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## 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.

**VITAL ISSUES**

**GREETINGS—1924**

At this beginning of the New Year we greet the loyal Co-operators, who have held aloft the banner of our cause, with renewed hopes and strengthened purpose.

The past year has been one of uncertainties. The old order of things has brought unnecessary suffering and oppression to countless innocent people. Its inefficiency and injustices have caused disorder and wrung with pain the hearts of multitudes.

Europe is suffering from a peace, brought upon it by diplomats, statesmen, and warriors, more terrible and more devastating than war. The profit-system and the governments which it dominates are tottering and far advanced in decay. In the presence of these conditions, the Co-operative Movement goes steadily on, erecting new structures, rescuing fallen communities, restoring the shattered machinery of distribution, and building its bridges between the hopeless past and the hopeful future. It summons to its fellowship all who seek a way of life that is free from injustice and contention.

In every country of the world Co-operation has made progress during 1923. Where financial crises exist and where unemployment is rife it has protected the people from the forces that would prey upon them. And in all lands it has carried on education to strengthen the foundations of understanding upon which Co-operation rests.

In our own country, the Co-operators are building solidly and laying deep foundations. Educational work has been promoted as never before. Courses in Co-operation have been given in a large number of schools and colleges, special schools have conducted co-operative instruction, and two training schools for the education of co-operative executives have conducted signally successful courses and graduated students unusually well prepared to administer co-operative undertakings.

The understanding of Co-operation has been widely extended. Spurious, fraudulent, and fanciful schemes have lost much of the advantage of the old order of things as they totter on the verge of destruction. Their collapse leaves the field clear for the Co-operative Movement.

All of this progress is due to the faithful, steady, and consistent work of the loyal Co-operators who keep their hands to the task and their eyes upon the goal. Greetings to them and good wishes for the New Year! May courage, strength, and support be theirs. May they be ever conscious of the significance of the good they are doing, and ever conscious of the significance of the good to mankind of the structure they are building.
only contented that those who come after them shall see the great results and reap the full ripened fruit of their labors.

The year 1924 we greet with renewed hopes and firm resolves to go on—ever on toward the great victory.

PATRIOTISM AND PLUNDER

Mr. Frank A. Vanderlip says: "I am getting an obsession against this word patriotism.

Other big industrialists also who are beginning to see what forty different definitions of that word are, say that the other countries are beginning to see what forty different words patriotism.

MR. GOMPERS FOR INDUSTRIAL DEMOCRACY

President Gompers of the A. F. of L. has issued a statement in which he asserts that this country must either have state socialism or industrial democracy.

By industrial democracy he means a government controlled by the industries of the country. Mr. Gompers advocates a representative industrial democracy, in which the legislation is determined by the interests, not by the politicians, but by the people who have the vote.

CO-OPERATION

CO-OPERATION

The high salaried technical expert as admin-istrator

In the United States we have two theories regarding the administration of cooperative business; and they differ sharply. Each theory has ardent champions among the co-op operators themselves. These are the two opposing viewpoints briefly stated:

1. "We are interested in starting a store (or bakery, housing association, milk business, or restaurant) and we intend to get the best technical expert that the business world has to offer (provided we can pay the price) to administer the enterprise. Co-operative societies who have this common fear of Big Business have repeatedly fallen into the super-ior efficiency of Big Business. Co-opera-tion needs the same superlative business management that Private Business has, and we shall not hesitate to take over the latter's best administrators when we can get them."

2. "One of the primary functions, probably the primary function of Co-operation, is to free the run of men and women to administer their own business affairs themselves. If we buy up the superlatively efficient managers of Private Business to do this for us, we have perhaps achieved a smoothly running business machine, good returns (profits), all that the world of private profit calls Success; but we have bar-tered away the immediate control over our affairs that makes Co-operation important in our eyes. We have the body and form of Co-operation and have lost the spirit. We do make many mistakes, and do not spend much in time and money to train our own administrators, men and women of our own group. But the joy of life for us is in the mutual effort, the com-mon struggle, rather than in the mate-rial rewards of effort. We shall leave it to others to secure their experts from the world of private business who shall carry them painlessly to security and comfort; and if they wish, let them call that 'Co-operation.'"

True, these are the more extreme statements of each position. Or-sions a co-operative has taken over from the profit world the manager of unusual abili-ty and found he had more of the co-operative spirit and understanding than the membership and the Board of Directors. And on other occasions the working people have picked from their own group an administrator of amazing executive ability latent within him. Nevertheless, this disagreement does ex-ist between the most sincere and enthu-siastic of co-operators in America. And we often hear those of one school condemn harshly those of the other.
Co-operators who lay special emphasis upon administrative efficiency are not numerous yet. We wish there were many more of them. Yet, we ask them, is there not danger of putting too exclusive an emphasis upon this point? Is there not a good deal to be said for the first purposes of Co-operation is to train ordinary men and women to gain a more complete control over their own affairs? Is there not a good deal to be said for the policy of the society? There are now a whole lot of co-operative purchases of land. I have been connected with three at Stelton, one at Berkeley Heights, one at Freedom Hill, one at Meyersville and at Chatham, in New Jersey—all successful, but not one of them was conducted in the interest of the Co-operative principle. The formation of settlements is the easiest way to introduce co-operative enterprise, especially of those that aim at “greater personal and economic freedom than under conventional forms of government,” by simple release from the power of the landowner.

Civilization is the capacity for cooperation. Co-operation, of course, begins with the first act of trading among men, which is itself significant, because man is a trading animal. He pays more than his share of the cost. He pays more than his share of the taxing authorities. The middleman, who gambles in the products, has his property in the form of stocks and bonds, the income from which can be hidden from the tax gatherer. Furthermore, high taxes and high wages mean high costs of farm production and reduction of the farmer’s profits. But high costs to the middleman can easily be passed on to the consumer at a price fixed by the middleman. The farmer does not fix the price of his produce.

The farmers who are thinking about this know that they have got to bear more than their share of the taxation, no matter whether it is for battleships or for farmers’ subsidies. For this reason they should be the class that opposes every sort of “governmental work.” Unless the farmers, and everybody else for that matter, turn to Co-operation as the means of doing things, they will grow. The people who bear the chief burden of the taxes will continue to be those who perform the useful productive work. Still the fiction that the rich pay the taxes is kept alive; and the workers are everywhere seen chuckling with glee whenever a big piece of work “for the people” is undertaken by the Government. They would laugh less joyously if they knew that they were paying the bill.

Except on the land, there is no such thing as direct taxation; all other tax is indirect, and the man who finally pays is the one who is punished for it. But when the taxgatherer knocks at the farmer’s door the farmer pays; he pays or quits the farm.

J. P. W.
CO-OPERATIVE REBATES

Recently the leaders in two of the country’s large and well-known co-operatives have asked The League for a statement on the subject of Dividends or Rebates to Members. This is a highly important subject, and lack of understanding of its fundamentals has been responsible for the difficulties that many societies have encountered. Directors might solve many of their problems of Finance, of Loyalty among the members, of Dividend Policy, if they were straightened out.

The answer sent by The Co-operative League was this:

"Dear Sir:

There are two distinct and different approaches to the consideration of the whole question of co-operative financing. The one that is most desirable and practical is the one that will offer the best service to the whole membership the best is it for the members; the second is to return part of the surplus to the members in the form of dividends. The matter should be discussed at the members' meetings. The members should decide whether they want the cash dividends or retain the surplus as savings. The matter should be discussed at the members' meetings. The members should decide whether they want the cash dividends or retain the surplus as savings. The advantage of this is that the surplus can be used to provide for all of their members out of the common savings.

CO-OPERATION

"The question was whether to issue shares of stock to the members to the amount of this surplus, in proportion to their patronage during the time it was accumulated. The articles of incorporation set a limit to the amount of stock owned, and many of the members already had the limit. These were the very men, in most cases, who would get the biggest stock dividend. Of course, the chance of incorporating the whole membership had to be provided for, if it could be done.

"I had to leave before the meeting was over, and have not heard what the decision was. I told them they should leave the surplus as surplus and forget about it. They didn’t seem to take much stock in what I said. But wasn’t that the right advice? If they issue stock for this surplus they must hereafter pay interest on it. And if the association makes losses they will have a deficit, with no surplus to meet it.

"Aren’t we too meticulous in this country about trying to determine what exact fractional part of a co-operative association belongs to each member? Don’t we need a great deal more of the quality you might call social-mindedness? I fear that some of our associations are going to dwindle because of applying capitalistic ideas to co-operative financing. The whole question of co-operative financing needs to be discussed a great deal more than it has been. If it is not too much of an imposition upon your time, may I have your opinion on the questions raised in this letter?

"Very cordially yours,

[Signature]"

The general practice among successful societies is to return part of the surplus to the members in the form of dividends. The matter should be discussed at the members' meetings. The members should decide whether they want the cash dividends or retain the surplus as savings.

"On the other hand, there are many societies that are accumulating surplus and that pay no savings-retuns to the members. We have a number of such societies in the United States and among the Finns. The Belgians and the Canadians have done this, also. But wasn’t that the right advice? If the society needs the money, then it had better keep it in its treasury as a common fund without any strings to it. Alternatively, it might solve its problems of Finance, of Loyalty among the members, of Dividend Policy, if it were straightened out in this way.

"The whole question of co-operative financing needs to be discussed a great deal more than it has been. If it is not too much of an imposition upon your time, may I have your opinion on the questions raised in this letter?

"Very cordially yours,

[Signature]"

The European societies are aiming more and more toward doing social things for their members. Life insurance, accident insurance, unemployment, medical and nursing care, recreation, amusement, music, literature, and art—these are some of the things societies are providing for all of their members out of the common savings. The average society performs service for a member between these two uses of surplus varies. Associations of "green-horns" in the United States, and in other countries also, for that matter, pay back a savings-return as soon and as large as possible. Later, when they have established their success and gotten some education, they turn to the social uses.

In Great Britain the average society just divides the surplus equally among the members. In that country about half of the surplus for the common good of the society. The current market rate, he pays more than the amount of this surplus, in proportion to their patronage during the time it was accumulated. The surplus is provided for social purposes, or take it back as savings-

"The view may be taken that the surplus-savings has not much to recommend it. The issuing of stock to the members instead of giving them cash savings-retuns has not much to recommend it. If the society needs the money, then it had better keep it in its treasury as a common fund without any strings to it. Non-interest-bearing stock (non-dividend-bearing) and rights to have stock. On the other hand, this surplus does belong to the individuals who created it, and if the majority of the members think that they should have it, that is a good reason why they should have it, that is a good reason why
they should have it. Only a larger social interest in Co-operation can make them think differently.

"Of course, the best thing to do with money is to spend it, to buy life in great abundance, but socially administered money can usually be better spent and made to purchase more life than is the case when the individual is turned loose with the cash in his hand. That is the thesis that Co-operation should prove. Our societies should be so well organized and so efficiently administered that the individuals will be best served by the largest use of their united capital and man power.

"Faithfully yours,"

LYNN CO-OPERATIVE BAKERY BUYS NEW BUILDING
By Meyer Goldberg

A new home for the Workingmen’s Co-operative Bakery of Lynn, Massachusetts, now appears to have become a reality. Three years’ existence has shown the need of a shop and bakery to be owned as well as operated by the co-operative. Money can be saved by cutting rent charges. More space can be provided for ovens and machinery to take care of the increasing demand for co-operative products. Above all, the satisfaction of the yearning for a home for the co-operative pushed the directors of this bakery to this step.

At a cost of thirty-eight thousand dollars, a property containing a block of five stores and several other buildings, and a large plot of land has been acquired. From its present small store and single oven, the bakery expects to occupy two of the five stores in the new block and to build a row of three ovens in the rear. The facilities for baking and delivering are to be so enlarged as to put out products sufficient to supply the entire Jewish population.

Architects are now drawing up plans for the alterations. These plans are to call for one of the most up-to-date bakery establishments to be found in the section. Fixtures and machinery are to be of the latest, with every regard for sanitation and efficiency. Bakery and shop are to be housed in walls of enamelled brick, with tile and concrete floor, germ-proof and dust-proof. Shining white, it will spell the true spirit of the co-operative.

