the total sales.
CHAIN STORE ATROCITIES

Fritz, the present manager of the chain store on a busy corner in a large Eastern city, has had a varied experience. His contributions to the betterment of humanity range all the way from the dispensing of drinks over the bar to janitoring in the aristocratic church on the Boulevard. In his present job he is less successful.

The company Supervisor who makes the daily rounds of the stores in Fritz's section of the city is a peculiarly difficult man. Each morning, once a week, he lets each manager know that his job will be considerably safer if said manager slides a ten dollar bill across the counter to him,—the supervisor needs a good deal of cash for his gay night life. It is only natural that the managers comply with a good deal of alacrity.

Fritz has less difficulty than most of the managers in getting back this $10 (and considerably more) from the consuming public. He depends entirely on three little devices, with variations upon each.

It is commonly supposed that all goods in the chain groceries are plainly labelled with price tags. Fritz follows the common show, but always has a large supply of staples and some fancy goods under the counter or on the lower shelves that are unmarked. His selling prices for these articles change almost as often as requests for them are made by his customers, and he realizes each day a tidy profit from this practice before closing time arrives.

Every morning after the supervisor has gone he removes from four or five of his best sellers on the shelves the regular price tag and substitutes others that not only look but have never been more pleasant. Before going home at night or early next morning he returns the original tags to their places. Here again Fritz realizes a neat little surplus which more than pays him for the effort used in continually changing these price tags back and forth.

This is his biggest source of revenue in his deft use of a pencil. Every time he sells more than six items to one customer he jots the figures down on a piece of wrapping paper, and in hurriedly adding them up always makes a mistake of one figure in the second column. Where the true total is $2.69 he makes it $2.79; or where it should be $1.77 he writes $1.67. Customers very seldom add these figures up themselves or ask for the paper on which they have been written. On the occasions where a careful purchaser does catch him at the trick, Fritz is ready and apologetic, "Oh, I made a mistake of one figure! Sorry! but mistakes will happen in the best regulated families," and Fritz gets several dozen of these orders every day and nets 10 cents on almost all of them.

Lately the Supervisor has taken to "guying" Fritz on his evening activities. Fritz is a leader of two boys' clubs and often gives impassioned talks to the District Federation of Boys' Clubs on "Honesty in Business", "Choosing My Life Work", "Fair Play and American Manhood", etc. The Supervisor comes across these speeches in the newspapers the morning after and considers it all a great joke. Fritz sees nothing funny about it.

SUBSCRIPTION OFFER

Any subscriber who sends in five or more new subscriptions at one time will receive free a choice of one of the following books:

CONSUMERS' CO-OPERATION (cloth), by Albert Sonnichsen.
RURAL RECONSTRUCTION IN IRELAND, by Smith-Gordon & Staples.
TRANSACTIONS OF THIRD CO-OPERATIVE CONGRESS (Chicago).
CO-OPERATION, Vols. VI, VII or VIII (bound volumes, 1920, 1921 or 1922).

Any subscriber who sends in three or more new subscriptions at one time will receive free a choice of one of the following:

CO-OPERATION, THE HOPE OF THE CONSUMER (cloth), by Harris.
CONSUMERS' CO-OPERATIVE SOCIETIES (paper), by Gide.
PEOPLE'S YEAR BOOK, 1923 (paper).
The Co-operative Movement (in Yiddish), by A. Stolinsky.

This offer holds good until October 1, 1923.

THE CORRESPONDENCE FILE

I read the article appearing in the March number of CO-OPERATION entitled "The Socialists and Co-operation". Dr. Want expresses the article discusses some very vital points, but I fear in a very incorrect way. It will catch him at the trick. "Socialists are at enlarging and strengthening the political state until it carries on all the necessary business." Later on you furnish a partial answer to this sweeping assertion by saying: "Socialists, like all other people engaged in a wretched, ill-organized, haphazard, piecemeal, semi-co-ordinated state, are working up to the fact that the co-operative method of economic organization offers a solution to the problem." First of all, would it not be more fair to admit that this position of the Socialists has already undergone a universal change, rather than to indict all Socialists. The fact is that in most all countries the Socialists have readily absorbed and accepted the pure co-operative method. Don't confuse the Communists of Russia with the Socialists.

No doubt the Socialists of the United States have been the most backward in learning that the Rochdale system of co-operation is a better method of workers' ownership and operation, at least in the field of production and distribution of articles of trade, than is public ownership. This backwardness, however, is due to the many failures of co-operation in the past ten years. A case in point is the Rochdale system of the Socialists of the United States at different national conventions, have unanimously acknowledged the co-operative method of business. It is the only way to obtain power and influence and control over any other form of ownership as far as it can be proved a success. Beyond this, and beyond that, we adhere to collective ownership and democratic management.

You proceed to make another terrible indictment of the Socialists while seemingly unknowing that you yourself furnish the complete answer to your own charge.

At one place you say: "But the Socialist believes that the issue has been made a Socialist State it will cast off its bureaucracy and coercion and create a free society such as the State is ever the expression of weakness, and the desires of private traders?" You then proceed to say that those who obtain power never relinquish it, but continue to keep the Socialist State a permanent machinery of society. The latter is the more determined at least in the field of production and distribution.

In the meantime, let us all seek to get closer together, rather than further apart. All these branches of endeavor will change some charters, while the Church goes on. The three must attempt to hang together or there is no longer any considerable chance they will hang separately. Why should one organization carry a chip on its shoulder for the day? None of us can accomplish anything unless all of us co-operate, and the co-operative movement, and the co-operative movement, and the co-operative movement.

While writing the office of The League to change my address, I am so strongly tempted to offer my present position on Socialism and similar political effort, as indicated by your editorial on page 38, March number of CO-OPERATION, that I will yield thereto; it will surely not offend you and we are all building for the ultimate structure.

W. F. BRAGGINS,
General Representative,
Brotherhood of Railway & Steamship Clerks,
Okla City, Okla. City.
THEY CAN'T FREEZE OUT THESE CO-OPERATORS

I am now in Florida, the land of sunshine and roses. Yesterday I was in Frostproof. Called upon the co-operative store located there. The store is in the hands of a man who has taken into consideration that it is a very small town. Their manager is a young man of high moral character, and heart and soul in the Co-operative Movement. His name is Andrews. He came from Alabama and started a co-operative store for which he has $600 to the treasury. Has now a stock of $2500, all paid for; has not drawn anything from the store, and they do not have a cash and carry proposition, he knows every day where they stand. All profits are turned back to the store, increasing their stock in the store. They also pay cash and take their discounts. They have forty members. You see by the small membership they must be loyal ones. They have disposed of only $1,000 of their capital stock of $10,000. They are now going to take in more members and put in drygoods and clothing.

I am fully satisfied they will succeed in this, as the people are beginning to realize what the store is to them. I addressed them last night on the subject of true Co-operation; also how to conduct a co-operative store; also the duties each member owed the store. After I finished my address they received their application to become a member of the store and a subscription for the magazine. I am well pleased with the reception I have come across.

Miss M. K. Perkins, Business Manager.

J. F. RANDALL,
Frostproof, Ky.

REWARD OFFERED FOR AN ANSWER TO THIS QUESTION

Our Exchange, composed of two stores, Glennville and Savannah, is in high way of a business. In fact, they are doing a wonderful thing. L. R. Tillman, Glennville, and C. A. Bower, Savannah, are in the hands of a good manager, the Co-operative League of the U. S. A., 167 West 12th Street, New York City.

J. H. McNamee, Secretary.

Waldemar Niemela, Treasurer.

J. F. McNamee, Vice-President.

A. P. Bower, Secretary.

MANAGING EDITOR, C. E. DODGE.

STATEMENT OF THE OWNERSHIP, DISTRIBUTION, ETC., REQUIRED BY THE ACT OF CONGRESS OF JUNE 17, 1912.

Of CO-OPERATION, published monthly at New York, N. Y., by April 1, 1923.

The Co-operative League of the U. S. A., 167 West 12th Street, New York City.

1. That the names and addresses of the publishers, managing editor, and business manager are:

   Publisher, The Co-operative League of America.
   Editor, J. F. McNamee.
   Managing Editor, C. E. Dodge.
   Business Manager, J. F. Perkins.

2. That the owners are: James P. Wiese, President; A. P. Bower, Vice-President; J. F. McNamee, Secretary.

3. That the known bondholders, mortgagees, and other security holders owning or holding more than 1 percent of the total amount of bonds, mortgages, or other securities are:

   None.

4. That the two paragraphs next above, giving the name of the owner or corporation for whom such bonds are held, have been verified. All parties interested have been notified of the publication of this statement.

5. That the average number of copies of each issue published during the 12 months ended on or about April 1, 1923, was 5000.

6. That the actual number of copies on hand for sale at the office of publication on March 1, 1923, was 100.

7. That the annual mailing list is 5000 copies.

8. That the name of the postmaster at whose office this publication is entered as second-class mail is John C. Oates, Postmaster, New York, N. Y.

J. F. McNamee, Secretary.

P. VIGGIANO.

(My commission expires March 30, 1923.)
Co-operation in the United States.


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Published by The Co-operative League

Publishing Office, Willimantic, Conn.

Albert Bommesen, Managing Editor.

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Brantford, Ontario, Canada

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Wholesale Grocers and Jobbers, Bakers

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is all. It is a fight between the big exploiters of the people, just exactly the same as the great war was. The fact that the people are fooled by the Rohr business, the same as they were by the war, is not to be wondered at. They are afraid of the murders of the press and the governments which are but the agents of these interests. Some day it will be different, if our way prevails.

J. P. W.

**HOW THE SHAMELESS EX-PLOITER BECOMES A VIRTUOUS CITIZEN**

A few months ago Senator Smith W. Brookhart played a shabby trick upon the business men of the country. He presented to the U. S. Senate and to the American people a list of the corporations which declared stock dividends in 1922. This list was later published in the New York Times. We should like to publish it here again in full. But it would cover several pages and we do not have the space. A few of these figures given in round numbers, however, make interesting reading.

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<tr>
<th>MILLIONS</th>
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<td>Atlantic Refining Co.</td>
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<td>General Baking Co.</td>
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<td>Gulf Oil Corp.</td>
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<td>Magna Steel</td>
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<td>Nat'l Biscuit Co.</td>
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<td>Ohio Oil Co.</td>
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<td>Standard Steel Car</td>
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<td>Union Oil of Cal.</td>
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<td>Vacuum Oil Co.</td>
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<td>Victor Talking Mach.</td>
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The entire list includes more than 300 corporations the total value of whose stock dividends declared in 1922 exceeds $2,100,000,000. The Standard Oil group alone distributed 882 millions in

this way. There were many other corporations whose figures Senator Brookhart could not get, much to his disappointment.

Such facts as these are excellent ammunition for the soap box agitator. They also have a very practical value for the worker in the co-operative or the labor movement. Let us take, for instance, the Davis-Brown Woolen Co. which declared a stock dividend of 333 per cent.

The workers in these mills will now run their looms at a much higher speed. Overhead interest charges on the business have increased more than 30 times; these textile workers will have to bear their share of the burden.

The consumers, on the other hand, will pay their share of the new interest charges.

And meanwhile, Messrs. Davis and Brown make the same exorbitant profits they have made ever since the war, but these are not any longer known as "exorbitant profits"; they are now distributed among 33 1/3 times as many shares of stock as formerly. The small stockholder who formerly owned only ten shares and got out a cash dividend of several hundred per cent each year was a "gross profiteer." Now that he has 333 shares and receives only six or eight per cent dividend he is a conservative business man and declares the self-righteously that "he would not even stock in one of these corporations which rob a defenseless consuming public and an exploited working class."

The co-operative movement advances slowly, and many years will elapsed before it is powerful enough to vie with these corporations. But even the longest night finally fades away before the morning sun. Co-operation is yet coming into its own and when it does, this life-destroying profit game will be but a bad memory. C. L.

**BREAD FOR FOOD OR BREAD FOR PROFIT?**

The Ward Baking Company, with tremendous plants in many of the largest cities of the country, is the largest bakery monopoly in the United States. On May 1st it declared a lockout of the organized bakers and instituted the "Open Shop." This means that thousands of men are thrown out of jobs unless they agree to submit themselves entirely to the will of this powerful trust and promise to maintain no organization of their own.

The Ward Baking Company is built to produce profit. Bread is a secondary consideration. The needs of men, women and children must be subordinated to the profit motive in such an institution. That the Ward Company has increased its sales in the last few months is a very high mark of its success in turning out its chief product the following figures attest. In 1922 the company gave, in addition to the usual 8 per cent dividend on stock, an extra 5 per cent cash dividend and a 20 per cent stock dividend. The net profits for the year amounted to $2,493,133, or 22.6 per cent of its capitalization. Late in 1921 the company employed these employees to take a 15 per cent cut in wages; and in the Spring of 1922 attempted to apply another drastic reduction and the elimination of the 8-hour day.

The workers in the bakery plants and the bread consumers in millions of homes contributed great wealth to these idle stockholders. In return, the bread producers are reduced to virtual slavery and the consumers are continually paying a profit-tariff on every loaf of bread purchased. King Profit reigns in a lordly fashion and his appetite is never satisfied.

Of course some of us know that bakers may be run in the interest of bread-making primarily. Co-operative societies in Los Angeles, Superior, Ste. Marie, Detroit, Cleveland, Utica, Patterson, Newark, Brooklyn, Spring- field, Pittsburg, and scores of other cities are operating such bakeries. They have no wage fights, have no desire for the "Open Shop," are on friendly terms with the local unions. And they give full value to the consumers.

But there are millions of people who don't know this. They think bread can be produced only as a by-product of a profit-seeking institution. Thousands of the bakers themselves believe this, too. And until the organized bakers begin to take a vital interest in co-operation we shall not see supplant the Ward Company with such co-operative bakeries as that of the Vienna Society in Austria which has a membership of 200,000. The Co-operative League or any other co-operative organization cannot force co-operation upon a people that is satisfied with the profit system. C. L.

**ON DISTURBING THE MEETING**

In the Jubilee History of Compsall Co-operative Society, England, is found the following extract from the rules of the society for "keeping order at meetings": "Any member coming to any meeting intoxicated, and causing any disturbance, or in any wise summoning the meeting, shall be ordered by the president to leave the meeting, and if he do not immediately do so he shall be fined one shilling and be ejected." This was one of the rules of the society in 1862.

Now, after seventy years, alcoholism is no longer a serious menace to our meetings. Instead of having boisterous members, we have members who are not boisterous enough. We have attended the members' meetings of some societies in the United States and watched the quiet, unexpressive faces and heard no sound nor discussion nor questions, and we have often wished that someone would get up and make a fuss about something. If only something might happen to wake up the members to action, it would be better than the stolid indifference.

These meetings where nothing happens, where nobody is moved to speak about anything, are deadly dull. Alcohol is not necessary to stir up the people. If they would only drink the spirit of the co-operation they would be stimulated into action. These dull and quiet meetings indicate that the people have not had a good draft of the real thing. J. P. W.
CREDIT UNIONS

By Caro D. Coombs

Co-operative saving and lending, what is called in the United States the credit union, has behind it a long history; more than seventy years of successful operation in Europe, twenty-five years in Canada; but only recently introduced in the United States, in 1909. Shortly before the outbreak of the European war the number of credit unions operating in Germany was estimated by the United States Commission to be 17,000. At that time thousands of credit unions were operating in Japan, Egypt, Finland, and many other countries. Although the idea is new in the United States, eight states have enacted credit union laws. There are one hundred credit unions operating in New York, about ninety in Massachusetts, and twenty-two rural credit unions in North Carolina. The idea is not only becoming popular among native-born Americans but is thoroughly understood and appreciated by those of foreign birth.

WHAT IS A CREDIT UNION?

The credit union is a co-operative organization which is formed among the members of an industrial, mercantile, racial, church, or other group, the members of which are mutually acquainted. It is organized, to quote from Mr. Arthur H. Ham, "to encourage thrift by providing its members when in urgent need with a source of credit at reasonable cost; to promote industry by enabling its members to borrow for productive and other beneficial purposes, and finally, to train its members in business methods and self-government, endow them with a sense of social responsibility, and educate them to a full realization of the value of co-operation."

The basic principle of a credit union is that all members shall share equally in profits and, if there is a deficit, that each member shall have one vote, regardless of the number of shares he holds.

HOW THE CREDIT UNION FUNCTIONS

The sums paid in by members upon shares or deposit constitute the working capital of the credit union. Each member must subscribe for at least one share, but even trifling sums may be accepted in payment of shares or on deposit in order to enable the humblest member to save. From these funds loans are made to members at low rates of interest, repayable interest upon a weekly or monthly installment basis. Ordinarily loans are secured by the promissory note of the borrower with one or more endorsers to determine whether or not credit should be extended. In the credit union, more truly than in any other lending organization, character is an accepted form of security. The very nature of the organization involves a more or less intimate knowledge of personal habits and the financial and domestic situation of the borrower. As Arthur H. Ham puts it: "The credit union is formed on the principle that a man's best asset is his own associates' estimate of him, and the moral responsibility of repayment is great when a man knows that by violating his obligation he not only withholds the money of a fellow worker but involves social ostracism."

The law of New York State permits an interest rate of 1 per cent a month to be charged on loans, but once the credit union is under way—certainly in groups that have the ultimate purpose of the credit union for it is so easy to exaggerate one's own solvency.
tion of the organization of a large number of credit unions. There is every reason to believe that the movement will spread in New Hampshire, Rhode Island, Virginia, Kentucky, and South Carolina, as it has in Massachusetts, New York, and North Carolina—very much as a fire does, without fanning, once a good start has been made.

**Educational Guidance for Credit Unions**

In every state where the credit union has developed there has been some group equipped to give necessary assistance. According to the law of North Carolina (and eventually this will be true of laws passed in other Southern states) the supervising official is appointed by the Department of Agriculture. He is also provided with a number of assistants. This will enable the credit unions to have thorough supervision. As a matter of fact the North Carolina credit unions have suffered because this very excellent provision of the law has not been carried out in its entirety; but the trying experience of the last two years has resulted in an effort to get the 100 per cent co-operative operation which the law permits. In the early days of its development the Massachusetts Credit Union Association (chartered by special act in 1914) did all the educational work, paving the way for more extensive growth. This work is now continued under the auspices of the League of Credit Unions, a central organization made up of two delegates from each union. In New York the promotion of credit unions has been chiefly accomplished by the Division of Business Loans of the Russell Sage Foundation.

It seems to be worth while to dwell for a few minutes on the work of this League of Credit Unions in Massachusetts because it is playing so important a part in keeping the credit unions in line. It succeeded in gaining the confidence of the credit union members by handling their printing at very small cost. It is a self-operative buying agency as the credit unions agree on the same bookkeeping forms and order in quantity. Too much stress cannot be laid on the importance of what has always been a severe problem to credit unions at the time of their organization. "Where?" we are asked, "can we get these very special forms and how can we afford to pay such unreasonable prices?" Another common and insistent problem concerns bookkeeping. A credit union in distress calls upon the Secretary of the League, and for a small fee she spends a day or two in straightening out its books. In fact every new problem is taken to the League for solution. Of course they have confidence in it. How could they help it?

**Accomplishments of Credit Unions**

Massachusetts, so far as I know, has had no failures. I point to this state as well as to Canada as giving convincing evidence that this movement is destined to become a tremendous factor. As Mr. Bergengren puts it, this movement is:

"(1) Increasing the number of small savers in the United States; (2) Eliminating the necessity, for although we are now the richest people in the world, statistics indicate that we are the least thrifty, having disproportionately a very small number of individual savers; (3) Eliminating usury by the creation of credit facilities for those who are without such facilities and without banking as association; (4) Making it possible for the tenant farmer to buy for cash co-operatively in large quantities, and to borrow at low rates of interest, in the South and other sections of the United States where large numbers are now obliged to buy on credit, giving crop liens as security for small purchases and paying from 30 to 90 per cent for the credit."

**Difference Between Credit Union and Co-operative Bank**

The co-operative bank is an application of the co-operative idea to commercial banking; the credit union is a co-operative application of an idea limited and clearly defined field of thrift and small credit. The co-operative bank exists because of an accumulation of capital already made. The purpose of the credit union is to make possible the accumulation of capital not already in existence. It has been said that no bank can succeed unless deposits exceed its capital ten times over; so it becomes necessary for a co-operative bank to turn to outside depositors for the further accumulation of capital. The credit union, on the other hand, to be successful, can only not only confine itself to its membership in the acceptance of deposits, but it must watch carefully to see that its membership does not grow too quickly or be drawn from too widely scattered districts.

The stockholder of the co-operative bank has no responsibility other than to adhere to the provisions agreed upon when he applies for the purchase of stock. The member of the credit union, on the other hand, in return for the privilege of buying shares, depositing and borrowing, must assume ratable responsibility with all other members in the matters involved; and not only that, but he must share in the amount of savings device gratuitously given. Thus does the credit union demonstrate the co-operative principle of "democracy of ownership and control." A co-operative bank must have a paid staff of trained workers. It is doing substantially a banking business, and starting out as the Brotherhood of Locomotive Engineers' Bank did with a capital of $1,500, only men familiar with the business could be judiciously appointed as its managers. The credit union is not dealing in the strictest sense of the word, a banking business. Some elements of banking enter in and it must choose its board of directors, credit committee and supervisory committee carefully, but inasmuch as the working capital will necessarily be small and as it gradually increases the members will also gradually become better equipped to handle the funds judiciously. You can view the credit union as you will, as a training school so equipped as to give all of its members an opportunity to learn the fundamentals of bookkeeping, accounting, credit and investment. The importance of this training in business methods with the incidental development of character in the process cannot be overestimated. As Mr. A. Desjardins of Canada said: "It teaches its members how capital is managed, safeguarded and multiplied by useful employment; it teaches business-methods, self-government and self-reliance and thereby makes its members better citizens; it transforms moral qualities into valuable assets and brings to the industrious and thrifty man higher reward than wages—the confidence of his fellow citizens."

Another fundamental difference between the co-operative bank and the credit union that might be mentioned is the "one man, one vote" principle which is lacking in the bank, partly because of the State and National Banking Laws.

Lastly, and to my mind the most important function of the credit union—the one which makes it stand apart from every other lending institution whether a bank, a co-operative bank, or a remedial loan society—is that of making loans on character. One hears a good deal about loans which are made on character alone although it is a factor which even the commercial lender must take into consideration, no organization but the credit union is equipped to accept it in lieu of any other security.

To prove, however, that the credit union does lend money on character alone is not showing poor business sense I would like to quote first from Mr. Alphonse Desjardins' pamphlet on the Co-operative People's Bank of Canada. He says in part: "A most remarkable fact already stated but which deserves special emphasis is that we have never yet heard that any of these credit unions has lost one cent upon its loans. A Boston banker being apprised of this fact told me that it is a marvel, but he acknowledged that it is due to the network of provisions made to insure their safety and soundness of good character and that activity so happily chosen in which they are carrying on their beneficial work." Mr. Roy Bergengren of the Credit
CO-OPERATIVE SOCIETIES DO NOT SELL TO MEMBERS

By K. H. Maier, Legal Adviser of the German Co-operative Union, Hamburg

In the November 1922, number of Co-operation is published the decision of a German court to the effect that when a member takes goods from his co-operative society it is not a purchase. This decision rests upon principles that apply to every country. When, for example, six or eight families unite to buy a barrel of sugar, a sack of coffee, a car-load of coal or a basket of fish, because in these quantities a low price can be obtained, they assign to one person the function of ordering the commodity, receiving it, weighing it, dividing it properly among the members, collecting the money, and paying the bill. Nobody would claim that these people bought the commodity from one another. The only purchasing consisted in buying from the outside wholesaler.

Now suppose that more families unite. They only have to find out just what quantity of this or that commodity each wants and provide for just so many more. The wares are collected and distributed to many upon the same principle as to a few. Then comes the discovery: It is highly inconvenient not to have the money at hand when the commodity is bought so as to get the benefit of discount for cash. For this reason we have each one pay in advance a stipulated amount into the common treasury which shall be enough to pay for all the goods wanted. And then each time one of us takes goods he pays for it also just as before. The full amount is always left in the treasury as an iron reserve. That money always belongs to us.

This is the manner of organizing a consumers' co-operative society with share capital; the situation is just the same. The co-operative society member buys neither from his society nor from its manager. He simply calls for the goods at his store. The store manager has simply protected the store against indemnity, bought the goods, and distributed them among the members. The goods lose the character of merchandise the moment they leave the wholesaler or the factory.

The legal relation between co-operative society and members is a peculiar relation. It is a pure fiction for the member of a co-operative society to say that he "buys" from his society. He does not buy from the society, the society buys for him. The money that he pays over the counter is only to be used to replace the goods that he takes away. When the position is taken that the co-operative society does not sell goods to its members, then on the other side it must be assumed that a society which builds or buys houses in order to supply homes for its members, does not charge rent. The purchasing function of the consumers' society is comparable to the renting function of a housing society.

The practical application of these facts is that all laws referring to "buying" and "selling" have no application to co-operative societies, so far as the relation between members and society is concerned.

RESOLUTIONS ON THE OCCUPATION OF THE RUHR

ADOPTED BY THE EXECUTIVE OF THE I. C. A. AT THE HAGUE, 22nd APRIL, 1923

I. "The I. C. A., representative of more than thirty millions of Co-operators, seizes with deep concern that the occupation of the Ruhr by French and Belgian troops hampers the economic reconstruction of Europe and the consolidation of the peace.

"While recognizing the economic and moral necessity of the payment of reparations due by Germany for the reconstruction of the devastated areas of France and Belgium, the Alliance regards the invasion of the Ruhr as an act of oppression and force, a method which is neither useful nor efficacious, the true method being based on an understanding between all nations.

"The Alliance realizes that a military occupation necessarily brings with it deeds of oppression and violence and the danger of reviving the hate between the peoples, and is, therefore, a policy which may lead to new wars in the future.

"Meanwhile, the Alliance asks the French and Belgium Governments to give every facility to the German Co-operative Societies existing in the occupied territories to exercise their activity and to continue their co-operative work in full liberty and in association with their Central Organizations.

II. "The international resolution of I. C. A. draws the attention of the members of the Alliance to the fait that, in the spirit of the resolution of the Basle Congress, it was represented at the World Peace Congress at the Hague in
BUILDING GUILD FAILS

The National Building Guild of Manchester, England, heralded during the past two years as a model of the housing movement of Great Britain, as well as the high road to industrial democracy, went into bankruptcy late last year. Although the Guild had a slight margin of assets over liabilities, the assets were not liquid enough to pay outstanding debts. Creditors of the Guild agreed upon a plan whereby a private building contractor would assume the management of the Guild for three years, with exclusive control of the business.

It is interesting to note the reasons given for this failure. According to S. G. Hobson, Secretary of the National Building Guild, the organization started with several advantages. Public bodies gave the guild work of a technical nature, not requiring an exact estimate, and the Guild’s “undoubted superiority in output as well as in quality of work had given it a sort of monopoly.”

According to the International Labor Office, “The system under which the manual worker had been deliberately left free to manage his own affairs with a minimum of technical assistance had worked well enough at first, but under adverse conditions weak spots became apparent. By two-thirds of the local committees, a standard of discipline was maintained as high as in any private firm; but some committees had shown slackness in time-keeping, had countenanced abuses of the principle of industrial democracy had to be revised. The Realization of the necessity for industrial control on the basis of their present resources. In spite of the self-sacrificing help which the movement had received, the end result at the disposal of the Guild had never been adequate and new methods must be devised.”

The editor of the Belgian journal “La Co-operation”, draws the following conclusion from the failure of the British Building Guild and similar societies in Belgium and Italy: “The experimental workers in the domain of production do not lack interest, but unfortunately their efforts are not generally met with success. We shall never cease repeating—only production based on consumption, and dependent upon the experience of a half century in all countries is the direction in which we encourage the workers!”

RUSSIA’S HUGE MOVEMENT

Late in January of this year the Council of the Centrosoyus, the various unions, and the local consumers’ societies aggregates about 397 million gold rubles, 60 per cent of which represents the actual turnover for the smaller units alone. It must be remembered that these figures are in gold rubles; if they had been in paper rubles they would run up into the trillions or quadrillions.

The State Trusts are of course doing a very large business in Soviet Russia. However, the Co-operatives are now doing 25 per cent of all the business of the country. And the movement is receiving no subsidy whatever from the Government. The consumers’ movement is now engaged in many kinds of production. It is organizing not only industrial production, but also agricultural production, such as tractor cultivation, flax growing, seed growing, stock breeding, dairy farming, etc. In Moscow it has an immense printing plant and is about to begin the publication of a popular weekly paper which will reach the masses of co-operators. One of the largest libraries in Europe is that of the Centrosoyus. The co-operative bookstores have a stock of 467,000 books; and in Moscow there is a sort of wholesale book store which distributes books to the locals. Sixty educational courses are being given at the schools, with a total enrollment of 5,000 students. In Moscow is a Higher Instructor’s School with eight students; and in Petrograd a “Co-operative Polytechnic” with eighty students.

Centrosoyus now has foreign offices in London, Berlin, Reval, B i g a n d Constanti nople, and New York. Last year 60,000 tons of goods were handled through these centers for the co-operatives, representing a turnover of 22 million gold rubles. This is about 25 per cent of the total foreign trade of Russia.

The individual membership of the co-operative movement is estimated by the officials of Centrosoyus to be about 20 million heads of families, or nearly 100 million direct beneficiaries.

Strange to say, the leaders of the movement are making war at present against a host of fraudulent co-operatives.

SUCCESSFUL WHOLESALEING

The fifth annual meeting of the Co-operative Central Exchange was held in Superior, Wis., March 12th and 13th. The meeting was attended by 33 delegates, representing 22 affiliated societies. There were present five fraternal delegates.

The financial statement of the Central Exchange (for the year 1922), presented to the meeting, showed the assets of the Exchange at the end of the year as $96,667,26, as compared with $1, 698,40 the year before. The total net sales for the year were 9287,566.58, the corresponding figure for the year 1921 being $312,546.59. Thus there was an increase in the sales, amounting to a little over $25,000. The profit and loss statement showed a net profit of $1, 182.83 for the year. It is remarkable that during its existence of over five years the Co-operative Central Exchange has never shown a loss.

The list of membership shows that 63 co-operative societies have joined the Exchange during its existence. Of these all are not active at present (there have been a few amalgamations of societies; three have failed, etc.), but the number of active societies exceeds 50. Most of these (about 70%) are farmers’ stores; 36 of the affiliated societies are located in Minnesota; 17 in the Upper Peninsula of Michigan; 11 in South Dakota and 1 in Illinois. During the year 1922 the Exchange had actual business dealings with 112 co-operative societies, while for instance during the year 1918 it dealt only with 50 societies.

By far the largest branch of the business of the Central Exchange is its flour and feed business. During 1922 it sold...
over 10,000 barrels of Co-operators' Best (wheat) flour. It also sold almost 3000 tons of feed, which was 30% more than the previous year. In the month of December alone it sold 28 carloads of flour and feed.

For the last three years the Co-operative Central Exchange has had its own bakery, where mostly toast and hardtack is manufactured. The sales of the bakery during last year were $34,126.10, as compared with $42,003.98 the previous year. The reduction is partly due to reduced prices of toast, partly to certain adverse circumstances which are now well under control.

During the year 1922 there was a change in the management of the Central Exchange. Mr. John Nummivuori, who had been managing the Exchange from its very start in 1917, resigned his position in last July, to accept a similar position with the Central States' Co-operative Wholesale Society of East St. Louis, Illinois. Mr. Eskel Ronn, the sales manager of the Exchange, was elected general manager in his place. Mr. Ronn, who is a young man, has been with the Exchange since the year 1918, first as its bookkeeper and later as sales manager.

The Co-operative Central Exchange seems to have entered a regular boom period from the beginning of the new year. Its sales during January were 65% greater than they were in January, 1922. And the surplus for the first two months of the year was somewhat larger than the surplus for the whole of last year. At present there are 18 persons on the pay roll of the Exchange. Of these, five are working in the bakery.

To ensure their business further the Board of Directors of the Central Exchange decided to float a $25,000 bond issue from the beginning of this year. The bonds of $35 each, are sold to all good co-operators, and naturally all co-operative societies which are either affiliated with the Exchange or have business with it, are expected to buy some of these bonds. Just to show its sympathy and solidarity with the Exchange, and to set a good example, the Executive Board of the Co-operative League (of the U. S. of A.) has decided to take one of these bonds. The recent annual meeting of the Exchange unanimously endorsed the action of their board in floating this bond issue and published an appeal to all the affiliated societies to subscribe liberally to these bonds.

Last, but not least, we should report on the activities of the Educational Department of the Co-operative Central Exchange. During the year 1922 the director of the educational department delivered altogether 74 speeches and lectures on co-operation and printing of news of interest in the Co-operative Movement. During the last year there was something from the pen of the educator in the 84 issues of 52 articles, announcements, appeals to the membership, reports of conventions and meetings attended, etc. A year ago the educational department published a book in Finnish, under the title of "Osuustoiminnan oppaat" (The Co-operative Guide). This book will be used as a textbook in Co-operation at the future courses for the training of co-operative employees. Such a course, or rather a school, lasting for six weeks, will be organized by the Central Exchange in Superior again next fall.

This month the Educational Department of the Exchange will issue a 32-page pamphlet (in Finnish), containing information and advice useful in organizing and managing Co-operative Buying Clubs (The Exchange has at present over 20 of such clubs affiliated with it).

The above described activities cover only a part of the duties of the Educational Director. He has also to circulate the information from time to time, giving them technical advice concerning certain problems of management, etc.; gather statistical data about the co-operative societies and tabulate the same; help the societies in securing capable and honest managers, bookkeepers, etc., and furnish them at request with containing these; spread and help to spread co-operative literature; assist in organizing new co-operative societies, etc.

The Educational Director of the Central Exchange also is to be the Secretary of the Northern States' Co-operative League (a district league of the national Co-operative League), organized a year ago. This young organization has already a membership of over 12,000 and its activities are expected to increase considerably during this year. Among other things the Northern States' League is now active in organizing a school in English for the training of employees for co-operative societies, similar to the school conducted by the Central Exchange in Superior. 

S. A.

A NEW CO-OPERATIVE SCHOOL

The New School for Social Research in New York is making another interesting experiment—co-operative this time. The school, established in 1919, grew out of a revolt against the old line dominated by reactionary interests. The directors are men and women of the most progressive social ideals. The list of teachers has included such well-known educators as John Dewey, James Harrington Robinson, Robert Morse Lovett, Horace Kallen, Alvin Johnson (editor of the New Republic), Leo Wolman, etc. The students include almost all college graduates who desire to do advance work under the old plan for a year or two. The leaders hope, however, that ultimately all students will vote for this co-operative method of control, and the whole administration can then be turned over to them. The old directors stand ready to step out immediately the students take charge.

The co-operative group is already voting on courses offered for next year. They are choosing between Bertrand Russell, John Dewey, Hendrik Willem Van Loon, Alexander Fisher, and Arne van Liere. So far the co-operative group has a committee of eleven in charge. There are three subcommittees—one on methods of study, one on choice of teachers, and one on student relationships. Research work by small groups or individuals will be financed from the surplus made on the most popular courses. In the first year of the co-operative preparations three co-operative schools in Greater New York have been written about many times in Co-operation.
...and carry trade and 2½ per cent on other trade; $1,091 went into the Reserve Fund and $207 to the Educational Fund. The Society has never been in a better financial condition. It has never been in so fit a position as it is today.

The fields of your activity are white east of the Allegheny Mountains, and on the borders and around the lake towns of the upper Great Lakes. Any improvement in the credit unions could start the bakery and the grocery business together, too.

So runs the manifesto recently adopted by the International Co-operative Alliance, to be used as a rally cry for co-operation the world over on Co-operators' Day.

The date fixed for Co-operators' Day in all European countries is the first Saturday in July, the 7th. On that date the co-operatives of thousands of cities and towns will hold great co-operative demonstrations, the international co-operative flag being flown from countless co-operative buildings, and a great drive will be launched everywhere for renewed loyalty of old members and new recruits to the movement. This day will be for Co-operation what May 1st is for Labor.

American co-operators should take up this International Co-operative Day and put it to the service of the movement. Societies should arrange meetings, picnics, and parades; house to house canvasses to increase the local membership; loyalty demonstrations at which the old members will pay a new, solemn allegiance to the society; a banquet in the evening. A special effort should be made to get the active participation of the women and children.

At the Chigago Convention the Educational Committee discussed the Co-operator's Day at some length. Much of the sentiment then seemed to be against a July date and in favor of a date in the spring or autumn. Recently the European countries have gone in so wholeheartedly for the first Saturday in July that it seems to the Executive Board of The League that American co-operators should not try to establish a different date until we have at least made an effort to unite with International co-operators on this matter.

Societies which feel that one day is not long enough for effective work might carry their initial preparations throughout the entire week, having the celebration culminate on Saturday. Or if it appears that the 4th of July is a better day for a good celebration, then the local society might use that day. Or an attempt might be made to start the co-operative campaign on the 4th and have it run until the night of the 7th. For a few years we shall need to experiment and see what program works best. But co-operators the world around must ultimately unite in the celebration of a Co-operators' Day.

BOOK REVIEW

A NEW BOOK ON CO-OPERATIVE BANKING

"Co-operative Banking" by Roy F. Bergengren, published by the Macmillan Company, is a much needed book. It is the first book on this subject that has been published in this country since Herrick and Ingalls brought out their "Rural Credits" in 1914 and Henry W. Wolff his "Co-operative Credit for the United States" in 1917.

Mr. Bergengren's book is devoted especially to a study of the credit union. This is the sect by which co-operative banking grows. It is the most useful form of banking. Mr. Bergengren shows how it promotes thrift, eliminates usury, and it provides the farmer and artisan with short-time credits at a minimum cost. The book goes farther: it gives the reader a vision of how the whole capitalist banking system might be supplanted by the extension of co-operative banking. It shows how banking for service may be brought to the masses of people who need it, and how banking may be organized so as to promote savings. This is in striking contrast to the prevalent method of banking, which is conducted in the interest of the few stockholders who exploit the credit of the masses, and create an aristocracy of financiers, a situation which is blowing up a bubble of inflated securities the end of which can only be collapse and panic.

Mr. Bergengren has assembled the information on the status of co-operative banking in the United States where there are steadily growing up some splendid examples of this form of credit. The great obstacles against which it has had to contend are obvious. This form of co-operative achievement has not come about spontaneously: it has meant solid work, thoughtful devotion to the cause, and persistence in the face of many discouragements.

When the masses shall have freed themselves from the real causes of their oppression, when the emancipated United States shall come into existence, the gratitude of the people will not go to statesmen and warriors but to the quiet men who have patiently built the foundations of freedom in the economic life of the nation. Mr. Bergengren has properly dedicated this book to Edward A. Filene, who has done so much to promote in the United States this great cause—the placing in the hands of the people the democratic control of their own finances.

J. P. W.
FROM THE LEAGUE HEADQUARTERS

LECTURE COURSE IN CO-OPERATION

This summer a course of twelve lectures on the Co-operative Movement is to be given at the New School of Social Research, New York City, during the summer term of that school, which runs from June 25 to September 15. The lectures are given Wednesdays from 5:20 to 6:50 p.m.

June 27. The Place of the Co-operative Movement in Modern Life and Thought: Some current errors in economic thinking; the need of an understanding of the Co-operative Movement; its aims and methods. Mr. Warbasse.

July 4. Why Co-operative Stores Succeed in the Nineteenth Century: Eighty years of steady development; the expansion of the co-operative principle into other fields of commercial and industrial life. Mr. Warbasse.


July 18. Germany, the Cradle of Co-operative Banking: The place of People’s Banks and Credit Unions in the American labor movement and among farmers. Walter McCaleb.

July 25. Co-operation in Russia Before and After the Soviets: The relation of co-operation to political action and the development of the co-operative movement. Mr. Warbasse.

Tuition for the course is $15. Registration begins June 18 at the office of the New School, 465 West 23rd Street.

CHAIN STORE ATROCITIES

Funicelli is a second generation Italian, who passes among his friends by the name of “Funny.” Funny runs a small chain store on the outskirts of one of our largest cities. He is not the most clever manager in the world nor is he highly successful; but he does roll up a little surplus each month and therefore has some value in the eyes of the company.

Funny’s methods are not unique; they are practiced by all chain store managers and by most private grocers as well. Cheese, butter, and other goods that can be sold by the piece or cut never weigh up pound or an even half-pound. There is always an odd few ounces one way or the other. Funny is adept at whisking such goods on and off the scales so quickly that the customer cannot even count the odd ounces, let alone calculate their value. The manager makes an overcharge of from three to fifteen cents on all such goods.

During the busy day Funny sells as high as seven or eight hundred pounds of sugar, the average purchase being from three to five pounds. When the price is on the odd cent—seven or nine cents a pound—and the clerk to the suger in packages of three or five pounds or other odd numbers wherever possible, for a half a cent is to be saved in this way and half a cent on sugar is worth watching. Customers who ask for two, four or six pounds are informed that “we carry only three- and five-pound packages.” To be sure some people call this bluff and insist on the amount they really want. Funny keeps under the counter a few packages weighted up on the even pound for such emergencies.

But these petty devices for defrauding the public and dozens of others like them are the rule in all stores. Funny prides himself most on the trick he has developed for beating his company occasionally. Few managers can get from their employees anything that does not belong to them; and Funny boasts of this accomplishment to all his friends. Very often the company sends down an order to lower (or raise) the price of a certain commodity and to render a report to headquarters at once as to amount of stock on hand. For instance, a certain grade of beans drops from twelve to ten cents a pound. Funny has twenty pounds in stock. By reporting that he has one hundred pounds he gets credit at headquarters on his inventory sheet for eighty times two cents or $1.60, which really belongs to the company. He sends the boy down to another store to buy a supply so that he will not have to put in a new order too soon. To be sure he keeps the order alive by sowing the heens as long as possible, in order that he may squeeze a few extra pennies from the purchasing public, but his chief interest is in beating his company. If they advise him to raise the price of coffee two cents he reverses the process and instead of reporting a stock of 200 pounds reports 60 or 80.

Funicelli is neither a shrewd business man nor a very successful salesman. His store is as shabby and commonplace as his penny-matching devices. He probably will not last long. But the ease with which he piles up eight or ten dollars extra each week (some of which goes into his own pocket) is an indication of what an easy game it is to exploit the consuming public.

DO YOUR CLERKS HAVE VACATIONS?

Do You Want to Take On for a Few Weeks a Bright Young “Student-Clerk” Who is Eager to Know More About Co-operation?

In the United States there are hundreds of young men and women who want temporary training of some kind in the work. Some of the most promising of them are students at labor colleges. There are dozens of labor colleges throughout the United States. They are about half a full-time resident college with a two-year course of study. Most of the students in the latter school and many of those receiving labor education in the ordinary night classes for workers would like to have a taste of active work in the labor or co-operative movement during the summer months. It is so much better than working all the time for the capitalist employers! Why should not some of these people fit into the store or bakery or restaurant or creamery during the time when regular co-operative employees are away on vacations?

Our co-operative stores should not hire mere wage hands. They should, whenever possible, have student-clerks, and thus contribute to the movement for co-operative education. The student-clerk who comes to you from another city will bring with him a contribution of some new ideas to your society. Better yet, he will carry back to his own group the co-operative message from your society. Why not join this movement which at one and the same time spreads the co-
CO-OPERATION

operatives and trains workers very badly. We shall have an efficient and devoted body of employees and officers just as soon as the societies themselves can afford to do so. It is already late to be launching this year's campaign. But let us do what we can. If your society is willing to become one unit in this National Training School for Co-operators, write to The League office telling us how many students you can take; whether men or women are desired; and about how much you can pay; when and for how long you want them.

SUBSCRIPTION OFFER

Any subscriber who sends in five or more new subscriptions at one time will receive free a choice of one of the following books:

1. Consumers' Co-operation (cloth), by Albert Sonnichsen.
2. Rural Reconstruction in Ireland, by Smith-Gordon & Staples.
3. Transactions of Third Cooperative Congress (Chicago).
4. Co-operation, Vols. VI, VII or VIII (bound volumes, 1920, 1921 or 1922).
5. Any subscriber who sends in the following books at one time will receive free a choice of one of the following:
   a. Co-operation, the Hope of the Consumer (cloth), by Harris.
   b. Consumers' Co-operative Societies (paper), by Gide.
   c. People's Year Book, 1923 (paper).
   d. The Co-operative Movement (in Yiddish), by A. Stolinsky.

This offer holds good until October 1, 1923.

CO-OPERATIVE CALENDARS

The Co-operative Calender which has been prepared for 1924 by the Co-operative Central Exchange of Superior, Wis., has just been received at the office of The League. Unlike some of the earlier calendars, this one is designed to have propaganda value. The picture, in three colors, contrasts the difficulties of the individual farmer pushing home an old wheelbarrow with his sacks of feed with the co-operative farmers who are speeding along the highway in a big motor truck piled high with goods from the local exchange or store. In previous years the Central Exchange has placed these calendars in co-operative homes all over the United States, distributing many thousands of them through the co-operative societies of the country. Those who are interested in finding out more about these and getting in an order for them early should consult the advertisement on the last page of this number of Co-operation.

CONFERENCE OF ILLINOIS CO-OPERATIVE SOCIETIES

At the hour this magazine goes to the printer, notice comes of a Conference of Independent Co-operative Societies in Illinois, called by the Central States C. W. S. and a few other societies which is to be held at East St. Louis, June 18th and 19th. This is an important meeting. All Managers should be present, and at least one Director from each society. Plans for more effective joint buying and for educational work will be worked out.

"CO-OPERATIVE BANKING"

A Credit Union Book

This is the title of a new book (reviewed elsewhere in this issue) written by Roy F. Berggren, Executive Secretary of the Credit Union National Exchange Bureau. Some of the chapters cover the following subjects: Thrift, Usury, Wasted and Hounded Savings, Co-operative Buying, The Installment Problem, Uneven Investments, Farm Tenancy. The book may be procured directly from The League. Price, $3.00.
Co-operative Calendars
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If you want to keep in touch with business, organization, administrative affairs, and problems of the British Co-operative Movement, read THE PRODUCER.
Published by Co-operative Wholesale Society, Inc.
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Post free 4d. a year.
The Trade and Technical Organ of British Co-operation.

THE HOME CO-OPERATOR
A four-page magazine for use in co-operative societies.
Issued monthly, in bundles, 1/2 per hundred.
Published by
The Co-operative League
Publishing Office, Williamsville, Conn.
Albert Sommichgen, Managing Editor.

CO-OPERATIVE HOUSING
At Woolwich, a suburb of London, the co-operative society bought with its surplus savings several acres of land and built a little village of very comfortable houses. These are good houses. The society sold them at cost to its members, who thus got great bargains in real estate. The value of these houses has increased so enormously over what they cost that any member can now sell his property and come out with a handsome profit. And that is just what is happening. It is hard to resist the temptation. This may be designated as the British method. It is a common practice. It is the method that turned Letchworth village from a garden of idealism into a speculator's paradise and dropped it out of sight as a social enterprise.

THE CO-OPERATIVE LEAGUE
(Member of The International Co-operative Alliance)
161 West 12th Street, New York
An educational organization for teaching the theory, principles, methods and aims of the Co-operative Movement and for the promotion of Co-operation in the United States. Join The League and thus help promote the educational work of the Co-operative Movement. Individual Membership, $1.00 a year. Subscribe for CO-OPERATION, the Monthly Magazine of The League, and keep in touch with the Movement.
Enclosed find $......... for Subscription for CO-OPERATION, $1.00.
Membership in The LEAGUE, $1.00.

Address, 119 Paisley Road, Glasgow, Scotland.

CO-OPERATIVE LEAGUE
161 West 12th Street, New York City.
J. P. Warbasse, Editor.
Entered as second class matter, December 30, 1917, at the Post Office at New York, N. Y., under the Act of March 3, 1879. Price $1.00 a year.
Vol. IX, No. 7 JULY, 1923 10 Cents

VITAL ISSUES

CO-OPERATIVE HOUSING
At Woolwich, a suburb of London, the co-operative society bought with its surplus savings several acres of land and built a little village of very comfortable houses. These are good houses. The society sold them at cost to its members, who thus got great bargains in real estate. The value of these houses has increased so enormously over what they cost that any member can now sell his property and come out with a handsome profit. And that is just what is happening. It is hard to resist the temptation. This may be designated as the British method. It is a common practice. It is the method that turned Letchworth village from a garden of idealism into a speculator's paradise and dropped it out of sight as a social enterprise.

The co-operative societies of Germany, Switzerland, and Denmark follow a different method. The society buys the land, builds the houses, and always retains possession of them. It rents the houses to its members for a long term. The customary lease is for ninety-nine years, with the privilege of renewal. That means that so long as the member or his children, or their descendants, remain in the society, and want the house for residence purposes, it is theirs. The result is that the houses are well cared for; they never go into the market for real estate speculation; they continue to be a part of the great Co-operative Movement; the members are held together to carry on other co-operative enterprises; and Co-operation is perpetuated.

This is the continental method. It is true Co-operation. It is the method that is dotting the whole continent of Europe with co-operative villages and establishing the co-operative principle in permanent form in the lives of the people. It guarantees that a house will be used for housing purposes and not for speculation. The house must always remain the property of the group. If a person has the perpetual use of a house that he select, what more does he need? If he had the title in his own name there is only one more thing that he could do with the house—he could speculate in it as real estate. If he wants to be a real estate speculator, he does not want to be a Co-operator.

As an individual owner with a deed, if he does not pay the taxes, or the mortgage, he loses his home. If he needs money or wants to move away, he has to sell the house.

On the other hand, ownership of shares in the co-operative society, with houses, gives the member the right to the occupancy of a house on a rental basis; and that house can be just as much secured to the member by a lease as by a deed.

In the co-operative society he may turn in his shares and take back his
money. In one case his money is invested in a co-operative society; in the other case money is invested in real estate. We should keep these facts clearly in mind in the development of co-operative housing in this country.

J. P. W.

WHERE ARE OUR CITY CO-OPERATIVE STORES?

The C. W. S. in 1893 conducted an inquiry into the reasons for the failure of co-operation to expand in London. It found that in 1881-2 there were seventeen societies started in London, all of which failed during those two years.

So runs an item in The Co-operative News of England. Co-operatives in the larger American cities may find some comfort in such a report as this. Probably New York has had as many co-operative failures as any city in the country, yet the most bitter enemies of Co-operation cannot boast that New York has had as many as seventeen failures in two years.

Nevertheless, we have something to learn from the experience of London and of our own metropolitan centers. Until a few years ago London was unable to keep a respectable co-operative store society alive, and really solved the problem ultimately by amalgamating many of the small groups into a few large and powerful ones. In the cities of Boston, New York, Baltimore, Philadelphia, Pittsburgh, Cincinnati, St. Louis, Kansas City, Denver, Los Angeles, San Francisco, there are not ten store societies all together; yet there have been hundreds organized. The first reason for this situation is, of course, lack of co-operative understanding and education. But the difficulty is bigger than that. Have we the right technique? There are two roads we can follow in our attempt to solve this problem:

1. We can, following the tradition of Rochdale, continue with the attempt to organize co-operative stores in our large cities and make every effort to unite the local groups into a large and powerful fighting organization which can make its way against the powerful chain stores. One or two cities, such as Chicago and Cleveland, already have three or more store societies which might consider the advisability of amalgamation.

2. We can, for the present, leave the organization of stores to the towns and villages where chain-store competition is not so keen, and concentrate on other lines of activity. The chain store has revolutionized the grocery business. Co-operators should not organize the chain store at once just because twenty-eight weavers started there in 1844. Granted that the largest proportion of the workers' wages go to the grocer and butcher; nevertheless, there is a smaller margin of profit in that business than in any other for the little co-operative society which tries to compete with the powerful corporation. And it is this operating margin which makes or breaks a society. Perhaps the urban co-operators should deliberately choose a field where there is a very large margin of safety. In the most congested cities, Housing offers one suggestion: the private landlord is making money rapidly, and a well-managed housing society should be able to charge rentals that are below the market rate and still have a surplus left. In the field of credit there is even less competition. The little Credit Union (co-operative bank) provides loans to the small wage earner on terms that no private loan agency can begin to duplicate. With a co-operatively organized and functioning, a group could easily raise the capital to go into housing, bread baking, selling of groceries and meat, or any one of a score of enterprises. In some of the European and Asiatic countries there are credit unions which are doing all the buying of the necessities of life for their members.

The co-operative store in the city is a problem that we in the United States have not yet solved. And we never will solve it so long as we merely imitate the example of other countries where the movement has been well established for many decades. We can go on fighting the chain stores and perhaps defeat them; but we shall act wisely if we think through the whole problem most carefully.

C. L.

ABOUT CO-OPERATIVES AND RATS

In our younger days the family had a large and powerful rat. This animal was adept at sneaking down to keeward of an unsuspecting rat engaged in nothing more criminal than a bit of exploration after food. Once within striking distance the cat would make a dive for the rat-hole to cut off any retreat; then, backing the trembling victim into a corner, happy in his anticipation of a good dinner, the cat played his little game, dancing to and fro before the terrified rodent, boxing him now on one ear, now on the other. And the cornered animal one moment made a futile dash for freedom, the next moment shrieked and sprang at his tormentor.

One of the most frequent complaints that come from co-operative societies is that the League is that the chain stores are cutting into the business. The private corporation has backed the co-operative up against a wall and is preparing to make a meal of it. And like the rat in the preceding paragraph, the co-operators are scared.

It is true that the chain store can buy more economically than the single co-operative. But that is the only real advantage there is. The co-operative can use any of the chain store's selling methods; he can have just as neat a store, better clerical service, a larger variety of goods, more individuality in the appearance and layout of the establishment, strict honesty in dealings with the public.

The consumers' co-operative is a smaller margin of profit in that business than in any other for the little co-operative society which tries to compete with the powerful corporation. And it is this operating margin which makes or breaks a society. Perhaps the urban co-operators should deliberately choose a field where there is a very large margin of safety. In the most congested cities, Housing offers one suggestion: the private landlord is making money rapidly, and a well-managed housing society should be able to charge rentals that are below the market rate and still have a surplus left. In the field of credit there is even less competition. The little Credit Union (co-operative bank) provides loans to the small wage earner on terms that no private loan agency can begin to duplicate. With a co-operatively organized and functioning, a group could easily raise the capital to go into housing, bread baking, selling of groceries and meat, or any one of a score of enterprises. In some of the European and Asiatic countries there are credit unions which are doing all the buying of the necessities of life for their members.

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C. L.
REPORT OF MEETINGS HELD IN ILLINOIS, OHIO AND PENNSYLVANIA

MABEL W. CHEIL

The story of what a few co-operative societies are doing in various states, where I had the honor and privilege of speaking during the month of May, will perhaps be of interest to the readers of Co-operation.

ILLINOIS

The Central States Wholesale at East St. Louis is now in process of reorganization under the management of John Nummienvouri and A. W. Warnimer, both experienced and earnest co-operators. I visited the branch stores and spoke at Glen Carbon, Livingston, Tovey, Mt. Olive, Quincy and Staunton. Many of these local stores in Illinois were organized or owned by the local Mine Unions and are now being reorganized on the Rochdale plan with individual members buying the shares, as fast as they can be shown that this is the only way to build the Co-operative Movement soundly. Until that time some of the stores will have to be continued as they were organized, with ownership and control by local unions. It means a long series of meetings and explanations on the part of the Wholesale representatives before the required number of members can be assembled to organize and elect their directors, etc. At Glen Carbon, which was originally a Rochdale Society organized nearly twenty years ago, there was much discouragement because of the apparent failure of the Wholesale and it seemed impossible to get a different spirit awakened, but eventually only 16 loyal co-operators remained. These few refused to give up and moved the goods to a smaller and cheaper place and continued business. Then the war came on and the old members found that they missed their co-operative store, for the private merchants and storekeepers came in and started competing with them. The citizens formed a new society and moved the goods to a smaller and cheaper place and continued business. The canny Scotch secretary said to me, "We'll be running that chain store out of business." The one and only chain store in town, located between the main co-operative store and the cooperative meat shop, is trying hard to hold on, having had a new manager every few weeks since it opened.

The last place in Illinois I visited was Rockford, a society composed mostly of trade unionists of the Scandinavian nationality. These men and women have a good understanding of the Co-oper-
tive Movement, and are efficient, patient people. Their store, in a busy city with keen competition, compares very favorably with the best in the vicinity. It is clean, attractive, and busy. I should think every member would be proud to meet and trade there. The women served a splendid cafeteria luncheon after the meeting and are doing good work in a social and educational way. They intend to try a visiting campaign and check up those who are not giving the store loyal support. About 100 people attended the meeting and were keenly interested in the problems of their fellow co-workers throughout the country.

CONTRIBUTED ARTICLES

FIVE YEARS OF CO-OPERATIVE ADVENTURE

By WM. A. KRAUS

In the early part of 1917 the American Federation of Consumers was organized in New York City. There being to establish a central Co-operative Warehouse supplying a group of co-operative buying clubs within a 25-mile radius of New York City. Thirteen clubs, ranging in membership from 15 to 300, were organized in a short time. It had been planned to distribute weekly orders to the various clubs by means of the local express companies and through club secretaries to the members. This work started just as the United States entered the war. For a few weeks everything was well, but then, due to the breakdown of delivery systems and the general chaos in the distribution of food, the new organization was unable to function properly and quietly disintegrated. The smaller clubs ceased to exist, and the two largest, namely, the club at Bergenfield, N. J., and the one at Dumont, N. J., floundered on for a while.

Inability to procure supplies, lack of mutual confidence, and disappointment of exaggerated expectations dissipated the membership and the initial funds until at the end of 1918 there were only seven of the original 350 members in the Bergenfield society and three of the 100 members in Dumont, and a joint debt exceeding $200.

The few remaining members then decided to close up the Dumont store and concentrate their efforts on making Bergenfield a success. To accomplish this a new organization was formed to be known as the North Jersey Co-operative Society, to take over what remained of the Bergenfield club. Besides the seven incorporators, there were four others who took stock, and the crippled store of the Bergenfield Club was continued for another six months at a further loss. At the expiration of the lease on the premises another store was leased in a better location for a five-year period. By this time the business of the store had fallen to barely $50 weekly. It was unable to function properly and was unable to meet the payment of a final note signed by the members of the board of directors. For a short time the business in the new location was increased by about $100 per week. At the end of three months the manager resigned and another was installed. Neither of these men had any grocery experience, but were merely enthusiastic co-operators.

With nothing but debts and a spoiled reputation, the Co-operative Store was moved to the new location, a new manager was installed, and additional funds were raised from the local bank on a note signed by the members of the board of directors. For a short time the business in the new location was increased by about $100 per week. At the end of three months the manager resigned and another was installed. Neither of these men had any grocery experience, but were merely enthusiastic co-operators.

At the end of another three months sales were again down to $175 weekly and the new manager also resigned.

Our next manager, who had been in a chain store, soon asked for more funds and paying the most pressing bills, succeeded within six months in building up the business to $500 weekly.

This manager in turn had to resign because of ill health. Another man, with some grocery experience, but plenty of co-operative enthusiasm and a little business experience, was then employed. The business by this time was on a fairly stable basis, current bills being met within their time limit and business maintained at a weekly average of about $350. Then, due to differences of opinion between members of the board and the manager, the resignation of this manager followed also.

The ensuing directors’ meeting revealed the real spirit animating the group. One or two wanted to quit, insisting that three years of failure was enough. But no one dared to put the motion officially. A third director advised one more attempt; the spirit of the movement slowly turned, and they decided to try it for another six months.

Another manager was now employed, a man of middle age who had been thirty years in the grocery business and of five of these years employed in chain stores. A salary and commission arrangement was effected and the manager given a free hand in buying and selling. For another six months he represented the board of directors on the premises. After six weeks the business began to grow, and at the end of six months $700 weekly averages were common. At the end of a year $1,000 per week was the standard. All business was conducted on a strictly cash and carry plan.

Six months ago this society erected its own building and opened another store in the same town. Bergenfield, a community with a population of about 5,000, is now supporting two paying co-operative stores whose total business amounts to about $70,000 per annum. The membership in the past year has increased from 26 to 150 without any effort on the part of the members to encourage others to join. Refunds of 3 per cent on purchases have now been maintained for two years and an interest of 7 per cent on share capital is being paid. Back interest at the rate of 4 per cent has been paid to those who invested in the original funds, and all indebtedness of the former organization is being liquidated.

The people of the community marvel at the growth of the co-operative society and are as anxious now to be connected with it as they were several years ago to shun it.

Moral: It pays to stick.

WHAT IS THE UNITED WORKERS’ CO-OPERATIVE ASSOCIATION AND WHAT ARE ITS AIMS?

BY DAVID TUCKER

Several years ago, groups of enlightened Jewish workers, not being able to adapt themselves to living as boarders in private families, socially isolated from their friends and colleagues among co-workers, decided to rent rooms and live collectively. When their number became large enough they rented houses of sufficient size to accommodate sixty people. All the rooms in these houses were furnished for one or two members and one entire floor was set aside for the co-operative kitchen, dining room, reception room, and library.

For the purpose of managing their economic and social affairs, committees were elected, the members taking turns in serving on these committees in which arduous tasks are required. Some of the officers elected are Secretary, Collector and Superintendent. Only those are eligible as members who live by their own work.

Those same boarders who had no influence as individual consumers have now, through united action in their workers’ homes, created a radical workers’ organization, built on the firm foundation of a consumers’ league; at the same time avoiding the dangers of co-operation in the field of production, which has repeatedly been doomed to failure because of the lack of experience and the destructive competition of capitalistic undertakings.

Socially, this co-operative life, with its mutual influence of one worker on the other, has gradually raised the intellectual standing of the members, giving each the advantages of living collectively in an environment of fellowship. And in addition to this invaluable intellectual advantage, there is the material gain of living in light, airy rooms, eating fresh nutritious food, well prepared by the co-operative kitchen. As this way of living is comparatively new and untried with the element of young and intelligent workers an enthusiasm that promotes and fortifies a rational form of living.

(To be continued.)
Until now there were three such co-operative houses in different parts of the city, all independent and without any contact with each other. But a movement was started to unite the three organizations into one composed of several hundred members. Experience has taught them that the larger their unit of organization the more easily can they accomplish the aims for which they came together. The three groups therefore united. Rooms cost from $8 to $19 each, but this price includes two meals a day and one on Sunday. The group conducted a summer camp for its members at Beacon, N. Y., named "Camp Beacon."

The United Workers' Co-operative Association is proving that co-operative housing is socially beneficial to others than the immediate members. Debts are not paid to members, but put into a fund which is used for general radical causes; $100 has recently been contributed to the Jewish Workers' Relief in Russia; 20 shares in the Russian-American Industrial Corporation were purchased. Other sums have been given to the amnesty work for political prisoners and similar causes.

The next project of the organization is to be the buying or building of a large house in which improvements will serve as a real workers' home for its large membership,—free from the reach of greedy landlords.

The declaration of principles as passed by the combined membership is as follows:

1. To teach the working class, through practical experience in co-operative undertakings, how to manage and control their economic affairs.

2. To cultivate the social spirit and increase the social value and usefulness of the members.

Provisionally the membership consists of the tenants in the three houses—unmarried people or married couples without children. But the united organization sets as its final aim the establishment of co-operative homes for families. Instead of the waste of private cooking, a co-operative kitchen will be conducted and the housewife will be economically independent and socially free and useful.

One of the hindrances to the growth and development of the co-operative movement in America is the isolation of societies from one another. There is no economic relationship, no centralization, no plan of common action between the separate co-operatives. We hope that this union, with its promise of accomplishment in the field of consumption, is a beginning which will finally bring the American co-operative movement to a position of equality with the powerful co-operatives of the European countries.

CO-OPERATIVE CONSTRUCTION

By F. W. BURGESS

The Fraternal Co-operative League of Philadelphia and Vicinity agitated the subject of Co-operation among members of Organized Labor and others early in 1921, securing a charter under the Pennsylvania State Co-operative Act in June of that year.

The Quaker City Construction Co-operative Association grew slowly until the early spring of 1922, when it undertook to construct a bungalow for one of the members. The Association was aided by the Trust Department of the Producers and Consumers (Labor) Bank, then recently opened. This bungalow was completed at a cost of nearly $5,000 and a saving of nearly $1,500 on the estimated cost of construction.

By the courtesy of the bank the Construction Association held many meetings on Saturday afternoons to develop the interest of delegates from Labor Unions and others, including several co-operatives outside of labor organizations, one of them a realtor whose advice and guidance has been invaluable in the line of his profession.

The Association also constructed a brick porch for a downtown church at a saving of approximately 25 per cent on the contractor's estimate.

During this period the Board of Directors negotiated the purchase of a small tract of land in West Philadelphia suitable for the erection of nine two-story houses 15 feet wide and 36 feet deep on lots 110 feet deep, 20 feet being reserved for a rear driveway so that the owners can build garages if they desire.

The same bank financed this construction proposition to the extent of nearly $48,000, the remainder being subscribed by the members through the permanent and ordinary shares of the Association.

These houses were constructed in a manner far superior to the general run of six-room-and-bath houses of a similar class built for profit, for the members of the Association were building them for themselves and in most cases for their own occupancy.

They are constructed of red brick on stone foundations, high terraced fronts, cement walks, proper sewer connections, water, gas, and electric supply, and provision for Bell telephone connection.

The lots are exceptionally deep for city improved properties, so that the owners can have gardens suitable for small vegetables. The yards are divided by what is known as hairpin iron fences, which leave the property open always to general view and insure cleanliness.

The total cost of construction and financing enabled the members of the Association for about $6,000 each to obtain title to homes which would cost elsewhere about $6,500 to $7,000.

CO-OPERATIVE DEVELOPMENT IN FRANCE

Along with the notice of the Congress of the "Magasin de Gros" (Co-operative Wholesale Society) which was held May 10th to 13th in Bordeaux, came some interesting figures showing the rapid progress of the wholesale in France. From a turnover of 14 million francs before the war, the business has grown to 217,947,418 francs in 1922. The capital of the Co-operative Bank has increased within the past ten months from 11 million to 15 million francs and the business has passed over to the regional federations of the Magasin de Gros contracts which bind them to purchase entirely from the central organization. The precise value of this arrangement will not be apparent until the reports of the delegates and officials are given at the Bordeaux Congress.

A new salt factory was organized during 1922, owned by the regional federations, but operated under the direction of the Magasin de Gros.

FOREIGN

During the construction of these houses another house was erected for a member about one and one-half miles east of this operation.

Several Unions supported the movement by investing in the stock of the Association; but the most of the capital has been subscribed by individuals, many of whom are members of the building trades. This has made it possible to elect the directors for their technical knowledge.

The President of the Association, Wm. S. Cornell, is a superintendent of construction for a well-known firm of builders in the city.

The Secretary is an active member and Secretary of Local Union No. 8, U. B. of C. & J. of A., while the Treasurer is W. L. Allen, Secretary-Treasurer of the District Council of the Brotherhood of Carpenters of Philadelphia. On the board are Bricklayers, Plasterers, Painters, Plumbers and the Realter already referred to.

The Association is planning another operation as soon as suitable ground can be secured.

Progressing slowly and steadily perfecting its executive organization, the Association will undoubtedly establish its reputation for constructing its own homes.

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BRITISH C. W. S. AGAIN FINDING PROSPERITY

The total sales of the C. W. S. of England for 1922 were 65,504,612 pounds, or nearly $320,000,000. This is a decrease of 16½ per cent over the sales of 1921, due in no small part to the serious unemployment situation in England and the resulting loss of purchasing power among the workers. The productive works supplied goods to the value of 20,470,431 pounds, or nearly $100,000,000, a loss of nearly 23 per cent over the sales of 1921. The net profit for the year, after providing for all expenses of production and distribution, interest on capital and depreciation amounted to 111,257 pounds, or more than $500,000. This was placed in the reserve fund.

It will be remembered that C. W. S. in 1921 lost 2,337,750 pounds, or more than $10,000,000. The ability to turn such a loss to a gain of half a million in one year shows what leadership this institution has.

"THE RIGHT TO BE LAZY"

Bertrand Russell, the English philosopher, in a lecture before the Independent Labour Party in London recently, tore to shreds the old fallacy, instilled in the minds of men by generations of slave-drivers, that labor and not enjoyment is the aim of life. Mr. Russell said in part:

"I don't agree that everyone should work. Regularity is quite contrary to human nature. If we all worked under the spur of hunger we would be very much better. In China a man does just enough work to get his living, and then lies in the sun and enjoys himself. Are we happier than he?"

"I tell you self-government in industry should be used for the purpose of producing more leisure rather than for producing more goods. The modern philosophy of life is entirely ridiculous. Let us insist on the right to be lazy and to live."

NEWS AND COMMENT

CO-OPERATION IN LIFE INSURANCE

The New Era Association, of Grand Rapids, Michigan, is one of the few insurance companies which is genuinely co-operative. With more than 36,000 members in 320 local branches and more than $40,000,000 of contracts in force at the present time, this Association is steadily progressing. Organized in 1897 with a handful of members, this growth in twenty-five years is remarkable in view of the fact that the Association has no high salaried office and selling force and employs no high pressure promotion methods, so common to the old-line companies.

The New Era carries as its motto "Humanity Above Property"—a slogan that many of our other co-operative societies might use. There are no stockholders in the organization and therefore no stockholders' profits. There are no million-dollar reserves such as the old companies have salted away in New York skyscrapers, model villages in the suburbs of New York, huge blocks of bank or railroad stock, etc., etc. The voting is on the democratic basis of one-man-one-vote. The service is given substantially at cost of operation plus sufficient to cover current death claims and to carry a small reserve.

This Association offers two life insurance contracts to its members: the straight life plan or the twenty-year payment life plan. The rates in each case are much lower than those in practically all the other co-operative life insurance companies. The New Era Association requires each member, therefore, to pay annually, in addition to regular assessments, co-operation dues of 8¢, which are used for the promotion of the New Era idea and the extension of the membership. But the member who himself gets a new member or otherwise makes a definite contribution to the extension work of the Association has this 8¢ rebated to him or credited to his account. Thus every member is forced automatically to co-operate in the upbuilding of the organization; if he does not want to work himself he provides some of the money necessary to pay someone else to do it for him.

European countries have long had co-operative life insurance. The New Era Association should receive attention from American co-operators who believe that the economic principles we believe in can be applied to insurance as well as to merchandising, banking, and housing.

CO-OPERATIVE MANAGERS MEET

In the Spring of 1921 the Educational Department of the Co-operative Central Exchange sent out a call to managers in the district for a conference at which management problems and other matters of common interest might be discussed and the managers themselves might become better acquainted and find methods for closer cooperation. Last year a similar conference was held. In March, 1923, the third and most successful managers' conference was held at Superior. This year 36 managers were in attendance for the two-day session. Many questions were discussed. Among these were: "Diminishing of merchandise stock at co-operative stores and how to accomplish it"); "Organizing of capital stock selling campaigns at co-operative stores"); "How can a co-operative store meet the competition of private stores"); "How can the efficiency of co-operative store employees best be increased"); "Changing from credit in form of cash to trade and the effects of it"); "Is it possible to price the goods at a co-operative store on the basis of uniform gross profit"); "How could the different stores co-operate in collecting their accounts receivable"); "What minimum requirements could be set down for co-operative employees as to their knowledge of the working class movement"); "What duties do the co-operative managers have in furthering co-operative education"); and several others just as interesting. Each manager in his turn led the discussion of the question which was the main item assigned to him.

The president, the manager, and the educational director of the Co-operative Central Exchange were also present at the conference and took active part in the deliberations. After a thorough discussion each question was referred to the Committee on Resolutions, which incorporated the essence of the matter into the form of a resolution which was then formally adopted by the meeting.

Without any question whatever, these managers' meetings will greatly help to consolidate the movement which is crystallizing around the Co-operative Central Exchange in the North Central States. That movement is there to stay and, given sufficient time, will develop to really large proportions.

WORKMEN'S FIRE INSURANCE SOCIETY GROWS

The report for the year 1922 issued by the Workmen's Fire Insurance Society of New York shows a healthy growth for that organization during its past fiscal year. The total membership is now 40,036, 19,696 of whom are in the main society and the remainder in the branch societies. The insured value of these members totals $32,615,100. The membership gain for the year even was 1,502. For 1923 the assessment was again set at the remarkably low figure of 10 cents for each $100 worth of insurance.