Of even more interest are the plans in regard to the additions to be made when the co-operative has been able to absorb the drain of the initial payments on the purchase. On the foundation of the store block the Lynn people are to raise another story and equip this with auditorium and meeting halls as the center of the fraternal and radical Jewish organization activities of the city.

To the Co-operative Movement, modest and unassuming, yet growing more and more powerful and drawing to itself the faith and support of the people, will be due this landmark. With the Co-operative Bakery will arise the Co-operative Center of Lynn.

FOREIGN

CO-OPERATION ON THE SCREEN!

Are Charlie, and Mary, and Duggie invisible on the screen? The answer is not in the affirmative, according to Finnish co-operators.

"K. K.", or the New Union in Finland, has arranged a film to be taken of the "Elanto" Society in Helsingfors, claiming to be the largest distributive

the buzzing life in some of the cafes and restaurants, belonging to the society.

No less than 23,000 members of the Elanto Society saw the film in Helsingfors alone, where twenty-five performances were given and the film is now being shown in Sweden, whilst another copy of the same film is circulating among the Progressive societies in the home country, giving their members an idea as to how the work is carried out by a model society.

TECHNICAL UNION ORGANIZATIONS

The film which, by the way, was shown at the Annual Congress of the New Technicians Union in June last, pictures the activities of Elanto’s various productive establishments, shewing the interior and exterior of numerous stores, as well as the expenses of the workers in the plants of the Co-operative Wholesale Society, and of the Co-operative organizations and their employees’ unions. This consisted of eight members, four from the Trade Union Congress and four from the Co-operative Congress. A set of rules were agreed upon which should determine the functions of the Joint Committee.

The trouble started in August and
HINDUS CO-OPERATE TO FIGHT DISEASE

From far-off India comes the news that many co-operative societies are springing up in Bengal for the purpose of fighting malaria.

Under the leadership of Dr. G. C. Chatterjea, Secretary of the Central Co-operative Anti-Malarial Society, a study was made of scientific preventive measures, as well as of remedial treatment. Already thirty-one anti-malarial societies have been organized in various communities. The members contribute a monthly subscription which enables many of the societies to maintain dispensers and physicians. All societies either pay laborers or obtain volunteers to spread kerosene over stagnant water, clearing the jungles and filling up the pools in the rainy season. A thorough survey is made of the town. The area is mapped out, the work is allotted, and thorough systematic work is carried on to stamp out the disease.

So far the results have been very gratifying. The Pannibatty Society induced its members to keep a record of the number and kind of fever suffered by its members. The latest reports indicate that there has been a decline in fever by 50 per cent, over the rate last year.

The Central Anti-Malarial Society was incorporated in July, 1919, for the purpose of organizing and financing rural societies of this type, to purchase wholesale the drugs and other necessary commodities for them, and to provide advice and supervision. The by-laws of the society limit dividends on shares to not more than 6 per cent. Actually no dividend has been paid, the surplus being used for an improvised store, bought a small supply of merchandise and opened up for business.

This little store down on the edge of town and quite out of the line of travel was the laughing stock of all the business men. Instead of trying to support the elaborate store in the center of town and the warehouse down by the railroad tracks, they borrowed $1,800, purchased the warehouse only, screened off one end of it, and put tanks in it for clear pools. A thorough systematic work is carried on to stamp out the disease.

OUT OF A MUFFIN TIN

Spooner, Wisconsin, had a branch store of the ill-famed American Co-operative Association of Milwaukee. During the death throes of that organization in 1921, the final meetings were held just before the collapse, a small band of men were circulating the hall among the members agitating for the formation of a genuine Rochdale co-operative to be owned and controlled by residents of Spooner. Thus was born, out of the death struggle of its unfortunate predecessor, the Spooner Co-operative Association.

To begin business the new infant had only $998 and two score members. But the members had had experience and from the experience had acquired wisdom. Instead of trying to support the elaborate store in the center of town and the warehouse down by the railroad tracks, they borrowed $1,800, purchased the warehouse only, screened off one end of it, and put tanks in it for clear pools. A thorough systematic work is carried on to stamp out the disease.

The Spooner Co-operative Association is now little more than two years old. But it has some rather remarkable figures to present to co-operators in this country. In the last two years the farmers and occasionally marketed some of their crops. Recently a co-operative creamery has been organized in Spooner and the store has turned the cream business over to them. Such commodities as potatoes are sold at such an尽可能 by the store manager.

For more than a year the Spooner Co-operative has been handling coal for its members. At first they had trouble getting the coal, for the big companies would not sell to them; but once they got started and established themselves they found all the companies ready and anxious to sell to them. At present they are buying from three different companies, one of which is the Daleport Coal Corporation which sells the coal mined at the Brotherhood of Locomotive Engineers’ mines in West Virginia. They have a very interesting experience with one of the notorious nonunion mines of West Virginia which refused to sell to them because they found that the store was selling it for a price below that of the private dealers in the town. A letter sent to this company informed them that continuation of this boycott would compel the Co-operative to place the matter in the hands of the Federal Trade Commission got an immediate response in the form of a letter promising to ship all the coal the Co-op wanted!

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That was in 1921. For about two years the store handled cream for the farmers and occasionally marketed some of their crops. Recently a co-operative creamery has been organized in Spooner and the store has turned the cream business over to them. Such commodities as potatoes are sold at such an尽可能 by the store manager.
car arrives to be loaded with potatoes or other members of the farmer-members' products, the manager has only to get in touch with a few of them to muster a volunteer force of laborers that do the job in short order.

Spooner's Co-operative is one of the members of the Northern States Co-operative League and one of which that League can be proud.

**THE CO-OPERATIVE BAKERY IN SYRACUSE**

The Purity Co-operative Bakery Association of Syracuse, N. Y., according to a current letter from one of the members of The League, has moved out of its former dingy quarters into a model building which they built for themselves two years ago at 216 Orange Street. This building cost them $23,000 and involved them financially so that they have had some difficulties since that time, but are doing good business in spite of the handicap. The membership is 300, each member owning at least one $5 share of stock.

The baker receives here $8 above the Union wage, and has the reputation of producing the best bread in town bearing the Union label. During the war the Co-operative was prosecuted for using too much flour in their bread! The manager, W. H. Blank, is an able man.

**CO-OPERATIVES DOING FINE WORK IN WASHINGTON**

The Patrons of Husbandry, better known as The Grange, is nowhere more progressive than in the State of Washington. For several years they have been subsidizing the co-operative movement in their own state and as a result they now have a pretty solid foundation established for a strong movement in the Northwest.

At the present time the Associated Grange Warehouse Company, wholesale for the stores in the state, is doing a business of more than $500,000 annually. On their mailing list are about 90 stores, 65 of which are trading more or less regularly with the Wholesale and about 80 of which have active accounts on the Wholesale's books. Thirty are regularly affiliated.

Last year the pages of CO-OPERATION carried the story of the attempted boycott of the Co-operative Wholesale by the independent manufacturer, the establishment of co-operative brands of soap on the part of the Wholesale. At the present time these two brands, "Pomona" and "Gleaner" (laundry and toilet soaps), are selling at the rate of about 1,000 cases a month. These two brands cover every form of soap needed by the average household, from the finest bath soap to the roughest laundry soap, and the different grades of soap powder.

One man who had much to do with the building up of this institution is A. S. Goss, for several years the manager of the Warehouse and the Master of the State Grange. The state organization of the Grange has put $10,000 into co-operative education during these few years.

At the recent National Congress of the Grange the co-operators were able to pay as contemplated in the proposal of Secretary Hughes, representing the United States government, to the International Co-operative Alliance.

**RESOLUTION ON GERMANY**

Be It Resolved, that the Board of Directors of the Central States Co-operative Wholesale Society, that the communication from the Central Union of German Consumers' Co-operative Societies, signed by their Board of Directors, Heinrich Kaufmann, Hugo Bastlein, August Kaes and Paul Hoffmann, be received. That we express our sympathy with the German Co-operative Movement in this crisis and strongly inure that the proposal of the reparations question made by the German Republic now in power; that we are in accord with their declaration that there should be a readjustment of the reparations question made by competent representatives of the different governments of the civilized nations of the world on the basis of Germany's ability to pay as contemplated in the proposal of Secretary Hughes, representing the United States government, and agreed to by Great Britain, Italy, and other enlightened nations, and that we call on all Co-operators in all of the different countries of the world by every honorable means possible to endeavor to influence their governments to bring about co-operation to the end that industry in Germany and in all of the other European countries, and our own as well, may be brought into a normal condition for the best interests of the peoples of all these countries; and that the awful suffering be remedied at the earliest moment possible; and that a friendlier and more helpful attitude and relationship be established permanently between the peoples of the earth.

Be it further resolved, that this resolution be given to all the Labor Press of the country and that a copy be sent to the President of the United States, the Board of Directors of the Central Union of German Consumers' Co-operative Societies, and the International Co-operative Alliance.

**CENTRAL STATES CO-OPERATIVE WHOLESALE SOCIETY.**

John H. Walker, President.
Robert D. Kelly, Vice-President.
Al. Towers, Secy.-Treas.

Directors:
L. J. Saleh.
Chas. Wensche.
Sam'1 Willis.
G. L. Kennedy.
Wm. Shears.

**FARMINGTON BREAKS ITS OWN RECORDS**

Farmington, Illinois, is a town of only 3,000 population. Yet the co-operative store there, by far the largest in the town, does business every month to the amount of nearly $20,000. The sales for the third quarter of 1923 are as follows:

<table>
<thead>
<tr>
<th>Department</th>
<th>Sales in Quarter</th>
</tr>
</thead>
<tbody>
<tr>
<td>Groceries</td>
<td>$42,112.88</td>
</tr>
<tr>
<td>Dry Goods</td>
<td>10,700.00</td>
</tr>
<tr>
<td>Baskets</td>
<td>6,068.15</td>
</tr>
</tbody>
</table>

Total Sales: $58,881.03

After paying all expenses and making deductions for depreciation, taxes, and interest, the balance remaining to the co-operators was $7,894. This is in addition to the total share capital put into the business by the members ($8,045.06). The members also have loan capital in their society to the amount of $26,291.10.

For a town this size, a co-operative store with total resources of $70,255 must very nearly monopolize the commercial activities of the community. It has in its place of business the best interests of the people of all these co-ops; and that the awful suffering be remedied at the earliest moment possible; and that a friendlier and more
Diego Co-operative Association succeeded in its legal battle to carry on its store independently of the bankrupt Pacific Co-operative League, but its success has been precarious. On June 8th the local co-operators took over their business, which for a time had been taken away from them by the receivership. The first few weeks small losses were incurred. In August the store was “breaking even.” September showed a small net gain, and by the end of October the business was steadily increasing.

The Jubilee program included talks on the Co-operative Movement and lively music. The keynote of the gathering was stated by the little magazine now published by the San Diego co-operators: 

“Let us all turn our faces ahead, forget the past and face the future in a comradely spirit. Let us all set our will of the farmers and believe that these farmers will join the consumers’ organization. They have an option on a building which can be leased. Stock will probably be sold in two classes, common and preferred, the former only to have voting power. Common stock will cost $25 per share. Co-operators in all parts of the country will watch with interest. We will see that the people of Minneapolis are getting better service all around; and it appears as though the farmers of Minnesota were getting more money under this arrangement, also.

WHERE DO THE MILK USERS GET THE BEST SERVICE?

Recently a report has been published of the successful distribution of milk by the organized dairymen of Quincy, Ill., to the consumers of Quincy. Eight retail and three wholesale milk routes are being operated and products sold are milk, butter, buttermilk, cream, and cottage cheese. Milk is being sold at 10 cents a quart, and the farmer is getting 61 percent of the consumer’s dollar. The farmer is getting $2.40 for milk that tests 3.5.

Farmers who have adopted this method of distribution find that the volume of their business has increased and that the milk is being sold at a lower price. The farmers of Quincy have been able to save $129.61 net surplus in the first nine months of 1922, and have also been able to sell their milk at a lower price. The farmers of Quincy have been able to save $129.61 net surplus in the first nine months of 1922, and have also been able to sell their milk at a lower price.