This society was organized in 1872 and is again in its first year. With branches in more than 50 cities, the overhead expenses of the entire organization have been kept very low. Officer's salaries come to barely $12,000 for the year and fees for committees to
hardly $3,000,—figures almost unbelievable for a society doing business on such a large scale. Without any capital to begin with, the organization has built up a Guarantee Fund and Reserve Fund of $367,520.91.

A GOOD EXAMPLE TO FOLLOW

The Rochdale Society of Fargo, Fargo, N. D., is one of the newly organized little societies which has recently joined The Co-operative League. Co-operation in North Dakota has had many and severe difficulties, the most serious setback to the movement in that state coming with the failure of the chain of stores established under the jurisdiction of the Non-Partisan League a few years ago. This new society at Fargo is built out of the experience of some of the men who went through these earlier misfortunes.

The Rochdale Society of Fargo has one clause in its By-Laws which is unique. Article 3 reads, in part: "This application (for membership) shall be submitted to the directors at their first meeting thereafter and if approved, the candidate shall be admitted to membership and shall pay an annual membership fee of one dollar ($1.00) which shall include a subscription to "Co-operation," the official organ of The Co-operative League of America."

There are several other interesting features in these well written and complete by-laws. Instead of the words profit and dividend, Surplus-saving and savings-returns are used, and a detailed analysis of the reasons for these terms is given in a foot-note.

The co-operators at Fargo are paying attention to the little matters that count. They have some valuable though bitter, experiences behind them. They have an excellent set of rules to guide them. Even though the members are yet only a few dozen and the business small, there should be a big future for the movement in this town.

A POLISH CO-OPERATIVE BAKERY

The Union Co-operative Bakery of Detroit has developed with amazing rapidity since it was organized in 1916. At the present time it occupies a $300,000 property, employs about 160 men and women, and keeps 12 trucks busy most of the time. In addition to the retail stores established in one corner of the central building, the Society has established four other retail stores in other parts of the city, and does a very large wholesale business with the private stores of Detroit.

The business at the present time averages about $7000 per week, a baking of about 35,000 loaves of bread. The bakers use about a carload of flour each week, and keep the six large bread ovens and two cake ovens busy from 16 to 24 hours every day. In the basement there is a 24-horse power refrigerating plant; and a carpenter and a mechanic are employed full time keeping the buildings and equipment in good repair.

When these Polish co-operators bought the land they now occupy and began the erection of their building, they borrowed large sums of money from their members and friends on a note issue. At the present time, these notes are falling due, and because of reverses during the past year in the business, they are not able to meet all their obligations. With a new manager in charge now, and new efforts on the part of the Board of Directors, these co-operators hope to squeeze out of the present tight corner and go forward to greater success.

USING LOCAL NEWSPAPER FOR EDUCATION AND PUBLICITY

The People's Co-operative Store of Fairhope, Alabama, has been operating less than 2½ years, and started in a little shack. Yet it now owns its own building, is doing nearly $8,000 a month business, and is putting by a little surplus each quarter. The membership is more than 150. Starting with a capital of $1,500, this has now increased to $3,609 and in addition there is a surplus of almost $2,000.

Recently the People's Co-operative Store has united with the two or three other co-operatives in the neighborhood (farmers') to do some effective educational work. In the local "Fairhope Courier," they have each week a half page published under the heading "THE CO-OOPERATOR: Local and General News of Interest to Co-operators."

V. M. Reynolds, Manager of the store, is the Managing Editor of this feature, and members active in the various co-operative enterprises are Associate Editors. News of the local co-operative activities is carried along with general educational items. Each co-operative association carries a small advertisement at the right hand side of the page. Such a feature as this in the local newspaper has peculiar value. It reaches a much wider public than is ever touched by the co-operative leaflet or other publications distributed only by the local society. And at the same time it unites the co-operatives of the district into a working federation for co-operative education. Let us hope the local private merchants do not unite to boycott the paper and force it to discontinue this feature.

FARMERS' CO-OPERATIVE MARKETING

New York State has been considered almost a co-operative desert (except in the City of New York) by co-operatives who live within its borders. The farmers, however, are doing a large part of their marketing co-operatively. The following figures, compiled by Professor M. C. Burritt, N. Y. State College of Agriculture, look pretty large to each of the city co-operatives who think of the agricultural movement as being almost entirely located in the Southern, Central, and Western states.

Such a marketing movement as this, if proper educational work is being done, will sometime be of great help to a strong consumers' movement.

PROTECTION AT COST

The co-operative insurance business of the Kansas Farmers' Union is thriving, according to the report read at the 10th Annual Meeting of the Kansas Division of the Farmers' Union. At the end of 1922 the company had $32,000,000 worth of fire insurance in force, covering 3576 policies, whereas in 1918, it wrote only 86 policies. Crops were also insured against injury by hail. During 1922 there were 3674 policies written, covering $3,977,778 of hail insurance. Insurance is furnished at actual cost, the saving to policy holders amounting to hundreds of thousands of dollars, through the elimination of the profit of the private insurance companies.

FROM FAR-OFF IDAHO

The Co-operative Society of Coeur d'Alene, Idaho, had a prosperous year during 1922, according to the report received by the League. The sales of the business amounted to $73,372 for the year; on which a gross profit of $12,364 or 16½% was earned. Groceries are sup-
plied by this co-op on the Rochdale plan. After expenses of $4,018 were deducted, equivalent to 11% of the turnover, there remained net earnings of $4,046, amounting to 54% of the turnover. This is a very good showing in view of present business conditions. The condition of this co-operative is so promising that they have just bought a new home for $40,000.

BOOK REVIEW

CO-OPERATIVE DEMOCRACY

"Co-operative Democracy," by J. P. Warbasse (published by the Macmillan Company, 1923), is a book that is destined to make a profound impression upon the economic thought of the day. It is a complete exposition of the philosophy of Co-operation, presenting Co-operation as a working plan for the re-organization of society upon a voluntary non-political basis. It discusses Co-operation as a means for replacing the present system of society by something utterly and fundamentally different.

Dr. Warbasse corrects the popular error that Co-operation is a palliative for smoothing the path of the poor and also the prevalent mistake that it is a shift for softening the conflict between capital and labor. It is no such makeshift. He presents Co-operation as a means whereby the people may organize to supply their needs and ultimately create a co-operative democracy through which to control and administer for mutual service those useful functions now performed by profit-business and by the political state.

This book shows a way by which the individual may save himself from being enveloped and dominated by centralized systems. A large membership also means more capital, thereby reducing the cost of running the store. The campaigners are given cards with names and addresses of possible new members. Application blanks should also be distributed in a single volume. Any one of these sections would be complete in itself.

In dealing with other movements, Dr. Warbasse shows that great social changes are permanent and that are brought about by activities similar in character to the end sought. Co-operative democracy is to be reached not by a general strike, nor through revolution or the class struggle, but by putting into operation co-operative democracy—first on a small scale, and then ever-increasing and expanding. Like results come from like causes. Desirable ends are reached by desirable means.

The author shows that co-operative democracy will be reached by applying ourselves to building Co-operation here and now. He shows that voting may bring a political change; sabotage may drive capitalist owners from industry; the general strike may bring industrial upheaval; but not one of these will bring a permanent economic change. Permanent results come only by evolution. Society, as the author says, cannot jump across space; space must be traversed step by step. In the Co-operative Movement a structure is now being built that will be good in the future.

The student of Co-operation will be amazed at the extent of the movement and its diversity of accomplishments revealed in this book. The author speaks of his living for long periods among co-operative enterprises and actually witnessing in operation real demonstrations of that very society for which Utopian theorists hope as a remote possibility of the future and strive to attain by some other means.

This book deals with Co-operation in its relation to the other forces now influencing society. It will excite no little antagonism, for it questions many doctrines that are dear to the hearts of radicals. But this is not important. Its greatest value consists in its power to set people thinking of a better and more just society in the place of the present political and profit-making system.

A strong array of facts is presented as the basis upon which a complete philosophy is erected.

THE DIRECTORS' PAGE

DEVOTED TO THE INTERESTS OF DIRECTORS OF CO-OPERATIVE SOCIETIES

MEMBERSHIP DRIVES

It is easy to understand that a large membership means more capital, therefore more opportunity for expansion, greater reserve strength, more departments in the store, more and better services. A strong array of facts is presented as the basis upon which a complete philosophy is erected.
members come back with their reports. Refreshments should be served, and each couple should then give a report of its results. A prize might be given for the best report. Make the evening one of pleasure—not work.

Fifth: The next week the campaigners call on those who were not at home the first time, or to answer questions left unanswered before.

And then begin all over again with a new list. Europe has many cities where all the business is carried on by the co-operatives. All this was accomplished by means of regular, incessant membership campaigns. Don’t quit until your town is 100 per cent Co-operative.

ARE YOUR EMPLOYEES CO-OPERATORS?

Are the employees in your store Co-operators, or are they just hirelings? That depends a great deal upon what you are doing to make them Co-opera-
tors. Remember that your clerk to-day may be your manager to-morrow.

Give your employees some literature on Co-operation to read. It will make them more enthusiastic about their work; yet joined the society. As a matter of fact, you will find that it will give them the right spirit to com-

mission. He has an interest in the success of his store.

Every employee, if he is sincere about his work, should join the society. As a matter of fact, you will find that it will give them the right spirit to com-

 THE MANAGER AND YOUR STORE

Who runs your co-operative store—the manager or the Co-operators? Many societies have failed because of a mis-

understanding of the amount of respon-

sibility a manager ought to have.

No matter how efficient and honest a manager may be, and no matter how enthu-

siastic a co-operator, he should not be free to run the business without being controlled by the society.

He should have the right to “hire and fire” employees of the store; but to pre-

vent abuses of authority, his action should be subject to the consent of the Board of Directors.

The manager should order goods. But it is possible for even the most hon-

est manager to over-buy on some things. The society has to pay for goods and it should have power to control the purchases of managers. This should be done through the Board of Directors or the Central Committee.

The manager should fix prices of goods sold. He should report the condition of the store every week to the Control Com-

mittee or Board of Directors.

Some managers object to being con-

 trollled by the society. They should no more object to it than they do to using a cash register. To protect the society against inefficient managers, and to pro-

tect the honest manager against unjustified suspicion, the Board of Direc-
tors and Control Committee should be free to run the business without being controlled by the society.

Every co-operative society should have a Control Committee elected by the membership. The duty of this Committee is building up the new

The Correspondence File

MOVIES, MUSIC, AND A LECTURE

A short time ago I called at the Co-operative store at Arkansas City, Kansas. This store is well located on the main business street of the town. It was my first visit to the store and I was very much pleased by the neat, attractive appearance, as well as by the pleasant, courteous treatment accorded to a total stranger who had no money to spend.

I had only a few minutes’ talk with the manager, but this short talk revealed to me some of the difficulties to be met by the pioneer co-operative store.

To start with, because of lack of experience they had bought an old, slow-turning stock. There had also been some over-optimism, an expectation of quick results, followed by dis-

content as profits failed to come up to expectations. There was a lack of a general knowl-

dge of co-operation resulting in more or less friction in the society, and the present man-
ger, Mr. Hanley, is having some difficulty smoothing out old tangles. However, they are not giving up, and I predict abundant success for them under the management of Mr. Hanley. I would like to see them a member of The Co-operative League.

C. D. BOWER,
Winfield, Kansas.

A society with an efficient active Control Committee is building up the new

system of democratic administration of the people’s business. A society that does not exercise control over a manager

may be a commercial success if the manager is honest and efficient, but it is a failure from the co-operative standpoint, because it is not democratically con-
ducted.

ACTIVITIES OF DISTRICT LEAGUES

On May 5 the Executive Board of the Northern States Co-operative League met in Duluth. It was decided that the teachers for the Co-operative School in Minneapolis in September be S. Alanne, C. Ward Clarke, H. V. Nurmi and Cedric Long. Messrs. Alanne and Clarke are to take care of the first two and one-

half weeks; Messrs. Nurmi and Long of the second two and one-half weeks. Mr. Solen and Mr. Weeklund, both of the Franklin Creamery, are expected to as-

sist. The bookkeeping system to be taught will be the one now used by the Central Exchange in Superior. The

school is to be advertised in Co-opera-
tion, Minneapolis Co-operator, Daily

Star, Minneapolis Labor Review, St.
Paul Union Advocate.

The Spooner Co-operative Association, Spooner, Wisconsin, applied for membership and was admitted. Four new individual members were also ad-

mitted.

During June the Secretary, S. Alanne,
is taking a trip among several of the American societies, and will make an effort to get them to unite with the Northern States League.

THE LYNN BAKERY

With the Lynn bakery matters seem to be going along as smoothly as they should. We are

getting our regular quota, some forty barrels weekly, and of course expect to increase this with the summer months. Our statement for the year 1922 shows a net balance of over $9,600, and our monthly reports to date show no losses. There is a growing sentiment for acquiring a new building to house the bakery after our present lease runs out. This, how-

ever, will certainly require a strong push to
start along, for there really is very little co-operative spirit abroad.

The laundry, as you have perhaps heard, has closed down. Just couldn't make it go. The people in control forced out the progressive men who were "always kickin'," but gradually losing ground, had to close.

I do wish to thank you for the interest you are taking in our work here, and will certainly follow your suggestion for a state convention (of the Jewish Co-operative Bakers) . . . . Since our work in supplying bread to the textile strikers, there has seemed to be no tying bond . . . . However, I am writing a call now for a meeting to be held in New York on April 15, and I hope we will get a full attendance.

MEYER GOLDBERG,
Lyman, Mass.

CANA THE STORE RUN A LOAN AGENCY?

Co-operation is developing fast in this state, especially in marketing. Co-operative creameries are increasing in number and consumers' co-operative associations are holding their own.

This society did not make any money last year, and the reason was on account of too much sympathy shown our members who were out of work. We are being forced to help members who are out of employment on account of the recent strike. On the whole, the members feel the slight loss was for a good cause. Since the first of the year we are gaining, and at the present time we are trying to work away from credit to members and go on a cash basis.

Our annual meeting was a success, but the members could not give up the privilege of credit so as to get more education along that line. We should be spending our money on education instead of running a collecting agency.

Our former manager, H. L. Merin, was elected county treasurer from this district. The legislature is in session now and Co-operative Merin is guarding and working for better Co-operative Lewis and Recreation.

JOHN SCHULZ, Secretary,
Unionequos Co-operative Society,
Duluth, Minn.

A YOUNG SOCIETY

As President of the Demirin and Ubirine-ville Co-operative Company, and in behalf of the stockholders, I wish to thank the League for making it possible for us to have the speaker with us on May 22.

I think we had her talking most all the time. She addressed a meeting of the women in the afternoon and succeeded in organizing a Women's Guild, after which she held a meeting with our Manager and Control Committee and gave valuable information which we badly needed in regard to the method of accounting recommended by the League.

In the evening she delivered an address to the stockholders and their friends, and all who heard her understand Co-operation as they never understood it before. The attendance at our meetings was small at the school commencement and to the lack of intelligence of the people. But our company is growing. Since November 5th, the day of the opening of our store, the business has increased at the rate of about three hundred dollars per month, and is going to continue to increase.

We hope to have your speaker with us again some time in the future, in which case we hope to have her a large, strong and enthusiastic group of people, enough to take part in the entertainment and not leave it all to the speaker.

O. W. WANGSBECK, Urbansville, Ohio.

A FRIEND ON THE FIRING LINE

I just can't get along without the magazine, which is the biggest thing for its size in all the magazine world. And as soon as Sacco and Vanzetti and all the political prisoners are liberated, and the dear Russians stop dying so fast, etc., etc., I shall beg to be taken back into the fold and remit dues for membership. I am doing my best to work for Co-operation, and wish with all my heart that I could put a more efficient shoulder to the wheel.

MARY C. TRASK,
New York City.

SUBSCRIPTION OFFER

Any subscriber who sends in five or more new subscriptions at one time will receive free a choice of one of the following books:

CONSUMERS' Co-operation (cloth), by Albert Sommeliener.

RURAL RECONSTRUCTION IN IRELAND, by Smith-Gordon & Staples.

TRANSACTIONS OF THIRD CO-OPERATIVE CONGRESS (Chicago).

Co-operation, Vol. VI, VII or VIII (bound volumes, 1920, 1921 or 1922).

Any subscriber who sends in three or more new subscriptions at one time will receive free a selection of one of the following:

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The Co-operative League
Publishing Office, Willimantic, Conn.
Albert Sonnichsen, Managing Editor.

VITAL ISSUES

PRESIDENT HARDING EN-
DORSES CO-OPERATION

In his political campaign across the
country, President Harding made a
speech at Idaho Falls, Idaho, on June
28, in which he is reported to have said:
"There is need to have working and
practical co-operative associations of
producers in the country, and at the
same time to have equally effective co-
operation among the consuming com-
munities of the cities and towns. I be-
lieve it is possible, and altogether de-
sirable, that systems of credit and
finance should be developed, under pub-
lic auspices, to encourage both these
kinds of co-operation.

"I have not attempted to work out
even an outline, much less the details of
such a system; but I believe it is pos-
sible, feasible and certain to command
the sympathy of men and women who
have the true interest of the country at
heart. I hope to be able, as a result of
studies and investigations, to recommend
for the consideration of the Congress
measures which shall represent a begin-
ing along this line. It is a big preg-
nant subject to which no man or woman
can deny the fullest and most careful
consideration.

"My thought is that the government
should give the largest encouragement,
consistent with sound economics and
sound government functions, to every
effort of the people to help themselves
in dealing with the high cost of living
and the relationship of incomes to our
household budgets.

"I have wondered if it were not pos-
sible, for example, that a scheme of co-
operation among consumers, financed, in
part at least, through a carefully or-
ganized and supervised adaptation of
the principles of the savings bank or the
building and loan society, might be made
to serve a splendidly useful purpose in
this department of our economic life.

"The development of such a general
program into a sound working business
scheme would doubtless be found chiefly
an affair of the state government, but
one in which the jointure of state and
national authorities might prove prac-
ticable and even necessary.

"I bring this suggestion of a direc-
tion which might be given to activities
of this kind. I believe the suggestion is
worthy of careful examination and con-
sideration. I am convinced that its dis-
cussion would be fruitful of good re-
results, and a reminder to some who are
disposed to take tolls from both the con-
suming and the producing public that this
public has the right, the power, and the
ability to devise means to protect itself.

"The aim and object of our every
policy must be the establishment and
maintenance of an independent and self-
respecting, reliant and industrious, in-

CO-OPERATION

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illegent and self-helpful American citizenship.

These words are straws which show the direction of the wind. Mr. Harding's mind has at last been penetrated by the fact that there is such a thing as co-operation. But that this movement is well established and represents some 40,000,000 members is beyond his ken. He gave his audience at Idaho Falls the impression that his mind had gone into labor and given birth to a great thought. He is now going to set himself to work to bring up the baby. He has appealed to Congress for permission to create a society without government, and has accused the big order. Co-operation will be discriminated against Co-operation in favor of profit business. And that is about all we want them to do. But this is a big order. Co-operation will be discriminated against so long as profit-making privilege dominates the government, the schools, the press and industry. And that is the condition in the United States to-day. The speeches of the President will affect it not at all.

The politicians of America, in advocating Co-operation, are bungling with something for which they have little sympathy and less understanding. They may do much harm; but they also can do some good. There is one service they can immediately perform: They can help us get rid of laws which discriminate against Co-operation in favor of profit business. And that is about all we want them to do. But this is a big order. Co-operation will be discriminated against so long as profit-making privilege dominates the government, the schools, the press and industry. And that is the condition in the United States to-day. The speeches of the President will affect it not at all.

The government or the state can not promote the Co-operative Movement. Politically promoted Co-operation is built on sand. The only sort of Co-operation that will endure is that which the people themselves develop independent of politics or government. As things grow worse and worse, politicians will be found seeking for ways out of their dilemma. In their gropings in the dark, their hands occasionally may touch something real.

J. P. W.

LIGHT FROM THE EAST

Westward the course of empire takes its way, but the light continues to rise in the East. A crisis along the eastern front of Europe separates the rest of the continent from the seething caldron of Russia and sheds a light which should penetrate far into the darkness of the western world. From the Black Sea to the Baltic is growing up a distrust of political government. While the United States is adding to its thousands of laws, and rushing deeper into government control (as though laws would make things better), these eastern European peoples are getting away from stateism.

Poland has elected as its president the head of its Co-operative Movement, who believes that the people in their Co-operative societies can do things better for themselves than the government can do things for them. Now comes the constitution of the new Ukranian Republic with these significant words: "The Ukranian Socialist Soviet Republic is established to create a society without classes, and eventually without government." Here is a government so enlightened that it actually plans for its own exitus.

There is only one way this desirable end can be accomplished. People can not live together without some form of mutual agreement, understanding, and organization. If they would get along without government, they can not say, as do the anarchists, "Away with government." They must have something to hold together the fabric of society. The Ukrainians know, as do all people who have thought this matter through, that the Co-operative organization of the people as consumers can take the place of the state.

The more the people are organized in co-operative societies, and the more things they do for themselves through these societies, the less business is done by the profit-system and the less need is there for the machinery of government. As a matter of fact the only effective and practical organization of the people now going on, that can make possible the elimination of the political state and the substitution for it of an orderly democratic system of society, is the Consumers' Co-operative Movement.

Ukraine has such a movement. At present it already embraces more than half of the population. The attempts of politicians to enlarge and glorify the functions of the government, have failed to discourage or destroy its co-operative societies.

If the world is to be rid of governments and the dominance of politics, the people must organize an effective substitute. That is what Co-operation is doing. It is a sign of light and vision that at least one country in the world has written its ideals into its constitution, and that those ideals embrace the best hopes of organized society. The light from the East may yet guide the world to peace and safety.

J. P. W.

CO-OPERATION AND THE WAGE SYSTEM

"The Consumers' Co-operative Movement is as good as it goes, but it doesn't abolish the Wage System—the bulwark of capitalism; therefore it is not fundamentally radical—it is only partially radical." So runs the story as told by a particular group of "anti-co-operation" radicals. "Granted!" they continue, "that Co-operation abolishes Rent and Profit and pulls the fangs of Interest, but it leaves untouched the system of wages." So far, so good. But when they fail to specify what these "wages" have as little to do with the Wage System as white with black, it is a sign that they have not thought this matter through, and that they are not aware of the new economic problems as they come along in their isolation. Nothing very slavish about all this, is there?

But in modern society old-fashioned barter does not work very well; the miner cannot give his ten tons of coal to the baker in exchange for loaves of bread. Some medium of exchange is essential, and so we have money. Therefore the co-operative group as a whole, after organizing both the production and the distribution of the necessities of life, instead of dividing the goods directly, divide a money equivalent, which is still not production, but some unfortunate call this "wages." But these "wages" have as little to do with the Wage System as white with black. And we might do well to find another name for them.

This is our humble reply to those who do not like "Co-operation's Wage Slavery". Perhaps we are wrong—economies is a big subject for mere mortals like us and the disciples of Marx are many and wise. We shall be glad to be put right by some of the folks who know more about it all than we do. Meanwhile we are "sitting tight" in our conviction that Co-operation does abolish the Wage System.

C. L.
On May 19th, in Cleveland, the co-operators arranged a supper meeting which included delegates from various associations. These groups have organized a District League and are conducting a class in bookkeeping with the hope of being useful to the Co-operative societies in and near Cleveland. The most successful association in the city is the Workingmen's Co-operative Co., which conducts a grocery business in six different localities and has 1,000 members. The Jewish people have a co-operative bakery with a membership of over 2,000. One of the newer co-operative enterprises is the City Co-operative Dairy, now doing a business of over $5,000 a week. They have a good-sized plant renovated, and are capable of handling a much bigger volume. They have 14 wagons selling milk and butter and are constantly growing.

A miner's store in Salineville was the next place visited. Here I found conditions disclosed and due to a strike and a lockout in the pottery factory. The store itself looked large and promising, but the members had drifted away to some extent on account of credit extended by private merchants. One or two members of the Board are hopeful and trying to get people out, the manager, who is an owner of a small mine, seemed to indicate that the members themselves take no interest in their store, and he has the full responsibility. This situation is not uncommon. A number of societies allow the affairs of the organization to drift into the hands of one or two men, and then when disaster occurs they blame Co-operation, when in reality the members themselves are the slackers. This is one case where the original membership should do their duty, trade at the store, boost it a little, get a few new customers, and see that the manager and Board have a real understanding and interest in Co-operation.

Good meetings were held at Frostburg, Md., Hastings, Pa., and Clearfield, Pa. The first two are mining towns, where the long strike among the miners has greatly hurt the co-operative stores. This is true in twenty or thirty places in that part of the state. The Penn Central Wholesale Association, a federation of 150 societies near Cresson, is organized soundly and now that strike conditions are about over it is hoped the local stores will recover from their serious sickness. During the general strike, when all the relief business came through the co-operative stores, most of them prospered, but when local strikes occurred this relief did not continue from the unions and the miners went to various private stores where they could obtain credit. A few stores suffered so seriously that they had to close up, but now that work is becoming more normal the rest of the co-operative stores are increasing their business. They have learned this lesson: it is absolutely best to organize local stores and conduct a central wholesale entirely upon their own premises, without expecting help from the outside, from union funds, or loans.

The story of how a large co-operative store was almost ruined by poor and dishonest management came to my attention at Clearfield, Pa. Without any strict control, one manager was enabled to actually get enough from the shelves of the co-operative store to stock a small store of his own and is now trying to ruin the business of the co-operative store without much success. A very interesting social meeting was held in the evening of May 25. The best result was the formation of a women's guild. Many women had attended this meeting because during the afternoon we spent several hours calling up the wives of the members urging them to come. It was found in every case where no personal work was done to get people out, the meetings were poorly attended. Printed notices are not enough. A good live committee at work a week before the affair, personally seeing people, and especially urging the women to attend, is more valuable than a thousand printed notices. In addition to speaking there always should be some form of entertainment provided or a social hour after the meeting with light refreshments, and the store managers should be instructed to invite the non-members also as they come to buy their supplies during the few previous days.

At Sunbury, Pa., I found a co-operative store which would be very successful if the members and neighborhood could only be made to understand that Co-operation is not Bolshevism or Socialism, but just good business of any kind. Because the leaders in the society have been active in the political and radical movements there, for years, the public cannot or will not understand the difference in the price—about $5.00 per month—a very attractive store and meat market is well managed, but there is no particular interest in Co-operation. Nothing but a house-to-house campaign of education will ever change the present misunderstanding of the meaning of Co-operation in Sunbury. The Board are now taking steps to try this plan. One member, Mr. H. W. Bottomstone, told me he and his wife were saving every cent they could to attend the next Co-operative Convention because the last one in Chicago had been such a pleasure and education to them.

The last group of societies visited is organized into a federation called the Bersks Co. Co-operative Union. Some are doing a very good business and one or two are merely struggling along at the present time. The meeting held at the Labor Temple, though small, was attended by some very earnest, interested co-operators. The Keystone Co-operative store conducts a line of men's furnishings and 150 or more trade unions of the Pennsylvania Federation of Labor. Mr. Andrew Bover, the president of this association, devotes all his time to labor and co-operative activities, speaking throughout the state, advising and helping struggling societies whenever requested. His store is one of the most attractive shops I have ever seen and it has been successful over a period of eleven years. Six hundred new members of what he calls a Patrons' Club have recently joined by paying a dollar a year dues. This has greatly increased the business and the hope is that much co-operative educational work will be carried on among these new people.

West Reading, Temple, Womelsdorf and Newmanstown, all connected with the Bersks Co. Union, have small grocery stores which have succeeding in pulling through hard times and are doing well now. The West Reading association started with no capital except a bond of communal and now owns its splendid two story building with a large store downstairs and a social hall above. Two co-operative houses were recently built next door and are occupied by members of the association.

Everywhere the same problems are being faced. Members of co-operative
sible for many losses, and yet we find these little struggling stores with all such obstacles really keeping on year after year. We should not be discouraged when we remember that the successful Co-operative Movements in other countries went through these very same periods of experiment and when we also recall that the best things in life are not easily attained, and "Rome wasn't built in a day."

CONTRIBUTED ARTICLES

TRUTH ABOUT THE LLANO CO-OPERATIVE COLONY OF LOUISIANA

BY GEORGE D. COLEMAN

I came to the colony September 10, 1921, and left May 14, 1922. During that time I closely observed what went on and informed myself as well as possible on all details, and especially on the discontent and causes of the constant succession of newcomers who had not yet developed the enthusiasm for co-operation, put in all they had, and werePenniless. The few who, as far as I was able to understand, had the will and purpose to remain, were either new-comers who had not yet developed discontent from an insight into things, and the experience to show them the causes of the discontent, or they were those in office, or the clique which had, in their own minds, convinced itself that the beautiful dream had become a nightmare.

I don't want to be misunderstood. I am not an enemy of Integral Co-operation, but exactly the reverse. The trouble in Llano is not with the human element, for the people in the colony and those who came and went in the time I was there were exceptional. And I who lived with the Shakers to study colony life. I lived with the Icarian Community nearly as long as with the Llano Colony. For over 50 years I have studied this matter and that is my judgment. Do not misunderstand me to say that industrially Llano Colony has failed, for they have cleared, stumped, and plowed a fine acreage and put in fine terraces to keep it from washing. . . . They have put in miles of good fences. . . . They have tractors and trucks, and they have industries and buildings, some new. The trouble is not there; . . . it is fundamental and organic. Let us take it chronologically. They incorporated under a Nevada charter, and that charter is the first cause of the trouble. The Nevada law dictates as to the legality of elections, and is the fly in the ointment that enables the clique . . . to rule like a czar. Their charter defines that no election is legal except a definite number of stockholders either vote directly or by proxy; and the same discretion has made it so that with all the appeals to send in proxies to absent members, they do not send them in. The election in October, 1921, was not a legal election. Instead of seeking income by the labor of the colonists and having products to sell, the management begs for money from the outside, until I know of those on the outside who are proposing to get a "fraud order" out for misuse of the mail. To this I protested vigorously, as it would be a crime to bring upon an innocent membership the faults of one man, for the mass or majority of the members working in the colony are as honest and fine a lot of people as I have ever seen assembled. Integral co-operation is right; 80 per cent of the people in Llano Colony are right; but its legal foundation and organization are wrong and make it possible for a constitutional crook or a paranoiac to ruin it.

Before me lies the copy of the "Agreement of Employment" that every working member has to sign, even if not the owner of a share. It is long, but these words are printed in it and all through the new movement (witnessed by H. L. Buck, "one of 'em"). Here are the words: "and shall have full power to discharge the said second party at any time that may be deemed necessary by said first party; said first party being sole judge of what shall constitute justifiable cause for discharge. With men, especially with wife and children, who have, in their enthusiasm for co-operation, put in all they have and haven't enough to buy postage but have to ask for it, sign such an agreement in legal form, that a court would recognize, they have to be humble and submissive as a Mexicanpeon. But they are discontented. . . . If space permitted I could tell far more of those who still believed and worked, if not too afraid, could testify to, I could tell of the impracticality of this Old Man of the Mountain that rules Llano with a rod of iron, and yet he preaches The Golden Rule; . . . who wrote to a man who offered suggestions, "I want no suggestions or advice. . . ."

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BRIEF HISTORY OF SOCIETIES AFFILIATED WITH THE CO-OPERATIVE CENTRAL EXCHANGE

By S. Alanne

One of the most substantial co-operative wholesales in the United States is that at Superior, Wisconsin. Co-operatives the country over have long admired the plan and wisdom of these Finnish people who made this institution. But for many of us it is very remote, almost foreign. Who ever goes up into that neck of the country? What does this wholesale do? How many member societies does it have, and where are they? How many of them are store societies, and how many are mere buying clubs? Are all these societies Finnish or are some American? How many failures have there been among them? What induced them to join the wholesale? What societies helped to get the wholesale started? The following sketches are extracted from a concise history of the membership of the C. C. E., sent us recently by their Educational Department. There is not room in CO-OPERATION for the complete list of 63 sketches; the following excerpts are typical:

Bever Farmers’ Co-operative Association, Bay, Minn.

A small buying club on the Duluth, Winnipeg & Pacific Ry., north of Virginia, Minn., organized in January, 1920, by a group of Finnish farmers of the town of Bever. In spite of the small number of its members, the club bought goods from the Exchange for $6,927.58 in 1920 alone. During 1921 its purchases from the Exchange decreased by 60 per cent, largely due to the drop in prices, purchases increasing again during 1922 and 1923. Not incorporated. Has a warehouse but no regular store. Likely to develop into a regular co-operative store in the near future.

Brantwood Co-operative Supply Company, Brantwood, Wis.

Organized in August, 1906. The word “co-operative” added to the name in 1922, as the organization has been all the time functioning on true co-operative basis. Sales in year 1920 exceeded $100,000. Membership in 1921 was 98. On account of rather distant location has been buying little from the Central Exchange. Joined the Exchange in May, 1923. Paid-in capital stock in year 1921 over $20,000. A farmers’ society; practically all of membership Finnish.

Cloquet Co-operative Society, Cloquet, Minn.

Organized under the name of Cloquet Stock Mercantile Company in February, 1910. Store destroyed by the great Minnesota forest fire in October, 1918. Reopened soon afterwards. Reorganized under the present name in May, 1921. $150,000 in 1920, but have dropped since, so that last year they were only $69,402.78. Number of stockholders over 500.


Organized by Finnish Farmers in January, 1929, as a buying club. Not incorporated. Buys goods from the Exchange at the rate of $250 a month.

Elanto Company (Store Dept.), Nash­wauk, Minn.

Organized in 1917. Took part in organizing the Co-operative Central Exchange and is still among its most important and active members. Sales at their highest 1920, totaling $88,973.95; corresponding figure in year 1922, $50,041.72. Owns 8 shares of capital stock in the Exchange. During year 1919 its purchases from the Central Exchange amounted to $23,333.35, while the corresponding figure in 1922 was only $5,997.17. Membership about 275, consisting exclusively of Finnish working men and women.

Emarrass Farmers’ Co-operative Mercantile Association, Emarrass, Minn.

Organized as early as 1909. Joined the Central Exchange in February, 1919, and has been buying from the Exchange since then quite heavily, particularly during years 1919 and 1922 ($13,571.97 and $10,151.14 respectively). Financially quite strong. Net sales exceeded $100,000 in 1920, but have dropped since, so that last year they were only $49,402.75. Number of stockholders about 200, practically all Finnish farmers.

Farmers’ Co-operative Company, Cromwell, Minn.

Organized and store opened in 1917. Net sales during 1919 and 1920 averaging $8,000 a month, while in 1922 they were somewhat below $4,000 per month. Affiliated with the Central Exchange in June, 1922, and paid in full for one share. Purchases from the Exchange during 1922 eight times as large as in 1921 and twenty times as large as in 1920. Number of stockholders 90 in 1921.

Farmers’ Co-operative Trading Company, Hancock, Mich.

Has been in existence for about ten years. Had at one time (early part of 1919) four branch stores, located at Calumet, South Range, Arnhem and Bruce’s Crossing. In April, 1919, the branch at Bruce’s Crossing withdrew and became an independent store. Later the branch store at Arnhem was closed for lack of sufficient support. The branches at South Range and Calumet are still in existence. While in 1920 the sales of the society exceeded $200,000, they have fallen below $100,000. The Hancock society was the prime mover in founding the Co-operative Central Exchange and is its second heaviest stockholder, owning 14 shares. During the years 1919-1922 the purchases of the Hancock society from the Central Exchange totaled almost $80,000. On account of adverse working, etc., conditions the organization has been rather hard up during the last two years, but is putting up a valiant fight. While quite a number of its stockholders are townpeople, the farmers from the surrounding country form the most active part of the membership and actually control the store. Number of stockholders over 500.

Farmers’ Co-operative Association, Herman, Mich.

Organized and store opened in March, 1919. Paid in full for one share in the Central Exchange in September the same year. Has been one of the staunchest supporters of the Exchange. The store, supplying the needs of a small Finnish farming community, has no local competitor. Its sales were a little over $25,000 last year. Its purchases from the Central Exchange amounted to over $29,000 during 1919-1922. Number of stockholders 90.

Farmers’ Co-operative Mercantile Association, Iron River, Wis.