FARMERS’ STORE AT ALEXANDER, N. D.

The Farmers’ Co-operative in the little town of Alexander, North Dakota, recently affiliated with The Co-operative League, began business in April, 1922, and already has built up a good trade among the families of the town and surrounding country. Although there are yet only 39 members and a paid-in capital of hardly $4,000, the sales for the first six months of 1922 were almost $25,000.

The Farmers’ Co-operative in the little town of Alexander, North Dakota, recently affiliated with The Co-operative League, began business in April, 1922, and already has built up a good trade among the families of the town and surrounding country. Although there are yet only 39 members and a paid-in capital of hardly $4,000, the sales for the first six months of 1922 were almost $25,000.

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to combat this organized propaganda that tells thousands of farmers that consumers’ stores are impracticable. The hopeful element in the situation is the small group of stores which still survive and which are making a living demonstration of the practicability of genuine consumers’ co-operation in foods and clothing and the other necessities of rural life.

CONSUMERS CREDIT UNION GROWING

The Consumers Co-operative Credit Union of New York City, although one of the smallest of the 95 that are located in the Metropolitan area, is one of the most progressive. The statement issued by the Treasurer in December shows a paid-up membership of 100, total capital of $5,219, deposits of $592, and loans outstanding of $2,763. For several months now there have been applications for loans that could not be filled and the members are at work getting their friends to join and increase the working capital.

This Credit Union is one of the few co-operative institutions of the kind that has its headquarters in a church other than a Catholic church. Throughout the countries of Europe and in Canada the Catholic priests are frequently the organizers and leaders in the local credit institutions, but Protestant churches have shown scant interest in the subject. The office of this Union is in the Community Church House, 12 Park Ave.

WELLMAN, IOWA

The Farmers’ Co-operative Mercantile Company of Wellman, Iowa, is now five years old and going stronger than ever. The membership is 100, there are nine employees, and the paid-up capital stock amounts to $92,000. The store is handling dry goods, groceries, flour, feed, coal, notions, and some of the farmers’ produce. This year the sales are upward of $300,000.

The store at Wellman is doing a handsome business, but in the early days bad mistakes were made which have seriously handicapped the co-operators ever since. The first year a trade dividend of 30 per cent was paid out, and the effects of that error are still being felt. Now the directors are much better informed about the manner of running a co-operative store, the members have a chance to realize that a co-operative cannot do superhuman stunts for them, and the future looks brighter. Co-operators who make mistakes and learn thereby are true co-operators. It is those who never learn who are keeping the movement back. Wellman now has the bigger vision and the better training which augurs well for its future. These people have just united with the national movement by joining The League.

THE DIRECTORS’ PAGE
ACCOUNTING SIMPLIFIED

Proper bookkeeping in the local society is one of Co-operation’s most difficult and pressing problems. Books must be kept and kept right or the society is in constant danger. Right book-keeping means complete double-entry records, and the little group of farmers, railroad men or miners are hard put to it to produce such a volunteer worker; and they can’t afford a full time employee for that work alone. Until co-operators can solve this common problem they cannot pretend to be competing effectively with private business.

But co-operative societies acting together can do what they cannot do separately, and they can do it even better perhaps than private business does it. At present consumers’ societies in three sections of the country are finding the solution for this perplexing problem. The Associated Grange Warehouse Company of Seattle, Washington, is a wholesale for about 65 stores, 30 of which are directly affiliated and using the central accounting system of the West Coast. The directors of the stores throughout the state make out on a single sheet a Daily Report showing Cash Disbursements and Cash Receipts, itemsized and of Checks Drawn and of Invoices and Credit Memoranda. A carbon of this is kept by the manager and the original mailed to the office in Seattle, accompanied by all invoices and cash memoranda received during the day. The accounting staff at headquarters keeps a set of books for each society and sends a monthly statement to the Board of Directors of each store. This report contains not only the statement of Assets and Liabilities and an itemized statement of purchases classified according to commodities, but a careful analysis of the month’s expenses. This analysis gives the figures for each item of expense, the percentage for each of these, and the corresponding percentages. For the corresponding months in the previous year, the average for all the stores in the state for the month, and the averages for all the stores for the two preceding years. Appended to this report is a Comparative Statement showing in parallel columns the figures for the current month and the three preceding months for Accounts Receivable, Notes Receivable, Accounts Payable, Inventory, Net Purchases, Expenses and Sales. Incidentally, it is worth noting that the average Expense Percentages for all the stores affiliated with the Grange Warehouse have run as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>Expense Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1921</td>
<td>8.566%</td>
</tr>
<tr>
<td>1922</td>
<td>8.250%</td>
</tr>
<tr>
<td>1923 (Oct.)</td>
<td>9.300%</td>
</tr>
</tbody>
</table>

It is pretty difficult to find any other group of stores that keep expenses so low as that over a period of years. The local store pays for this service a flat rate of $10 per month plus $1.75 for each $1,000 of sales. The local society thus gets the auditing service which is much cheaper and much more efficient than that of the local bookkeeper. But even these are not the greatest advantages gained.

At headquarters, the accountants regularly compare the invoices from different stores, and they have made two discoveries. First, an occasional manager, not a co-operator, and accused of getting his private rake-off, makes an agreement with a salesman from a private wholesale house whereby the invoiced charge for goods is raised and the manager and salesman split 50-50 on the profit. The local directors would have no means of checking this dishonesty, but the central accountants can compare invoices from dozens of stores. Second, there are some managers getting special bargains that other co-operative managers should know about. One store in the northern part of the state was found to be buying egg-crates alone for very low figure. The wholesale transferred its entire egg-crate business to this company and thus saved for most of its stores enough money on egg-crates alone to cover the cost of the central auditing service.

The Co-operative Central Exchange, Superior, Wisconsin, has maintained an auditing service for several years. In 1897, when it was started, at a very low figure. The wholesale transferred its entire egg-crate business to this company and thus saved for most of its stores enough money on egg-crates alone to cover the cost of the central auditing service.

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Just how soon we can do this and just what the nature of the service will be depends very much upon the sentiment, the demand for it among the societies in the eastern states.

THE CORRESPONDENCE FILE

WHAT CO-OPERATIVE BANKING DOES FOR FARMERS

Explanation of the difficulties attending the introduction of co-operative banking in this country compared with its long existence in the different parts of Europe, we ignore the differences in environment, intercommunication, and transmission of intelligence.

This is best illustrated possibly by Raiffeisen’s introduction of co-operative rural credit into the infertile Westerwald after a succession of crop failures, when the majority of the money-lenders led whole communities to consider emigration as suicide. The existence of the co-operative rural credit banks established by Raiffeisen was not known across the nation for many years. It had then transformed the Westerwald into one of the richest and most fertile sections of Germany, and its discouraged and interdependent citizens trudging through a bill of sale, we lost our appeal, upon payment of a stipulated sum. This was done and agreed to by the federal judge.

From June 8th, 1923, the store has been in our possession. When we took it over there was no business at all—it had been ruined by the receiver. June and July we lost nearly $500, but by August the members saw we were in danger and wanted to save the store.

The Co-operative League hopes in the near future to establish one which will be able to handle reports from any state, and to serve the wholesales in Illinois and Wisconsin.

SAN DIEGO KEEPING UP THE WOOL WORK

Those desiring the Index for Co-operation for the year 1923 may procure a copy by writing to The Co-operative League.

STANLEY M. GUE,
San Diego, Calif.
THE CO-OPERATIVE LEAGUE

(Member of The International Co-operative Alliance)

167 West 12th Street, New York

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Albert Sommers, Managing Editor

COOL HEADS IN EUROPE'S CONFLAGRATION

The distress of the working people in Germany is desperate. We are constantly in receipt of communications from the German Co-operators which show the terrible obstacles against which they are struggling alive in connection with the promotion of Co-operation in Scotland.

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VITAL ISSUES

The co-operatives, numbering half of the population of Germany, know the awful truth of the war. They know now that their Kaiser was no better than Lloyd George, Clemenceau or Wilson. He fed them upon the same sort of lies and propaganda that the people of France, England and America swallowed. And they now witness their country invaded by a powerful army, perpetrating atrocities, sneering at them because they will not fight, resorting to every measure to exasperate and humiliate them. Their children are wasting, their aged are starving, their strong are growing weaker day by day. The babies are in vain the empty breasts of hungry mothers.

The German co-operatives know that all of this goes on in a world capable of producing enough food to give everybody abundance. Yet unemployment is rife the world over; hands are idle; commerce is growing stagnant. And meanwhile a million children, born since peace was declared, are dying so that the defunct government of their dead parents can be punished. And the real culprits who made the war and kept it going are feeding themselves fat.

In the face of this dreadful blasphemy of justice the German Co-operators are calm and unresentful. They do not hold the French co-operators guilty. They know that behind it all stands the black and ominous figure of French Big Business, hungry for the coal and iron of
Co-operation

Germany and greedy to be rid of a commercial rival. These patient Co-operators know that the French Government and its diplomats are but the paid agents of Big Business and that the Government is required to control and stifle the minds of the French people with propaganda. Perhaps no people in the world are so ignorant of the real nature of the war now being waged by France against Germany as the French people themselves.

The encouraging sign is that the French Co-operators do not support their government in its invasion of helpless Germany and in its purpose to exterminate the German people. They know the futility of such a policy, and the possibility of the economic disaster which may react upon their own country. At least they possess a common knowledge with their German comrades that neither French nor German, distant Hinde nor Turk, can count his life secure until the principles of justice for which they both become dominant methods of intercourse among men.

J. P. W.

SHALL LOYALTY BE COMPULSORY?

Co-operators generally will agree that the most potent cause for failure is the lack of loyalty within the society. And where disloyalty does not cause actual failure, it does prevent the proper development of the society. Is there any sure cure for this most devastating of all farm cooperatives?

The farmers who are marketing their products collectively say there is a remedy. It is the contract. Under the contract the member of the association is legally bound to deliver all his product (or such major part of it as is specified in the contract) to his own association. He can't deal with private business or the co-operative association will sue him for damages. And the co-operatives have always been upheld in these suits by the courts. Here is a solution for the problem of disloyalty; make loyalty compulsory! Can the consumers' co-operative use compulsion on its members? We know of one very prominent leader in the farmers' marketing movement who says it can and should. He would have every member of the consumers' association sign a contract to buy every cent's worth of his groceries from his own store, or pay a fine! A lot of directors and managers could get rid of countless worries under such a plan. And no need for an educational effort.

“But this theory is in direct conflict with the whole history and theory of the voluntary consumers' co-operative movement,” we say. “There is enough compulsion in the world as it is; what we need is more liberty, more intelligence, more brotherhood. Compulsion destroys all of these.” Does it? Is it an unmixed evil?

There is a lesson for us in this discovery that the farmers have made. They have found a method whereby they free the co-operative of all competition from private business interests. We in the consumers' co-operative with the other co-operatives may attempt to use the contract form of membership in the grocery co-operative or the clothing co-operative or the restaurant co-operative, we can choose those lines of business where competition is slight or absent altogether. Most workers and farmers cannot get small loans without collateral except from loan sharks. The credit union has almost no competitor. Though it would be folly for the rural groups to organize a co-operative mail order house, the power of the Sears, Roebuck, or Montgomery Ward, still there may be a real savings to the farmers through the co-operative grocery store in a small town where efficient groceries have never been introduced and where the advantage of trading in the co-operative store is apparent to all. The profit interests capitalize the selflessness of men and women. The co-operative can do the same—provided it never neglects the more powerful weapon of education.

In our large cities the competing chain store is a constant invitation to our members to be disloyal. But there is one line of business that we can go into and use the contract just as the farmers use it in their marketing. That is housing. And the contract is the year's lease. Once we get the member signed up for the apartment or the house, we know we can count on that income to the association for the rest of the year. There is no reason why we can't do the same with coal, which is a single commodity where orders for the season can be placed at one time. We can do it again perhaps with ice. We imagine that sometime a consumers' co-operative may attempt to use the contract for the year's or the half-year's supply of milk and cream. There are possibilities for a modified contract method in several commodities that are delivered to the home of the member rather than purchased by the member on his shopping trip around town.

To be sure we do not believe that the consumers' co-operative should be too free with the law suit in cases members break such contracts. Compulsion of this kind has little place in our voluntary movement. The contract should be considered more in the nature of a promise, an agreement. And yet the association might occasionally find the necessity for enforcing it in an instance where the member broke his pledge not so much through ignorance or indifference as through actual malice, a desire to injure the organization.

And though we can scarcely use the contract form of membership in the grocery co-operative or the clothing co-operative or the restaurant co-operative, we can choose those lines of business where competition is slight or absent altogether. Most workers and farmers cannot get small loans without collateral except from loan sharks. The credit union has almost no competitor. Though it would be folly for the rural groups to organize a co-operative mail order house, the power of the Sears, Roebuck, or Montgomery Ward, still there may be a real savings to the farmers through the co-operative grocery store in a small town where efficient groceries have never been introduced and where the advantage of trading in the co-operative store is apparent to all. The profit interests capitalize the selflessness of men and women. The co-operative can do the same—provided it never neglects the more powerful weapon of education.

Co-operation for March, 1922, ran an editorial upon the terrible Knickerbocker Theatre collapse at Washington in which 100 people were killed. We quoted the President's pious words about "revolving fates," and suggested that reviving profits had much more to do with the disaster, for the theatre was built not for the safety and happiness of its patrons, but for the profit of mercenary promoters of commercialized recreation.

We now come across a newspaper item which declares that the men indicted for criminal negligence at the time, the architect, building inspectors and fore-
men, have been set free by the court which “failed to find evidence that the
men were guilty of manslaughter”. And the court is quite right. The men are
guilty of nothing worse than doing the job they are paid to do; put up a
building in the shortest possible time, put into it the cheapest materials which
will pass the inspectors, and turn the finished structure over to some amuse-
ment company at the biggest profit to
themselves and their employers. The charge of manslaughter should be
brought against the profit system which sets money above human life. But that
case falls for the decision of a higher
court than the Court of Appeals at
Washington, D. C. That decision will
be made by the common people of the
country when they have acquired an un-
derstanding of the co-operative move-
ment.

C. L.

CONTRIBUTED ARTICLES

THE PEACE PRIZE HUMBUG:
HOW TO HAVE PEACE
By J. P. Warbasse

The Bok peace prize is the greatest piece of fraud that has been put over on the American public since the war-humbug was perpetrated. It is also an
unblushing piece of effrontery to the few
thinking people who call the United
States their country. A wealthy advocate of The League of
Nations offered a prize of $100,000 for the best plan whereby the U. S. might co-operate with other nations to achieve world
peace. A jury was appointed to make the award, six of whom were already committed to the League of
Nations plan. Some 22,164 plans were
sent in. But the prize has been awarded to a contestant who merely advocates the
same old League of Nations which the
voters of the U. S. so overwhelmingly
rejected by the magic talisman in
1920.

During the past four years the world has had ample opportunity to see this
iniquitous product of the Versailles
treaty in operation—or rather fail to
work.

Now, the committee, having made the
award, has sent a referendum broadcast over the country to reach every citizen
asking for his vote of approval or dis-
approval of the plan of the prize winner. They have sent out a ballot with a short
explanation of the plan. The fifty mil-
lion citizens who vote on the strength of
this summary actually will think that
they are voting on the plan for peace, but here again they will be humbugged.

They think they are voting for our join-
ing the World Court, but “the plan” is
for our joining the League created by the
Versailles Treaty. Nor would they be
much better informed if they should
read the whole of “the plan” itself, for
it is much the same as that which Wilson
attempted five years before.

Among the other 22,164 plans were undoubtedly some that contained at least a suggestion as to how to have
peace. This one does not. It looks as though it might have been written by a
fiscal agent of the British Gov-
ernment. It is nothing more or less than
a pretty piece of propaganda to get the
American public unwittingly to support
the League of Nations.

The British Government spent $100,000,000 in propaganda to get the U. S.
into the war. Our entrance into the war was a calamity for the U. S., for the
people of Great Britain, and for Ger-
many. The world would have been bet-
ter off if we had stayed out. Now we are to be propagandized into the World
Court and the League of Nations. And
our entrance will be another calamity
for the whole world. Helping to make
a bad business succeed is not the way to
success.

The Great War was a conflict between the profit-making interests of the great
countries. It was a war of the rich to do with
humanity or the principles of justice.
They lied to us who said it had. The
League of Nations is a natural product of such a wicked war. It is a league of
the victors to preserve the profit-system in
their interest. It has no implications of
world peace; and it never had any. It has no more purpose “to end war”
than had the Great War a purpose “to end war.” The same state of mind
that was deluded by the one is now de-
 hustled by the other.

We are aware that a large proportion of the co-operators of Great Britain and
of France desire that the U. S. shall enter the League of Nations. They are essentially cooperators of the
bankrupt capitalistic economic fabric which is going bad. The U. S., with its great wealth, might stabilize things.
And the very right. The U. S.
might stabilize things. But the way we
money would operate would be to fix
the status quo. If the U. S. “stabil-
ized” Europe it would be by helping to
strengthen the privileged profit-making
system and to fix it upon the people.
Such a function would do more harm
than good. It would only dam back the
current of events which must sweep away the old economic order be-
fore Europe can settle down to peace.

Our European co-operative comrades are taking too seriously the League of
Nations. They have been hoodwinked for one long since discredited. We should
turn our backs upon the trappings of the old order and face toward the fu-
ture. Our country has a past due to prevent
wars. We have the magic talismans in
our hands. Why should we play the old
game with the old gamesters? It avails
nothing.

The essentials for peace are these:
1. Organize the people of each coun-
try into voluntary nonpolitical co-opera-
tive consumers’ societies, to supply their
own needs and ultimately to create a
Co-operative Democracy through which
to control and administer for mutual
service those useful functions now per-
formed by profit-business and by the
political state. Thus should we substi-
tute the service-motive for the profit-
motive in the economic life.
2. Federate the co-operative associa-
tions of each country into a national co-
operative organization. Thirty-eight
countries of the world have done this.
3. Federate the national co-operative
organizations into an international
league of the peoples. This organization
already exists in the International Co-
operative Alliance, which already fed-

erates over thirty countries. It is the
nearest approach to a true League of
Nations in existence.
4. Establish an international economic
organization for international commerce and exchange. This is going forward in the
International Co-operative Whole-
sale and in the International Co-
operative Banking and Insurance
Societies now in process of development. Out of this should grow international exchange for service and elimination of the
international profit-seeking causes of war.

5. Free trade, free and unrestricted
communication, and free and unhamp-
dered intercourse between nations. These
are essential for the promotion of inter-
national friendship and understanding.

In the interest of the development of the conditions that make for peace each
nation should undertake the adoption of the following secondary essentials:
1. No government should declare war
against another until the proposition has
been submitted to the people by refer-
endum and until a majority of the men
and women over eighteen years of age
have voted in favor of the declaration.
2. All who have advocated war should
be drafted first upon the declaration of
war.
3. The people of each nation should
oppose imperialistic conquest of alien
countries. It had nothing to do with
the Great War. No one can point to
any injustice done by any nation in
the war and to set the world in a
scene of peace.

To undo some of the past injustices
of the war and to set the world in a
position to go forward, released from
the clutch of the dead hand of the past,
the following course should be pursued:
1. Cancel all international debts that
were created by the war.
2. Release all countries from the pay-
ment of further indemnities to the
victors.
3. Withdraw all troops from foreign
soil.
4. Permit the peoples in lands and countries which were transferred since the war to determine by free plebiscite to what country they would be attached, or to enjoy autonomous independence.

5. Employ armies and navies for police purposes only.

These, I believe, are the essentials for peace. Not one of them is contained in the prize-winning "plan" accepted by the American committee. And had a single one of these essentials been introduced in a plan it would have been rejected. For behind the back of war are the backers of the League of Nations. The perpetuation of the prevalent system of privilege, profit-making, and imperialism must have the conditions that make for war; and the League of Nations is the best machinery to keep alive, for a little while longer, those conditions.

The pity is that the deluded people should accept a war-making institution as an instrument of peace.

THE CO-OPERATIVE TRAINING SCHOOL

By Sidney Henderson
(Student at the Co-operative Training School, Minneapolis)

The benefits received by the students of the Co-operative Training School at Minneapolis for their five weeks of intensive training are many and varied. I would like to state how I encountered the value of Mr. Alanne's instructions on how to distinguish between real and fake co-operatives; Mr. Clark's and Mr. Nurne's careful teaching of bookkeeping, which gave many a student the necessary minimum of knowledge to begin immediately the keeping of store records, or Mr. Long's and Mr. Solem's practical pointers on the actual management of co-operative stores and industries. This knowledge is essential. In fact, it forms the necessary basis for the less immediately practical but perhaps ultimately more effective influences of the school.

For the school not only sends the students back to their own local co-operatives as more obliging and efficient clerks, better bookkeepers and managers, or more effective exponents of co-operative principles; it also gives them a clearer idea of the fundamental purpose of co-operation and of its relation to other working class movements. It gives them a personal attachment to the movement as a whole. And it gives them not merely the whole distributive process is organized co-operatively.

The students will also be able to show the Trade Unionists and members of Farmers' Marketing Organizations the need for Consumers' Co-operation to supplement their producers' organisations. For the students have learned that exploitation takes place at the point of consumption as well as at the point of production. They see that increased wages or higher prices for farm products mean nothing if the powers that be are allowed to pass this on in the form of higher prices. By organization at both ends of the line the working people can much more rapidly take over the ownership and control of production and distribution. The school stressed the need for a co-operative movement among workers and consumers which the students would hardly get otherwise, help to strengthen the human element in their attitude toward the co-operative movement.

The personal contact and acquaintance of people who came from different sections of the country, and who were interested in different phases of the movement, broadened the feeling of loyalty to the local group to loyalty to the movement at large. The students gained a personal interest in the welfare of the movement, broadened the feeling of loyalty to the movement at large. The students gained a personal interest in the welfare of the movement, to a large extent, in the interests of the consumers.

And the stress which was laid on the element of service, coinciding as it does with the ethical ideals of most of the students, developed a kind of religious devotion to the cause. This, it seems to me, is one of the strongholds of the Co-operative Movement and the teachers did well to emphasize it. They would have been disloyal to the true interests of co-operation if they had not emphasized it. For through the Co-operative Movement undoubtedly has many inherent tendencies toward true democracy, it would nevertheless certainly degenerate into a quarrel between the consumers, if it was not for the ennobling and guiding influence of this spirit of service.

But what has been the effect of the school on the students toward the more immediate and practical problems of Co-operation? Will they insist on the fullest allegiance to co-operative principles, forgetting meanwhile to
be efficient in the business details? Or will they be among those to whom nothing is important which achieves no immediate result? The school greatly helped the students to gain that needed balance between these two extremes. It showed that with a knowledge of co-operative principles and the application of sound business practices were both equally and absolutely essential for success. When the students were left, in no doubt about the necessity of sticking close to true Reddale principles. They saw the need of carrying on a ceaseless educational campaign among the members who came as immediate customers or managers who both understand and are loyal to the co-operative ideal. At the same time they understood that it is useless for co-operators to try to substitute a new economic machine for the old profit-making one unless the new is more efficient. The stress laid on the importance of accurate accounting, low labor cost, high turnover, cash transactions, efficient service to customers, etc., etc., will not soon be forgotten.

Obviously the school could not equip the students with the knowledge necessary to meet all the changing problems which will confront them. It could barely make a beginning. It did make this beginning in fine style, however, as all the students will testify. But what is more important, it developed in them the desire, and in a very real sense the ability, to go on studying. It revived the ability to concentrate which many students had long been dormant for lack of use. It gave them a fair knowledge of the sources of information. It gave them an understanding of the nature of the problems, so that they will be able to pick out important information when they find it.

So beside receiving a very considerable volume of practical wisdom which may be applied immediately, and which will work as immediate results, the students, and through them the whole Co-operative Movement, have received many other very real though less tangible benefits from the school. Such are an understanding of the aim of Co-operation, which will gain much support from the other workers’ movements; an emotional loyalty to the movement; a fine balance between theory and practice, and the assurance that the students will continue as students of Co-operation. Surely the value of these contributions of the school would be difficult to overestimate.