Together with the Farmers’ Co-operative Trading Company, Hancock, Mich., this was the prime mover in founding the Co-operative Central Exchange. It was organized and its store...
opened in year 1914. The organization gradually developed stronger and stronger, until in 1919 its sales exceeded $100,000 and it had established branch stores at Oulu and Herbster. During the difficult years of 1921 and 1922 the sales of the society decreased considerably and one of the branch stores (Herbster) had to be closed. The Iron River society is one of the heaviest stockholders in the Exchange, owning 12 shares. In these years 1919-1922 their purchases from the Exchange totaled over $62,000. The number of stockholders of the Farmers’ Co-operative Mercantile Association in 1921 was 342, of which the greatest part are Finnish farmers in the country surrounding the village of Iron River.

Farmers’ Co-operative Association, Lawer, Minn.
Organized and incorporated in 1919. Acted first for a few months as a buying club. Bought a share in the Central Exchange in June, 1919. While it has a fairly large membership (203 at the end of 1920), its sales have so far remained relatively low (about $2,000 a month). Purchases from the Exchange exceeded $5,000 during 1919, while the total for the following three years is hardly any larger.

Farmers’ Co-operative Company, Wright, Minn.
Organized in 1919. Engaged a bankrupted Finnish storekeeper as their first manager and gave all power in his hands. Late in 1919 it finally dawned on the board of directors that their store was going on the rocks. They discharged their manager and sent a delegation to the Central Exchange to ask for a new manager. The educational department of the Exchange recommended an experienced and energetic manager who soon effected a settlement with the creditors, so that the store was able to get out of the “hole”. The Farmers’ Co-operative Company soon voted to affiliate with the Exchange, but has failed so far to get a share. The greatest part of the membership are non-Finnish farmers. During the years of 1919, 1920 and 1921 the Wright store bought goods from the Central Exchange to a total of $86,806, while during 1922 their purchases from the Exchange amounted to $7,231.27.

Govern Co-operative Association, Govan (Minn.), Minn.
One of the earliest buying clubs; organized in May, 1918. Bought one share in the Exchange. Quite active, particularly during 1920, in which year it bought goods from the Exchange for $8,103.02. After a period of slackness activity renewed in 1922. This buying club seems to be slowly but steadily developing into a regular co-operative store. For some time they have already had a small warehouse and employ a part-time manager. Membership consists of Finnish farmers.

Ishpeming Consumers’ Co-operative Association, Ishpeming, Mich.
Organized and store opened in May, 1919. Paid-in capital stock at the start a little over $6,000. Net sales during 1920 totaled $105,238. In the middle of year 1921 a reversal came, due partly to overbuying and carelessness of a young, inexperienced manager, partly to the fact that the shutting down of the iron mines of Ishpeming in the latter part of year 1920 compelled about one-third of the stockholders to leave the town. The sales of the store dropped down to about one-sixth of what they used to be and were even less. The hard time was reached during the summer of 1922. Since then the store has again commenced to pick up, particularly since the present manager was engaged in September, 1922. The directors of the Ishpeming Consumers’ Co-operative Association deserve great credit for not giving up the fight but “sticking to it”. The Ishpeming society joined the Co-operative Central Exchange as a member in January, 1920, and its purchases from the Exchange from the opening of the store till the end of 1920 amounted to over $30,000. The fact that its purchases from the Exchange for the whole year of 1922 amounted only to $654.35 speaks for itself. The Ishpeming organization has had nearly 200 members, but a large percentage of these (practically all Finnish miners) have moved away.

Little Swan Farmers’ Co-operative Stock Company, Little Swan, Minn.
Organized 1913. Net sales 1920, $65,775.77. Membership in 1921, 48. With such a small membership this organization has maintained a regular store from the very beginning. Financially fairly well situated. Joined the Central Exchange in August, 1919. Purchases from the Exchange averaging $3,000 during the last four years. Is under reorganization to come under the co-operative laws of the state. (Finnish).

TO BE CONTINUED

WHY NOT PUBLISH STORE EXPENSES?

BY EMERSON P. HARRIS

(Author “Co-operation, the Hope of the Consumer.”)

The average consumer is eager to know what becomes of the dollar which he pays for goods at the store. Especially how much is kept by the store and why. For my part, I have always wanted to know how much I was paying the store keeper for the services he was performing for me.

To my mind these figures should be given out for the satisfaction of consumers. Not that one needs to know that a dollar’s worth of sugar cost the dealer at wholesale 95 cents and that 50 cents worth of tea gave him gross profit of 17 cents. To know about single items like this would only be confusing, since gross profits and expenses must be figured as a total for a given period and then expressed in average percentages. But for the consumer to know the gross profit he was being charged would be pertinent and instructive. He might be buying his groceries at a very efficient self-service store where he got no service at all, but was taxed only seven cents on each dollar’s worth of goods, or he might be indulging in a highly fancy store with lots of service and many frills and paying 26 per cent profit. Or, he might be buying at the average delivery store and paying from 17 to 25 per cent profit.

Knowing the amount of gross profit he could judge for himself the value of the service he was getting. He would sometimes find he was paying 25 per cent when with competent management and proper volume he need pay only 17 per cent.

It seems to me that there are many reasons why the distributors of staples like groceries should make public the gross profit at which they are selling, give the principal items of expense and under some circumstances have the accuracy of statements properly vouched for. I would like much to see co-operatives become the first to adopt this policy of frank publicity. It is doubtful if a co-operative store whose business is so organized and developed as to make a fair showing could do a more advantageous thing than to publish, say, quarterly, a statement showing gross profits and expenses and the principal items of expense.

Members in possession of such figures would have the proper background against which to co-operate for lower expenses through larger sales. Certainly placing all the cards on the table face up would have a very beneficial moral influence both inside and outside the membership.

Since the handling of goods has become so standardized that these facts are easily given, it seems profitable to make known through the enterprise of private dealers or under legal requirement, such statements are likely to appear before long. Would not it be a credit to co-operatives to exhibit the vision and courage required to take such a notable forward step? For nothing is more gladly welcomed to-day by a distrusted public than real publicity.
The Fascisti have one more crime to answer for. The political jockeying within the Italian Co-operative Movement had seriously retarded the movement for several years before the Fascisti came into power. But with the change in government, the persecution of the co-operatives by these political highwaymen attained huge dimensions; many stores were closed or burned to the ground; others were thrown into such a state of demoralization that they disintegrated; still others, terrified, went over to the Fascisti and became mere tools of the government. The Unione Cooperativa, one of the finest local co-operatives in the world, reports a loss of all its reserves and a decrease of more than a million lire in its turnover this past year.

Now the Board of Management of the Consorzio Italiano, the Italian C. W. S., has decided that this wholesale must liquidate—which means that the consumers’ societies of the country are thrown back to the conditions years ago when there was no wholesale. They are, for the first time in decades, reduced to the position of most of the co-operative societies in the United States, compelled to buy direct from private wholesalers or, at best, to promote some joint buying on the part of neighboring societies.

Finally, the Garden City, Milanino, has been forced to sell out to private speculators, and co-operative housing has met a serious defeat.

The one hopeful element in the whole situation is the realization dawning upon all wings of the Italian movement that co-operators must co-operate. Catholics and Free Thinkers, Communists and Fascists, rich and poor, have organized and tried to maintain their own independent co-operative movements up until the present. If they learn the true meaning of consumers’ co-operation during this crisis, perhaps that lesson alone will compensate for much of the present devastation and despair.

**RAPID GROWTH OF THE BERLIN SOCIETY AND THE GERMAN MOVEMENT**

The French military and economic policy in the Ruhr may cause the temporary stoppage of coal mining in that region and may create greater solidarity among the industrial workers throughout that whole province, but it can claim no credit for the growth of Co-operation in Central Germany. That rapid development is due primarily to the rapid expansion of the co-operative knowledge among the rank and file of the people themselves. They are learning that Co-operation is just about the only salvation left for them after all the other “agenries of salvation” failed: Kaisermanism, Capitalism, League-of-Nations-ism, and Republicanism.

The Berlin Society is a typical example. In 1914 its membership was 27,514. In 1921 it was 115,000. On the 1st of June, 1923, it had reached the figure of 163,398. This Society conducts all kinds of stores, banking, its own productive works, and builds houses for its members—distribution, credit, and housing all included in the one organization.

The movement in Germany as a whole has continued to make headway. During the year 1921-2, Credit Societies increased from 20,447 to 20,812; Consumers’ Distributive Societies increased from 2,486 to 2,492; and Housing and Building Societies increased in number from 3,278 to 3,476.

**CO-OPERATION AND THE PRODUCTION OF MATCHES**

Finland is one of the largest match producing countries of Europe. Recently the Swedish Match Combine, in addition to its holdings in Sweden, began buying up the match industry in Finland, and has threatened to control the match supply of the whole of Northern Europe.

But before the war the S. O. K. (Co-operative Wholesale of Finland) had a little war of its own with the private match producers who failed to carry out their contracts with the co-operators; and bought a match factory—its first venture into the realm of production. Opposition to this co-operative factory by the private manufacturers only strengthened the co-operators in their support of their own enterprise until the co-operative matches were known all over Europe.

When the Swedish Match Combine came into Finland, it at once tried to effect a price agreement with the S. O. K. so that its profits might not be impeded by co-operative competition, and even had the audacity to suggest that the co-operatives decrease their output and restrict their sales to certain specified countries.

Such a proposal could have only one result. Co-operative matches are more in favor now than ever in Northern Europe, and the Match Combine is likely to learn that whole province, but it can claim no credit for the growth of Co-operation in Central Germany. That rapid development is due primarily to the rapid expansion of the co-operative knowledge among the rank and file of the people themselves. They are learning that Co-operation is just about the only salvation left for them after all the other “agenries of salvation” failed: Kaisermanism, Capitalism, League-of-Nations-ism, and Republicanism.

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The first significant resolution passed was to the effect “that the delegates present go on record as desiring to get behind the Central States Co-operative Wholesale Society in its operations and all its activities and in its efforts to rebuild the business on the original Rochdale basis and that the delegates all pledge their support and co-operation to that end.”

The matter of joint buying and co-operative labels next came up. It was agreed to abandon this co-operative soap purchases with two producers, a third to be added to the list if chemical analysis of their product proved it satisfactory. Toilet soap purchases are to be made from five firms only. The packer for the Co-operative brands of coffee was left to the choice of the Buying Committee. Selection of packer for milk was also left to this committee. Three grade names were suggested for goods packed under co-operative labels: “Co-operator’s best” for the highest grade, “Unity” for the extra standard grades, and “Loyalty” for the standard grades. Matter of canned goods was left in hands of the Buying Committee, as was that of paper bags, extracts, spices, sugar, syrups and molasses, etc.
It was voted that the business in all cereals be done with the Quaker Oats Company exclusively.

Minor matters such as uniform policy with regard to freight service and freight bills, adjusting and auditing of freight bills, checking of goods received in stores, etc., were disposed of briefly.

A committee of five was next appointed to draft recommendations for a Co-operative Educational Department. This committee later brought in two documents: one a recommendation to the Board of Directors of the Central States C. W. S. for the establishment of an Educational Department, and the other a prospectus and budget estimate for the Educational Department.

The first of these documents recommended a broad and solid educational foundation for the co-operative work of the state and suggested that the C. W. S. establish such a department. An Educational Director would be appointed; (a) to do advisory work in Mr. Gifford's societies; (b) to obtain and circulate co-operative literature; (c) to arrange lectures and speaking engagements; (d) to edit and manage the society's publication; and (e) to help in organizing new co-operatives; (f) to run a co-operative employment agency; (g) to create and run a co-operative library; (h) to organize a co-operative school; (i) organize and direct such other activities as are necessary; (j) to submit a monthly report to the Board of Directors. It was also recommended that a monthly eight-page bulletin be published to be known as "The United Consumer," same to be financed partly by advertising, partly by subscriptions, partly from other sources of income to the Department. Proposal was also made that the Educational Department be affiliated with The Co-operative League as a District Co-operative League.

The second of the two documents submitted by the Committee on Education was a proposed budget for educational work for an annual expenditure of between $8,000 and $9,000, to be raised from advertising in the magazine, subscriptions, returns from picnics to be organized, sale of co-operative buttons, sale of literature and supplies, printing for the societies to be done on the press owned by the Department, and 3/10 of 1 per cent of the gross sales from the societies affiliated.

It was next proposed that in view of the large area represented by the societies, one manmoth co-operative picnic was out of the question; therefore it was proposed to hold two, one near Hillsboro, the other near Herrin. These picnics would be held in August and would take the place of the celebration of Operator's Day which is observed internationally in the first week of July.

Finally, several proposals were submitted for a central accounting and auditing service to be run by the Wholesale for each society desiring such service, and each delegate was given samples of accounting sheets to take home with him and present to his Board of Directors.

The delegates pronounced the conference a significant event in the history of Co-operation in Illinois.

A SCHOOL FOR CO-OPERATIVE ORGANIZERS AND ADMINISTRATORS

Plans for the Co-operative School to be conducted in Minneapolis in the autumn are about completed. The school will open September 4, at 2601 Franklin Avenue, the plant of the Franklin Co-operative Creamery, and will run for five weeks, class work extending over seven hours each week-day. In addition to this, there will be popular educational lectures and instruction given to larger gatherings several evenings each week.

During the first two and one-half weeks Mr. C. Ward Clarke will use 52 class periods for general instruction in double-entry bookkeeping and Mr. S. Alanne will use 48 class periods for a discussion of the Theory, Principles and History of the Co-operative Movement. During the latter part of the course, Mr. M. V. Varnum will use 52 periods for instruction in the use of the special bookkeeping system recommended by the Central Co-operative Ex-

change; and Mr. Cedric Long will use 48 periods for a discussion of the practical problems of organization and administration of co-operative stores. During the latter part of the course, Mr. H. V. Nurmi, manager of the Franklin Co-operative Creamery, will give nine lectures on the administration and management of Co-operative Dairies and Creameries.

The tuition fee will be $20, but ten scholarships of $20 are to be awarded by the Northern States Co-operative League to worthy students who make application before August 15. Applications should be made early, for each student is expected to do some preliminary recommended reading before the school opens. The Educational Committee of the Franklin Creamery will assist students to find suitable lodgings in Minneapolis, and most of the meals will be taken in a co-operative restaurant.

This is the first attempt made in the United States to organize a Co-operative Training School to be conducted in the English language. Meritorious work will receive recognition, and graduates of good standing will have no trouble in finding positions in the Co-operative Movement. Hundreds of thousands of young men and women are studying the educational principles and practices of our economic movement which is developing among the people. This school will not be large as measured by the very smallest in the countries, and length of the course will be less than 35 days. But in the larger sense, these class rooms will be so lofty situated that the students can get an unrestricted view of horizons that are endless; the voices of co-operatives from all countries of the world will be carried to them on the winds; the men and women in the schools here and beyond the reach of the economic masters and their hireling pedagogues who control education in the country; the restric-

THE FRANKLIN CREAMERY Keeps the Pace

The development of the business at the Franklin Co-operative Creamery continues as steadily as ever. The sales for May were $276,652, an increase of 50 per cent over those of last December. Much of the increase was due to the jump in the ice cream business with the warmer weather—a new department added this spring.

A few figures from Minneapolis are interesting. They now have 142 wagons on the road every day and in May sold 2,000,000 units (a unit is any single item, such as a quart of milk, a pint of milk, a pound of butter, etc.) The income from cream alone was $18,000. There are 386 employees. Last year in May the farmers were receiving $2.20 per cwt. for their milk; this May they got $2.70 from the Franklin Creamery about 9 cents a quart. But the Co-operative is still selling milk at 12 cents.

And now the secretary has sent out to the membership a letter telling them that the full $1,000,000 of stock has been subscribed for, and no more can be had until the capital stock has been increased. Meanwhile a bond issue of $250,000 has been floated, and one of the big Minnesota banks gobbled up the entire issue at once; an indication that even the big bankers know that Co-operation is a good financial proposition. There should have been enough successful consumers' co-operatives in the country to take those bonds; sometime there will be.
THE HUMAN ELEMENT IN CO-OPERATION

Recently an employee of the Franklin Co-operative Creamery was killed while driving a car through one of the streets of Minneapolis. Such things happen often in this country, and the event is brushed aside by the profit-making employees as of little importance. But Co-operatives do take a direct personal interest in their members and workers. The following, as told in The Minneapolis Co-operator, illustrates this:

"... Brother Roberg was in the prime of life—happy and healthy—the accident happened on his 28th birthday. He was a loyal co-worker, was trusted and liked by his customers and had the institution he was working for at heart. The funeral services and all the expenses connected therewith were taken care of by his co-workers at the Franklin, who wanted to show their last respect to their loyal and faithful brother in this way. . . ."

The superintendent at the Hill Side cemetery where it was the longest funeral procession he had seen since the cemetery was opened up—33 automobiles were counted in the procession.

"So even in the hour of greatest sorrow and darkness all is not gloom. We see that most beautiful expression of the human soul—the spirit of fellowship, unfolding itself as we have never seen before. There is no limitation to what this spirit of fellowship can do for our institution and our community. It is the spirit that is needed more than anything else in the world to-day."

CO-OPERATIVE PICNIC FOR CHILDREN

The Bloomington Co-operative Society of Bloomington, Illinois, arranged a highly successful picnic last month. Forty-seven autos and four trucks made highly successful picnic last month. There were games for the grown-ups, baseball and pitching horses, and swimming for the youngsters. Refreshments were served in picnic style. The affair was enjoyed thoroughly by all.

CO-OPERATIVE societies that are thinking of educational work can do nothing more effective during the summer months than to provide good, enjoyable outdoor time to the co-operators and their friends.

INTERNATIONAL CO-OPERATION AT HOME

A highly successful and most interesting co-operative society that has not received enough attention is the Hillboro Co-operative Association of Taylor Springs, Ill., which recently affiliated with The League.

The list of directors of this society reads like the dream of the Utopian internationalist who wants all countries to unite at once: Kelly, Long, Pansilc, Bianco, Girard, Yuzun, Hinsner, Disbant, Glossick, Cribbs, Raneh, Pachovchin, Balatore. They include Americans, Germans, Slavs, Italians and several other nationalities in the membership. The majority of them are mining—members of the United Mine Workers.

A co-operative society with such a cosmopolitan Board of Directors as this ought to be either very successful or the rankest kind of a failure. T. P. Teets, the manager, and this Board, however, have voted in favor of success. In 1921 the surplus savings amounted to $3,651, and in 1922 to $4,583. During the strike of 1922 the membership increased from 66 to 102. The society loaned $500 to the Central States Co-operative Wholesale when that organization was in trouble, but is so far from E. St. Louis that it does not find it profitable to trade with the co-operative wholesale. The store carries both groceries and a general line of merchandise.

EXECUTIVES STUDY MOVEMENT ABROAD

Mary E. Arnold, Manager, and Leslie Woodcock of the Educational Depart-
thought and action, and we consider it to be one of the "meatiest" on our exchange list.

Yours fraternally for Co-operation,

[Signature]

The Co-operative News, Sydney, Australia.

A NORTH DAKOTAN

I am here acting as secretary for U. S. Senator Frazier, and expect that my address will change again in the fall to Washington. It is certainly gratifying to note the steadily increasing interest of the public in the subject of industrial and commercial co-operation. Of course in these western states that are so largely agricultural in their industry, it is natural that co-operative marketing and in general producers' co-operation should be first to attract the earnest attention of the masses of the people, but there can be no question that a large interest in the more important phase of the movement, namely, Consumers' Co-operation, will sooner or later follow. In fact I believe that the Consumers' Marketing organizations among the farmers of Kansas, Nebraska, and Iowa are already making a good start in this direction. Yours for the "Co-operative Commonwealth."

CLIFTON NEAL.

People, No. Dakota.

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**People's Year Book, 1923 (paper).**

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This offer holds good until October 1, 1923.

A CORRECTION

Ashland, Wisconsin, had two co-operative associations—the "Farmers' and Laborers' Co-operative" and the "Producers' Co-operative." Although both the Co-operative League of America and the Northern States Co-operative League had tried many times to get these two societies to affiliate with the League, all such efforts were fruitless. Within the past year both have failed. In the December (last) issue of Co-operation there appeared an item telling of the success of the largest of these associations, its large membership, and its unusually fine turn-out. A correspondent informed us of our error in some of the figures quoted; now we are sure he was right!
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Albert Sonnichsen, Managing Editor.

LENIN ON CO-OPERATION
Whatever may be our attitude toward the various theories of government, we must concede that Lenin, the Russian premier, is by far the greatest statesman who has come forward since the great war.

Although government in Russia has bungled, vacillated, and compromised, it is, nevertheless, a developing government. It is moving forward toward democratic stability.

On the other hand all of the other great governments have bungled, vacillated, and compromised also; but they are not developing; they are decaying. They are moving backward and away from democratic stability. The Russian ruble is steadily increasing in value; other European currencies are depreciating.

It looks, as though, by the time the United States "recognizes" Russia, Russia may be sounder than any other government on the continent.

In a recent article on Co-operation by Lenin, which has been published throughout Russia, it is seen that the head of the Russian Government still looks upon this movement as a factor of "gigantic importance" in the transition from capitalistic to democratic government. He says that the Co-operative Movement is "the simplest and easiest method of transition from capitalistic to democratic government."

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VITAL ISSUES
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It is time for the United States "recognize" Russia.

Here are evidences that there is one statesman in the world who thinks of the state as a transitional institution on the way to something better, and that the organization of all of the people in the Co-operative Movement is an essential step in the transition.

If the Russian Soviet Republic will continue to grow evidences of its purpose to move onward toward a free Co-operative Society it will win to its support the organized 40,000,000 Co-operators of the world, and become an object lesson to all nations.
POLITICAL VILLAGE JOINS CO-OPERTIVES

We have published from time to time instances of towns in Germany voting to join the local co-operative society. These towns have their municipal hospitals and other institutions requiring to be supplied with commodities, and find it to their advantage to be connected with the Co-operative Movement. Now we have the news of a small district village, Geesthacht, on the outskirts of Hamburg, voting to join the big Hamburg Co-operative Society. It is an indication of the political organization of society turning to the voluntary organization for help.

J. F. W.

CATCHING SKUNKS

We have an old farmer friend who told us years ago that so far man has discovered but one method for catching a skunk by hand without suffering serious consequences. Grab him by the forepaws or the ears or the nape of the neck and you're done for. But if you can sneak up behind him, grab his tail, and quickly hoist him off the ground, hanging head down—you're safe. It's a dangerous game. It requires courage and alertness. You may not know what disastrous mistakes in their attempt to capture the capitalist system or in advising others how to do it. And there are other thousands now who are sticking to the old, worn-out formulas. The out-and-out co-operative fakirs go after capitalism with a tank of rose water and a spray pump, to make it smell sweeter. The politically-minded set a trap for it every year about the time they think the fur is ripe, and bait it with speeches; but to date capitalism, when it hasn't walked off with the trap, has walked around it. Certain of the more headstrong and reckless direct actionists keep attempting the old game of throwing a bag over its head or choking it to death. But Old Man Capitalism seems to get the better of them all.

Yet there is one hold on capitalism that works. Several millions of co-operators have hold of its tail now and they are not letting go, and they know what to do with it, too. More of us should get our friends into the game. It's a dangerous business, like everything else that's worth going after; but it's great sport, if you know the trick.

C. L.
CO-OPERATION

WHAT THE GOVERNMENT CAN DO FOR CO-OPERATION

By J. P. W.

The late President Harding and several members of Congress have expressed themselves that the Government should do something for the cause of Co-operation. Governments in times past in many lands have been animated by this purpose. The old Russian Government under the Czar promoted Co-operation. The British Government in India, the Italian Government immediately after the war, and many of the new governments of the Balkan and Baltic states have made laws and actually given financial aid to Co-operation. There are three forms of assistance which governments render:

1. Laws which are favorable to the development of co-operative societies.
2. Money loans or gifts.
3. Education.

The United States Government and the various state governments can be of great assistance by enacting certain simple laws. Much legislation in the United States is in the interest of profit-making business. Co-operation, being purely for service, is often unfavorably discriminated against by these laws. Thus in some states all corporations must grant one vote for every share of stock. In many states a corporation is not permitted to build its own warehouse or storehouse in which to sell its wares. In other states the corporation must divide its profits (surplus-savings in the case of co-operative societies) among the stockholders in proportion to their amount of stock ownership. There are many other laws which are inimical to Co-operation. In some states these laws are so onerous that it is practically impossible for a corporation to be formed for service; the only motive recognized in industry is profit-making.

The great need in the United States is for a simple federal law and for state laws recognizing and defining the co-operative corporation. The Co-operative League has such model laws and for years has been presenting them to legislators. The present political interest in Co-operation should help their promotion.

We do not ask for any laws discriminating in favor of Co-operation. We simply want enabling legislation which will make it possible for co-operative societies to organize and do business. We need only the same legislative consideration that profit-business is given.

In special fields, where there is special legislation for profit-business—such as banking—Co-operation must not be made an exception. Here also laws are needed to recognize banking for service. The League has a model banking law. The Credit Union Bureau is doing excellent work in promoting state banking legislation.

As to governmental credits granted to co-operative societies, it is a highly hazardous enterprise—especially hazardous for the co-operative societies. There is a large amount of experience in a score of countries, running back over a period of fifty years, to show that more harm than good has come from accepting government loans, grants, and subsidies. This is too large a subject to discuss here, but in general it must be borne in mind that Co-operation rests upon self-help and is non-political. Government aid robs it of independence and self-reliance and involves it in the meshes of political entanglements. In the United States Co-operators should oppose government financing at all times.

Education, however, is something positive, positive and constructive which our governments can promote. This is the field they have all neglected. The Universities of Paris, Prague, Berlin, and several other European centers of education have chairs of Co-operation. Many European high schools and technical schools give courses on this subject. A few American educational institutions have lectures on Co-operation, but almost all of them are very ineffective, and most of the teachers are but poorly prepared for such teaching; some are utterly incompetent and are doing positive harm to their students.

If our statesmen really mean business they can see to it that sound instruction on Co-operation is given not only in our state universities but in high schools and elementary schools. At present the youth is taught that the only legitimate purpose for production and distribution is to make profits out of the needs of the people. Children ought at least to be told that the motive of service is legitimate.

In the course of time public school children might have their own co-operative societies for supplying pencils, paper, books, athletic and baseball equipment, and for banking their pennies. They would thus get practical administrative training in the real executive duties of conducting business for service. Youth is the hope of the world (the adults have made a mess of it), and youth should be given a chance to prepare itself for something besides the fight for profits.

Not only should the history and the theory of Co-operation be taught, but courses for the training of co-operative executives should be provided, so that store managers, accountants, and managers of bakeries, banks, housing societies, and other enterprises are actually trained in a practical way.

Departments of Labor, of Commerce, of Foods and Markets, and other branches of government that might serve these ends should maintain departments for giving advice and aid on Co-operation.

The various departments of government already do all of these things for profit-business. Co-operators should ask no special privileges. We should only want that the people be as free to learn and to act in the field of service as they now are in the field of profits.

CO-OPERATION

LET US TOO JOIN

THE INTERNATIONAL CO-OPERATIVE EXHIBITION

American co-operative societies are for the first time given an opportunity to take part in an International Co-operative Exhibition. This will be held at Ghent, Belgium, from June 15 to September 15, 1924. The eleventh International Co-operative Congress also will be held at Ghent during that period. The exhibition will be in the World’s Fair building, located in the charming city park of Ghent. Already the nations of Foods and Markets, and other national co-operative organizations of fifty-one countries have signified their intention to be represented at the exhibition. The International Exhibition will present a variety of aspects. The large and important co-operatives will show many of their undertakings. Some will exhibit factory departments and workshops in operation. Others will have complete reproductions of stores. Some will send displays of their goods in showcases. Others will have their goods not only on exhibition but on sale.

A member of the Board of Directors of the Co-operative League has been elected on the Committee of Honor of the exhibition. The League will have a booth in the exhibition hall in which will be a display of our American co-operative movement. We can not hope to present an exhibition that will compare with those of the more highly developed co-operative countries of Europe, but we should, for educational purposes, show something of our movement in the form of pictures, diagrams, charts, literature and other evidences of our status in the co-operative world.

Let us get together a creditable showing of our work in this country. We have much of which we can be proud, and we are doing many things that count. We are now called upon to show ourselves to the rest of the world. Let us accept the challenge.

All co-operative societies affiliated with The Co-operative League are requested to send to the League House, 167 West 12th street, New York city, before
February 1st, 1924, any of the following exhibits:

1. Pictures of their stores, houses, bakeries, creameries, restaurants, schools, banks, coal yards, or other buildings, including old buildings to illustrate comparative growth.

2. Pictures of groups of employees, conventions, meetings, picnics.

3. Pictures of groups of delivery wagons or trucks.

4. Pictures of interiors of any of the above buildings.

5. Samples of publications, leaflets, pictures, pamphlets, etc., used for educational and propaganda purposes.

6. Charts of figures showing growth of society, business, etc.

7. Diagrams illustrating any phase of the society’s work.

8. Samples of goods produced by the society.

BRIEF HISTORY OF SOCIETIES AFFILIATED WITH THE CO-OPERATIVE CENTRAL EXCHANGE
By S. Alanne (Continued from August Issue.)

Maple Farmers’ Co-operative Association, Maple, Wis.
Organized and store opened in the beginning of year 1914. Sales at their highest during 1920 ($44,172.02). Membership in 1921 was 128, consisting almost exclusively of Finnish farmers. The organization started a co-operative dairy and creamery in Superior, Wis., in partnership with the People’s Co-operative Society of Superior, Wis., investing quite heavily in the same. In 1920, the society bought quite heavily from the Exchange and their purchases from the Exchange during 1919 and 1920, but in 1921 its purchases were only about one-seventh of those of the previous years. The sales of the Finnish Co-operative Trading Company in the year 1919 exceeded $100,000, but during the three following years they decreased considerably.

Organized and store opened in 1919. Number of stockholders in 1920 was 140, most of them Finnish workers in the town of Newberry with a few farmers from the surrounding country. On account of complete shut-down of the local industries during 1921, the accounts receivable of the store began to increase in an alarming degree, as most of its regular customers were out of work. A special meeting of stockholders then decided to put the store strictly on cash basis. This, however, caused the sales of the society to drop considerably and after a few months they had to go back to the restricted credit system. The society seems to be picking up again. The Newberry store owns two shares in the Exchange and their purchases from the Exchange, in spite of their distant location, have been considerable (over $19,000 during 1919-22).

A farmers’ co-operative society, organized and store opened in 1911. Its sales reached in 1919 as high a figure as $190,674. Then things started to go rapidly downward, due to overbuying and careless management. At the end of 1921 the organization already was in bad financial straits and it was dissolved. It was found later that there were several cases where the stock was sold and all its paid-in capital stock (amounting to $16,600) had been wiped off and then some. During the prosperous years practically all surplus had been distributed back to the stockholders and customers, so that in the reserve fund there was only $648. During this critical period the progressive elements...
among the membership stepped to the fore and an entirely new progressive board of directors was elected in May, 1922. A new manager was secured through the Central Exchange and the New York Mills Co-operative Company became a member of the Exchange. Since then over $3,500 of the deficit has been wiped off, a settlement has been reached with the creditors on an 85 per cent basis and the sales, which were at their lowest point in the early part of 1922, have again considerably increased.

There are 180 stockholders in the New York Mills Co-operative Company, most of them Finnish farmers. Before August, 1921, the society had had no business dealings whatever with the Central Exchange, but during that month they had been buying regularly from the Exchange.

People's Co-operative Association, Munising, Mich.
Organized as a buying club in November, 1919, under the name of Munising Co-operative Association. Later incorporated under its present name. Last year they opened a little store and hired a girl as sales clerk, while the management is still in the hands of the secretary-treasurer of the organization, whose real job is that of janitor of a local bank and who takes care of the management of the store as a "side line". The sales of the society are at present approaching $1,000 a month. Membership small (under 20), consisting of Finnish working men and women, but the store is now selling considerable merchandise to outsiders. Purchasers from the Exchange during 1920-22 amounting to a little over $9,000.

People's Co-operative Society, Superior, Wis.
Incorporated and store opened in 1919. In January, 1920, and bought one share in the Central Exchange. During the years 1919 and 1920, the store was quite active, their purchases from the Exchange exceeding $5,000, but during last year they were quite inactive for a few months. This year there seems to be a revival, however, and the society may develop into a regular co-operative store. A novel feature with this society is, that they have a small warehouse built on skids, so that when an organization elects a new secretary-manager (which is usually done every six months) the warehouse is moved to his farm. As the members of the society live quite scattered, this arrangement becomes necessary.

Rudyard Co-operative Creamery, Rudyard, Mich.
Organized and store opened in 1913. As most of the farmers around Rudyard raise hay for sale, the store soon understood to find markets for the hay of its members and during the year 1920, when the sales of merchandise were $81,337.40, the hay sales amounted to $59,166.39 or altogether over $140,000. In 1921 the management was caught for embezzlement of the funds and another manager mysteriously disappeared. The society was on the verge of bankruptcy at the end of 1921, but then a new progressive manager was secured and the store is again gradually getting on its feet. During the period of difficulties the board of directors asked for the help of the Central Exchange, whose educational department did its best to encourage the farmers to be loyal to their organization and not desert it in the times of distress. In January, 1921, while the store was completely paralysed, the society voted to affiliate with the Exchange. On account of great distance (nearly 400 miles) from Superior the local farmers is managing the business as a side job.

Rudyard Co-operative Company is not able to do very much business with the Exchange.

Skelton Farmers' Co-operative Association, Mahtowa, Minn.
Was organized in December, 1918, as a buying club and bought one share in the Co-operative Central Exchange. During the years 1919 and 1920 it was fairly active, buying regularly from the Exchange at the rate of $840 per month. During the year 1921, however, there was a setback, as the secretary of the organization absconded with a few hundred dollars of the organization's money. The society has, however, now completely recovered from this blow, and for about a year or so it has even had a regular store with a full-time manager, a local young man, who attended the training school of the Exchange in 1921. The society has been incorporated under the co-operative laws of the state of Minnesota. Its sales amount at present to nearly $1,000 per month.

Sturgeon-Alango Co-operative Company, Angora, Minn.
Organized as a buying club in January, 1920, and bought one share in the Central Exchange. Is one of the most active buying clubs affiliated with the Exchange, but does not yet engage a full-time manager. Most of its 60 odd members also belong to an incorporated training school of the Exchange. In 1922 there were 180 shares in the society, but since then there has been a relapse for some reason or other and during last year they were completely inactive for a few months. This year there seems to be a revival, however, and the society may develop into a regular co-operative store. A novel feature with this society is, that they have a small warehouse built on skids, so that when an organization elects a new secretary-manager (which is usually done every six months) the warehouse is moved to his farm. As the members of the society live quite scattered, this arrangement becomes necessary.

Union Consumers' Co-operative Society, Dubuq, Minn.
Organized by union railroad men in latter part of 1919 and store opened in December the same year. Bought two shares in the Central Exchange in April, 1920. Although the store has suffered some loss (chiefly on account of investing too much at the start in a store building and partly also on account of the railroad workers' strike last year), it will most likely pull through all right. Has been a staunch supporter of the central organization all the time and its purchases from the Exchange during 1920-1922 exceed $30,000. Sales at present between $4,000 and $5,000 a month. Membership nearly 200.

Wentworth Farmers' Co-operative Association, Wentworth, Wis.
Organized and store opened in 1919. Bought so heavily from the Central Exchange during 1920 that its trade divided between the store and the Exchange, and it maintained a little warehouse in charge of a lady clerk, while one of the society voted to affiliate with the Exchange.
been suffering to some extent the effects of the hard times in 1920-22, but seems to be recovering. Sales at present about $2,000 a month. Membership somewhat below 100, mostly non-Finnish.

Zim Farmers' Mercantile Association, Zim, Minn.

Organized and store opened in 1916. Membership in 1921 was 82. Sales during 1921 amounted to a little over $40,000. Since then a scrap over the manager and other factors have caused the sales to drop considerably. Bought a share in the Central Exchange in January, 1922. During 1922 its purchases from the Exchange amounted to over $5,000, this being about three times as much as during the previous year and over 20 times as much as during 1920.

**FOREIGN**

**RUSSIAN CO-OPERATIVES INCREASE IN STRENGTH**

By "Anise"*  

The peasants of Russia are beginning to furnish their households again. Five million dollars worth of household appliances and utensils were sold in the first three months of 1923 by the Central Wholesale Union of Consumers Societies.

Of these goods 84 per cent were bought from state factories or organizations, 10.5 per cent from co-operative organizations, and only 4.3 per cent from private persons. Sales were made almost entirely to local co-operative retail stores, only 2.5 per cent of the sales being made to private dealers, and 12.4 per cent to state departments.

In general the trade of the co-operatives has expanded notably during the first quarter of the year, in spite of a severe slump for the first month of January. A general decline of state trade from December to January amounted to 50 per cent, and the central economic organs of the republic, alarmed by this situation, called the co-operatives to the rescue, and giving them a credit of ten million gold roubles, $5,000,000, asked them to undertake the task of transferring goods from the state factories to the distant villages where they were needed but where the money system and trade were poorly developed.

The co-operatives shouldered the task of developing trade in these regions, and not only brought March up to the December figure, but succeeded in raising the whole volume of trade to nine and a half million dollars for the first three months of the year, as opposed to seven million dollars for the last quarter of 1922.

The general method of the co-operative distribution of goods is as follows: The Central Wholesale Union buys from various state or municipal factories, and distributes again to local peasants co-operatives. Thus one large contract in March included thirty-five million rubles worth of goods bought from the Moscow Agricultural Industries by the Grocery Stores Department of the Centrosyus.

In Moscow alone the Consumers Societies manage 11 department stores, 40 provision stores, 15 bakeries, 27 dining rooms and ten tea rooms. In general throughout Russia the figure reaches at the beginning of the present business year the high total of 24,500 Consumers Societies maintaining 35,000 different stores. Due to the low purchasing power of the peasant in the year of famine, they did a business of only some five million dollars during the year, and this figure is expected to be tripled in 1923.

The paper roubles of Russia still keep on steadily depreciating, though not so badly by any means as the German mark. During the winter, however, they occasionally fell in a single month to two-thirds or even half their preceding value. Sometimes they regained part of this fall, sometimes not. But the fluctuations of the rouble do not strike the terror to the population that the fall of coinage does elsewhere. Russia has long grown accustomed to the situation and has developed her own means for meeting it. The earliest of these was the "commodity rouble," a theoretical value based on the cost of some twenty-five of the chief necessities of life. Wage contracts made by unions are calculated in these roubles. Consequently, in place of strikes and frantic attempts every fortnight to boost wages, such as occur in Germany, the Russian unions make wage contracts for months ahead. Every two weeks the value of the "commodity rouble" is calculated—one calculation being all that is needed for all wage contracts—and the workers' pay in paper roubles rises accordingly.

**SWEDEN ONE-SIXTH CO-OPERATIVE**

One million persons, or one-sixth of the population of Sweden, are represented in the membership of the Swedish co-operatives, according to reports received by The Co-operative League of America. Nine hundred co-operative societies have banded together to form the Swedish Co-operative Union, with a membership of more than a quarter of a million. Most of these co-operative societies increased their sales in the past year, and were able to return to the members modest savings on their purchases.

The Co-operative Union increased its income from sales to its affiliated societies by 2.3 per cent, even though prices dropped considerably. The total turnover of the wholesale and retail co-operatives during 1922 amounted to 264,000,000 kronen, and the total capital of these societies increased from 30,000,000 kronen to 35,000,000 kronen.

Educational work of the Swedish co-operatives is responsible for their steady growth. In 1922 a special drive was conducted during a week aside for co-operative propaganda. During "co-operative week" there were 600 lectures delivered on Co-operation, 700,000 pamphlets were distributed, and 156 propaganda groups were established for educational purposes. Educational correspondence courses are conducted by the Education Section of the Swedish Union, with an enrollment of 3,000 students.

The 24th Annual Congress of the Union was held at Gothenburg on June 26th and 27th, with 450 delegates present from various parts of Sweden. Representatives of the International Co-operative Alliance and of co-operative associations of Denmark, Finland, Great Britain and Norway were also present. The Congress appropriated millions of kronen for the acquisition of additional factories to enable the co-operatives to get products at cost.

**NEWS AND COMMENT**

**SENATOR BROOKHART RETURNS FROM EUROPEAN SURVEY**

Senator Smith W. Brookhart, the foremost champion of Co-operation in Congress, returned July 1 from his trip through fifteen of the European countries. Upon his arrival in this country again he first went to The Co-operative League House and gave a highly interesting description of his studies to a group of co-operative enthusiasts who crowded the building to capacity. Extracts from Senator Brookhart's speech follow:

"I was looking (in Europe) for something definite and I think I found it. I did not enter a museum, an art gallery, or an antique shop on the whole trip, but I did see the living leaders of the common people in nearly all the countries of Europe. I talked to the statesmen of this upward movement, and met men of this upward movement, and met •
the leaders and active managers of the great co-operatives everywhere. My conclusion is that economic co-operation upon the simple principles of the weavers of Rochdale is the only constructive idea that has survived the war. I believe it is the only plan that will end the criminal trusts and combinations in America and give to the producers and consumers the just rewards of their labor.

"I got next to the car window on the train while passing through Russia so I could see what the Russian peasant was doing. Being a farmer myself, I didn’t need any interpreter. I saw 2,000 miles of farm lands planted as intensively as in England, France and Germany, and more so than in the United States." Senator Brookhart spoke of his native state, Iowa, as having the best farm exposition in the United States, but when he compared it to Russia’s he found that Iowa lost.

"It lacks considerable of being up to an exposition we witnessed in the Soviet city. He accused England and the United States of using counter-revolution in Russia in an effort to collect the debts of the Czar’s regime.

"I am convinced that the present world unrest can and will be solved by the proper application of the co-operative principle. Not by divorcing it from the vital institutions of credit and banking which are inherent in European movements, but as it has been worked out in England, Denmark, and Germany. Denmark, in particular, from the farmers’ standpoint, is a shining example of what the co-operatives can do to break the chains of the international bankers.

"In England the co-operative movement is an integral part of the Labor Party, and at the last convention in Edinburgh, which, by the way, was the most inspiring meeting I ever attended, the co-operatives have definitely decided to go into the political field. The British co-operatives have gained strength in spite of the war. At present they are one of the very few solvent organizations in England, and every day they are gaining in strength.

"An International Co-operative Ex-change exists at present on a small scale between Denmark, Norway and Sweden, and the Finnish co-operatives are making an attempt to enter this organization.

"I found thirty per cent of the factories, the stores and the industries of Russia in the hands of the co-operatives. The volume of business of the co-operatives is six times greater, in gold, than before the war. In Russia, Co-operation has triumphed over war, over despotism, over Communism, and over death.

"In Poland I found what I did not find in any other European country. The co-operatives had put the capitalists out of business. The capitalists were completely conquered by the co-operatives, and had given up the fight. They were content with merely hiring out their capital to the co-operatives, for the nominal interest rate paid by the people.

"Czecho-Slovakia is now practically a co-operative republic. In Denmark there have been some serious bank failures, but the co-operatives did not fail. I found the packing industry of Denmark controlled by the farmers and consumers through the co-operatives, far more efficient than in the United States, which is costing the American farmer millions a year in inefficiency.

"The co-operatives of Great Britain can supply practically every want the modern civilized man can desire. They are even getting out a small passenger car now for the same price as the Ford, and with its refined British workmanship it will be the world’s greatest small car. I believe it will.

"In Germany I found the co-operatives had a larger membership than even the 4,500,000 members of Great Britain. The German co-operatives are making progress, gaining in membership all the time, despite the fact that it has been hard hit by the deprecation of the mark.

"Co-operative efficiency in England enabled the co-operative bank there to keep its discount at 3 3/2 per cent when the Bank of England’s went to 7 per cent in 1906. In Denmark the farmers can borrow all the money they want out of their own deposits in their co-operative banks. The establishment of such banks in the United States and the beginning of co-operative credit operations are the need here.

While in Austria Senator Brookhart had a conference with Karl Renner, former premier of Austria and new one of its co-operative leaders, and with Frau Emmy Freundlich, leader of the International Women’s Committee of the Co-operative Alliance.

Since the Senator’s return to the central part of the country he has been speaking before many and large audiences on Co-operation in Europe and in the United States.

WISE WORDS FROM ANOTHER SENATOR

Senator Burton K. Wheelon from Montana spent three months during the spring and early summer studying Co-operation in several of the European countries. On his return to Washington he told the following story to a representative of Labor:

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TRACTORS, BREAD KNIVES, ETC.

On September 2d the Labor League Co-operative Bakery, one of the strong co-operative societies affiliated with The Massachusetts Conference of Jewish Co-operative Bakeries and with The Co-operative League, is to hold its monstorous Mass Meeting in the Granam. This marks the fifth anniversary of the New Bedford Bakery. Invitations have been sent out not only to all co-operative bodies in surrounding states but to all branches of the Workmen's Circle and Central Labor Bodies of New Bedford. The principal speaker will be A. I. Shipplinoff, the well-known co-operative and President of the Brownsville Co-operative Bakery of Brooklyn; and The Co-operative League will have a speaker present if possible.

Each person attending the Mass Meeting will receive a bread knife with the name of the Co-operative Bakery inscribed upon it, a constant reminder in the home that the family can and should eat co-operative bread.

This celebration is part of a campaign to raise new capital and to get new members and customers. New Bedford's is but one of six or seven bakeries in the state which is trying to raise enough money to send a tractor to the co-operative farmers of Russia.

Picnicking with the Co-Operators of Wisconsin

The agricultural co-operators in their marketing organizations can sometimes show the rest of us how to celebrate in truly royal fashion. On the 16th of June the members of the American Society of Equity held a picnic at Balsam Lake in which 15,000 people took part, coming from all parts of Pelk County.

The celebration began with a huge parade through the town of Balsam Lake. The co-operators were the procession, and the men who organized the first co-operative creamery in the state in 1884. Next came more than 500 school children carrying banners showing such inscriptions as the following: "United We Stand, Divided We Fall"; "We Are One Hundred Per Cent Co-operators"; etc. Forming the backbone of the parade were the workers in the Equity plants: the butter makers, cheese makers, livestock breeders, shippers, warehousemen, executive board of the local.

The spectators marched in white suits behind a float carrying the old-fashioned upright churn and the newest model of modern churn. The cheese makers followed a float bearing a huge cheese, eight by four feet. Other floats depicted the progress of the American Society of Equity during these two-score years. Many of the Chippewa Indians came to the picnic to mix with the white co-operators.

The keynote of the speeches was struck by the Manager of the Minnesota Co-operative Creamery Federation when he said: "Co-operation means Peace. Co-operation is the only salvation in our efforts to prevent war. For war and competition breed hate and strife. Co-operation means Peace." This picnic was planned and carried out before the manifesto of the International Co-operative Alliance was received in this country, with its challenge, "Co-operators of the world, unite!" But these co-operators needed no urging. They have been through many hard experiences together and they know that success comes no other way. The letterhead of this Local of the Equity Creamery Association bears the motto, "Co-operation—the hope of the world."
ONWARD AND UPWARD IN CLEVELAND

The Cleveland District League is planning more educational work, encouraged by the results of the class in bookkeeping held during the spring. They are starting a class in English for foreigners in the Slovenian settlement. Early in the autumn they hope to start another for the Finnish people in the Finnish Co-operative Boarding House. And in the autumn they also expect to start a class in cooperative management, the teaching to be done by Professor Gehlke of Western Reserve University. Cleveland is one of the most strongly entrenched co-operative cities in the country, having twelve grocery stores among the various nationalities, in addition to the Dairy and the large bakery.

The City Co-operative Dairy is growing in strength and pulling out of some of the holes it dug for itself during the early days. When the Co-operative organization that has such definite service to the people at heart comes to the front so far it bespeaks well for the Co-operative plan of marketing. Recently the Dairy has taken a contract to supply all the milk, cream and dairy products to more than one hundred stores of the Atlantic and Pacific Tea Co. Seventeen wagons and six motor trucks are now in constant service, and two special delivery trucks are busy most of the time. Several new wagons and trucks have been ordered. Beginning in June the Dairy began the publication of a four-page paper, The Cleveland Co-operator. The paper is well made up, covers a very wide variety of subjects, and breathes the spirit of co-operation throughout.

The Cleveland Co-operative Bakery has been fighting for a long time to hold its own and last night work in bakeries abounded in the city. Recently this piece of legislation was passed, much to the gratification of the co-operators.

NORTHERN STATES CO-OPERATIVE LEAGUE

The Executive Committee of the Northern States Co-operative League held a meeting at Superior on June 8. The secretary reported that more than half of the Individual Members of last year had renewed their membership, and that four new applications of this nature had been received. The Workers’ & Farmers’ Co-operative Company of Two Harbors, Minnesota, was also admitted to membership.

Final arrangements were made to pay the dues owing to The Co-operative League from the Northern States Co-operative League as a District League. Circular letters were sent out to society and individual members advising them of the international observance of Co-operatives’ Day and urging that each co-operator do something to spread the co-operative message during the first week of July.

O. A. Weeklind had been delegated by the Northern States League to speak at a meeting in Spooner, Wisconsin, during May, and S. Alanne had spoken at Two Harbors, Minn. H. Y. Nurmi had attended the annual meeting of the Cooperative Central Exchange. It was decided to send one fraternal delegate to the convention of the Wisconsin State Federation of Labor and two fraternal delegates to the convention of the Minnesota State Federation of Labor.

The budget prepared by the secretary for the Co-operative Training School to be held in Minneapolis this autumn calls for an expenditure of $4,016. The budget was approved.

THE DIRECTORS’ PAGE

The Co-operative League sent out to store managers several months ago a statistical table showing just what percentages of total sales of the co-operative store should go to each item of expense. These tables we compiled by comparing three studies made in the grocery business. As these studies were all made before or during 1920, however, the figures obtained by comparing them were not strictly up to date. Recently a more complete study has been made by the Bureau of Business Research of Harvard University. The results are contained in a little booklet published a few months ago. Every Director of a co-operative store should be familiar with the general results of such a study as this. Co-operative failures can almost always be traced back to ignorance or negligence on the part of the Board of Directors. Familiarity with such facts as these and a strict enforcement of the ruling that the Manager and the Local Co-operative Association render careful accountings each month to the Board would make most of these failures unnecessary.

Four hundred and forty-three grocery stores were studied minutely in 1922. It was found that expenses varied according to the amount of business done and the rate of turnover of stock. Therefore the study is divided into five groups of stores: Group A being the stores which had less than $30,000 of annual sales; Group B the stores with sales from $30,000-$49,000; C from 50,000-$99,000; D from $100,000-$49,000; and E those over $150,000. Counting net sales as 100 per cent, expenses for each group of stores ran as follows:

<table>
<thead>
<tr>
<th>Group</th>
<th>Group A</th>
<th>Group B</th>
<th>Group C</th>
<th>Group D</th>
<th>Group E</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Selling Exp. (incl. store wages, advertising, wrapping, etc.)</td>
<td>8.9%</td>
<td>7.3%</td>
<td>7.9%</td>
<td>7.7%</td>
<td>8.1%</td>
</tr>
<tr>
<td>Delivered (incl. del. wagons)</td>
<td>3.1%</td>
<td>2.8%</td>
<td>2.6%</td>
<td>2.9%</td>
<td>2.8%</td>
</tr>
<tr>
<td>Exp. of Buying</td>
<td>2.8%</td>
<td>2.6%</td>
<td>2.3%</td>
<td>2.5%</td>
<td>3.1%</td>
</tr>
<tr>
<td>Fixed Charges (incl. rent, light, heat, power, interest, depreciation of equipment, repairs, insurance &amp; taxes on everything except building)</td>
<td>4.6%</td>
<td>4.0%</td>
<td>3.5%</td>
<td>3.4%</td>
<td>3.4%</td>
</tr>
<tr>
<td>Loss on bad debts</td>
<td>.5%</td>
<td>.5%</td>
<td>.4%</td>
<td>.5%</td>
<td>.2%</td>
</tr>
<tr>
<td>M &amp; L</td>
<td>.3%</td>
<td>.3%</td>
<td>.2%</td>
<td>.3%</td>
<td>.2%</td>
</tr>
<tr>
<td>Total Exp.</td>
<td>19.9%</td>
<td>17.7%</td>
<td>17.4%</td>
<td>17.7%</td>
<td>18.5%</td>
</tr>
<tr>
<td>Gross Marg.</td>
<td>20.3%</td>
<td>18.5%</td>
<td>18.9%</td>
<td>20.0%</td>
<td>20.1%</td>
</tr>
<tr>
<td>Net Profit</td>
<td>.4%</td>
<td>.8%</td>
<td>1.5%</td>
<td>2.3%</td>
<td>1.6%</td>
</tr>
</tbody>
</table>

These figures bear out the contention that a business of less than $600 or $700 a week is likely to be a losing game; overhead is too large for the volume of sales. Lower expense ratio and higher profits begin to come when sales get up toward the $3,000 mark.

Equally interesting is the table arranged on stock turnover. Most Directors probably never ask what his stock turn is, and many managers themselves don’t know. A regular report should be made on this after every inventory. In the following table stock turnover is figured by dividing the average net inventory into the value of the goods sold during the period:

<table>
<thead>
<tr>
<th>Annual stock-turn</th>
<th>Annual stock-turn</th>
<th>Annual stock-turn</th>
</tr>
</thead>
<tbody>
<tr>
<td>less than 5 times</td>
<td>11.5 times &amp; over</td>
<td>less than 5 times</td>
</tr>
<tr>
<td>Wages Salesforce</td>
<td>7.1%</td>
<td>6.8%</td>
</tr>
<tr>
<td>Total Delivery</td>
<td>2.8%</td>
<td>2.7%</td>
</tr>
<tr>
<td>Total Buying and Management</td>
<td>2.9</td>
<td>2.7</td>
</tr>
<tr>
<td>Total Interest</td>
<td>1.6</td>
<td>1.1</td>
</tr>
<tr>
<td>Total Fixed Charges and Upkeep</td>
<td>.4</td>
<td>3.7</td>
</tr>
<tr>
<td>Total Expense</td>
<td>19.1</td>
<td>18.0</td>
</tr>
<tr>
<td>Gross Margin</td>
<td>19.1</td>
<td>18.0</td>
</tr>
<tr>
<td>Net Profit</td>
<td>6</td>
<td>.9</td>
</tr>
</tbody>
</table>

These figures show very graphically what an important item rapid turnover of stock is. "What is your manager doing in the way of stock turn?" is a question every Board of Directors should have hanging over the doorway of the Directors’ meeting room. If the manager is trying to buy in quantities "so as to save on bulk purchases," he is probably doing the store more harm than good. The salesman who come into the store never talk too much about stock turn, but they talk a great deal about the economies of large orders: they are looking for a high stock turn themselves, and at your expense! Your real economies are effected in small purchases and frequent orders with the wholesalers and jobbers. Chain stores turn over their stock from 20 to 30 times annually. It is this factor that makes them such serious competitors, not the mere fact that they can buy in large quantities.
WITH CONFIDENCE UN-SHAKEN

With reference to your favor of April 13, I ask you to notify the Co-operative Accounting Department to continue doing active business in February, this year, settling with its creditors.

A number of the members decided to continue the Association, but without thinking of doing active business for some time, as there is no money in the treasury and no willingness on the part of the members to lose money.

At the last meeting of the board of Directors I was asked to send you the registration of a dollar and one may be recognized as subscription to COOPERATION. I enclose check for two dollars.

Fraternally yours,

RUBELE STORRS, Secretary
Intermountain Cooperative Association, Denver, Colo.

SUBSCRIPTION OFFER

Any subscriber who sends in three or more new subscriptions at one time will receive one choice of a following:

COOPERATION, THE HOPP OF THE CONSUMER (cloth), by Harris.
CONSUMERS' CO-OPERATIVE SOCIETIES (paper), by J. W. B. Mather.
PEOPLE'S YEAR BOOK, 1923 (paper), by A. Stolinsky.
THE CO-OPERATIVE MOVEMENT (in Yiddish), by A. Stolinsky.

Any subscriber who sends in five or more new subscriptions at one time at will receive one choice of the following books:

CONSUMERS' CO-OPERATION (cloth) by Albert Schmittich.
RURAL RECONSTRUCTION IN IRELAND, by Smith-Gordon & Staples.
TRANSACTIONS OF THIRD CO-OPERATIVE CONGRESS (Chicago), Vol. V, VII or VIII (bound volumes, 1920, 1921 or 1922).

This offer holds good until October 1, 1923.

WANTED: Man or woman (architect or otherwise) with plan to suggest for building to be erected in Dearborn, Mich. Building to be co-operatively controlled, combination hotel, theater, store, post office, with garage for guests' automobiles. Address P. O. Box 458, Dearborn, Mich.
THE CO-OPERATIVE LEAGUE
(Member of The International Co-operative Alliance)
167 West 12th Street, New York

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Join The League and thus help promote the educational work of the Co-operative Movement. Individual Membership, $1.00 a year. Subscribe for CO-OPERATION, the Monthly Magazine of The League, and keep in touch with the Movement.

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Data....................................

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affairs, and problems of the British
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The Trade and Technical Organ of British
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THE HOME CO-OPERATOR

A four-page magazine for
use in co-operative societies.
Issued monthly, in bundles, $1 per hundred.
Published by
The Co-operative League
Publishing Office, Willimantic, Conn.
Albert Sonnichsen, Managing Editor.

WHAT PUBLICITY CAN DO FOR
CO-OPERATION

A number of senators, as well as the
President of the United States, have
called the fire of Co-operation. They
are for having the Government do things
that undoubtedly something will be done.
One thing is already evident. The
advocacy of Co-operation by men of
prominence in the political world is put-
ting this subject in all of the newspapers.
The press has given the late President
Harding and Senators Brookhart and
Wheeler the front page. As a result of
this publicity the fake enterprises mas-
terly are enjoying a boom. This is unavoidable. But what
we shall see next will be the organi-
ation of half-baked schemes, fads and
fancies, and some new Co-operative
Bombastic Imposition to embrace in one
great society consumers, producers,
housewives, merchants, farmers, bank-
ers, chambers of commerce, A. F. of L.,
I. W. W., war veterans, and Ku-Klux.
"If Europe can do it, we can do it" will
be the slogan; and an orgie of co-opera-
tive confusion will be entered upon.
We go through it about every thirty
years. Following the Spanish war, the
Socialist Party promoted such a move-
ment. It spread all over the country.
Stores— even a wholesale were organ-
ized. It disappeared in failure.

VITAL ISSUES

After the Civil war, the Knights of
Labor promoted a great co-operative
movement. The suffering of the people
was keen, privilege was skimming the
cream, and the need of Co-operation was
great. Hundreds of stores were started.
The enthusiasm extended all along the
Atlantic coast and west to the Pacific.
Failure resulted almost invariably. The
old movement went down to oblivion and
left a record of regrets. Before that,
the country had been swept by the im-
practical schemes and the enthusiasm
which Robert Owen brought to America
with his new Lanark Colony which was
established on the banks of the Wabash.
Horace Greeley, the idealists of New
England, and all sorts of good people
called the fire and started co-operative
societies. Not a single enduring result
came out of it. As early as 1845—one
year after the Rochdale store was opened
Boston had a co-operative store, which
lasted but a short time.
All of this is important to contem-
plate in this land of fads and fancies.
If we would succeed in the United
States, if we would do what Europe has
done, we must give attention to the
methods which Europe has used, to
the technique which makes for success.
Failure in the United States has been
largely because of the neglect of certain
fundamental principles. The whole cat-
logue of neglect can be summed up
under the neglect of education. Co-
operation in this country has been pro-
moted by well-meaning enthusiasm who have not been willing to educate themselves as to its history, philosophy, and methods. And Co-operation is so sensitive a plant that it cannot be made to grow by the use of exotic methods.

The real Co-operative success followed in every European country is straight and clearly marked. We have it here. But Americans have a disposition to go off into the byways that lead nowhere. That is the American trouble.

First, we have a central national educational organization, which is a federation of the sound societies of the country. The Co-operative League is well established and recognized throughout the world. In Europe no co-operative enterprise would think of starting without the advice and help of the central national organization. Co-operation is no longer guesswork and experiment. It is standardized and certain. Success requires that only the tried and successful methods shall be used. The knowledge of them is available in this country through The League, just as it is in Europe. Whether it is intended to start a store, a society, bakery, laundry, newspaper, restaurant, or any other enterprise, the standardized information is available. Making use of this or not means the difference between success and failure.

And along with every attempt must go education. We cannot have co-operative societies without Co-operators. Enthusiasm and devotion to a plan of social organization cannot take the place of knowledge and experience.

J. P. W.

THE DISTANCE BETWEEN THE CUP AND THE LIP

"We have now reached a point where it costs more to distribute and serve than it costs to produce. Commodity values are lost in a maze of service costs, and the time has come for a consideration of the fundamental problem of the economic distribution of the absolute essentials."

The foregoing was not written by an impotent financier. It is the conclusion reached by the Joint Committee appointed by Congress two years ago after studying the problems of marketing and distribution.

"Manufacturers," the Report continued, "have reduced production to an almost exact science and in time of competitive need have devised more economical processes of manufacture. This, however, has not been the case in their dealings with the problems of distribution.

"The tendency has been toward a constantly increasing cost of distribution, until the public now pays more for package, convenience, and service than it pays for the commodity contained in the package."

Accompanying this Report were charts and graphs. In the study of men's clothing, for instance, we find that raw materials cost less than 31 per cent and manufacturing costs 20 per cent. In other words, it cost just about as much to get the finished suit of clothes to the consumer as it did to produce it. The suit you paid $36 for cost only about $18 to make.

The Report then presents a most complicated chart showing the factors which boost the cost of the manufactured clothing before it reaches the consumer in the form of a suit of clothes. Between the producer of wool and the wearer of the clothing intervenes the local wool warehouse, the railroad transportation, central warehouse, rail transportation, warehouse for storage, weighing, grading and standardizing, transportation to mills where it is sorted, scoured, combed, etc., spinning mill, dye house, finishing mill, transportation to one or more brokers, transportation to clothing manufacturer, process of cutting, fitting, etc., transportation to wholesaler, then to jobber, then to retailer, and final delivery service to consumer. But even that is not all. There are secondary contributing forms of service. Insurance and banking charges are levied upon each one of the foregoing factors. Upon the central warehouse, various mills and transportation to wholesaler, jobber, then to retailer, and final delivery service to consumer. But even that is not all. There are secondary contributing forms of service. Insurance and banking charges are levied upon each one of the foregoing factors. Upon the central warehouse, various mills and transportation to wholesaler, jobber, then to retailer, and final delivery service to consumer. But even that is not all. There are secondary contributing forms of service. Insurance and banking charges are levied upon each one of the foregoing factors. Upon the central warehouse, various mills and transportation to wholesaler, jobber, then to retailer, and final delivery service to consumer. But even that is not all. There are secondary contributing forms of service. Insurance and banking charges are levied upon each one of the foregoing factors. 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Manufacturers, the Report continues, have reduced production to an almost exact science and in time of competitive need have devised more economical processes of manufacture. However, there is no rhyme nor reason to production or distribution anyway; the producers pour into these channels five times as much as the consumers need or the channels can care for, the whole system becomes clogged and congested, traffic gradually slows down and then stops entirely, goods go to waste or are deliberately destroyed, the prices exacted of the consumers soar higher and higher, unemployment increases at a tremendous rate at the productive end of the system, the sorety of food and clothing sets in, and actual want comes to millions of people. Finally, when production ceases almost entirely the channels of distribution begin to clear again, the entire system approaches "normalcy" once more, and then the speeding up of the factories and mills and the overloading all along the line begins again.

The man who stuffs himself with food one day, nearly dies of indigestion that night, starves himself the next week, and then stuffs himself again, would soon die. Our competitive economic system is fatally diseased already, and in other parts of the world is just about the same as it was before. How ready is the Co-operative Movement to take over the running of the economic world?

C. L.

IS THE MANAGEMENT ALWAYS TO BLAME?

The co-operative society which is in trouble almost invariably blames the management. In too many cases these charges are all too true. There have been some outright dishonesty among store managers in this country. There has been much more gross inefficiency, carelessness, and moral weakness in the face of difficulties. And whether the manager steals dollars from the cash register or steals time through wasteful methods, if he is overpaid, it all amounts to about the same thing on the books of the Society.

There are two sides to this question: There are many Boards of Directors which simply do not deserve the help of a good manager until they have learned to fulfill some of their own duties more efficiently. We should give all the help possible to the Societies in trouble. But we also owe something to the competent co-operative manager. And we should like to insist that the Society present its grievance just as good as it demands of the man it wants to manage the store.

On the Directors' Page of this issue of CO-OPERATION we present an Order of Business for a Directors' Meeting. If the directors of any co-operative society can follow that order of business from beginning to end and give full and careful attention to all the listed, it will not be many months before such a board is a very effective instrument for the making of a genuine co-operative association.

When the Directors of your society. If they are blaming the manager frequently, and for many and divers faults, watch them still more closely; they are not doing their full duty themselves. If the manager is lucid and inefficient the Board must act. If the manager is over inefficient and attempts to dominate the society, again the Board must act. If the Directors have the number of members to protect their interest and to direct and control the business, not merely to find fault.

C. L.
LABOR LEADERS AND CO-OPERATION

By C. D. Bower
Winfield, Kansas

The question has been asked, why do not labor leaders give their hearty support to Co-operation? We, who see in this movement so much that is of advantage to the man of moderate means, wonder why any one who has the laborers' interests at heart, could fail to give it his enthusiastic support. However, we must remember that Co-operation brings in a new order, a new theory for the distribution of goods. These men, whom we call labor leaders, have been trained along other lines. They have the viewpoint of the old order, on which they have thought and planned and worked till they have reached their positions as leaders. From the beginning they have been obliged to fight for every inch of ground they have gained. The whole strength of capital has been used time and again to thwart and crush these men and the organizations of which they are a part. They are fighting men. They do not understand nor appreciate the peaceful, evolutionary method of Co-operation. Perhaps they do admire this method, but to them it seems too weak, too slow, too Utopian for their purposes. Trained to fight, they lack vision to see that this quiet force is the strongest and must eventually prevail.

We know, too, that many so-called co-operative societies fail. They have been started by men who had not learned to apply the fundamental principles of Co-operation, and were not able to give their members a clear understanding of these principles, and because of this there was a lack of real Co-operation; and they failed. These labor leaders, seeing only a part of the facts, hesitate to recommend any co-operative society for fear that they might be indorsing a failure. There may be in some cases more selfish reasons. To some men Co-operation does not seem to offer as great advantages for personal gain as the every-man-for-himself system does. They may see the opportunity for leadership but they also see the lack of appreciation on the part of the crowd. How often it is that we have only criticism for the man who gives his thought and time to society; and even when we do appreciate his work we give him only bouquets of fine words while we pay our money to the man who is for himself first—he won't work without it.

Another condition facing the labor union leader might be mentioned. He is paid by and is working for the members of his union. In a sense he is their attorney, and especially do they depend on him to secure for them the highest possible wage. Now, to be able to pay high wages, the concern for which they work must make big profits, and usually to be secure in its profits it must be able to control the market for its product. In other words the manufacturer forms a trust by reason of which he can control the price of his goods, thus making big profits, some of which he pays on to his employees in the shape of high wages, higher than he could pay if it were not for his monopoly.

Our leader deems it best for his union to join hands with the employer, helping him to maintain monopoly and reaping the benefit of higher wages. Now Co-operation is opposed to monopoly and consequently does not get his support.

CONTRIBUTED ARTICLES

A DEFENSE OF LLANO COLONY

By a Member of It

This is an answer to George D. Coleman's recent article. I have been a resident member of the Colony over fifteen months. I was intimately associated with Mr. Coleman from the coming to his leaving. I am not and have not been an official of the Colony.

Mr. Coleman's hearing is very poor; it is necessary to speak loudly, distinctly and directly into the mouth of his ear trumpet. It was therefore impossible for him to be informed as to many phases of Colony life and practice.

After living in the Colony more than a year, Mr. Coleman repeatedly expressed regret that he was not born fifty years later or the Colony started fifty years earlier, so that he might devote his entire life to its promotion. In the last few months of his stay here, his habitual cheerfulness changed to discontent, and he began to bitterly attack the management in and out of meetings, and in and out of season. I know why the change, but I will not state the reason publicly until stronger reasons for so doing appear, because they would reflect on the personal character of Mr. Coleman, for whom I conceived a genuine affection, and some of whose qualities I still warmly admire. Suffice it to say that personal pique, and nothing else, caused the change.

Mr. Coleman's statement that the incorporation of the Colony in Nevada was a serious defect simply proves the truth of the adage that "A little knowledge is a dangerous thing." He picks up a smattering of one isolated point of law, fails to learn its relation to other parts of corporation law or the law in general, and then sets this knowledge over against that of Job Harriman, founder of the Colony, an eminent law practitioner of many years' standing and a diligent student of law and of human affairs. The incorporation in Nevada, in fact, has a number of advantages and few or no disadvantages, as compared with other states.

Mr. Coleman charges that the Nevada laws relative to election of corporation directors enable a clique within this Colony to rule like a king and perpetuate itself in office. In truth, the law and the Colony's own rules are so designed as to absolutely prevent one-man or clique rule and absolutely prevent perpetuation of officials in office. I should be glad to set out the facts relative to these matters in full, but to do so would make this article too long for publication.

If the Llano Colonist, the weekly paper published at the Colony, has at any time contained the statement that this Colony corporation has no constitution and by-laws, it was in error as to by-laws, for the Colony has them. Few corporations have constitutions; in addition to their charters and by-laws, because these, together with the laws of the state in which they are incorporated and the state or states in which they do business, ordinarily contain all needed restrictions and protection. The colonists in California adopted a constitution, but soon found it too cumbersome and abolished it; the membership, take note, abolished it, not the management.

It is not true that "At all meetings a subject is chosen by the powers that be, and if you don't speak to that subject you are ruled out of order." Discussion is absolutely free and wide open. The Colony's work is strictly constructive, and constructive expression is encouraged; destructive criticism is discouraged, and personalities are positively
It is also entirely untrue that "... they won't allow a vote to be taken," as Mr. Coleman well knows. If a vote on any matter was ever demanded and refused, I have been able to learn of it. Votes have been taken on a number of matters; I mean votes of the membership, as well as of the directors. They are not often called for or taken, simply because the management is so close to the membership and so readily responsive to its will.

The agreement of employment that Mr. Coleman refers to is not unique in the community, as he implies, but is fair both in its wording and in its operation. Any person aggrieved by the action of the management, if it may appeal to the directors, and from them in turn to the membership.

Manager Pickett tells me that he never wrote to any one that he did not wish to see it, personally read it through the file of the correspondence had with the man Coleman told me Pickett wrote that to, and no such statement appeared there.

Mr. Coleman writes, "Instead of seeking income by the labor of the colonists and having products to sell, George T. Pickett begs for money from the outset." A little more than a year ago, on June 15, 1922, to be exact, this same Pickett read to the assembled colonists a typewritten report and statement, which contained the following:

"Some one has passed out the erroneous idea that the policy of the Colony not to make money out of any of its departments. That is a mistake. There are certain articles not produced here that we must buy outside the Colony, and as soon as we can we must develop sources of income within the Colony sufficient to meet the cost of such articles. This cannot be done overnight, but it must be done as soon as practicable. It is true that we did not establish this Colony in order to make money, but to produce all the necessaries of life and enjoy them, but it is equally true that, so long as there remains certain articles that we cannot produce here, but must purchase, we are under the absolute necessity of producing enough of a surplus for sale to meet the cost of such articles. If we cannot do this within a reasonable time, then failure overtakes this Colony in the face, and the concept of a Cooperative colony movement fades away.'

Coleman sat immediately in front of Pickett as he read, and the latter handed him the pages immediately after reading them, one at a time; Coleman at once read them. Coleman at the same meeting said that that report gave him greater confidence in the management and greater encouragement for the Colony's success than he had ever had before. The policy stated had been in practice for a long time before, and it has been continued and extended since.

As to gifts: yes, the Colony not only accepts them, but asks for them, because the colonists are devoting their lives, not to their own advancement merely, but also to that of society at large. The management wished to attract and secure for the future its members, is also altruistically designed to assist in making this world a better place for all to live. When we ask for contributions, we are not begging any more, for example, than is the Catholic Church, the Y. M. C. A. or the Friends of Soviet Russia; and we are working hard to hasten the day when we shall be giving much more than we receive—giving it in service to humanity.