THE FIFTH CO-OPERATIVE COURSE IN FINNISH

By H. V. Nurmi

The Fifth Co-operative Course, promoted by the Co-operative Central Exchange, was begun at Superior, Wis., on October 15th, for a session of six weeks’ duration, including a one-week post graduate course for the co-operative store managers and bookkeepers. Thirty-nine students registered before the course was started, but due to some unaccountable reasons only thirty-four were able to attend, average age being 27.9 years. It is pleasing to note that each year the student group is getting noticeably younger, because if our movement is going to expand like it has during the recent years, we must get the younger generation interested in order to carry on the work effectively.

The following subjects were taught during the regular course: Co-operative principles, theory, methods, history, and the general labor movement; co-operative management and business correspondence; co-operative organization, administration, and bookkeeping; total of 210 class periods of fifty minutes each, or an average of seven hours per day. The main subjects taught the post graduate students were bookkeeping, accounting, and opening of accounts; making out reports and statements, and also filling out income tax returns. Besides, a few hours were allowed for demonstration of mechanical devices used in connection with office work, and accounting. All the students who were attending the regular course remained for the post graduate course also.

Although the student group did not boast of very high preliminary education, their interest in their work seemed to offset this handicap. The writer, who has been teaching these courses since they were first started (1918), has hardly ever seen a more interested class than the recent one. Whatever the students were asked to do, or whatever home work was given to them, they were always willing to respond without any complaint. Such interest cannot be developed in our present institutions of learning. All students seemed fully to appreciate the idea that they had to learn quite a lot during the short period of five or six weeks, and while they were coming to attend these courses with their hard-earned savings, they could not spend their time for useless frolicking, which is very common among the student bodies of our schools and colleges.

The school group also organized a co-operative restaurant among themselves, which was operated very successfully, the weekly board not costing more than $47.22 per person. All students took a hand in managing its affairs as well as helping to serve the meals—and even in washing the dishes in order to help the kitchen force.

Yet they had time for weekly debating classes, where economic problems concerning our movement were discussed along with other problems affecting our co-operatives. In addition the students promoted a social gathering at the local Workers' Hall, the net receipts of which were donated for the advancement of the general labor movement. The co-operatives in and around Superior were very liberal in their support, as between 250 and 300 persons attended the occasion. They all seemed to be satisfied, inasmuch as the program included a play by the students and a concert by the mixed choir, and also speeches and recitations. No doubt, by displaying such an energy and friendliness towards the Superior co-operators they made a great hit; the people there will long remember this enthusiastic crowd of students who were attending the 1923 co-operative course. Let us hope too that it will serve as an inspiration to these friends and fellow co-operators to promote better and bigger co-operative institutions for which Superior is already known.

The thirty-three students who were granted diplomas (one not being able to attend the course regularly on account of the job he was holding did not receive a diploma), averaged 90.2 per cent in all their studies as a class average; 51.5 per cent of the students made a good individual average, from 85 2/3 per cent to 90 2/3 per cent; 33.3 per cent of the students acquired an average from 80 to 85 per cent, which is very satisfactory; only five students, or 15.2 per cent of all attending, received a fair average, from 72 2/3 per cent to 75 1/3 per cent. As a rule the instructors were very careful in grading the students’ work. The marks obtained by the students will indicate that they were putting all their efforts in their studies. The class average is getting noticeably younger, because if the knowledge values, by any chance the majority of the 1923 crew of co-operative “disciples” was more evenly balanced than ever before. We are all living in great hopes that the knowledge gained will carry them away with them to further our American movement.

The graduation exercises held on the afternoon of the close of school were brief. The students invited all the co-operators in Superior to be present. Refreshments were served and the students entertained the gathering with songs and short farewell speeches. The instructors also expressed in a few words their appreciation of the hard work done by the students and the results accomplished. Tears were glistening in the eyes of the students when they went back to their homes. This acquaintance of six weeks had made such good friends of most of them that they felt it very hard to break up that model co-operative family. It is certainly how the same ideals will bind people together—if they are only earnestly working toward the same goal.

The Cost of the Course

The tuition fees collected from the students amounted to $680. Expenses
will be seen from the following: Instructors’ fees, $495; supplies, etc., $284.94; mimeographing, $37.01, and hall rent, $75, total, $866.95. Expenses to be covered from the Co-operative Central Exchange from their Educational Fund.

Among the member societies co-operatives have succeeded without organizing and conducting the affairs of their other co-operative movement we must pay for it. If we wish to have it we must educate the people to run their own co-operative institutions and stand the expense while we are going along, which is the safest and cheapest method to follow. On the other hand, if we let the teachers take advantage of the growing demands of people in co-operative lines, these unscrupulous men will roll up a good number of candidates in their sleeves, and we will dearly pay for not having co-operation. We need not hesitate in stating that if 5 per cent of the total amount of money lost by our well-believing Americans while again was spent for elementary education in co-operation we would have better results to show today. Instead of that, we have localities where people, by having lost their last savings in these fake enterprises, are totally disheartened and cold towards our cause. If we are ever going to approach them, it will be only with an educational program which will guarantee the safety of their future investments in the new enterprises. It is our duty to promote schools and spread propaganda because the right methods of organizing and conducting the affairs of our co-operatives.

The Finnish co-operatives are in a position to prove to the public that wherever the Co-operative Central Exchange, which has given its fullest support to these courses, knows that the men and women who have completed their study courses in co-operation are the safest ones to run and manage the affairs of these societies. The former students have been very successful in serving as permanent supporters of their own wholesale house, the Co-operative Central Exchange. In a few words it can be said that in training over 150 students to serve the co-operatives the Exchange has made a better investment than in any other field.

Pertaining to Future Courses

In his report to the Board of Directors of the Co-operative Central Exchange the writer, who was in charge of conducting the last course, made a few recommendations as to the length of the courses, etc. We instructors have found from experience that the learning level of these students who are anxious to attend the courses is very uneven. Some grasp the course and other particular subjects taught, while again a review work is very necessary for others. If we do not wish to deprive these latter ones of their opportunity to learn more about co-operation, it will be almost compulsory to give them a couple of weeks’ preliminary ‘brushing’ before they can digest the instruction with the others. This, in better conformity with the wishes of the instructors to have classes that may progress along evenly, and will require less effort on the instructors’ part, who are now mostly overburdened with the number of hours allotted to them. Therefore a recommendation was made that a two weeks’ preparatory course be arranged in subjects needed, and which would follow the regular four-weeks’ course in all subjects. After this six weeks’ duration of a two weeks’ “post graduate” or review class, all students attending in addition to the co-operative store managers and bookkeepers, who may also attend during these last two weeks.

As to the financing of the courses, a recommendation was made that all co-operative societies should render their assistance by offering scholarships for the applicants interested.

These courses were now conducted to a great extent in the Finnish language. Business correspondence was taught in English and all practical exercises in bookkeeping were also done in English. In the writer’s opinion it will be only a matter of a few years before these Finnish courses can be combined with the other courses of our District League.
A. F. OF L. CONVENTION ENDS CO-OPERATION

The Annual Convention of the American Federation of Labor, recently held at Portland, Oregon, gave its official approval to the Rochdale Co-operative Movement, and the following is the resolution adopted by the Convention:

"No one can successfully dispute the fact that something is radically wrong with our system of distribution. In a great many cases it costs more to sell the manufactured products and agricultural products than it does to produce them. It is stated that out of every dollar spent for agricultural products the farmer receives only 18 cents and the other 82 cents goes to transportation, holding and selling corporations, speculators, profiteers, and merchants. . . ."

"This fact in itself has created a condition in which it costs now, under our really unscientific system of distribution, more to sell than it does to manufacture. The great many cases it costs more to sell than it does to manufacture, which should naturally go to the relief of the great masses in better wages, shorter hours, and lower prices for the necessities of life is really utilized by syndicated capitalists for destruction, and the business reduced to the greatest gains that are showing up the exorbitant gains that are being made by the undertakers who are profiteering at the expense of the workers of the mining districts of Illinois."

"This association, therefore, this 50 per cent less than the private companies and still makes a substantial surplus every quarter. Organized in 1921 by the miners living in the vicinity of Christopher, the society has a net profit of $9,425.44, and is now preparing to erect its own building with its own undertaking parlors. The net profit for the third quarter of 1923 alone was $1,151.02.

The following is the report of the Treasurer, M. F. Schulz, as taken from the Illinois Miner and condensed:

Balance on hand July 4, 1923: $3,025.65
Total receipts from all sources: $7,536.00

Expenditures:
- Rent, light, phone, supplies: $811.16
- Salaries: $723.00
- Caskets: $379.00
- Flowers: $128.00
- Part payment on lot: $500.00
- Opening graves: $164.00
- Predicating: $72.00
- Caskets: $379.00
- Funeral of Dorothe: $42.50
- Water, insurance, miscellaneous: $61.47
- Funeral notices: $6.50
- Dation: $10.00

Total expenditure: $3,613.10

Balance on hand Sept. 29, 1923: $2,924.45

REDDUCING THE HIGH COST OF DYING

The Christopher Co-operative Undertaking Association, Christopher, Illinois, is showing up the exorbitant gains that are being made by the undertakers who are profiteering at the expense of the workers of the mining districts of Illinois."

"Next to our trade union, one of the greatest means we have is the Co-operative Movement. Through 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 armed-bearing masses, the necessary selling power and force would go to the producers and consumers."

FURTHER EXPANSION AT SAULT STE. MARIE

On the third of December the Soot Co-operative Bank of Sault Ste. Marie opened a new store on the corner of Swinton and Newton streets—the sixth in operation. Six years ago, after two years of disaster, the company with a professional manager, the co-operative society found itself deeply in debt, the members discouraged, and the business reduced to a few hundred dollars a week in one store. Now there are these six stores, a bakery and a meat department. The employees number more than 40.

The bakery is the largest single item in this co-operative enterprise. For two years or more it has been the largest bakery in the city, and for the past year has been running steadily 24 hours each day. Leo LeLievre, the manager, states that the volume of business this year will exceed $300,000, and should run much above that figure next year when the new store gets fully on its feet.

The Soot Association is one of the early and active members of The Co-operative League and W. H. Closser has served on the Board of Directors of the League.

A GENUINE 100 PER CENT CO-OPERATIVE BANK

Credit Unions have been known to the co-operators of the United States for a number of years. They are genuinely co-operative in structure, but they do not satisfy all the requirements of co-operators for their dealings are restricted to members and they do not carry checking accounts.

Labor banks, which have come to the front recently, meet these latter requirements, but they are not co-operative in structure. Shareholders, interest on capital stock is permitted to run up to 10 per cent (satisfied by deposit at that limit), and in almost all cases the majority of the stock is owned by labor unions rather than by individual borrowers and depositors.

In 1921 a law was passed in Arkansas permitting the formation of banks on Rochdale principles. The first group to take advantage of this new law was one at Conway, in March, 1923. Operating under the supervision of the Office of Mines, Manufacture and Agriculture, the bank now has a paid-in capital of more than $5,000. Each member must own one $25 share of stock and no one may own more than 40 shares.

The officers of this institution are: C. M. Wertz, President; W. M. Mountain, Vice-President; Robert Steel, Cashier. Mr. Wertz reports that although this is the first co-operative institution in the country authorized to do a general banking business, there are others in the process of formation in Arkansas.

LABOR OPENS ANOTHER BANK IN NEW YORK

Union workers opened their third bank in New York City just at the close of the old year. The latest venture into the field of labor banking in New York is the Brotherhood of Locomotive Engineers' Co-operative Trust Company. Not content with the success of three banks in Cleveland, the first genuine labor bank organized in the United States, the Engineers have opened a bank in the very citadel of the financial interests. A million dollars in deposits gave the bank a flying start towards success.

Twenty persons waited patiently in line before 6 o'clock in the morning for the honor of being among the first depositors. The first savings account was opened by a woman, Mrs. Lillian Rave, a representative of Division 866 of the Brotherhood of Locomotive Engineers. Warren S. Stone, president of the new bank, and Grand Chief of the Engineers, was on hand to greet depositors and the many visitors. While many small accounts were opened, there were deposits of $1,000, $5,000, and $10,000 by local unions. One deposit of $10,000 was received the first day of business.

The new Brotherhood of Locomotive Engineers Bank is organized along the lines of its first bank in Cleveland. Stockholders receive a limited return on their shares, while depositors are to share in the savings of the business through co-operative dividends on their deposits. The new bank, like its predecessor, aims...
to make loans available to workers who desire to own their homes, at a fair rate of interest. A special service department will be maintained to purchase steamship or railroad transportation for members, to transmit money abroad, to give financial advice, and to render other services. The new bank is located near the Pennsylvania Railroad Station.

The third labor bank opened in New York promises to be as successful as that of the Associated Clothing Workers and the Federation of Labor, which are steadily growing in resources.

FAKE "CO-OPERATIVE" DISSOLVED

The Consumers' Association of America, a fake "co-operative" of Philadelphia, has been ordered out of business by the courts. An opinion by the Court of Common Pleas reports the capital of the concern "greatly impaired" and or- dered the sale of stock stopped, a receiver appointed and its assets distributed among creditors and stockholders. This marks the final chapter in the history of an organization characterized by The League as a spurious co-operative.

Reports show that the promoters spent 59 per cent of the income of the concern on promotion expenses. Over $130,000 was subscribed for capital stock in the company by consumers who were promised a share in a genuine co-operative. As a matter of fact, the concern was not co-operative in any sense of the word. Members were deprived of their right to vote by means of a voting trust arrangement which vested all the voting power in the hands of self-appointed directors. This was contrary to the standard co-operative principle of one vote for every member. No financial statements were given the members.

The promoters were free to run the business their own way. The first year they lost $7,000, for the company, and the first six months of 1923 over that double amount. Stockholders then filed suit for the dissolution of the company, naming the directors as defendants. This marks the downfall of one of the few remaining fake co-operatives. One by one the promotion concerns exploiting the Co-operative Movement for their own advantage have failed. In the meantime genuine co-operatives organized and controlled by consumers have prospered.

NEW YORK MEMBERS—ATTENTION

The Co-operative League is planning a series of membership evening meetings to be given at The League House beginning in February. These will be real 'get-togethers' of members of Co- Greater New York and vicinity, when members will have opportunity to share in the evening's discussion and to become acquainted with each other at the informal receptions which will follow.

As a loyal League member, won't you make a special effort to be present at every meeting and to bring at least one friend whom you think you can interest in Co-operation and who will care to become acquainted with the headquarters of the National Movement?

The tentative program of these meetings follows:

Why the Farmers are for "Co-operation."

What they are doing at Washington and back home to promote just marketing conditions and consumers' co-operation.

Twenty-two Labor Banks in the Past Two Years.

Steady progress of people's banks (called Credit Unions in the United States) as told by leaders in both movements.

Why we Advocate Co-operation rather than Political Action.

A debate between Albert Sonnich- sen, author of "Consumers' Co- operation," and Charles Solomon, formerly Socialist Member of the New York Assembly.

Vistas of Adventure.

Up to the minute stories of the Co-operative Movement in the United States. Recent housing experiments, laundries, cafeterias, bakeries, stores, etc.

Fakes, Frauds and Fancy Schemes.

Why Americans are so easily hood- winked. What is the best type of co-operative for big cities?

Individual notices announcing speakers and the date and hour will be mailed to each member from The League House.

CO-OPERATIVE GARAGE LAUNCHED

Finnish Co-operatives in Brooklyn, New York, have launched "Sunset Co-operative Garage." The organizers have had experience with other forms of Co-operation. They are all members of co-operative housing societies, they buy their bread from their own co-operative bakery, their meat from their co-operative butcher shop, and their groceries from their own grocery store. Now they are preparing to save money by running their own garage.

The new company is organized with a capital stock of $20,000. There are twenty-four members, each being required to buy fifty shares of stock at $5 each. A private garage will be built on land already bought for the society. A first mortgage and a bond issue will furnish the additional capital required for building operations.

The private cars belonging to the members will be stored in their own garage. A man will be employed to look after the cars and to do repair work. Members expect to make considerable savings on storage and repairs by owning their own garage.

The success of other co-operatives or- ganized by these members seems to assure the additional capital required for building operations.

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The directors are already doing good work. One of the Juvenile Debating Clubs took the affirmative on the question, "Resolved, that Co-operative Banks would better serve the farmer than Old Line Banks." The adults took the negative. And the adults were de- feated. After these clubs have become strong and have learned a great deal about Co-operation, they will be encour- aged to start local credit unions.

This work should not be confined to the rural districts of one state. Co-operators in the cities and towns should promote such work as this among the young people of their communities.

THE DIRECTORS' PAGE

CO-OPERATIVE JUVENILE CLUBS

In Colorado, Vance Monroe, one of the leaders of the Farmers' Union in that state, has initiated some excellent educational work among the young men and women, boys and girls. Recently he has been organizing Juvenile Clubs in the rural districts. These groups of boys and girls form their organization, elect their officers, choose a club song and yell and badge, perhaps a club ban- ner. These clubs hold special meetings, essay-writing contests, debates. They have a correspondence committee to keep in touch with other clubs and with headquarters of the State Union. They maintain a library for the use of the members, have a committee on athletics, study parliamentary law, edit their own local "newspaper," which the editor reads to the meeting and then sends in to the offices of the Colorado Union Farmer and to the editor of the local town paper so that they may reprint interesting items.

These clubs are already doing good work. One of the Juvenile Debating Clubs took the affirmative on the question, "Resolved, that Co-operative Banks would better serve the farmer than Old Line Banks." The adults took the negative. And the adults were de- feated. After these clubs have become strong and have learned a great deal about Co-operation, they will be encour- aged to start local credit unions.

This work should not be confined to the rural districts of one state. Co-operators in the cities and towns should promote such work as this among the young people of their communities.
CO-OPERATION

agement we could pick up. The Man-
gers, President, and the odd Director
were more than willing to answer ques-
tions.

No, things were not going as well as
they should. Members didn't support
the store properly. And the little chain
store competitor across the street was
selling every day for more than we were
in their business. Two things they
needed badly: more loyalty from the
members, and a better place to buy their
goods at wholesale prices which would
permit them to compete with this chain
store. We smiled. What a familiar
story that is; 95 per cent of the co-
operative managers in the country will
tell you the same story, and ask for the
same advice. And each one thinks that
his story is unique. So we inquired as
to more of the details. Here is what we
found:

Members were called together only once a
year. They didn't seem interested, so what
was the cause of the tension?

Directors met once a month. Manager was
pretty efficient and there was scarcely any
reason why his directors should meet often; not
enough to talk about.

Except for the little sign over the door,
"Co-Operative Store," there was nothing else in sight anywhere to indicate that
the store was anything other than a private
business. No cooperative signs or
mottos anywhere inside the store; the two
clers looked at us blankly when we later
asked them what they thought of Co-operation
in the grocery business; those clerks were
only half interested in the work; the manager
talked bargains to the customers instead of
quality goods and co-operation. The appear-
ance of the store, both inside and outside
was very commonplace, a little dilapidated
and tired looking in all its joints.

The store was doing well for its price
and were a low grade of grocers; they found
it necessary to compete with chain store prices,
they said.

Membership was about 100. Paid in capital,$1,800; $3,500 had been subscribed three years
before. They had needed badly more loyalty from the
members in order to compete with the prices of the
store. "We smiled. What a familiar
story that is; 95 per cent of the co-
operative managers in the country will
tell you the same story; we are not
the only ones who need to do this.

When we talked to the managers we found that total
overhead expenses came to about 18 per cent, 11 per cent of which was for wages.
Manager admitted that the expenses were high, but offered many alibis. He had never
figured it out in percentages before.

That was the result of our brief sur-
vey of the co-operative in the town of
R——. The three men we talked with
were really not indifferent. They believed
strongly in Co-operation and in its
own society, and desired to see it
prosper. What was the trouble?

Provincialism. Parochialism. They read
no co-operative literature; none of them subscribed to any co-operative
magazine nor attended any co-operative
convention or congress. For them Co-
operation was an affair which concerned
their own little world. They knew nothing
about Co-operation in Europe except the little they heard from a couple
of their members who originally came
from England. They knew nothing
about Co-operation in the United States
except the few romances they received occasionally from two or three towns up
the line which boasted stores like their own.

There is no excuse for such provincial-
ism as this. There is a national magazine
which is published for the express purpose of helping Di-
rectors and Managers to meet and solve these problems intelligently and to get a
vision of the wider aspects of the
movement. This magazine is not a propa-
ganda organ, nor a popular newspaper,
but a journal of philosophy and ethics. It is a magazine addressed to practical
co-opernative work; and to writers who
understand the need for practical co-
operative projects for the community before
the intensive term begins.

In this county the Farmers' Union has ef-
fected a good type of organization, which has
taken hold in the educational, business, and
co-operative economic projects. Taking ad-
vantage of the new economic ideas have come
from the co-operative movement, the and
the cooperative society in Europe to help the
farmers. The Co-operative Society should
subscribe for its own benefits. Many are
coming in for it already, but the majority of
them are not. Many societies do not
have even a single member who sees the
national magazine, except the sample
that is sent to each co-op by the Board of Directors
which promises to be sincere and earnest
in its efforts, and which still does not
trouble to read of Co-operation in other parts
of the country, has more pretension
than sincerity in its make-up.

The physician who never reads his
medical journal is pretty much of a fake
or quack. The engineer who neglects his
engineering journal is not to be trusted
with a big job. The co-operative official
who doesn't take the Co-operative Mag-
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tial official, and the membership which
elects him should also insist that he keep
his eyes and mind open to what is being
done in other parts of the co-operative
world.

We repeat what we have said many
times before: The local co-operative so-
ciety should send to The League sub-
scriptions for The Magazine of the Board
of Directors and its Manager.

BOOK REVIEW

THE ANIMALS' CO-OP—
A BOOK FOR CHILDREN

The antics of Oswald and Oliver, a
Teddy Bear and an Ostrich, Durnish
the basis for a series of "funnies" illus-
trated in color. A short description of
the co-operative menagerie stunts accom-
panies each illustration; their efforts to
run a co-op store and satisfy their ani-
mal customers; a fish department; an
optical department with glasses that will
suit the hawk as well as the hundred-
eyed spider; a delivery system which will
serve the submarine members as well
as those that live in the trees, and many
other impossibly grotesque co-operative
enterprises. All of these, like most chil-
dren's stories, contain a moral—"Stand
up for Co-operation."

The book is published by the Co-
operative Wholesale Society, London, and
will be obtained from The League, New York, City, for 10 cents.

THE CORRESPONDENCE FILE

ANOTHER SCHOOL

I am glad to send you a few words about
our school which has been trying in largely and to get a
vision of the wider aspects of the
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operative Wholesale Society, London, and
will be obtained from The League, New York, City, for 10 cents.
Court ruled that such members have no remedy except in their so-called Grand or supreme lodges. I want to say it is positively damnable. Purdun my effusion on this occasion, but I have had about 27 years of experience with that kind of proposition and know where I stand. I have been talking this way to the large halls of the state and in fraternal congresses and any other old place where I am, tactfully, and I am still talking as you will observe.

This is not written confidentially, as it is no secret. I only ask that anyone wants to take exception to it, just arrive at a hearing or a jury to pass upon the merits of the controversy, and I will show you or else look pleasant when I fail.

CHARLES D. SHARROW,

FROM COVINGTON, VIRGINIA
Your Bulletin some time back touched on the four question. It's rather a hard proposition; weight ratios and pushing it (co-operative brand) and all.

Your income tax Bulletin touches the question property tax. We experienced trouble but finally our taxes were returned to us. Our mistake seemed to be in the meaning of the word "interest" in our by-laws. This should have read "interests".

Sorry to say the co-operative spirit does not prevail strongly among the people here. It's rather a hard proposition to enlighten the minds of the public towards their own advantage. Would be very glad to hear from you at any time. Wishing you good success in the work is a proposition to enlighten the minds of the public. Subscription to handle freight rates and pushing it. It's rather a hard proposition.