I should have been glad to include in this article a number of statements of fact, from which readers might form an idea of the success of the Colony on its own conclusions; but it would be unreasonable to ask Co-operation to publish a longer article than this, and such statements would have made it much longer. There are also quite a number of other phases of Colony life—principles, policies and practices that I should have been glad to write about. Any one wishing such further information may have it if he will write to the Colony or to me. A. JAMES MCDONALD.

THE WORLD CELEBRATES "CO-OPERATIVE DAY"

By H. R.

Labor has long been proud of its International Labor Day, celebrated in every labor haven in the world where labor is organized. But the Co-operative Movement with its millions of organized consumers had no international holiday until July 7th, 1922, when the birth of International Co-operative Day, under auspicious circumstances. For a first celebration, the event was highly successful. Fraternal greetings were sent by cable to the Allies of International Co-operative Alliance by the Movements of Switzerland, Russia, Spain, Italy, Serbia, Georgia and Bulgaria.

Soviet Russia celebrated International Co-operative Day on July 7th with stirring enthusiasm. Preparations were made long in advance for the occasion by a special commission of Centrassoyn, the federation of co-operative unions. Co-operative stores were instructed to sell goods at liberal discounts, and co-operative restaurants were to give free meals to the unemployed. Arrangements were made for meetings in factories and workshops. Even the Red Army was to have its lectures on Co-operation.

On July 7th all co-operative establishments were decorated with banners and with co-operative mottoes. A mass meeting was held in the Zimina Opera House, hundreds of thousands of leaflets were distributed, and at least 150 meetings were held in Moscow alone. Petrograd, too, had scores of mass meetings, and many factory meetings.

Centrassoyn said the cornerstone for its huge warehouse on the Moscow-Kazan railway. The new warehouse will consist of four large wings, with a total capacity of about 65,000 tons.

In Sevastopol, Co-operative Day was honored by changing the name of the principal street of the town to "Co-operation Street." In Kaluga, two thousand children were the guests of the co-operative society at a simple but substantial banquet. At Novorossissk, one of the best ships on the Black Sea was named "Khinchuk" in honor of the co-operative leader of the Centrosoyus.

Belgium saw the wide distribution of artistic co-operative posters; meetings were held in all the large cities, including Liege, Charleroi and Tournais. In Italy gay festivals were organized in Naples, Florence and in Sicily. Spain was in the throes of a general strike, which made it difficult to celebrate Co-operative Day. However, a well-attended banquet was held at Bilbao.

In Bulgaria, the King and the new Premier sent their greetings to the Co-operative mass meeting at Sofia. Argentina also celebrated Co-operative Day with public meetings held at Buenos Aires. Even far-off Australia saw the organization of open-air meetings and parades.

Summarizing the reports that have come to him from all over the world, Mr. H. J. May of the International Co-operative Alliance, to whom we are indebted for the information in this article, said: "Never before has the world seen such a unity of endeavor and spontaneity of enthusiasm, such a marshaling of the forces of the press, the platform, the artist, the speaker, and the worker to enjoy life, as the first International Co-operative Day has produced. The accumulation of evidence in the case for Co-operation moves forward to the next celebration in the confidence that our festival has come to stay."
FOREIGN

CO-OPERATIVES ORGANIZE SEA EXPEDITION

An expedition through the dangerous Kara Sea, where icebergs abound, has just left England for Siberia. This is the third trade expedition to be arranged by Centrsoyus, the federation of Russian co-operative societies. The present expedition consists of two cargo steamers, one of which is also equipped as an ice-breaker, two lighters, and the tug and passenger steamer "Co-operator." The latter vessel was built in England for Centrsoyus, and was launched at Hull in June, 1923.

Thousands of tons of textiles, tea, coffee, cocoa, machinery, and other goods are on their way to the co-operative societies of Siberia, for distribution among the consumers. The assignment is two and one-half times the capital of the cargo sent last year. The route followed is extremely dangerous, and not usually followed by trade ships. But the skillful sailors of Russia's co-operative fleet have already been successful in blazing new pathways for trade in the Arctic.

NORTHERN STATES CONVENTION

The Second Annual Convention of the Northern States Co-operative League will be held in Chicago, Ill., October 14th and 15th, beginning at 10 A.M. Sessions will be held at the Co-operative Central Exchange Building.

All co-operative societies affiliated with The League are urged to send delegates to this important convention. It will be remembered that the first annual convention of the N. S. League resulted in the formation of the Co-operative Training School now in session at Minneapolis. Much useful information was exchanged by the co-operative societies in attendance. In the program of the second convention will undoubtedly be a profitable one. Labor bodies in Minnesota and Wisconsin are also invited to send fraternal delegates.

CO-OPERATIVE TRAINING SCHOOL OPENED

The Co-operative Training School, authorized by the last convention of the Northern States Co-operative League, has become a reality. Severi Alanne, Secretary of the N. S. League, and one of the instructors of the Training School, writes us that the school opened without any ostentatious ceremonies on Tuesday, September 4th, in the auditorium of the Franklin Creamery. The President of the League, Mr. F. Bur national, addressed the students briefly, as did S. Alanne and the superintendent. Twenty-two students have enrolled to the present date for the regular school work, which means seven class periods of 50 minutes each, every week day, besides some outside field work. Minneapolis furnished eight students, of which seven are employees of the Franklin Creamery; four students support of the whole of the working class, to which it owes its development and present strength."

COMMENT

CO-OPERATION AND LABOR UNITE IN AUSTRIA

The consolidation of the forces of Labor and Co-operation in Austria is now a practical reality, according to Emmy Freundlich, Member of the Austrian Parliament and one of the foremost leaders of the Co-operative Movement. This unity of the two movements is not only moral; it is economic as well. The Workmen's Fund, established jointly by the Co-operative and Trade Union Movements freed the co-operative societies completely from private banks. It also made Co-operation independent of state credits.

At the recent Congress of the co-operative societies of Austria, Dr. Karl Renner, the President of the federation, and former Premier of Austria, presented the following resolution: "This Congress sees in the Co-operative Societies an excellent weapon in the fight of the working class for their emancipation, and has no wish either to deny or hide this character of the Co-operative Movement. But in order to effectively wield this weapon, the societies must guard against internal politics which belong to party strife, and demands that the economic character, methods, and autonomy of the Movement remain intact.

This resolution was unanimously adopted.

The membership of co-operative societies in Austria is larger now than before the monarchy was dismembered, the total membership being 511,019. In spite of the economic breakdown of Austria, the Co-operative Movement has been making great strides. Franz Freundlich aptly sums up the situation as follows: "In the antagonisms which arise wherever men live and work together, the Austrian Co-operative Movement can safely declare that it has the.."
A HAPPY ANNIVERSARY CELEBRATION

The Labor League Co-operative Bakery of New Bedford, Mass., celebrated its fifty-first birthday on September 2d and 3d. Many business places were decorated for the occasion, and the anniversary was the talk of the town. A mass meeting was held at which Abra- ham Shiplacoff was the principal speaker. Mr. Shiplacoff is the president of the Co-operative Bakery in Brooklyn, N. Y., and was formerly a Socialist Assemblyman.

Representatives from all the co-operative bakeries in New England, and labor officials were present and extended their greetings. A banquet was held following the meeting, for the benefit of the guests. The following evening there was another sumptuous feast for all the stockholders and their wives. This anniversary saw the birth of a new co-operative paper, The Co-operative Bulletin, published in Yiddish by the Massachusetts Conference of Co-operative Bakeries.

Manager Benjamin Levine, an enthusiastic co-operator, summarized the history of the New Bedford bakery.

"The Labor League Co-operative Bakery was organized August 10, 1918, with the main purpose of giving to the Jewish people here bread of the best quality at cost price. It now has 210 stockholders out of approximately 650 Jewish families in the city. Shares are sold for $10, and the capitalised stock is now $4,600. The bakery is now doing a $50,000 a year business and the bread is consumed by the Jewish people here. Aside from bread the Labor League bakery handles the problem of furnishing groceries to its subscribers at the wholesale cost. The New Bedford bakery is affiliated with the Co-operative League.

The increasing volume of business has led to plans being formulated for erecting a new bakery. Land has already been purchased for the purpose, and $3,500 has been raised through the sale of stock.

Although it has never earned large savings, this co-operative bakery has reduced the price of bread two cents a loaf. It has, in addition, helped textile strikers with 170,000 loaves of bread until they were victorious.

INCOME TAX VICTORY

The United Co-operative Society of Fitchburg, Mass., has just been successful in appealing from previous rulings of the income tax officials, involving the sum of $4,266. We quote from a letter received from Manager K. E. Gran- dahl of the society:

"We have just received information from our attorneys that the Internal Revenue Bureau has finally decided the income tax case in our favor for the year 1919. We paid the additional tax for the years of 1917 and 1918 without contest, the amount being $96.12, and are now informed that in addition to cancelling their claim for additional taxes of $4,160 for the year 1919, the department has authorized a refund of $106 of taxes paid with the original tax return filed by us. Thus we saved in taxes $4,266.

"We wish to pass the good word to you and at the same time thank you for your assistance in preparing the protest papers for us."

Not only has this victory been of value in saving this considerable sum for the co-operative, but it has established a valuable precedent. The principal item involved was the sum of $11,843 distributed as a savings-re- turn, in the form of stock. It was the contention of the income tax officials that this item could be taxed. The co-operative contended that this was not taxable for two reasons: first, as a co-operative patronage return, and second, as a stock rebate. The final decision upon this point was handed down by the United States Board of Tax Appeals.

"The identical point was also decided upon in a recent letter of the Commissioner of Internal Revenue, written to the Bureau of Labor Statistics, June 2, 1923. Replying to a request for a ruling on the taxability of rebates applied on a share of stock in a co-operative society, the commissioner ruled that "the amounts thereof may also be deducted from gross income in arriving at the net income subject to tax."

ANOTHER FAKE CO-OPERATIVE IN DISTRESS

The mortality of fake co-operatives still is a thorn in the West. Sooner or later, usually within two years after organiz- ing, the spurious co-operatives go into receivership. This time it is the Con- sumers Co-operative Union of America, a Phila- delphia concern with nine grocery stores, and a membership of 5,500 stockholders, that is reported involved in a receivership.

By employing typical promotion methods, the sum of $375,000 was collected through stock sales, and $325,000 worth of stock was in addition. After the affair the co-operative society, the Consumers© Cooperative Union of America, announced that it was dissolved and the stockholders were promised a recovery of their investments. The leaders of the co-operative society were arrested for theft, and the entire concern was taken over by a receiver.

Another waits for the same treatment. The Consumers© Cooperative Union of America was a con- cern which had operated in Philadelphia for two years, and which had been widely talked about as a possible competitor of the Consumers© Cooperative Union of America, which was dissolved in 1923, and which was the largest co-operative society in the country to see the launching of a general co-operative movement. The Consumers© Cooperative Union of America, which had a membership of 50,000, was forced to make a receivership in 1923, and the stockholders were promised a recovery of their investments. The leaders of the co-operative society were arrested for theft, and the entire concern was taken over by a receiver.

Members are required to own stock in the association equal to the cash value of the apartment occupied. This usually averages in buildings between $400 and $800. All title to property is to be held by the co-operative, and each member pays to the association a monthly rent sufficient to cover taxes, interest charges, retirement of mortgages, and other operating expenses. All savings in excess of expenditures will be returned to members as co-op- erative rebates or will go to reserves to strengthen the association.

Unfortunately workers are to be in- sured against unemployment, and the cost of rent. A part of the surplus is to be set aside each year to create a rent insurance fund from which rents of sick, unemployed, or otherwise incapacitated
members will be paid. A savings fund will also be carried for each member, to be created out of surplus savings.

The officers and directors of the Consumers' Co-operative Housing Association are all well known co-operators, active for years in the movement in this country.

**WISCONSIN WHOLESALE PROSPERS**

The Co-operative Central Exchange of Superior, Wisconsin, has not only earned a good surplus, but it has increased its business by about $100,000 during the first seven months of this year. This wholesale, it will be remembered, supplies scores of co-operative societies in Wisconsin, Minnesota, Michigan, and other states. The backbone of its strength is its Finnish membership, which is thoroughly imbued with co-operative ideals and technique.

Comparison of the income for the first seven months of 1922, and of 1923, shows great progress. The sales in 1922 for the period of January to July inclusive were $192,301. During this period, the Co-operative Central Exchange turned in the highest sales of $2,132. In 1923, the sales for the same period were $289,700, on which there was a net gain of $29,861.

The Exchange supplies bakery products and groceries. In addition it has a splendid educational department, headed by Severi Alanne. The assets of the wholesale are in excess of $100,000. But the profit, as the asset of the concern cannot be measured in dollars and cents; it is the knowledge on the part of the members of how to run a co-operative, and their loyalty to co-operative ideals.

**AN IOWA CREDIT CO-OPERATIVE**

Although it has been in existence only since last December, the Homestead Savings and Loan Association, a co-operative credit society, has been of great service to its members. Organized in the plant of a farm journal, this association is comprised of employees of six of the printing unions. The society began with fifty members.

Loans are made to members, up to $2,500 for thirty days, with the approval of the board of directors. Loans in excess of that amount must be approved by the board. Although all of the members are printers, rather than bankers, they have been running this society efficiently; have given credit service, and have a good financial statement to show for their operations.

One member has been able to build a home, through his ability to get a small loan through the organization. The association expects to do some co-operative buying of fuel and foodstuffs next winter.

The funds of the association are raised through the sale of stock, selling at $5 a share. The voting privileges of members are equal, regardless of the number of shares owned. The workers running this credit society regard the banking business as no mystery. They are not bankers, but they are making good.

**CREAMERY BOOMS IN MINNEAPOLIS**

The Franklin Co-operative Creamery Association continues to break its own records for turnover. The financial report of its business for the first half of this year shows sales of $1,459,076 during that period. On this sum, net savings were $102,151. A 5 per cent patronage rebate was distributed to members, amounting to $56,612, the balance being retained for reserves and expansion.

Indications are that these figures will be surpassed during the next six months period. The June sales were $273,961, a gratifying record. July sales set an even higher mark, which thus the consumers' creamery marches onward, co-operating the milk business of Minneapoli.

**EDUCATION SPELLS PROGRESS IN FAIRHOPE**

Down in Fairhope, Alabama, where many earnest souls are trying to work out the Single Tax principle, Co-operation goes along as merrily as ever. Net earnings of the store for the first quarter of the year were $467.78, and for the second quarter $850.48. Though the capital stock is only $5,785, the reserve is already $3,600. At the meeting held in the bakery on July 19, the capital stock was increased from $4,000 to $15,000, and membership shares in the future are to be set at $25 instead of $25. More than 150 members came to the meeting, sampled the baked goods at the Co-operative Luncheon, where dinner was served, and after business matters were completed adjourned to the meeting of the farm co-operatives which was held on the Beach.

EXEMPLARY IDEALS AND TECHNIQUE

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**NOTES FROM ILLINOIS**

The United Consumer, published by the Federated Co-operative Societies of the Central States, made its bow in August, 1923. This latest arrival in the field of co-operative journalism is "Devoted to promoting a better knowledge and understanding of the theory and practice of Co-operation, with the firm conviction that in that Movement lies the hope of humanity."

The editors announce the following aims: While we do not expect to ignore the spiritual and ethical side of Co-operation, it is our aim to give our particular attention to publishing information of a practical nature on the various subjects pertaining to the actual operation of our various co-operative enterprises, that will be really helpful to every member of every co-operative society."

"To wage the fight, the members and a few of the unions contributed money toward a special fund, to a total of more than $1,600. Expenses of the battle came just a few dollars short of that amount. On the 7th of June the receiver returned the store to the Association.

At the members' meeting the latter part of June there was much rejoicing at the new lease of life granted Co-operation. Most of the old officers and directors were re-elected, and 500 members are now hustling to build up the business to its old proportions.

Through the many months of discouragement, Charles Fastlaben, has stuck to his place and served the members and patrons well.

"The Southern California Co-operator is a little four-page paper being published by the Association now that it is once more hitting its full stride. Co-operators the country over will congratulate the members in San Diego on the issue of their unusual and plucky fight for freedom and co-operative prosperity."
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The Co-operative Union of Canada, the federation of consumers' co-operatives in Canada, reports a satisfactory year for its affiliated societies in 1922, despite the period of deflation, trading losses and general unemployment. The report covers only the thirteen societies that furnished complete information.

The aggregate membership of twelve of these societies grew from 5,919 in 1921 to 6,552 in 1922. To this should be added the membership of the United Grain Growers, making a total of 42,300 members affiliated with the Canadian Union. The total sales of the twelve retail societies amounted to $2,166,196, as against $1,990,764 for fourteen societies in 1921. The distributive turnover of the United Grain Growers brings total sales figures up to more than $5,000,000 for 1922.

The co-operatives sell a wide assortment of goods, including bakery products, groceries, meats, hardware, fuel, lumber, feed, oil and gasoline, twine, crockery, boots and shoes, hogs, machinery, hides, salt, fencing, and many other commodities.

Nine of the twelve retail co-ops reported the payment of savings returns. One paid 10 per cent, one 6 per cent, one 4 per cent, and the others a lower rate. Most of these societies paid in addition 6 per cent on capital. The net surplus earnings of ten of these societies amounted to $5,6 per cent on their share capital for the year. These figures are a practical demonstration of the great savings the consumers have been able to effect by means of mutual self-help.

Chain Stores Sell Decayed Food

The Great Atlantic and Pacific Tea Company was one of the most conspicuous offenders against the public health laws, recently prosecuted in Brooklyn, New York, in a campaign against the sale of putrid food. Four distinct offenses were charged against this nationwide chain store organization, and Magistrate Hyman Rayfield fined the A. & P. $500, or 50 for each offense.

Putrid and decomposed fish was seized in four stores of the A. & P. In the same drive against decayed food, vast quantities of putrid meats, decomposed eggs and milk and cream deficient in fat, were seized, in more than forty private stores.

Co-operative stores say consumers have nothing to fear in these campaigns for pure food. One of the most fundamental aims of co-operatives is to serve pure and wholesome products. A typical instance of this can be seen in the fact that in Minneapolis and Cleveland, the two large cities where the coal business encouraged the miners to try their hands in the grocery business. They began taking orders for carloads of potatoes, apples, feed, etc. This succeeded, and they were able to rent the whole building they occupied. Then they sold in bulk such articles as coffee, bacon, lard, ham and salt.

First Co-ops realigned under the system of private ownership, had been unavailing. The local miners' union tackled the problem. Their answer was the establishment of a co-operative coal yard. The first step was to buy a cheap scale for $69 and to procure a supply of coal. The union yard bought coal for $1.50 a ton, and sold it at $1.60. Its only complaint was that they could not get enough coal to supply the demand.

The coal business grew, the co-operative acquired a coal yard on a railroad siding. A warehouse was erected and a modern scale was bought. It is estimated that during the past seven years, the miners have been saved $3 on every load of coal they have bought. Staunton uses about 12,000 tons of coal a year. The miners were averaging 95 cents per ton gross profit when the co-operative started, or a gross profit of $14,400, on an investment of only a few hundred dollars. Now the co-operative has cut the gross profit from 95 cents to 25 cents a ton.

Since the miners' coal yard opened, they have sold 65,677 tons of coal, or 1,642 car loads. The saving to the public because of the lowered prices forced by the co-op, is estimated at $87,577.

The coal business encouraged the miners to try their hands in the grocery business. They began taking orders for carloads of potatoes, apples, feed, etc. This succeeded, and they were able to rent the whole building they occupied. Then they sold in bulk such articles as coffee, bacon, lard, ham and salt.

In 1917 it was decided to reorganize the A. & P. stores. A full line of goods was taken in, including groceries, meats, clothing, feed, etc. This store has been the terror of the merchants, just as the coal yard was a thorn in the side of the coal hogs.

During the eight years of its existence, the co-operative has supplied over a million dollars worth of coal, groceries, meats, clothing and other goods to the people of Staunton. On this sum, the society made net earnings of $58,522, the greater part of which was returned to its patrons in co-operative rebates.

Yet the Staunton society modestly says: "These are accomplishments seemingly small when measured in benefits by the individual member. Think of the possibilities of a united working class, peacefully transforming the present competitive system into a co-operative society under the system of private ownership. This was the great task that the Staunton co-operators have dedicated themselves.

The Poker Club of Government House, Ottawa, held its annual meeting on October 19 and elected: President, H. C. Varley; Treasurer, W. J. B. Macleod; Secretary, A. H. Aikman; Directors, R. G. Macdonald, W. B. Cameron, J. S. Smith, L. F. Bouchier, G. A. Rawson, J. H. MacPherson.

The League has often had requests for a model Order of Business for the Directors' Meeting. The General Secretary of the Canadian Union has also urged us to prepare such an agenda. Several months ago a tentative form was drawn up and sent to a few of the co-operators in various parts of the country for criticism and suggestions, and the response has been most helpful. The following is a result of this initial draft and the contributions made by members and friends of The League:

ORDER OF BUSINESS FOR A MEETING OF BOARD OF DIRECTORS.

Roll Call
Minutes of Last Meeting
Correspondence, etc.
Report of Treasurer (Containing Financial Statement,
Bills Presented, listed in detail
Bills Paid
Detailed list of unpaid bills on which discount period has lapsed
Etc.)
Report of Manager (Containing Detailed Statement of Operating Expenses in proportion to Gross Sales for period
Statement of stock turnover [To be given monthly if possible, quarterly]
Problems of Buying
Labor Problems
Delivery Problems
Statement of all credit given during period
Complaints from patrons
Problems of competition
Special problems of Membership

The Directors' Page
Special problems of Publicity and Advertising

Report of Committees from the Board
Finance Committee
Membership Committee
Committee on Wholesaling
Printing Committee
Committee on Inter-Co-operation

Reports of Committees elected by the
Membership
Control Committee
Education Committee
Committee on Women's Guilds
Store Committee
Entertainment Committee
Unfinished Business
New Business
Good and Welfare
Adjournment

This Order of Business should not be used as an iron-clad rule by any Board of Directors. It must be made to fit local conditions. Items contained in it may not be of value to all societies; but there is nothing in it which is not vital to some societies. We quote the remarks of a few of the men who have co-operated in drawing up this plan:

"There is hardly any improvement I can suggest unless one goes into detail. You can make a Board meeting either a dull or an interesting meeting by the kind of a program that is carried out."

"Our Board asked that an agenda be issued. It was—for a month or so. Then we simplified it and now I only put on the typed agenda the topics for discussion. I think of size of Board and familiarity of its members with parliamentary procedure would determine how much the bones of the outline should protrude. Our Board's needs are most simple. Bare mechanism is necessary in a larger group, or a group less accustomed to the restraints necessary to group discussion."

Secretary George Keen of the Canadian Co-operative Union writes: "Some of the items are somewhat ambiguous. At the same time, amplification might make the agenda cumbersome. Possibly the difficulty might be overcome by attaching to the agenda an explanatory statement of what is in contemplation. The trouble with workingmen, inexperienced in co-operative or other kind of business, is that at first their minds need direction as to what is necessary to insure executive or supervisory efficiency."

We had in Canada a manager who conscientiously operated a society for fifty years with success, paying regularly substantial purchase dividends. It could, of course, be said of him he was a fine manager, but virtually his life was one of unremitting benevolence. He had all practical purposes he was the society and the directors' ideas of their duties were somewhat vague. When the old gentleman died the society naturally passed out of existence. The sooner directors appreciate that permanent success must be based upon the intelligence of the co-operative spirit of the rank and file and adequate supervision by the directors, the sooner we shall be able to depend upon steady, permanent, and consistent progress.

Another co-operator suggests that at each Board meeting a brief discussion of some fundamental co-operative principle should be opened by a member of the group. A few cautions and warnings might be written large in red pencil opposite some of the items in the proposed Order of Business:

The Roll should be called ON TIME.
LATE ARRIVALS should be REPRIMANDED.

Items reported by Treasurer should be PAID WEEKLY.

The People's College of Kansas City, a few years ago, claimed Co-operation Course in Co-operation. They very wisely selected W. C. Lan- don, the National Organizer for the People's College. Recently an arrangement has been made between The Co-operative League and the People's College whereby The League will be able to furnish free of charge for $1.00 to those who want it. This does not, of course, have the privilege of carrying on the correspondence with either The League or the College. The People's College is not an institution as such, but is an instructor and have them marked and graded will have to correspond directly with the People's College, Kansas City, Kan., and pay the extra fee required.

This Course covers briefly almost all phases of the movement, though the writers' chief interest was, of course, agricultural co-operation. The list of lesson headings shows the range of subjects covered:

- Established Business Wasteful.
- Land and Labor vs. All Wealth.
- Neighborhood Co-operation.
- Organizing Co-operative Business.
- Developing Co-operative Associations.
- Co-operative Retail Stores.
- Direction and Management.
- Wholesale Co-operative Enterprises.
- Development of Co-operative Jobbing.
- Co-operative Shipping Associations.
- Business Rules for Cooperatives.
- Cash Business or Credit.
- Accounting and Auditing.
- Distribution of Co-operative Profits.
- Mutual Insurance Companies.
- Laws Governing Co-operation.
- The Organization of Co-operation.
- Model Co-operative By-Laws.

Co-OPERATION
success of the efficient management of their own affairs: that is the point, of course.

I dare not ask space sufficient to develop this thesis fully. My main point is that whether we like it or not, socialism will not be driven out till we put forward a better economic system—better, that is to say, from an economic standpoint, a more efficient system, one that will produce more. The organization of production by the consumers/students that have studied it very, very carefully at first hand, you know, for I have been in the co-operative movement ever since I was old enough to understand what it meant—may give the answer to the system of the capitalist; but that is not enough. It is still the Wage System that has to be changed, to work together in the work that is here to-day to be done. All I ask is that ‘mere mortals’ should keep an open mind on it.

Los Angeles, California.

T. H. BELL.

FROM FAR OFF CUBA

There are three co-operative stores in Havana. One, the oldest one, the ‘Cooperativa Obrera Cubana’, selling monthly between $2,000 and $2,500 worth of goods by large orders, was named after the cigar factory whose operatives started it, sells about the same amount and is very solid and is doing pretty well. In Mariana, a town near Havana, there is another named ‘Obreros de Mariana’, the richest of all, One in Santiago de Las Vegas, and another one in Beijuel, fourteen and eighteen miles from Havana, are doing well.

There are six or eight more co-operative stores in towns not far from Havana. In Santiago de Cuba they opened three co-operative stores lately. There may be others in different parts of this country that I do not know of. We agree entirely with your suggestion that the workers and co-operators of Cuba and the United States agree that it is possible, so that they can help one another in the common work against the predatory interests of the capitalists, and that action could liberate us from the iron heel of that capitalist imperialism.

CARLOS BALINO.

Secretary.

Cooperative Obrera Cubana.
Havana, Cuba.

MINNEAPOLIS SCHOOL GETS UNDER WAY

We have twenty-two students, eight of whom are from Minnesota in the class of Franklin employees. I think this class is composed of good material to work upon.

Everything has gone so far O. K. in the school. The students seem to be very much interested and that is the most important thing. I expect good results from the school.

On September 21st, in the evening, there will be a meeting of the Danish-American Cooperative Labor Association.

We are also planning to hold, probably Saturday evening, September 22d, a modest get-together, in the same belt, for all local people, and I hope those of the Franklin co-operative creamery association.

S. ALANNE.

Co-operative Training School.
Minnepolis, Minn.
Co-operation in Scotland

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VITAL ISSUES

HOW EUROPE IS TO BE SAVED

"The Co-operative Movement is the outstanding and most important economic factor in the markets of Europe to-day." These are not the words of a co-operative propagandist. This is from a statement made by Mr. Houston Thompson, a member of the U.S. Federal Trade Commission, who has just returned to this country after a prolonged study of economic conditions abroad.

This representative of our government saw Co-operation. Many visitors to Europe completely miss it. He became so impressed with what the co-operators are doing that he made a survey of Co-operation in Great Britain, Denmark, Sweden, Finland, Estonia, Latvia, Czechoslovakia, Lithuania, Poland, Germany, Italy, and France. He is now ready with a report to be presented to Congress.

In the midst of the chaos which the politicians are bringing upon Europe, the co-operators are steadily building a new economic organization of society. "Europe has found, as we shall find, that when the economic regeneration of Europe is finally worked out, it will be due largely to its co-operative societies. Were it not for these organizations the political governments, the politicians and patriots are keeping the people stirred up with their intrigues and hostilities and are driving the nations apart, the co-operatives are working together in the true spirit of brotherhood. In countries where the machinery of the political government has broken down and scarcely functions, the co-operatives are going on with production and distribution and are providing a true economic organization of society.

"Europe has found, as we shall find, that when the co-operatives are buying or manufacturing for the use of their members they do not take or make improper or bad goods. They eliminated the temptation to lower qualities." "Similarly," he adds, "the co-operatives, when they buy for their members or sell to them, insist on reasonable prices. They can keep prices at a fair level, because in all the countries they are the largest single business units and they can dominate the market."
The individual middle man, Mr. Thompson has observed, is compelled to compete with the co-operatives, and this is preventing such profiteering as prevails in the United States.

It is significant that this agent of a capitalistic government should be found using his office to advise the people of the benefits possibilities of Co-operation. This means that the American people cannot much longer live in ignorance of the great Co-operative Movement—its light is penetrating into the high places. It means that it is impossible to study European economies without taking account of the Co-operative Movement.

But it also means that those forces which are opposed to democracy are being forewarned and will proceed to make themselves ready for effective opposition to its growth in this country.

To be told that Co-operation is the hope of Europe is a long way from making Co-operation the hope of America. A long program of education, training, and building lies ahead. True, we can look across the water and take courage from what our fellow Co-operators there have done, but our task is to overcome native obstacles and meet native forces which never have reared themselves in the path of European Co-operation.

J. P. W.

SELF-MADE HOMES

Doleful souls of little faith are constantly saying that in these days houses cost so much to build that the working people cannot own their own homes. They say that co-operative housing can be developed only by the rich or with the help of money from the city or from some philanthropic source.

This is a false idea. It is contrary to both the facts and theory of Co-operation.

A fundamental principle of Co-operation is that the people can own anything the use of which they can pay for. Most of the business of the world is built up through the help of money from the city or from people cannot own their own homes. They buy the houses and give them back to the landlords.

The people earn the money, but it keeps flowing through their fingers. That they will use it to build up some sort of a savings out of a small per cent of it, and with the daily accumulations they can buy the world. What flows on is gone; what I stop is mine.

The best way for the working people to stop a little money each day is by means of the co-operative bank. There are a thousand other ways. The co-operative method is best because in using it one has the help of others.

Here is an example: The Finnish co-operators down in South Brooklyn, New York city, have since 1920 built five apartment houses. Not only have they been building another. This is for thirty-two families. Four-room apartments are being built with $300 per room in hand. The members put in $1,200 each—that is, the family funds. The additional loans necessary to complete the building. No philanthropists, no municipal grants, and no banks put through this financing. It was all done by the plain people themselves.

As a result of this they will have their own homes. They will pay rent to nobody but themselves. The amounts they pay into their own treasury every month will go toward paying off their indebtedness. Every month this amount will be less. Finally, they become free and clear. This they do by paying no more rental than they would to a landlord. They are buying a house and presenting it, not to the landlord, but to themselves.

It can be done. It is being done. The people should own their own homes.

J. P. W.

GETTING ALONG WITHOUT "DIVIDENDS"

The Franklin Co-operative Association of Minneapolis has always paid savings-retuns to the consumers. At its last meeting the members voted to discontinue this practice. The surplus-savings will be used for education and social benefits. This is a society of 6,500 members, and is doing a business of around $3,000,000 a year. The directors have in mind buying a farm which at first will be used for recreational purposes and ultimately for the establishment of a college. But at once more attention will be given to education.

It is a rather amazing fact that some people claim that if a society does not pay "dividends" it is not a co-operative society at all! It would seem that the old English idea of "dividends" has gotten a pretty strong hold upon co-operators and has earned for them the rather unco-operative name of "dividend hunters."

Let us look into this matter a little closer. The "dividend," or more properly the savings-return, is not the main thing in Co-operation. The important fiscal matter is the "profit" or surplus-savings. When the members of a co-operative society pay their society more than it costs the society, they have created a surplus-saving. This surplus-saving is called "distributions" or "dividends." When the members of a co-operative society pay their society more than it costs the society, society can use it for social purposes—for the general social good of the society.

Co-operative societies that make the latter use of this surplus display the higher social spirit. They show at least that they are not "dividend hunters." They are willing to let their savings-retuns remain in a common pool to be used jointly for the benefit of the society as a whole. The profits made from tenants would be used for the benefit of the whole society. This is a society of 6,500 members, and is doing a business of around $3,000,000 a year. The directors have in mind buying a farm which at first will be used for recreational purposes and ultimately for the establishment of a college. But at once more attention will be given to education.

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Co-operative societies that make the latter use of this surplus display the higher social spirit. They show at least that they are not "dividend hunters." They are willing to let their savings-retuns remain in a common pool to be used jointly for the benefit of the society as a whole.

In the case of the societies which supply many of the needs of the members, and through which are spent a large part of the family funds, this is a different matter. Here the members are entitled to their savings-retuns. It is a big item and they need it. The societies themselves may use some of their surplus-savings for social purposes and give back some as savings-retuns. But in special societies which distribute only one or two commodities which take but a small part of the family funds, the situation is different. Here the savings-retuns would be small. If the members are many, these small funds may be better kept together and used for the common good.

In that way one big and significant fund may be made to take the place of many small and insignificant Co-operatives.

Co-operative societies the world over recognize this fact. In every country there are societies which could pay savings-retuns to their members but which do not. They use the money for education and other social purposes and to build up reserves of property. The strength of the Finnish societies has been established in this way.

The Franklin Co-operative Association is to be congratulated upon this forward step. Who can foresee what great institutions may arise from its accumulated funds to become monuments to the glory of Co-operation?

J. P. W.
CO-OPERATION IN NURNBERG, GERMANY

By Leslie Woodcock

Our Co-operative Cafeteria

If it had not been for the help of Herr Gruschke and the Nurnberg Co-operative Society, we would be in Nurnberg yet. It was a matter of money. Not a bank in Nurnberg had any money. We went from one to another and got the same answer of "Kein Geld." We owed for our rooms, oh, so pitifully little in American money, but we only had ten-dollar express checks. It was an embarrassment of riches.

But the Co-operatives helped us out. Herr Gruschke used the telephone a moment and said that they would sell us some German money. He gave us eleven million marks for ten dollars—two five-million notes and a one-million one.

With that we faced our landlady. We were staying at a private house. Two of us, with meals and a large room apiece for four days paid less than five million marks altogether. Figure that in dollars.

Then we went to buy our tickets to Berlin. Think of riding from 10 o'clock in the morning till 8 o'clock at night on an express train comparable to our best second class.

The Society has never had an operating deficit since it started in 1901. There was a difficult time in 1920 just after the war, but even then they came out a little on the right side.

HOW THEY ARE ORGANIZED

The Co-operatives in Germany are organized somewhat differently from the way they are in England or the United States. Of course there is one thing we must remember in comparing them with our own societies, and that is that they are so large that they need more formality. Forty thousand people cannot meet in one hall, nor can sixty-four stores, a huge bakery, warehouses, along with a bank, be managed in the way a single grocery can.

First the 40,000 members in Nurnberg meet in their local stores (sixty-four local meetings) and elect representatives to a general meeting, one representative for each 200 members. This group of representatives meets once a year and hears detailed reports of the business. At this meeting the 180-200 representatives, a smaller Council of about sixty members is chosen. This Council in turn elects a Board of Directors of fifteen; five each for three-year terms.

The Board of Directors, who are employed in other occupations, are the immediate " overseers" of the business, but they have only a limited power over the management, because the Council of sixty reserves the right to hire and discharge the executive heads. The Board would have to bring its recommendation for either course of action to the Council. This is the way these Boards look in a chart. Beginning with the 40,000 members at the top, the arrows show how authority and power is given:

- 40,000 members
- elect representatives in local meetings
- 180 representatives meet once a year and elect Council
- Council of 60 elects Bd. of Directors and watches business closely
- Bd. of Directors of 15 oversees business
- 4 managers run business

It was the management itself that we were surprised at. There is not one man. There are four, each in charge of a department, but of equal power. Together they form an executive group who report to the Board and to the Council of sixty.

One of the managers is the purchasing agent. One is finance manager in charge of the bank and of the accounting department. A third is in charge of personnel and the grocery shops. Herr Otto Gruschke, who took much time explaining everything to us, is the manager in charge of propaganda, education, and contact with the public. He is, incidentally, a member of the Bavarian Parliament.

There is no sentimental talk of "democracy" there; it is the real thing. Those managers are very much alive to the needs and the will of their 40,000 bosses, yet they are experts to whom much power is given and from whom big results are demanded. That is the essence of Democracy. A large number of people cannot "run" a business. They must hire experts to do it, and then they must provide for Boards of Directors to be ever on the watch in judging the standard of work done.

The Nurnberg Society through its sixty-four stores sells 10,000 loaves of bread a day; bread baked in their own ovens. They have by far the largest bakery in the city. It takes eighteen delivery wagons to keep the stores supplied.

THE "GARTENSTADT-NURNBERG"

Besides this huge Co-operative Society in Nurnberg there is a Co-operative Housing Society called The Garden City. It is a small suburb by itself, and in its own buildings has one of the sixty-four branches of the Co-operative Society. There are 500 families living in the Garden City already, and they buy all their groceries, meats, etc., from the store.

The Housing Society has a total of 5,000 families of Nurnberg as members, of whom 4,500 are waiting for houses to be built for them.

There are 397 one-family houses, 89 two-family houses, and 12 four-family houses. Every house has a large garden...
and those who have lived there five years or more actually raise enough vegetables and fruit, by working evenings, to more than equal their entire year’s “rent” payment.

The architect has made it a charming place. The streets are curving, there are undulating hills, lawns, flower beds, shrubbery, and trees. The streets are not named after Presidents or Kaisers, but after birds and animals and trees. Every effort has been made to have every house appear different from every other, even when they were building after the war and had to build cheaply.

Before the war “rent” of these houses equaled one-fifth of a man’s wages. Now it is not more than one-hundredth of them. The “rent” has always been one-third cheaper than in the rest of the city.

The Society now owns all its property, houses, and much woodland still to be mowed. Nurnberg is typical.

Nurnberg has been described because it is typical of the other cities we saw all over Europe. Just as communism can create a certain type of business man, so co-operative business creates a certain type of executive whom you come to recognize whether he is a German, a Dane, or a Scot. He stands for disinterested public service. When we back the movement here we shall see him develop among ourselves.

SUCCESS CROWNS FIRST CO-OPERATIVE TRAINING SCHOOL

By Cedric Long

The first Co-operative Training School to be conducted in this country in the English language, organized by the Northern States Co-operative League, came to a close and held its graduation exercises October 8th. Twenty-two students spent five weeks in the most intensive study.

In order to learn at the very beginning just who the students were and what preparation they had for this kind of work the director of the school, Severi Alanne, made careful inquiries as to age, previous schooling and co-operative experience. Sixteen of the twenty-two had already worked with co-operatives; eight in stores; eight in the Franklin Creamery. The students were also given two or three intelligence tests so that the teachers might find out what general understanding they had of economics, history, English, business practices and terminology, geography, science and current events. Several of the students proved to be experienced labor unionists. A few were active members either of Socialist or Workers Party. Hardly a third of them had been born in this country. Most of them had only elementary education in the public schools. One was a graduate of Brookwood Labor College. The youngest was eighteen years of age, the oldest fifty.

The auditorium of the Franklin Creamery building was offered to the Northern States League as a school room. Tables were built especially for the purpose in the carpenter shop of the creamery, two blackboards were constructed. Work began on the morning of September 4th. For two and one-half weeks Mr. Alanne discussed with the students the fundamentals of economics and co-operative principles and theory. Mr. Clark, accountant for the Franklin Creamery, taught the principles and practice of accounting and bookkeeping.

Seventeen days is a short time for the study of such subjects, but on the other hand, few men and women study as hard as these co-workers, who have made real sacrifices to attend the school and who know that they will probably never get another opportunity like it. Three hours each morning and four hours each afternoon was the time allotted for class work. Each subject was given three mornings and three afternoons each week; but these seven hours proved to be only a minimum. Usually the class and the teachers agreed to begin an hour early or to remain an hour late or to hold an extra class in the evening. Classes often went to nine and ten hours daily. Classes were held on three or four of the Sundays also—and not merely because the teacher wanted it that way, but usually because some of the students initiated the proposition. And of course there was home work to be done in the form of reading, papers to prepare, etc., as well as visits to be made to the other co-operatives in the city and recreation as well.

At the end of the first half of the course and with the completion of difficult four-hour examinations in each subject, the class held a celebration and farewell dinner to Mr. Alanne who was soon to leave for a trip to Finland. Following a supper in the dining room of the creamery the musicians in the class played a serenade and offered several social addresses to this occasion, the Franklin Glee Club sang several co-operative selections, creamery officials and directors, visitors and teachers all spoke about the educational side of the movement and its contribution to the success of the Northern States League. The students presented Mr. Alanne with a leather brief case. The co-operative cause received a new impetus and heights on that evening and every one returned to his home at midnight much more conscious of the contribution co-operation can make to the intellectual and spiritual life of men and women.

The second half of the course was even busier than the first, for the nearer the students came to the end of the school the more eagerly they worked. One of these Sundays they put in seven hours. Even after graduation they all returned to the classroom the following day to begin their study of bookkeeping.

During these last eighteen days Cedric Long taught Organization and Administration of Co-operative Stores and H. V. Nurmi Co-operative Store Accounting.

Work in the first of those subjects included a good deal of reference reading in books and pamphlets, considerable discussion between the students as to many of the practical store problems, some little research work, and several brief papers upon various aspects of the subject, followed by long and exacting examinations. For one entire morning the students, working in pairs, visited dozens of the grocery stores in the city, one pair making a study of layout and arrangement of goods and fixtures, another advertising and prices, by grocers, another operating expenses and in relation to sales, another delivery problems, etc., etc. That more of this kind of practical work was not done was due to the difficulties experienced in getting any information from these private grocers and to the limitations of time. Mr. Nurmi brought with him complete sets of records and books for every member of the class and made each one of the students go through all the practical accounting work required in a store of this size. They were insisting at the beginning of the school that they could never learn bookkeeping and they took the work only because they had to; but by the final week of the school these same men said the impossible had been accomplished and they had confidence in their own ability to do double-entry bookkeeping.

During the second and third weeks of the school Edward Solem, manager of the Franklin Creamery, gave nine hours to a discussion of Administration of Co-operative Industries and concluded this with an examination.

Before the graduation exercises on the night of Monday the 8th, the class, the instructors and the chairman of the board of directors of the Northern States League had a farewell supper together. Another article will have to be written to tell about the formation of the Co-operative Students’ Fellowship, a permanent organization of the class with its own by-laws and officers; of the committee of students elected to draw up plans and carry into effect the school which were embodied in a set of resolutions and presented to the annual conference of the Northern States League at Superior a week later; of the
many little informative side lights upon the school and the life of the students and teachers during those five weeks. Immediately after the supper, the class went to the auditorium. Three of the students, Miss Kunesh, Mr. Henderson, and Mr. Heurickson, made brief addresses from the platform. Mr. Rudden spoke for the Franklin Creamery and Robert Craunor in behalf of the Minneapolis Labor Movement. Mr. Long spoke for the Co-operative League of the U. S. A. and Mr. Alanne spoke for the Norwegian Co-operative League. Mr. Nurmii presented the certificates to the students. Mr. Burandt presided. More music and good times. Many visitors and representatives of other organizations as well as creamery employees were present. Again it was nearly midnight when the students and teachers returned home.

The American Co-operative Movement has had its first full time Co-operative Training School. In addition to the three active store managers who attended, it has nearly a dozen men and women capable of taking responsible positions immediately and several others who will be ready for such positions after a little preliminary apprenticeship. This alone would be enough to justify the effort and money spent. But in addition, it has sent back to various cities and towns nearly two dozen men and women afire with enthusiasm for such schools as these, each pledged to do his or her best to see that money and students are provided for future schools of the same kind. Even those few active members of the Northern States League who discouraged the effort at first, believing that this young educational union of co-operatives could not afford to spend $1,000 on such a hazardous venture, finally became enthusiastic supporters of the effort.

And now comes the report that more than 50 have applied for admission to the fourth Finnish Co-operative Training School in which the instruction is carried on in the Finnish language. This is to be held for six weeks in Superior, Wisconsin, in October-November.

The progress of Co-operation in the United States is being soundly entrenched by such educational activities as these. May it be an inspiration for other groups to follow.

FOREIGN

INTERNATIONAL CO-OPERATIVE TRADE

We have long known that co-operative wholesale societies play an important part in international trade. Now, for the first time, the figures are available of the total of purchases of goods in foreign countries by the largest national co-operative wholesalers. These figures were collected by the Committee on International Wholesale of the International Co-operative Alliance.

During 1922 the purchases abroad by fourteen national co-operative wholesale societies amounted to approximately $150,000,000. The English and Scottish Wholesale Societies were responsible for 62 per cent of the total. It should be remembered that the English C. W. S. imports millions worth of goods annually in its own ships, which have at times gone as far as the Mediterranean.

More than one-fourth of these goods were purchased through agencies and depots established abroad by the wholesale societies. Almost half the goods purchased abroad came from America. The English C. W. S. and the Russian Centrsoyus have the largest purchases in the United States, and thus save the expense of the goods passing through the hands of a jobber.

Unfortunately, these figures indicate that a very small proportion of the total, $900,000 worth of goods, were exchanged between wholesale co-operatives of different countries. The balance of the international purchases came from private sources. It is the aim of the International Co-operative Alliance, as expressed in the Basle Congress, to foster trade between the various co-operative wholesale societies, and ultimately to establish an international co-operative wholesale.

A FLOATING CO-OPERATIVE STORE

Australia has one of the most unique co-operative stores in the world. In order to supply its membership scattered along the banks of the River Murray, the Eudunda Farmers' Co-operative Society has chartered the river steamer "Pyap." The "Pyap" makes trips up and down the river, on a schedule, touching at towns where the co-operators reside, and supplying them with household or agricultural requirements.

This unusual co-operative store is but one of twenty-eight branches of the Eudunda Society, with headquarters in Adelaide, South Australia. The membership of this society is 10,047, an increase of 600 in the course of a half year. During its last half year the society sold approximately $1,450,000 worth of goods, distributing $135,000 as a patronage rebate.

ENGLISH C. W. S. BUILDS HOMES

The Co-operative Wholesale Society of England has just been successful in obtaining the municipal contract for building 299 houses at South Shields. Of eighteen bids made, that of the C. W. S. was the lowest. Private contractors could not successfully compete with the co-operative's building department. Unable to fight the C. W. S. economically, it resorted to a plea for special favors, but the town housing committee passing on the bids voted by twenty-one to seven to have its building done by the C. W. S.

Let it not be understood that these are co-operative homes built by and for the consumers to live in. They are municipally owned homes erected by the building department of the British Wholesale. The home-makers of South Shields might well organize their own housing society and employ the C. W. S. builders to work for them. This would then be a co-operative effort, from start to finish.
49,278,322, or an average of 72 per member. The investments then were 322,422; to-day they amount to 8,612,990. The co-operatives of Scotland have had returned to them in savings effected by their societies the sum of £5,524,931.

The amount of capital invested by societies in the Scottish Co-operative Wholesale Society has increased from £137,442 to £6,213,228.

For the entire United Kingdom, a comparison of the year 1883 with 1923 shows results equally as striking as the above. Forty years ago the membership was 662,161; it is now 4,568,757. The capital of co-operatives was £1,837,788; to-day it is £11,850,763. The value of sales has increased from £23,472,470 to the enormous total of £334,483,158. The output of the productive factors of the co-operatives now amount to over £400,000,000, and these factories and the distributive societies employ an army of 132,000 workers.

It is therefore not to be denied that the slight setbacks the Movement experienced in Great Britain during the years of recent business depression are of little consequence compared to the steady growth of Co-operation.

JAPAN TO JOIN INTERNATIONAL ALLIANCE

Stricken Japan has recently applied for admission to membership in the International Co-operative Alliance, through its National Union. This Federation is comprised of about 10 local unions, including about 14,000 societies. The individual membership of these local groups is well over 3,000,000. Few of these societies, however, are consumers' distributive stores. For the most part their co-operatives are credit unions of the Raiffeisen type.

It is too early as yet to learn what happened to the co-operative establishments in the disaster which befell Japan. Many of them were probably wiped out in the general havoc and destruction. Undoubtedly the surviving societies will be found in the first ranks of the forces working for the reconstruction of Japan.

BUSINESS CONFERENCES IN BRITAIN

A series of co-operative and business conferences was held in the principal cities of Scotland and England in October, under the auspices of the Co-operative Union. This was the third annual series of meetings at which co-operative managers, officials, and other experts exchanged information on technical subjects, for the purpose of promoting efficiency.

The subject discussed this year was "Scientific Management in Co-operative Business." Experts gave reports and conducted discussions on Buildings, Fixtures, and Rental Charges; Science in Matters of Stock; the Organization of the General and Check Offices of Co-operative Societies; the Coordination of Departments, and other practical topics.

Physicians, engineers, teachers, and other professional groups have long held their annual conferences for the purpose of exchanging information and contributing to the growth of their science or art. Co-operative experts in Great Britain, the birthplace of Co-operation, are following this good example, and are "increasing their efficiency as servants of a Co-operative Democracy."

The Convention of the Central States Cooperative Wholesale Societies, which met at East St. Louis last month, did much to reorganize and rebuild the Movement in the Central States.

The Central States Society has been working hard to change over societies from the "American Plan" of union control to the Rochdale basis. The Convention put the finishing touches to that big and important task.

The adoption of a new constitution to provide for control by Rochdale societies was perhaps the most important decision taken by the Convention. It was decided that non-co-operative societies would, in the future, not be admitted to membership. Of the nine directors, six are to be elected from Rochdale co-operatives and three from the unions already affiliated. The buying committee of three is to be composed of two managers of Rochdale stores and one of the union stores.

"The co-operative system would seem to be some vital element that must survive because its existence is natural and necessary. Towards it the Communist has been encouraged instead of persecuted in the past by every Government in turn, its power and efficiency would be prodigious."

"Not only have the co-operative societies the force of being non-political in a country suffused with politics, and whose whole reaction is anti-political, not only is their existence proved vital necessary to the development and reconstruction of a bleeding land, but they are a great force for promotion of education, as evidenced by the fact that the Centrosoccus has organized clubs, libraries, reading rooms, exhibitions, motion picture shows, theatres, lectures, children's playgrounds, festivals and excursions."

"The co-operatives of the world, inspired by their Co-operative Democracy," have put their money into the hands of the people of the world. They have set the example of being non-political in a country suffused with politics; they have been encouraged instead of persecuted in the past by every Government in turn, their power and efficiency would be prodigious.

The banner of the Communists, with its appeal to the workers of the world, is being substituted by the appeal to the co-operatives of the world to unite.

This is a far dearer and more important movement than any policies of the Soviet Government, which seem to occupy the attention of the world to the exclusion of all other possibilities. Church persecution, national education, Bolshevism play a part in these, but the semblance of local importance only in comparison with the great movement, silent and undramatic, that is outside the sphere of political leadership.

"It is as if the hand of God had suddenly stretched forth to help a people who have suffered too much."
and energetically on the job since the troubles of the Central States arose last year, was re-elected Assistant Manager. He will devote his time to liquidating the stores, after which he is to give his entire time and attention to the work as Educational Director.

The report of the Assistant Manager disclosed the fact that out of the forty-three "American Plan" stores in existence when the reorganization was commenced, all but fourteen had been discontinued by January 1. During the last month several of the remaining stores have been reorganized. In many cases independent Rochdale societies were organized, and the stores turned over to them to operate. In some cases it was necessary to close up the stores; in others to sell out to private parties. With the organization of sound Rochdale societies, linked together by a feeling of loyalty to the central educational and wholesale organization, the future of the Central States Cooperative Wholesale Society seems assured.

Two Co-ops Merge in New York

A step of great importance to Co-operation in New York city was taken early in October, when the "Village Co-operative Laundry" merged with "Our Co-operative Cafeteria." To both organizations the merger meant a great saving of up-to-date machinery and an expansion of business. The merged enterprise, which will be operated under the executive direction of the Board of Directors of the cafeteria, has obtained all the liabilities of the laundry and purchased all its assets. Members of the laundry are to receive an equal amount of stock in the cafeteria in exchange for their shares.

The merger looks promising from the standpoint of both organizations. Assured of the added patronage of a goodly portion of the 1,300 cafeteria members, the laundry's income will be increased. The Board of Directors of the cafeteria are to have control over the laundry, which will be operated under the executive direction of the managers of the cafeteria. The investment of about $18,000 by the cafeteria was necessary to consummate the deal.

To the Co-operative Cafeteria the step is important because it marks its first departure from the cafeteria business. Since it was organized in 1920 it has expanded by opening branches, but its operations were confined to cafeterias. The merger changes the character of the cafeteria, which has total assets of $61,000 and does an annual business of over $300,000, to the rescue of the laundry. Loans were arranged for, and, what is more important, the valuable services of Mary E. Arnold, the able manager of the cafeteria, were loaned to the laundry. After considerable study and many efforts to put the latter organization on its feet, it was decided that only one thing could save it, and that was its absorption by the successful cafeteria.

The membership of both organizations has approved the step, and the merger was accomplished by the assuming all the liabilities of the laundry and purchasing all its assets. Members of the laundry are to receive an equal amount of stock in the cafeteria in exchange for their shares.

The events that followed, leading to the organization of the Franklin Co-operative Creamery by the workers and consumers, have already been reported in these columns. But the full story of what the co-operative did for the union is now told for the first time. From a struggling unrecognized organization, the dairy-workers' union has grown until now its membership is 900, almost three times its previous membership. The recent two-year agreement just signed with the milk combine now makes the closed shop a complete reality in Minneapolis.

The union scale and union conditions are adhered to in every creamery in the Twin Cities.

What is more, the Franklin Creamery itself has set the standards which are adopted by the union. Two years ago the co-op adopted a scale of wages higher than those paid by other concerns. The union promptly adopted this scale as its demand. Other companies then joined the mark. Now the Franklin Creamery pays its men even more than the union scale, and it has again thrown down the gauntlet by inaugurating the six-day week for dairy workers. Although the additional workers this will require will cost the creamery in the neighborhood of $120 per man, annually, the membership of the co-operative feel that they would rather forego their patronage relates and permit their employees to work their full day of rest.

The Franklin Co-operative has demonstrated that not only can it make a brilliant success in the dairy business, but that it can fight the battles of labor through the organized power of the consumers.

Illinois Picnic a Huge Success

The picnic at Funk's Lake, Illinois, held during the last days of summer, won the distinction of being the largest gathering of co-operators ever assembled in that state. Five thousand co-operators came from a radius of a hundred miles around to have a good time and to co-operate. The weather was ideal, the crowd good-natured and happy. Metropolis papers in the neighboring cities took advantage of a local strike situation to spread stories of expected trouble. But everything went off without hitch.

John H. Walker, President of the Illinois State Federation of Labor and of the Central States Co-operative Wholesale Society, delivered an inspiring address. Father R. A. McGowan of the National Catholic Welfare Council, and a Director of The Co-operative League, spoke on the ethics of Co-operation. He saw in Co-operation one of the most potent influences working toward the ultimate realization of the Christian ideal of universal brotherhood and everlasting peace and plenty. E. J. Manion, President of the Order of Railroad Telegraphers, delivered an address on Labor Banking.

The educational work of the Central States Society was aided by the sale of 1,750 Educational Fund buttons. Although the purpose of the meeting was merely to give everyone a good time and to spread the message of Co-operation, the picnic was so well managed that it was more than made expenses. The gratifying success of this picnic has already led to plans for the organization of similar gatherings in various districts in Illinois for next summer.

Amalgamated BankProsper

New York's first labor bank, The Amalgamated Bank, shows a gain of 350 per cent in the growth of its assets during a period of four months. When this
bank, controlled by the Amalgamated Clothing Workers of America, opened for business on April 14, 1923, its deposits at the end of the opening day were $463,060. Four months later the deposits amounted to $1,744,772. The capital stock, surplus, and other assets, in addition to the deposits, on October 14 were $2,514,000.

This bank is a labor bank in more sense than one. In the first place, it is controlled by one of the most powerful labor unions. The institution is designed to serve workers. Small deposits are welcomed. It is open from 9 A.M. until 6 P.M., to accommodate workers. Since it began business, the bank has been admitted as a member of the Federal Reserve System, and has also been made a depository for funds of the City of New York.

The Amalgamated Bank plans to share its profits with its depositors.

**“HALF HOUR LUNCHES AT ONE BY THE CLOCK”**

New Yorkers, who are proverbially rushed for time, are never more busy than at lunch time. Millions of New Yorkers rush into eating places at noon, frantically stuff themselves with indigestibles, and rush back to their treadmills. With this situation to face, it was the height of courage for "Our Cooperative Cafeteria" of New York to attempt to serve Co-operative Education workers. Small depositors are made welcome. It is open from 9 A.M. until 6 P.M., to accommodate workers. Since it began business, the bank has been admitted as a member of the Federal Reserve System, and has also been made a depository for funds of the City of New York.

The Amalgamated Bank plans to share its profits with its depositors.

**100 PER CENT SAVINGS**

Taylor Springs, Illinois, has a co-operative society that during the last half year made a saving of 100 per cent as figured on the capital stock. For every dollar invested in the Hillsboro Co-operative Association in share capital a dollar was saved for the members on their grocery bills.

The share capital of this little co-operative is $4,355. The savings showed by the last semi-annual report are $2,291. Of this $1,511 was distributed among the members as an 8 per cent savings return, and $600 was placed in the reserve fund. In addition, the society wrote off its share of the loss of the Central States Co-operative Wholesale, with which it is affiliated.

The recent strike of the smaller workers in Taylor Springs strengthened the co-operative society. Many new members were won for the co-op by the attitude of the private merchants.

The members of this co-operative are mostly miners and smelter workers, of different nationalities. But differences of language or of race count for nothing with these good co-operators.

**DIRECTORS OF NORTHERN STATES LEAGUE MEET**

The meeting of the Board of Directors of the Northern States Co-operative League on September 33d was crowded with important matters. All the members were present, and an addition Cedric Long of The Co-operative League attended. Vice-President Scholtes acted as Chairman.

The following perfected arrangements for the Second Annual Convention of the Northern States Co-operative League, which met October 14th and 15th. The Co-operative Training School at Minneapolis were approved.

Secretary S. Alanne reported that on account of rather unexpected developments in his personal affairs, he was forced to make a trip to Finland. Vice-President Scholtes was appointed temporary secretary in his absence. The Secretary reported that 26 new individual members had been secured by Mrs. Anna Selim of the Franklin Creamery. The question of incorporating in Wisconsin was by vote referred to The Co-operative League for advice.

It was decided to route Cedric Long of The Co-operative League for a series of meetings following the close of the Co-operative Training School. The directors voted to present each student of the school with a year’s subscription to the Co-operative, and to pay part of the price of Dr. Warbasse’s book “Co-operative Democracy” on the copies supplied to the students. It was decided to send a report of the training school, together with exhibits illustrating its work, to the International Co-operative Alliance and The Co-operative League.

**CATHOLICS LAUD CO-OPERATION**

Not content with having made a huge success of its labor bank in New York, the Amalgamated Clothing Workers of America have organized credit union for the benefit of its members. The credit union is incorporated under the New York Credit Union law.

The credit union was financed by the sale of shares to members. Last month alone, 244 applications for membership were received. Shares sell for 10% each, installment payment being accepted.

The resolution on the subject is in part as follows:

"The greed as manifested in unrestrained taking of profits is condemned by fundamental Catholic principles underlying the doctrine of a just price. The hidden profits of competitive business fosters this spirit of greed. Co-operative societies of producers and consumers organized for service and not for profit constitute a practical means to remove the evil attending the present hidden profit system."

The endorsement of Co-operation by this local Roman Catholic society is in line with the sympathetic attitude towards the Co-operative Movement, by prominent Catholic teachers and leaders. Father Joseph Husslein, editor of America, a Catholic weekly, Father Joseph Reiner, a prominent Catholic educator, Father R. A. McGowan of the Catholic National Welfare Council, and others prominent in the Co-operative Movement and are furthering its progress in the United States.
CO-OPERATION

THE DIRECTORS’ PAGE

The Co-operative Training School held recently at Minneapolis did some original research work, some of which was of great value to the students themselves and even to the Movement as a whole. The following is one of the less important studies made, but it indicates the contribution that a group of students, working together, can make to Co-operation. In later issues of Co-operation one or two others of the more important studies will be published.

The twenty-two students and the instructor drew up a questionnaire to serve as a guide to co-operative organizations looking for a location for the cooperative store. Directors of societies that find they are not getting all the trade they might expect might very well follow some of these instructions and ask themselves some of these questions.

Get a good street map of the town (or of the section of the city) in which the store is located. Then, using different colored pins or different characters (such as *, x, o):
1. Plot the homes of members of the society.
2. Plot all competitor stores, distinguishing between chain stores and individual private stores.
3. Plot all available locations, distinguishing between stores for rent and ground that might be used for new building.

Study the situation carefully in each instance and answer the following questions, with regard to each available location:
1. How available is it to the members?
2. How is it located with reference to the nearest general shopping center?
3. How available is it to the members?
4. With reference to the movement of shopping crowds, is it (a) on the right side of the street? (b) directly in the line of approaching home-bound commuters (near a large city)? (c) how many leisure-hour shoppers pass this site (between 9 and 12 A.M.; 1 and 4 P.M.; between 12 and 1 P.M.; between 4 and 6 P.M.)?
6. Class of people in the majority passing the store (business men; school children; industrial workers; women)?
7. How many of these are possible buyers?
8. What nationality are these people?
9. Approximately what proportion of the people in this neighborhood are good material for new members?
10. Are the people in the neighborhood well established or is the population shifting?
11. Have there been co-operative stores in this district previously? If so, what happened to them?
12. Is the neighborhood attractively laid out?
13. How near is the location to post office (in small town) or to other general centers of attraction?
14. Is the competition between other stores so keen that prices are abnormally low?
15. How much of the trade is cash and carry; how much credit and delivery?
16. With regard to the property itself—
   1. What is its rental value (or purchase value)?
   2. What kind of a building is it and for what was it used previously?
   3. What is the nature of the most immediate neighbors on either side and across the street (business or dwelling and how engaged or of what class)?
   4. Is it a corner lot? How much window space? What kind of windows?
   5. How high is the sidewalk? Made of what material?
   6. Are the sanitary conditions in and about the building?
   7. What improvements are there in the building?
   8. How high are buildings on either side and across the street? How prominent?
   9. Are all improvements placed under street and paid for?
10. What sun hits the windows (morning, noon or afternoon)? Are there any shade trees or other protection?

Probably not one per cent of the co-operatives in the country have conducted such a survey before locating their stores.

Directors! If your store is already open and doing business you need not give up now with the remark, “Well, there’s no use going to all that bother now.” Perhaps there is a very good reason why you should go to that bother now. It might lead to the discovery that a change is advisable. And if it didn’t lead to that, it might provide you with a few good arguments to use on the perpetual “grouch” who always complains, “the store wasn’t put in the right place to begin with”.

BOOSTING “CO-OPERATION”

We have reported elsewhere in this issue that the Northern States Co-operative League has subscribed to Co-operation for each student who attended the recent Co-operative Training School. We would like to see similar action taken by every co-operative society, for the benefit of its directors.

Every locality where Co-operation is a real factor, has its boosters for our magazine. Co-operation is read faithfully, and the readers loyal to try to secure subscriptions to the only co-operative monthly devoted to the Consumers’ Movement.

With the holiday season approaching, we beg to remind our readers that a subscription to Co-operation is not only an inexpensive gift, but one which will be remembered each month of the coming year.

BOOK REVIEW

CO-OPERATIVE MARKETING

By Herman Steen

In the United States we have needed very much a up-to-date account of what the farmers are trying to do through co-operative marketing. What we have had previously has been fragmentary and behind the times. This book by Mr. Steen fills the gap and does it most adequately.

Probably the left wing of the farmers’ movement will not be pleased with a book of this sort. It is sponsored by the American Farm Bureau Federation; the foreword is by Bernard Baruch; and the introduction is written by Samuel R. Good of the Information Department of the Farm Bureau Federation. It is evident that the book is not produced under radical influences. But more than this, the author makes no pretense that he is depicting a radical farmers’ movement. “The fundamental philosophy of co-operative marketing is orderly merchandising”, says Mr. Steen. Mr. Baruch, the banker, in his prefatory remarks, advises the farmers that “Concentration mergers and mutual financing have put the banks, railroads, etc., on the road to recovery”, and can do the same for the rural producers! Nowhere in the book is there a suggestion that the farmers need something more than a mere “Sales Department”. On the contrary, we find the highest praise for many of the worst evils of the present economic order. The Fruit Growers’ Supply Company (a subsidiary of the California Fruit Growers’ Exchange) is commended for its effective work in behalf of a high tariff on lemons. The Central California Berry Growers’ Association and other powerful co-operatives have done excellent work by keeping the supply of fresh fruit on the market limited and by diverting all surplus” to canneries and syrup factories. The increase of consumption promoted by such organizations as the California Pear Growers’ Association, the Sunmaid Raisin Growers, and others through their highly organized advertising campaigns seems to merit nothing but praise. Stranger of all, we learn that the “price of lemons is determined by the amount available at the point of consumption. The change endeavors to control the supply and in each consuming market, and this controls the condition which determines the price”, but we must remember that this is not price-fixing! The consumers’ co-operative movement is severely menaced; on the contrary the producers are advised to distribute their own product to the consumers where feasible. Nothing about co-operative banking nor even about political action by the farmers (except effective lobbying). If the farmers will emulate the successful
capitalist enterprises of the age and form combines, great will be their reward!

However, this book is very valuable. Its most important contribution is its detailed story of the development and present status of these hundreds of powerful commodity associations and the many thousands of smaller local co-operatives for marketing. This work is painstaking, thorough, and most illuminating from the reader's point of view.

We learn here that single commodity associations are doing an annual business running nearly up to $100,000,000, and begin to wonder if the farmers are not already making some of our powerful capitalist competitors look fairly small. We learn that fakirs have wrought just as much havoc among the farmers with fraudulent marketing schemes as the promoters have wrought among the city workers with these fake "consumers' co-operatives.

We get a very good close-up picture of the effective work of Aaron Sapiro. We find that some of the stronger and "more progressive" associations on the Pacific Coast not only do the marketing for the smaller farmers, but hire and route great squads of pickers and other laborers to do the fumigating, spraying and irrigating, so that the farmer owners themselves really have little to do except pay the bills and reap the profits.

In other words, Mr. Stein is honest. He thinks the co-operative marketing movement, if given a chance, is the only true business venture on the part of the farmers, and perhaps he is pretty near right. He does not think that the local unit of the association is all necessary; its one effective function in some of the organizations is education, and for Mr. Stein, education can better be left to the noncommercial organization. That is honest enough for any of us; if the present system is all right, let's get together to get our share of the profits and leave the "uplift stuff" to others. We commend the reading of this book to all co-operators regardless of what their political or economic philosophy may be. There is no equivocation, no dodging anywhere in it; we find here the straightforward story of how the farmer goes into the profit business and what he is getting out of it.


State of New York
County of New York

Before me, a notary public in and for the State and county aforesaid, personally appeared J. N. Perkins, who, having been duly sworn according to law, deposes and says that he is the manager of the CO-OPEATION and that the following is a true statement of the ownership, management, and circulation, and a true statement of the responsible parties at whose order the publication is published for the date shown in the above caption, namely, Aug. 15, 1922, which is the date of such publication as it will appear in section 42, Postal Laws and Regulations.

1. The name and addresses of the publisher, editor, managing editor, and business manager are:
   Publisher, The Co-operative League of the U. S. A., 167 West 12th Street, New York City.
   Editor, James P. Warburton, 167 West 12th Street, New York City.
   Managing Editor, Cudde Long, 167 West 12th Street, New York City.
   Business Manager, N. Perkins, 167 West 12th Street, New York City.

2. That the owners or managers and addresses of individual owners, or, if a corporation, give the names and addresses of stockholders owning or holding 1 per cent or more of the total amount of stock, are: The Co-operative League of the U. S. A., 167 West 12th Street, New York City.

3. That the known bondholders, mortgagees, and other security holders as they appear upon the books of the company as trustees, hold stock in the person or corporation for whom such trustee appears upon the books of the company but also, of stockholders and security holders as they appear upon the books of the company as trustees, hold stock in the person or corporation for whom such trustee appears upon the books of the company, are:
   All stockholders and security holders who do not appear upon the books of the company as trustees, hold stock and securities in a capacity other than that of a bona fide owner, have no reason to believe that any other person, association, or corporation has an interest in the said stock, bonds, or other securities than as an owner, and no protesting.

4. That the average number of copies of each issue during the preceding 12 months was as follows: Issue 1, 1,000; Issue 2, 500; Issue 3, 250; Issue 4, 100; Issue 5, 50; Issue 6, 25; Issue 7, 10; Issue 8, 5; Issue 9, 2; Issue 10, 1; Issue 11, 0; Issue 12, 0.

5. This publication is sold or distributed only at the subscription price of $1.00 per year, namely, at 50 cents per copy.

6. The proprietors are: The Co-operative League of the U. S. A., 167 West 12th Street, New York City.

7. We believe the present system is all right, let's get together to get our share of the profits and leave the "uplift stuff" to others. We find that some of the stronger and "more progressive" associations on the Pacific Coast not only do the marketing for the smaller farmers, but hire and route great squads of pickers and other laborers to do the fumigating, spraying and irrigating, so that the farmer owners themselves really have little to do except pay the bills and reap the profits.

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Albert Sonnielsen, Managing Editor.
will be the outcome of this trend in Switzerland?" he says: "I can see only a steady increase in the membership of all our co-operative societies until they embrace the whole population—then we shall have the Swiss Co-operative Democracy." Here is something in the place of the Swiss Political State. And after all, is this not the hope of the world?

Either the State is going to grow and grow and have more and more dominant control over the lives of the people, or the people must create their own organization independent of the State. The Co-operators represent the organized force that can save the people from stateism.

May the duties and functions of Mayor Suter pass into the hands of President Suter! The fading state and the growing Co-operative Democracy herald the dawn of the new day.

THE PRICE OF BREAD

When wheat was $1 a bushel bread was five cents a loaf. When the price of wheat went to $2 bread went up to ten cents a loaf. Now wheat has been down to the present price for several years but the price of a loaf of bread stays around ten cents. There is an old saying, "What goes up must come down." But there is a financial yeast that raises bread, and it stays raised.

The farmers during the war, by means of patriotism, pounding, and palaver, got the price of wheat boosted to $3 a bushel. That high-priced wheat did the farmers more harm than good. They are one of the glorious products of $3 wheat. The freight rates on wheat and flour are regulated, but there is no regulation of the price of the baker's loaf. Its maximum is the blue sky.

Now the farmers are astir to get the price of wheat again raised. The government is being implored to regulate the price by buying the surplus, by subsidizing the farmers, by imposing a higher tariff, or by some other equally fantastic means. The farmers have not yet learned that the government is run in the interest of the trading business—trafficking in commoditiies and credits. And if any of the things the farmers want done are advantages will flow into the pockets of somebody else besides the farmer. The farmers will get results only as they try to solve their problems by their own efforts without the aid of government.

And as to the consumer and his loaf, the consumers in every country in the world are rapidly coming to the same conclusion. Our co-operative consumers' bakeries are leading the way to freedom from kings as effectively—nay, more effectively—than did those brave souls of old who shattered thrones and laid low the scepters of tyrants in the name of democracy.

POLITICAL NEUTRALITY

The ranks of the Finns in the United States are split by political strife. There are right and left wings and left wings and a half. There are reds and whites and, as a result, black and blues. This is natural in the field of political action. It has always been so. It always will be so. Let any particular color win a conclusive political victory and its color will change as sure as night follows day. Thinking that our own particular political party is an exception will not alter the fact.

The Finns in Finland are learning the lessons of political economy in the school of experience. There are in that land of Co-operators two sets of co-operative societies: two national unions and two national wholesales. These have always been known as the left and right wing groups. The left wing (the K. K.) is commonly known as the socialist union. The Co-operative Finns in America look to it as of their fellowship. The right wing (the S. O. K.) is commonly known as the "white guard" union. When the S. O. K. sent a delegate to the Second Congress of The Co-operative League, in 1920, the American Finnish delegates refused to fraternize with him.