CHARLES ENTZUARD,
Workingmen's Mercantile Association,

GOOD WORK AT A LABOR COLLEGE
Our class in The Co-operative Movement has held its own the past ten weeks. Professor Frieden, from the United States Co-operative Congress, when the course is over, is an enthusiastic on the co-operative ideas in instruction, and it is my wish he will extend the course along with him. We expect to repeat the course next fall.

Our Board of Directors made this coming school term a very successful one. We look forward to a membership in the Co-operative League.

E. E. SCHWEITZER,
Portland Labor College, Portland, Oregon.

Index for Co-operation for 1923 may be procured without charge from the League office.

PUBLICATIONS OF THE CO-OPERATIVE LEAGUE

HISTORICAL

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MONTHLY PUBLICATIONS

CO-OPERATION—In bundle lots, $7.50 per hundred; $1 per month; $1 per year.

INTERNATIONAL CO-OPERATION PUBLICATIONS (Publ. by The I. C. A.).

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<td>4. A Model Constitution and By-Laws for a Co-operative Society</td>
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MONTHLY PUBLICATIONS

CO-OPERATION—In bundle lots, $7.50 per hundred; $1 per month; $1 per year.

INTERNATIONAL CO-OPERATION PUBLICATIONS (Publ. by The I. C. A.).

BOOKS

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THE CO-OPERATIVE LEAGUE

(Member of The International Co-operative Alliance)

167 West 12th Street, New York

An educational organization for teaching the history, 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. Subscribe for the Monthly Magazine and keep in touch with the Movement.

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Subscription for CO-OPERATION, $1.00.
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Co-operative Central Exchange
Wholesale Grocers and Jobbers, Bakers

We supply goods to Co-operative Societies ONLY. We are owned and controlled by Co-operative Societies.

We are organized to enable Co-operative Societies to do collectively what they cannot do individually.

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Co-operators' Ltd. Mutual Fire Insurance Co. is now writing insurance in State of Wisconsin.

VITAL ISSUES

A FARMERS' PLAN

Last year two million people left the farms in the United States. More than half of the population of this country is now living in towns and cities of more than 2,500 population. Only about one-fourth of the people are on the farms. The farmers on the farms, unlike the people, are steadily increasing. The farmers are slipping away from the farms.

All kinds of schemes to relieve the farmer have been promoted at Washington. And about the only thing he has done is to turn over the banks, which now use the money to do the farmers. The farmers have no control over the very act that was passed for them. In the meantime things with the farmers go from bad to worse.

A most comprehensive plan has been developed by A. S. Goss, master of the Washington State Grange. Mr. Goss has taken his plan to Washington with a committee of the National Grange, which has endorsed it, to try to get it enacted into law. This plan provides for a federal marketing commission made up of representatives of producers and consumers under governmental auspices.

Prices are to be fixed by joint and balanced action between producers and consumers. Every possible safeguard is provided to co-ordinate production to prevent overproduction and underproduction and to stabilize prices and link up the whole great farming business of this country into a co-operating mechanism with democratic control.

This measure has great social possibilities because it recognizes the consumer as well as the farmer. This is due to the fact that Mr. Goss is one of the rare men guiding the destinies of the farmers who understand the consumers' Co-operative Movement.

Mr. Goss' plan is too good to find enthusiastic reception in Washington. Anybody interested in helping the farmers can see at a glance that the plan is practicable. If the Department of Agriculture were devoted to the interest of the farmers it would get behind this plan and press it forward. Mr. Goss is finding that Washington is a poor place to go with any measure that has only to recommend it the fact that it would be a good thing for all of the people.

A long period of education and publicity is necessary to secure support for this excellent project. The National Grange has for many years been a bulwark of reactionary conservatism. The fact that this measure has come out of its last convention would indicate that the breath of a new life has been blown into it. It looks as though leaders who
once were but the agents of the railroads are giving place to farmers of vision and capacity.

THE BRITISH LABOR GOVERNMENT

There were those who said that the rulers who opposed the war would be exorcised from their graves. The predictions are not coming true. One English labor leader who was in jail during the war for "sedition" has just been elected to office as a militant opponent. And now Ramsey McDonald, an out-and-out pacifist, reviled, castigated, and pursued during the war, has become Prime Minister of the British Empire.

The reason for all this is that the forces which make for war are not able to solve the problems of peace. There is discontent. The people want to try something different. The new Labor Government, which has just come into power, has among its leaders people of vision, understanding, and broad human sympathies. Any government is to be congratulated which counts among its officers the fact that are Breadford and Sidney Webb. Great Britain never had so enlightened a government as it has to-day.

The Labor Party is not so devoted to state socialism as was the present Russian socialist government when it first came into power. It is, on the whole, sympathetic to the Co-operative Movement. Unfortunately, it cannot do much in the way of effecting fundamental change, which has just come into power, has among its leaders people of vision, understanding, and broad human sympathies. Any government is to be congratulated which counts among its officers the fact that are Breadford and Sidney Webb. Great Britain never had so enlightened a government as it has to-day.

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OUR DEMANDS

"The workers are entitled to the full product of their labor." So runs the slogan of several large radical movements throughout the country. We have no quarrel with that statement. We believe that all laborers, regardless of their position, are entitled to the full product of their labor. But tradition in this case is more than a dead law; it is the living experience of thousands of co-operative societies.

The first objection looks pretty weak to the liberal or radical minded co-operative. Are we to be tied hand and foot by tradition? They ask. Assuredly not. But tradition in this case is more than a dead law; it is the living experience of thousands of co-operative societies.

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could find many ways of evading it if he really wanted to evade it.

Nevertheless more interest in this subject should be aroused among our Co-
operators. Why not restrict the payment of savings-returns and interest to those who have done a certain minimum amount of business at the store during the year? We already know of two or three societies which do this, and others might try it out. Why not specify in the by-laws that members who do not give this minimum amount of business to their own association are not eligible for the Board of Directors or any other office? There are other restrictions that may be placed upon the member who is not loyal.

The League will be glad to advise with any Co-operators who wish to incor-
porate any such features in their by-laws.

C. L.

ANNUAL REPORT OF OFFICERS AND DIRECTORS OF THE FRANKLIN CO-OPERA-
TIVE CREAMERY ASSOCIA-
TION

[ABBREVIATED]

It is with pleasure that we again re-
port to you the condition of your co-
operative institution. Many things have developed since our last annual meeting which will interest you. But we shall enumerate only those we think of most importance.

As part owners, you are, no doubt, most interested in the financial condition of our association and we are proud to report to you to-day that never has our co-operative been in a better condition financially. This of course will be dis-
closed to you in our financial report.

The Sales

Although the sales have practically doubled during the last year, the north side plant is not yet up to its full ca-
pacity. We still have facilities at this plant to handle another ten thousand quarts of milk per day. In other words, the north side plant is now running about two-thirds its capacity. Sales for both plants for the year came to $3,106, 691.27.

Ice Cream Sales

Our ice cream department did very well for its first season. Ice cream is altogether different from other dairy products in that it is looked upon as a luxury more than a necessity, and therefore the sales are seasonable. Another thing is that ice cream is sold largely through dealers. Manufacturers furnish their dealers with cabinets, and in many instances signs, window display, etc., which makes the dealer dependent on the ice cream manufacturers to a large ex-
tent, and for these reasons contracts are signed for a year at a time between ice cream manufacturers and dealers. From all expectations we will more than double our output in this department in 1924. Current assets for this department were $144,595.48.

Butter Department

Ever since we started operating, in March, 1921, we have maintained that nothing is too good for the common peo-
ple. Our conviction still tells us that we are right, and yet competition, and in many cases the limited income of the average family, has compelled us to change our policy in this re-
spect. We therefore expect in the near future to churn a second grade butter.

The new grade of butter will also stim-
ulate our milk sales, because many peo-
ple who could not afford to buy our butter got their milk also from other dealers. This, together with our added ice cream sales and efficient management, should bring our 1924 sales up to $4,-
000,000. Sales of butter in 1923 came to $604,768.05.

Our Shops

Since early in 1923 the association has maintained its own shops. We have made, repaired and painted our own wagons and truck bodies in our own shops, maintained a blacksmith shop where we have shod our horses, a harness shop where we do our harness repairing, and a carpenter shop where we have made a lot of our equipment.

In addition to that we have employed a plant electrician to look after our elec-
tric motors at both plants and keep them in running order at all times.

Employees and Wages

It may be interesting for you to know that we have on the payroll at the pres-
ent time 360 employees, and that during the rush of the ice cream season we had as high as 374 on the payroll. It may further be interesting for you to know what the wages of these employees are.

Our drivers are guaranteed a weekly wage of $35, but in addition they re-
ceive a commission after having sold a certain number of bottles. The average wage of our drivers for the month of December was $29.38, and for the month of January was $31.74. From a dollar and cents standpoint the highest paid driver is the greatest asset to the associ-
ation.

The inside creamery workers receive an average of $34.96 per week, the lowest is $30, while the highest paid man on the inside receives $50 per week.

Our office employees, practically all girls, received an average of $31.37 per week. Our highest paid employee at the present time is the manager, who receives $75 per week.

These wages are based on a six-day week and, as far as the inside men are concerned, an eight-hour day. Anything over eight hours is paid for as overtime. The drivers of course do not receive anything extra outside of their commission for overtime. All these employees are members of some labor organization, even the office employees. So here is an institution where everyone, from the janitor and office girl to the president and manager, belong to the organized labor movement.

What Have We Done to Further Co-operation?

This is a question that rightfully should be asked on this day.

Have we done anything to further and advance this "hope of humanity" called "co-operation," or have we merely been contented with doubling our sales and making a success? If we have, we have missed our calling. Speaking truthfully, we have not done as much as we should have liked to have done, and yet we have not crossed the line of any co-operative, not only in the city of Minneapolis, but in the country at large.

Besides our monthly bulletin which is printed in lots of 15 thousand and distributed to our members and patrons, we have printed and distributed over one-half million other pieces of co-operative liter-
ature and arranged educational meet-
ings for employees and members. But probably the most constructive thing we have done along this line is the estab-
lishing of the first Co-operative Train-
sing School in the English language in America, here in our own city and in our own building. It is true that the school was conducted under the aus-
pices of the Northern States Co-opera-
tive League, but the plans were laid here in Minneapolis a little more than a year ago.

Seven of our own members and em-
ployees took the five weeks' course and the school was a success in every respect. But the students and teachers alike felt that five weeks was too short a time and it was therefore decided to make it six
weeks next year. The dream of those who organized this school is to establish a co-operative college here in the city of Minneapolis, where we can train our own people to become competent managers and executives of our co-operative undertakings.

THE CONSUMERS' DIVIDEND

When the Franklin began paying a consumers' dividend the other milk dealers started to give a five per cent discount telling the people that in buying from them they would not have to wait until the end of the year to receive a refund. This of course seemed a lot to many housewives and for competitive reasons, our association a year ago, too, began to give our patrons five per cent on every dollar's worth of merchandise sold. Later it was discontinued.

There were some complaints naturally, but if we had not taken off the discount at that time we would have had to raise the price of milk. Some—well meaning people, we take it—told us that we were not co-operative any more after taking the discount off. They evidently did not know that the most militant and most aggressive co-operatives are those who do not pay a consumers' dividend, like those of Belgium, Finland and America.

Another thing that you as stockholders are naturally interested in is that your association is safeguarded by a substantial reserve fund. In other words, here is one million dollars of the common people's money which must be protected. Not to protect it, by setting aside a substantial part of the net earnings for reserve, would be a crime.

RECOMMENDATIONS

As stated in the financial report over $67,000 out of the $175,482 net earnings for 1923 have already been returned to the consumers, leaving approximately $90,000 to be distributed at this time. The question is how should this be distributed.

Under the law a reserve fund must first be provided for. Next comes the stock dividend, the educational fund and finally the consumers' dividend and the employees' bonus.

Our recommendation under the circumstances is that six (6) per cent be paid to the stockholders on their investment; that $1,500 be set aside for educational purposes and that the remainder, approximately $33,000, be put in the reserve fund. This of course means that there will be no consumers' dividend and no employees' bonus. The consumers are getting their dividend every day in a better product at a lower price and the employees are getting their bonus in higher wages and better working conditions.