Now we receive word from the K. K. that they have renounced political connections and are a neutral union. This seems not generally to be known. On another page of this magazine we print the resolutions passed at the Fifth Congress of the K. K. which declare for "Neutrality and Political Independence." We hope that our Finnish friends in America will read these resolutions and be deeply significant.

When these two unions become dedicated still more sincerely to Co-operation, they will unite into one and end the political strife. And when that day comes Finland will be approaching democracy.

A study of the burning events of the world now changing the face of all society can lead to but one conclusion: there is no such thing as a radical political party. Radical changes are not brought about by political action. Radicalism is in the economic field. Radical changes are economic.

"WOULD BENEFIT NOBODY BUT THE CONSUMERS"

President Coolidge asked the railroad executives how they would reduce freight rates on wheat. The railroad executives held a meeting in New York and issued a report on the subject to the Interstate Commerce Commission. The report shows that such a reduction of freight rates on wheat would make the farmers more than a little better off. And as to the consumer only that he shall have enough money to pay.

When we get civilization we shall have no politicians discarding a measure because "it would benefit nobody but the consumer"; but in that happy day the test of every measure will be, "How much will it benefit the consumer?" For when the consumer is the object of supreme consideration, the consumer will have become the producer; and the two will be one.
Most co-operative societies are the offspring of need. They were started in times of stress to serve the workers and consumers. There was a demand for help against want, against the money lenders, and against capitalist oppression. The great battle, in 1896, which the longshoremen waged in Hamburg against the forces of capital, impelled the workers to see the need of strengthening their resistance. So it came about that a proposition was made that the strike relief should not be made in cash but that the greater part of the money should be used for the wholesale purchase of the necessities of life to be distributed to the strikers. By this collective use of the strike funds the purchasing power of the strikers was greatly increased. They got much more food than by purchasing independently from retail traders interested in getting profit.

This idea was not new. It had been carried out in the London dockers' strike. Still it was impossible fully to develop this plan during the strenuous period of the strike. After the end of the strike, in the beginning of 1897, this idea was again taken up by the leaders of the Hamburg labor movement. They presented the matter to the Hamburg Trade Union Commission. After much preliminary work the Union determined to take the necessary steps to establish a co-operative consumers' society.

In January, 1899, the organization meeting was held. A name was adopted: Consumers', Buildings and Savings Society “Produktion” (Konsum, Bau, und Sparverein “Produktion”). This name expressed the purpose of the founders. The new society, like every other co-operative, should not only organize the consumers, and then take up the wholesale purchase of commodities and their retail distribution to the members, but it should build dwellings for its members, and it should also establish its own savings bank in order to protect the savings of its members from the profit system. The name “Produktion” should indicate that the society would produce the commodities of daily use in its own productive plants. The society, as an economic system in which the supplying of commodities should not be for the sake of profits but in the interest of the common good.

Anyone who now sees the result that has been attained would perhaps think that the working people had gone into this undertaking once with inspiration and fiery zeal. The very opposite was the case. Notwithstanding that leaflets in editions of ten thousand were distributed (one printing amounted to 200,000), the number of members grew but slowly. At the organization meeting only 800 members were present. The greater the obstacles and difficulties, the greater the determination of those who possessed the co-operative idea. Tirelessly they went after new members and regarded all of the weather they passed from house to house, collected in amounts of fifty pfennigs the thirty marks share capital and thus to build the financial foundation of their society. Thanks to the self-sacrificing work of these earnest Co-operators, a share capital of 15,000 marks was raised. Then they proceeded to establish their first distributive store.

As the poor weavers of Rochdale were jeered and scoffed, so also were the pioneers of the Hamburg Co-operative Society. But as neither economic difficulties, nor jeers nor scoffs, could break down the confidence or the courage of the Rochdale pioneers, neither were the founders of “Produktion” fainthearted. Their confidence in their program, the carrying out of which was to make them merchants and factory owners, helped them over all difficulties. “Produktion” has to thank its loyal supporters of co-operative principles for its strong development and for its significant position in the German Co-operative Movement.

From the very beginning the leaders of “Produktion” encouraged the members to have a lofty and broad comprehension of their problems and to be warned against “dividend hunting” and against shortsighted dealings. The founders of “Produktion” stood for and worked for strong reserves and for making their institution sound rather than for high savings returns.

Results began to show sooner than the patient founders of “Produktion” had hoped. The growth in less than a quarter of a century has been quite marvelous. We may take a few figures for example. At the close of the first business year the turnover amounted to 163,000 marks, the number of employees 31, the members 2,859, and the number of stores 6. At the close of the business year 1922 the turnover was five billion marks, the number of employees 2,800, the members 137,000, and the number of stores 270. Even when the depreciated value of the money is considered, the progress made by these working people of Hamburg is noteworthy. These workers have also developed their own productive enterprises with the surplus savings from their own business. The members have been able to add to their personal savings. Had it not been for “Produktion” all of those funds would have flowed to the private profit-makers.

Their meat packing plant is perhaps the largest slaughtering and packing business in Germany. The plant is a seven-story building, with large, airy, thoroughly sanitary rooms. Here the slaughterhouse animals are cut up, the products made into sausage, cured, smoked, canned, etc. Before the war over 1,000 hogs and 300 cows were handled. This work is carried on with the most modern machines and under the most careful and conscientious scrutiny. The same is the case with the other plants of “Produktion” which handle foodstuffs.

This is especially noticeable in the bakery, where the flour is cleansed by passing it through the finest sieves, and then the dough is kneaded by machinery. Twenty-four double ovens (really 48 ovens) make possible the daily production of 30,000 loaves of bread. The automatic ovens for baking rolls can turn out a million and a half of “round breads” a week. The flour mill grinds sixty tons of grain a day.

The chemical-technical laboratory produces a large number of products which have names suggesting “Produktion” — such as “prodon,” “prodoc,” “prophil.” Here are manufactured pudding powder, baking powder, sauce powder, soup spice, mustard, various washing compounds, tooth paste, shoe polish, etc.

At the main warehouse is a cereal mill for making coarse grain products, a coffee roastery, and a mineral water bottling works. From this central warehouse are sent out the products to the distributive stores. For this purpose are used 30 automobiles, 30 barges for water transportation, and 2 tugboats. The packing of goods is done by machines of the finest construction, which astonish visitors by their extraordinary speed and precision.

[Note: The translator has seen in the factories of “Produktion” machines that apparently received but two materials—a roll of paper at one side and the constantly flowing stream of coffee, powder or other commodity from the floor above. The machine converted the paper into boxes, measured the contents filled the boxes, closed, pasted and labeled the packages, and deposited them in cases to be shipped. Rows of these machines were quietly performing these Lenzian functions and apparently required only an inspector to watch them.]

“Produktion” carries on also a variety of other industries, such as blacksmithing, locksmithing, tinsmithing, carpentry and joining, and an electrical shop. It produces electricity for its industries in its own central electrical plant.
A furniture factory produces furniture of every kind, from the most simple to the most expensive. Connected with it is a coffin factory. In Hamburg there is a "burial society," established by "Produktion" in conjunction with the local trade union committee and the sickness society. The great majority of funerals are carried out by this society. It provides all of the necessary services, and at a cost much below the private undertakers.

Two coal depots, provided with modern appliances for handling and transportation, take care of the members' needs for fuel.

House building also belongs to the program of this society. It is carried on with excellent results. More than a hundred dwelling houses and many business buildings give evidence to this effect. More than a thousand apartments which are rented only to members are owned by the society. In order to have a supply of brick, free from profit-making, the society established a brick kiln at Lauenburg on the Elba river. At this brick factory from 3,500,000 to 4,000,000 bricks can be produced yearly.

The society "Produktion" has also undertaken farming. In Mecklenburg-swedish the society owns a farm of 1,600 acres, which yields almost every sort of agricultural produce, and is used especially for breeding and fattening pork. A dairy provides pure milk for the confection of the society in Hamburg consist of 142 members. The Co-operative Movement there embraces in the Co-operative Movement the unspeakable distress and the unsatisfied needs of the people will be abated. An economic society will then be established in which the common welfare and the public good will be the highest law, and peace and happiness will prevail.

"Produktion" has not only a great social function but it occupies a place of trust with the people of Hamburg. Proof of this is seen in the fact that the people have deposited over two billion marks in the bank of the society.

For the purpose of spreading the co-operative idea in the Hamburg district, the society has always had a large number of honorary officers. The unselfish work of these officers is thanked for the great development of "Produktion." Since the year 1902 there has existed a membership committee, which is composed of three members for each store (from each store district). This committee connects up the general membership and the management. In addition to the membership committee is a large functioning body of unpaid workers who carry on the hard task of "explaining and recruiting" among their neighbors. The social character of "Produktion" is seen in the creation and maintenance of the children's vacation home at Haffkrug on the East Sea. This institution was built out of the surplus-savings that the society accumulated during the war. The children's paradise is situated in a most beautiful place on the coast. Over 1,000 children every year are accommodated here for a period of six weeks, without charge. Good nursing, playing in the park and on the water, the children recover their strength and have their bodily and mental health renewed. This is a social fact which in the present sad state of economic life in Germany cannot be too highly esteemed.

The society "Produktion" is a wonderful example of what can be attained by Co-operation. The Co-operative Movement has already accomplished much, but much more can be accomplished when it is joined by the many thousands of families which to-day still remain outside of the movement and which through their non-membership support profit business with all of its capacity for harm. When all are embraced in the Co-operative Movement the unspeakable distress and the unsatisfied needs of the people will be abated. An economic society will then be established in which the common welfare and the public good will be the highest law, and peace and happiness will prevail.
training to fit him for the organization work among the farmers' marketing associations. And now Rudolph Harju, one of the Finnish co-operators who graduated from the Co-operative School, is planning to enter Brookwood Labor College next year.

C. M. Magnusson, one of the most active boosters of the school and most tireless workers for its success, took leave of absence for eight days right in the busiest part of the course to respond to a call from the milk wagon drivers of Duluth who are without a union and who wanted an organizer. The students and teachers didn't want to lose him, but were glad to hear of the successful organization campaign on his return.

The "Co-operative Students Fellowship," which was organized among the students at the conclusion of the School, elected Roy Speck as permanent secretary, and instructed him to collect annual dues from the members, gather information from them annually, and inform each member what all the others are doing for Co-operation. The motto adopted by the Fellowship was, "We All Need Education." The day after graduation a special committee from this Fellowship held a long session and drew up resolutions to send to the Convention of the Northern States League of Cooperatives. And now Rudolph Harju, training to fit him for the organization work among the farmers’ marketing associations. And now Rudolph Harju, one of the Finnish co-operators who graduated from the Co-operative School, is planning to enter Brookwood Labor College next year.

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The employees of the Franklin Co-operative Creamery have organized a Glee Club, an Orchestra, and a Band. All three of these organizations entertained the students at some time or other. The Franklin Creamery also has a flourishing Women's Guild, which met the last day the students were in the city, after the close of school—which is a reminder that during the course on Co-operative Organization and Administration a hot discussion took place among the students over the value and importance of a women's organization within the customers' association. One or two of the men believed that women are too generally petty-minded and troublesome, and if organized will only cause division within the co-operative. Unfortunately for them, there were some women in the class! And others of the men sided with the women.

Which brings up another disagreement. Severi Alanne started right in at the beginning of his course to present the arguments that show the Consumers' Movement to be more fundamental than the Labor Union Movement or working-class political action. And that made many of the radical students pretty hot. Such an onslaught on Mr. Alanne's part would have been highly dangerous in a single meeting. But they had two weeks and a half to resolve the differences, and a great deal of thinking and discussion can take place in that time. When that course was completed there were still some who didn't agree with the position taken by the teacher, but they knew all his arguments by heart anyway. And, what is more important, they respected highly the thoroughness and the zeal with which he presented those arguments. They were still feeling quite as strongly about their own position as before, but after listening to Mr. Alanne for those many hours none of them ventured to say that the teacher himself was not radical, too.

The students, when the School was over, gave each teacher a present as a token of their appreciation of the help they had received. They showed that the students were more generous than the instructors, for the latter did not return the compliment. Yet the teachers, every one of them, are ready to swear that they got from the School more inspiration, more education, and more encouragement than the students gave. As to what the Movement as a whole is to get from this School time and experience will tell.

The School scarcely got well started and the students well crowded with work than they decided they would hold two classes two evenings a week in Public Speaking. Although the extreme pressure of extra hours for classroom work and outside study finally forced the discontinuance of this class after the middle of the fourth week, it was stimulating exercise while it lasted. Fifteen-minute talks by the students covered all kinds of subjects from mathematics to farming. A fellow-student acted as chairman for each speaker, introduced him, and presided during the criticism and comments afterwards. Each speech was freely "grilled" by the class and by the instructors after he sat down. Some of the work was well done, some was highly amusing, and all was interesting.

The Co-operative School at Hamburg was founded in 1902 in order to train the employees and officials of co-operative societies for their professional duties. The pupils were sent to the School by the local societies and by the wholesales. The employees appointed to take this course were given a holiday by their societies, which continued to pay them a part of their salaries. The candidates were examined by the committee, who demanded only two conditions for admission: the candidates must be employees of a co-operative society and they must possess a good instruction in elementary subjects. The practical part...
of the program, which was the most important, included the following points: the Formation of a Co-operative Society, Accountancy, Banking Questions, Purchasing, Transportation of Merchandise, Insurance, Taxes, Publicity, and Co-operative Propaganda. The theoretical subjects included the History of the Co-operative Movement in Germany and in Foreign Countries, Political Economy, Ethics. This teaching was supplemented by visits to co-operative establishments in the neighborhood.

This School can accommodate twenty-four pupils, of whom four must support themselves. The School in 1921 and 1923 only instructed eighteen pupils. The differences of their age and of their intellectual attainments complicated the instruction in the course. For this reason the Committee decided upon adopting more severe methods of selection in the future.

The School founded by the National Agricultural Co-operative Union opened its doors again in 1919 after an interruption of five years due to the war. This school lasts for five months and can receive twenty pupils. These must be employed in agricultural organizations. The program of study includes Principles of Agricultural Co-operation, Tariffs and Customs Duty, Agricultural Legislation, Banking and Credit, Civics and Political Economy. The practical subjects include Bookkeeping and Accounting, Purchasing, and Stenography.

The Union of Raiffeisen Societies have also organized a large number of short periods of instruction both for the officials and members of their credit societies. In 1920 fifteen courses, with an attendance of 1,668 pupils, were held in different parts of the country for bookkeepers and auditors, and forty-two courses were held for the directors and the central committees. Thirty-two courses were held for general instruction. Besides these courses for officials the local societies organized educational courses for their members. The program for these included Principles of Co-operation, Anatomy of the Movement Political Economy, Bookkeeping and Accountancy, the Methods of Administration of Savings Banks and Credit Societies, Taxation and Insurance.

FINNISH NEUTRALITY AND POLITICAL INDEPENDENCE

At the Fifth Annual Congress of the Central Union of the Finnish Distributive Societies, Agriculture, Kulttuurikeskusten Keskusliitto—K. K.) the following resolution was passed (in Helsingfors, 1921):

"The Congress declares that the aim of the progressive co-operative movement is to serve the poorer classes of the society by defending the interests of the consumers, irrespective of the political parties to which they belong."

"With this object in view, and endeavoring to gain the confidence and support of all the consumers, belonging to the poorer classes, as well as for the purpose of preventing disputes between different groups, always as dangerous to the inner unity of the co-operative movement, the progressive co-operative movement must adhere to its original program and remain outside and independent of all political and social currents."

"This Congress, consequently, urges the progressive distributive societies to observe in their operations:

1. That the administrative organs as well as the officials are elected on account of their ability, and not from a party point of view;

2. That the principles of equality are observed in regard to the various groups in every activity of the distributive societies;

3. That no part be taken in any political or financial activities outside the co-operative movement, unless they concern the poorer classes from the consumer's point of view, as is the case with customs, taxes, and similar questions;

4. That the property of a society must not be handed over to any political party in the shape of donations, etc."

THE 25TH ANNIVERSARY OF CENTROSOYUS

The Board of Centrosoyus decided to celebrate in the following manner the 25th Anniversary of the All-Russian Central Union of Consumers' Societies "Centrosoyus, which will synchronize with the Annual All-Russian Congress of delegates of Centrosoyus, to be held in Moscow on November 5th:

(1) To issue Jubilee (25th Anniversary) badges of two kinds. The right to wear silver badges is granted to workers who have been active in the Co-operative Consumers' Movement for not less than ten years, as well as to persons to whom these badges may be awarded by the Board for special services. Badges of the other kind may be worn by all the workers of Consumers' Co-operation.

(2) That the opening of the Jubilee (25th Anniversary) Congress of the delegates of the Centrosoyus shall synchronize with the Jubilee (25th Anniversary) of the Centrosoyus, by which the congratulatory speeches of the various delegations and visitors shall be heard and the Labor heroes honored, each of whom will be presented with a silver watch. As Labor heroes, are considered those workers who have completed not less than ten years' service with the Centrosoyus, as well as to persons to whom the right to wear silver badges is granted. To each of them will be presented a badge of two kinds. The right to wear silver badges is granted to workers who have been active in the Co-operative Consumers' Movement for not less than ten years, as well as to persons to whom these badges may be awarded by the Board for special services. Badges of the other kind may be worn by all the workers of Consumers' Co-operation.

(3) That the Board of Centrosoyus, after which the jubilatory speeches of the various delegations and visitors shall be heard and the Labor heroes honored, each of whom will be presented with a silver watch. As Labor heroes, are considered those workers who have completed not less than ten years' service with the Centrosoyus, as well as to persons to whom the right to wear silver badges is granted.

(4) To accept the chieftaincy of the Centrosoyus for the Jubilee (25th Anniversary) Congress of the delegates of the Centrosoyus, by which the congratulatory speeches of the various delegations and visitors shall be heard and the Labor heroes honored, each of whom will be presented with a silver watch. As Labor heroes, are considered those workers who have completed not less than ten years' service with the Centrosoyus, as well as to persons to whom the right to wear silver badges is granted.

(5) To issue Jubilee numbers of the "Centrosoyus" periodical for the Jubilee (25th Anniversary) Congress of the delegates of the Centrosoyus, by which the congratulatory speeches of the various delegations and visitors shall be heard and the Labor heroes honored, each of whom will be presented with a silver watch. As Labor heroes, are considered those workers who have completed not less than ten years' service with the Centrosoyus, as well as to persons to whom the right to wear silver badges is granted.

MADRAS CO-OPERATIVE NEWS

The Madras Provincial Co-operative Union has undertaken a very vigorous propaganda from the last week of September, 1923, with a view to instil into the city societies and co-operators the value of Co-operation in the building up of national life. Mr. K. G. Siva Swami, the joint secretary of the Provincial Co-operative Union, has undertaken to educate the most working classes in the city, to organize themselves into co-operative bodies for raising credit, and distributing articles of consumption. For the information of the co-operators, it deserves mention that the number of co-operative societies in the presidency of Madras is more than 8,000. It also deserves mention that Co-operation stands on official legs in the presidency, and the spirit of self-help, mutual supervision and closer federation with a view to build the movement on the internal strength of co-operators is the primary work in this part of the world. It is
mainly with the object of educating the societies to a sense of responsibility and understanding, that they should identify themselves with the growth and development of the Madras Provincial Co-operative Union which is the existing non-official federation of societies, that the propaganda has been mainly undertaken. This is the season of district conferences in this presidency and three district conferences have been already held during the last three months at Guntur, Nellore and South Arcot. A Conference Committee has been formed for the Madras City, the Presidency Town, to hold District Conference in the last week of October with a view to mobilize public enthusiasm for the organized co-operative movement of Madras during the coming Christmas, where delegations will assemble from all parts of the presidency which extends over an area of 142,000 square miles with a population of 42,000,000 inhabitants.

NEWS AND COMMENT

CO-OPERATIVE TRAINING SCHOOL IN THE FINNISH LANGUAGE

"My favorite slogan will be from now on: 'We shall succeed just as soon as we turn out enough co-operators to serve the movement.'" — H. V. Nurmi

The fifth Co-operative School held in the Finnish language by the Co-operative Central Exchange opened at Superior on the 15th of October and continued until the 24th of November. Thirty-four students attended the school for the first five weeks and several managers and bookkeepers came for "post graduation." The director of the school reports that this year the students attending were younger than ever, the average age being 27.9 years. Fourteen of the 24 students were from Minnesota, 12 from Wisconsin, 5 from Michigan, 2 from Illinois, and 1 from Massachusetts. Twenty-one were married and 13 unmarried. Nineteen were born in Finland, 18 in the United States, while 11 are still citizens of Finland and 23 of the United States. Two or three of them had taken only a few courses in the elementary public schools whereas others have been through high school and have even had normal school training. Twenty have already served cooperative stores in some capacity, and eight have served as directors of co-operative stores. As for labor affiliations—eight have been members of the I. W. W., 11 of the A. F. of L., or some other trade unions. Twenty-three are or have been affiliated with the Socialist or Workers Party.

Like the Minneapolis School, this one started with an intelligence test devised to determine the intellectual fitness of the men and women for this kind of schooling. H. V. Nurmi's course in bookkeeping was the largest of the classes; 120 periods of 50 minutes each. George Halonen, who taught Principles, Theory and Methods, History and General Labor Movement had 44 periods of the same length for his class. P. E. Rehn had 34 periods for a discussion of Co-operative Store Management. Matt Tenhumen had 12 periods for Organization and Administration of Co-operative Stores. These courses were given during the first five weeks; and the sixth week was given over to general review, to closing and opening books (in the same length for his class) and to preparing statements, taking examinations, etc. An attempt was made this year also to give some instruction in filing income tax reports. Eskel Remo, Manager of the Exchange, gave a lecture on the importance of buying from the co-operative wholesale rather than from the private wholesales.

H. V. Nurmi, Acting Director of the School, writes: "The students are all working very earnestly, and they are exceedingly enthusiastic about the future of the co-operative movement. Greet the Co-operators of The Co-operative League from us—the students and the instructors of our school. We are living in great hopes about the future of our movement."

A. F. OF L. CONVENTION AD VISES CO-OPERATIVE INSURANCE

The recent Convention of the American Federation of Labor held in Portland, Oregon, reaffirmed its support of the Rochdale Co-operative Movement and urged particularly the formation of insurance co-operative societies for the workers and farmers. The part of this resolution dealing with insurance is as follows:

"Next to our trade unions one of the most simple and effective means we have in hand of saving much of this waste for the consumer as well as the producer is the co-operative movement.

"Through the simple Rochdale co-operative system billions of dollars that now go to further enrich the idle few and the enormous army that make up the unnecessary selling power and force would go to the producers and consumers."

The insurance business is some indication of what co-operation can do. In the life insurance companies there is roundly over a dozen years. Within a couple of months of this has been the Knife Falls Co-operative Association, also running a store. Invariably there was some competition between the two, for both stores sold the same kinds of goods, both were largely Finnish in membership.

During the summer of 1923 the membership of both co-operative associations voted to the two concerns and call the new association the Cloquet Co-operative Society. A large celebration was held in honor of the union of these two groups in the middle of October. By the end of the year the complete merger will be effected.

The older of these two societies was one of the founders of the Finnish Wholesale, the Co-operative Central Exchange. It has been a member not only of this, but also of the Northern States Co-operative League. The new society will have a membership of 24 and the two stores do a monthly business of about $50,000—probably the largest retail store business done by any co-operative in that part of the country.

Co-operators associated with the Exchange and with the Northern States Co-operative League will watch with interest the progress of this newly consolidated co-operative association under the management of P. Kokkonen. And they will continue to congratulate the membership on their freedom from local prejudice and provincialism which has made possible this magnificent experiment in co-operative merchandising.
CO-OPERATION

WONDERFUL EDUCATIONAL PROGRAM IN UTICA

The Utica Co-operative Society of Utica, N. Y., is now nearly ten years old, but it has not become old-fashioned and conservative as some of the other well-established co-operatives in the country have. The business continues to grow, as is shown by the weekly sales of 10,000 loaves of "Co-op Bread."

But it is the daring faith in aggressive educational work displayed by this group of co-operators that should be of interest to other co-operatives in all parts of the country. Many co-operatives about the size of Utica's are spending a few score dollars each year to publish leaflets for distribution or to subscribe for the Home Co-operator. But these folks in Central New York are setting apace which very few in this country will follow.

First, they are subscribing for one year for the magazine CO-OPERATION for 252 of their members (those who read English and who are not dual members within the same family). For more than a year they have been taking the Associate Magazine and editing the front page themselves; but they have now decided that, more expensive as it is, they prefer to give these people the larger view of the Co-operative Movement which only the national magazine can bring them.

Second, they have employed Miss Zellman, who has been taking the Associate Magazine and editing the front page for herself; but they have now decided that, more expensive as it is, they prefer to give these people the larger view of the Co-operative Movement which only the national magazine can bring them.

Students Give Co-operative Course

In a recent issue of CO-OPERATION (June, 1923), we reported the organization of a self-governing co-operative group of students in the New School for Social Research in New York. The first fruit of this co-operative organization is reported in the following letter, which we reprint from The Nation.

"Readers will undoubtedly be interested to learn of the new and significant role that the students of the New School for Social Research—an institution for adult education—have assumed in the work of education. With the sanction of the board of directors and the faculty they have arranged through their organization, the Students' Co-operative Association, for a co-operative 20th Century Thought to be given by Morris Cohen, Professor of Philosophy in the City College of New York at the New School this fall. In every respect the giving of this course represents a co-operative movement. The whole responsibility—arranging the course, choosing the instructor, securing the students, and paying the costs—is theirs.

This students' course will be supplementary to the regular schedule offered by the school itself. The students' movement at the New School has arisen out of the idea held by the students and faculty alike that if education is to be a living and creative force in the lives of men and women it must first become the common business and vital concern of both student and instructor.

The first step in giving this idea embodiment was, obviously, the formation of a student organization. This was accomplished several months ago with the indefatigable perseverance of bringing the students into intimate contact with their subject, instructor, and school activity and also of giving them a voice in the management of their own affairs.

"How far such a work will advance depends entirely on our ability to extend the membership of the school among such men and women as are alert to the advantages of the opportunity afforded by the New School. Any reader who is interested is asked to send his name to the secretary of the Students' Co-operative Association of the New School, 465 West 23rd Street, New York, who will mail him the necessary literature.

John Ray
Chairman of the Students’ Co-operative Assn.”

CO-OPERATION BOOMING AT BLOOMINGTON

Bloomington, Illinois, has stood up among the very best societies in that state for several years and now stands with the Class A societies in the United States. The financial statement for the first half of 1923, abbreviated to save space, reads as follows:

<table>
<thead>
<tr>
<th>Assets</th>
<th>Current assets $33,375.58</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fixed (equip., real estate and buildings) 44,673.90</td>
<td></td>
</tr>
<tr>
<td>Liabilities</td>
<td>Accounts payable and interest $4,695.40</td>
</tr>
<tr>
<td></td>
<td>Mortgages and notes payable 25,000.00</td>
</tr>
<tr>
<td></td>
<td>Loan capital and interest 11,968.58</td>
</tr>
<tr>
<td></td>
<td>Share capital and interest 10,288.03</td>
</tr>
<tr>
<td></td>
<td>Reserve fund 12,288.61</td>
</tr>
<tr>
<td></td>
<td>Net profit, Jan. 1 to July 31 5,167.76</td>
</tr>
</tbody>
</table>

INSURANCE PROFITS

An example of the enormous profits in the insurance business, which may be eliminated through co-operative insurance, is offered by the Continental Insurance Co. of New York. It is announced that the company made a clear profit of $5,092,027 last year, and that surplus at the end of the year was more than $12,000,000. From the time of its organization in 1853 up to December 31, 1921, this company paid $55,414,357 in cash dividends, and $8,000,000 in stock dividends, to its stockholders.

It is gratifying to note that a substantial beginning has been made in this country by co-operative insurance societies. At the present time about $77,000,000,000 worth of fire insurance is written by co-operative societies, operating mainly among the farmers. These societies aim to give insurance service on a non-profit basis.

The profits exacted by private companies in the insurance business in the United States call for the organization of more co-operative insurance companies.
SECOND ANNUAL CONVENTION OF NORTHERN STATES LEAGUE

On the 14th and 15th of October delegates from the societies affiliated with the Northern States Co-operative League met at Superior to celebrate the second birthday of that educational association and to transact the business of the Second Convention. Mr. F. Burant, Chairman of the Executive Board, presided, introducing Easel Ronn, Manager of the Co-operative Central Exchange, who extended greetings to the delegates in behalf of the Exchange in whose hall the Convention was held. Cedrie Long presented greetings from The Co-operative League of the U. S. A. A telegram of greetings came from Severi Alanne, Executive Secretary of the N. S. League, who was in New York.

Twenty-nine regular delegates were present representing the Franklin Creamery of Minneapolis, the Co-operative Central Exchange, Union Consumers' Co-operative of Duluth, and societies from Cloquet, Wentworth, Cromwell, Two Harbors, Glenwood City, Spooner, and Hancock. Cedrie Long and David Fryer were seated as delegates from The Co-operative League. Ole Ogg was fraternal delegate from Minneapolis, Wing, N. D., and Mr. Munkeby from the Duluth Central Trades and Labor Council and the Minnesota State Federation of Labor.

After three-minute talks by delegates from each society, which opened up the meeting for a better understanding and acquaintance between the delegates, the Convention met to business. The Treasurer, H. V. Nurmi, presented his report for the past year and a budget was presented for the year ahead. Then the subject of the Training School in Minneapolis was up for discussion and proved to be the most interesting matter that the Convention dealt with. The feeling that the school had been a surprising success was universal, and considerable time was given to discussing the possibilities for next year. It is hoped that the School in 1924 may be held for six or even eight weeks instead of five, and it is certain that a much larger enrollment may be expected, and more financial support received from co-operative societies.

The comments on the work of this school were interesting. E. Ronn, Manager of the Co-operative Central Exchange, testified that the Wholesale had finally come to the conclusion that the best and most reliable managers in the stores throughout that territory were men graduated from the Finnish schools conducted for the past five years, and that the old-fashioned type of co-operative manager was not measuring up to his responsibilities. C. M. Magnusson, who was one of the students at the School, expressed it as his belief that in those five weeks of intensive study the men and women had learned more than they could have got in six months of study at any of the regular labor schools. M. Peterson, another student, said it was possible to go before the labor organizations of the city and the state and arouse a tremendous amount of interest in such co-operative education, getting members for the Northern States League and help for the School.

Several other matters of importance were discussed. Support for Co-operation and the founding of a Northern States Co-operative paper were strongly urged by different delegates. Each society was urged to appoint an agent for the national magazine.

The Committee on Legislation reported drastic revision of the co-operative law of Minnesota, due to the activity of the co-operators during the past year.

After the afternoon session of the first day, the Directors of the Co-operative Central Exchange tendered a banquet to the delegates and provided music, and the affair lasted until nearly 8 o'clock, there were so many short addresses and anecdotal talks to be given by delegates and friends of N. S. League.

The evening meeting was given over to a discussion of the possibilities of co-operative banking in the district, of the relation of co-operative marketing to the consumers' movement, of wholesaling and jobbing, and of other matters of general importance. The following morning the discussion covered such matters as Co-operative Housing and Building, Sandal Wring Co-operation by Labor Organizations, etc. Committees were appointed on all these subjects.

Amendment to the League constitution was suggested and will be referred to societies for payment of five cents per capita to The Co-operative League of the U. S. A. instead of the four cents and a fraction which was paid this year. Delegates suggested that the School next year be held later in the autumn to accommodate the societies in rural districts where harvesting made it impossible for employees of the stores or farmers to leave their communities in September and October.

The report of S. Alanne, Executive Secretary, on the work of the past year was late in arriving. This report contained a detailed statement of the activities of the School in Minneapolis. The Secretary also reported that during his travels he had obtained more than fifty subscriptions for Co-operation, had sold fourteen copies of the Report of the Third Congress and nineteen copies of Dr. Warbasse's "Co-operative Democracy," and had induced two or three societies to subscribe for the Home Co-operator for their membership. New societies affiliating with the N. S. League during the year were Two Harbors, Cromwell (all of Minnesota), and Spooner, Wis.

Directors elected for the ensuing year were S. Alanne, P. P. DeMore, John Scholtes, Mrs. Edw. Sodelm, H. V. Nurmi, M. Peterson, E. Ronn, with F. Burant and O. Ogg as alternates. The auditors elected were K. A. Nurmi of the Central Exchange and Messrs. Rudd and Clarke of the Franklin Creamery.

MEETING OF EXECUTIVE BOARD OF NORTHERN STATES LEAGUE

The Executive Board of the Northern States Co-operative League is composed of the five officers of the Board of Directors of the League, elected at the meeting of the Board of October 15th. These are F. P. DeMore, President; H. V. Nurmi, Vice-President; S. Alanne, Secretary; John Scholtes, Assistant Secretary; and S. A. Sahlman, Treasurer. The first meeting of this Executive Board was held October 30th at Duluth.

Battle Creek Co-operative Society had written applying for assistance in procuring a manager for their store, made necessary by the resignation of W. J. Rogers, who is suffering from ill health brought on by overwork in the cause of the Society. The Board discussed the matter thoroughly and decided to get further particulars regarding the situation at Battle Creek.

Communications had also been received from Milwaukee asking about procuring the services of the League auditor. H. V. Nurmi expressed the opinion that it would be absolutely impossible for the auditing staff of the Exchange to take care of this work now before the close of the busy season.

New societies admitted into the League had been Wright and Cromwell, Minn. The Duluth Trades and Labor Assembly was admitted as a fraternal member. New individual members were admitted from Minneapolis, Wing, N. D., and Superior, Wis. The President and the Assistant Secretary had just filled an engagement to speak at Two Harbors before the membership of the Farmers' and Workers' Co-operative Company.

One of the most gratifying reports was that of the new Treasurer, who reported that nearly $800 had been turned over to him by the previous Treasurer. Thus, in spite of the heavy drain upon the League's treasury during this past year (the School alone costing about $1,000), there was a very substantial balance to which to start the new work.
CO-OPERATION

THE CORRESPONDENCE FILE

RUSSIA AGAIN

I do not agree with your “concession” on the front page of September’s issue that Lenin is the irrepressible statesman who has come forward since the Great War. Why not Mussolini?

I am afraid that your conception of Lenin is influenced by the fact that he looks “still” (as you put it) upon our movement as a factor of internal or international strife instead of as a force of the revolution.

Two years ago I read an article by him on Co-operation which was quoted by T. H. Blaikie, of the A. F. of L., who spoke of it as a form of “state capitalism.” The Fascist idea has become converted since, has it? Well, so had my conception of Lenin before he died; but we do not think of him as a great statesman for all that.

Why Mussolini? Well, compare the two. Lenin has not succeeded in carrying out in one single, solitary instance any of his promises—those promises on which he and his party rode to power. His greatest achievement has been to show that the famous King of France: “Who marched with his ten thousand men up the hill and down again.”

Yes, but again, why Mussolini? Well, Mussolini has succeeded in what he set out to do. He stopped, for instance, the insane throwing away of public money in idleness, in inefficiency and in irresponsibility. The Fascistic idea assassinated a lot of “co-operative” enterprises; you talk about that; but you ought to have made it clear also that these enterprises smashed were not of the non-political Rochdale type, but part of a movement being used largely for political purposes and themselves using public means to obtain grants and subsidies from the state.

Yes, but why Mussolini? Well, of course, I only brought him in to compare with Lenin: I have no use for either tyrant. But it is no good merely frothing at the mouth over Mus
dolino. Yes, I agree from a public point of view the Liberta
can work together in practice when they are both sincere co-operators. But you must either keep politics out altogether or let both sides in.

The Russian Soviet Republic, as you say, must, you argue, support the organization the Labour Communist League. This is a force in the world, but it is essential to realize that it is not a force that can be made to do anything in the world. It has to be an over-riding force in the country in order to influence public opinion, and it has to have an influence on the economic life of the country. It has to be a force in the country in order to influence public opinion.

Those desiring the Index for Co-operat
e of the year 1923 may procure a copy by writing to The Co-operative League.
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167 West 12th Street, New York

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