Our association is commanding the respect of the business world, and as the greatest single consumers' co-operative on the American continent it is watched with a keener interest than any other undertaking of the common people of America.

But do not forget that its future is what you make it. By your deliberations you may further its progress or retard its growth. We hope, however, that your action will be such that we can meet again a year from to-day and truly say that we are one year nearer to true Co-operative Democracy.

They own their own three-story and basement stone block, which is used as a wholesale and retail store, with offices therein; they also operate within this city seven branch retail stores, all of which handle a complete line of groceries, meats, and bakery goods. They not only produce in their own electric bakery what they consume through their own stores, but will be doing business in other retail stores in the city and county, and are shipping their bread to outside counties. This organization is now so well rooted that the members are contemplating branching out into other lines of merchandising. The organization is controlled by its members through a board of nine Directors, some of whom have been on the board since its organization. The board hires and fires its managers and has complete control of the organization. The association represents all nationalities, creeds, and colors, and its powerful community spirit is being felt throughout the city, county, and State.

This short story covers just one little Consumers' Retail organization in this great Co-operative Building, but it is ready to be linked up right now to other like organizations until we are financially BIG enough to swing clear from all other interests that shackle us.

When this is accomplished, then it will be possible to blaze across the sky to all of those who render service this motto, "Profits to those who make profits possible."

HOW THEY SPELL SUCCESS

AT CLARENCE, PA.

One of the finest little stores in the United States is that at Clarence, Pennsylvania. The people of that town, members of District 2 of the United Mine Workers of America, are almost entirely Slavish. During the strike of miners in 1919 they found that the private storekeepers of the town had broken their agreement among themselves to maintain fixed high prices for goods and to refuse credit to the striking miners. When the strike was over and the workers were able to raise a little money again, the organiza-
tion of a co-operative store was launched. About 135 families took one or more shares of stock at $10 each. In May, 1920, they opened up for business with an additional $4,576 in capital and an additional $9,000 borrowed from their local union.

Since that time Clarence has suffered as few other industrial communities in Central Pennsylvania have suffered. In the spring of 1921 trouble occurred in some of the local mines and a strike started which involved most of the co-operative members. To-day, three years later, the majority of those men are still on strike and their families are existing on the meager strike relief granted them from District headquarters. During the four and one-half months of 1922 when the national strike was in effect they did not even get this small allowance.

Yet that original four and one-half thousand has expanded remarkably. To-day they are entirely free of debt; they have purchased during these scant four years their own building and cleared it of incumbrances; they have turned over to their local union $13,000 as an outright gift; their merchandise and fixtures inventory comes to $4,500; bills receivable account comes to $4,500; the manager has $1,000 cash on hand; they have paid about $1,500 to the income tax collector; and their dividends paid members (in cash or merchandise) during the past two years amount to about $5,000 more. That original investment of less than $5,000, well administered by managers and directors and loyally supported by the membership, has yielded about $36,500 in savings to the association, a gain of more than 800 per cent.

These miners of Clarence can attribute their remarkable success to two factors: a militantly co-operative membership and extraordinarily good management and direction. In all fairness it must also be admitted that the union relief funds, administered through the store, have made loyalty almost compulsory for many of the weaker members.

The Clarence Co-operative Association has some unusual features. Many of the stockholders have been so hard pressed they have had to withdraw all except the required $10 of stock. Therefore these $17,000 of assets of capital stock total of only $1,700 at the beginning of 1924. Membership meetings are attended by almost 90 per cent of the members. Last summer the officers decided that directors were not attending meetings regularly enough and ruled that in the future twenty-five cents would be paid each director for attendance at Board meetings. Since then almost every Board meeting has seen a 100 per cent attendance. Early in the winter there was some complaint that two or three members were doing all the work at the store while nearly 100 miner members were idle month after month. Why shouldn't work on the delivery wagon be rotated among the entire membership? For the past few months the new policy has been in force, and every day a new member takes out the wagon and receives $5 for his day's work. After the big strike of two years ago these people found that their priest had been secretly supporting the operators and they let him know what they thought of him; but later, when he ran up a bill at the co-operative and refused to pay it, they ran him out of town.

It is stated above that this store boasts efficient management. A weekly business of nearly $1,300 is handled entirely by the manager, Mike Koshko, and the one inexperienced driver, with the additional help on Mondays of Andrew Koshko, the president of the Association. That credit and delivery business of $5,500 per month is conducted on a wage expense of $300—less than 5½ per cent of sales.

There are many other stores in Central Pennsylvania but none that makes such an unusual showing as this.

C. L.

WISDOM OUT OF INDIA

Hardly a week goes by but The Co-operative League has a visitor or a letter from some enthusiast who wants to join a co-operative colony or to start a new one. The subject of colonies is one of tremendous interest for tens of thousands of people. Thus much enterprises have failed so regularly through the centuries is no deterrent for present-day enthusiasts; most of us don't care about history, we are confident that we are to be the Makers of History, and that the study of other men's experience is a pastime for sickly souls.

In the light of these facts it is interesting to read again the following words from an article printed several years ago in the "Bengal Co-operative Journal":

"...Already the workers are beginning to realize that as fast as they are learning to combine, and send wages up, capitalists are learning to manipulate prices, and so to rob them, almost in advance of the advantages they might gain."

"...But clearly we must do something and do it quickly. The workers, having now what wealth we can produce under modern conditions, will never remain contented with a social system that develops its power conspicuously to produce machinery of destruction and luxuries for the rich..."

"...Having realized that the plan of making wages high, and specially the methods employed to carry it out, are fraught with danger to people who are naturally sympathetic to the co-operative alternative suggestions of using the productive power of labor better and making people better off by making cost of living low; it is also fairly generally, if vaguely, understood that co-operation fully carried out, would go to the root of the whole problem."

"...The plan of the co-operators is not the plan of co-operators; and produce more and more things, and finally, when a large variety of necessary things are produced to carry out the true plan of production mainly for the use of the producers themselves, that is to say when the organization became large enough it would be possible for its regular members who wished to pay course we know, was to establish co-operative colonies, whose workers would produce the principal necessaries of life for themselves, and be independent, to a great extent, of trade."

"...The co-operators hoped that these agricultural-industrial colonies would multiply and develop, and be equipped with the best machinery, and work by the best methods, so that they would enjoy to the full the benefits of modern progress. Nobody would then have worked for wages that would purchase less than his labor would procure him working in those organizations, so that 'real wages' would have been kept everywhere up to the level that our productive power well used will allow, and so the problem would have been solved, not only for the co-operators, but for everyone. They did not of course contemplate the co-operative colonies producing everything, and being quite independent of the rest of the world; and they fully recognized the advantage of importing things from foreign countries. We shall not, however, go into details of the plan because co-operative colonies never succeeded; but it gives the simplest illustration of co-operation; as also unfortunately of the reasons why Co-operation has not yet solved the problem; namely, that there was never the self-sacrificing devotion to make the workers pull together and work in the disciplined way that is indispensable to successful production with modern methods. The co-operators hoped that their attempts were always wrecked."

"...The co-operators then formed their present plan. To sum it up briefly it is to have, first, co-operative shops and also the profits of production; and produce more and more things, and then the profits of production; and also the profits of production; and produce more and more things, and the profits of production; and produce more and more things, and finally, when a large variety of necessary things are produced to carry out the true plan of production mainly for the use of the producers themselves, that is to say when the organization became large enough it would be possible for its regular members who wished to pay..."
for what they required by doing some work in one or other of its many branches in return for products of labor. Then, obviously, we would have the economic conditions of the co-operative colony, but without the appearance even of severance from the outside world, and the whole problem would be solved.

"The plan seems perfect. It offers some solution at once by cheapening our purchases; it does not break abruptly with the present order, but, going step by step, aims at grafting upon our present system which, by itself, cannot use our immense productive power well, a co-operative system that could."

**CO-OPERATORS WIN SIX SEATS IN PARLIAMENT**

The Co-operative Party elected six members to Parliament in the last general election in Great Britain out of ten candidates nominated. Two of the unsuccessful co-operative nominees barely failed of election by a few hundred votes. In the previous election there were four seats won by the Co-operative Party organization in 1918 and the Co-operative Party has been steadily gaining in power.

**NEWS AND COMMENT**

**CO-OP CENTRAL EXCHANGE BREAKS OWN RECORDS**

All previous records for turnover of the Co-operative Central Exchange were broken during 1923, according to the annual report issued by the Exchange at Superior, Wis. An increase of nearly $100,000 over the sales of any previous year was shown. The total sales for 1923 amounted to $504,177, compared with $459,500 in 1920, the highest previous year. In 1922 total sales dropped to $337,566, due mainly to the general deflation in prices prevailing that year.

A net saving of $5,180 was realized on the business conducted in 1923. This will be distributed by the annual meeting of the societies affiliated with the Exchange, to be held in March. A portion will probably be refunded as patronage rebates to stores making their purchases through the Exchange, a portion transferred to the reserve fund, and a goodly sum set aside for co-operative educational work, as has been the custom in former years.

The Co-operative Central Exchange is a co-operative wholesale house for over one hundred co-operative societies and consumers' clubs, chiefly organized by Finnish workingmen and farmers located in the states of Wisconsin, Minnesota, Michigan, Illinois, and the two Dakotas. About seventy of these local organizations are directly affiliated with the Exchange, but over a hundred make purchases through the Exchange in varying amounts.

The Exchange was organized in 1917 and the headquarters located in Superior because it was considered the central location for the Finns in the north-central states. The Board of Directors are elected from three states.

The educational department of the Exchange aids in the organization of co-operatives and the carrying on of their work. Under the direction of this department courses in co-operatives are conducted each year for training managers, bookkeepers and other employees for co-operative associations. Forty students attended the six weeks' course held in Superior.

An auditing department aids the co-operatives in arranging accounting systems specially applicable to their needs, and in auditing their accounts.

Three men are at present in the employ of this department performing audits.

The Exchange has a bakery plant, engaged chiefly in the manufacture of hardtack and toast. Practically all of the product is shipped out to the co-operatives. The sales of the bakery amount to about $5,000 per month.

About fifteen people are employed by the plant and bakery plant in Superior. At the present time the Exchange bakery is the only union bakery in Superior. The office force also is unionized, heading the other defead their political interest as consumers.

The educational department of the Exchange was one of the prime movers in organizing the Northern States Co-operative League a couple of years ago, for the purpose of furthering co-operative educational work in the northwestern states.

**MORE THAN 100 PER CENT SAVINGS**

The Hillsboro Co-operative Society at Taylor Springs, Illinois, saved more for their members in the second half of 1923 than the total of capital they had invested in the society. This splendid showing far exceeded the hopes of even the most optimistic member. The net savings for the period of July to December amounted to $2,500, or $300 more than the capitalization of the society.

An 8 per cent patronage rebate was returned to members, interest was paid on capital stock, and the net sum of $780 placed in the reserve fund for emergencies.

The membership of this co-operative is almost international in character. Germans, Slavs, and Italians co-operate with Americans to run this successful society. The Hillsboro Co-operative Society is affiliated with the Co-operative League.

**PRESIDENT COOLIDGE URGES CO-OPERATION**

President Coolidge endorsed co-operative marketing by farmers and purchasing by consumers in a letter addressed to a recent meeting in Washington of the National Council of Farmers' Co-operative Marketing Associations. This endorsement, following that of the late President Harding, may be taken as a sign of the times. The letter of President Coolidge is in part as follows:

"I have many times declared my conviction that the development of a powerful Co-operative movement is one of the needs of this period of economic readjustment. Much has been accomplished along this line in many American communities, but it cannot be said that Co-operation has found a very firm lodgment in the actual practice of the great majority of the American people.

"Yet the examples of its advantages which have been set before us in this and other countries are so numerous and impressive that one cannot but wish that every encouragement may be extended to such organizations as the Co-operative Movement of the country should aim."

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CO-OPEEATION

LEWISTON RECOUNPS LOSSES

The Lewiston Co-operative Association, of Lewiston, Idaho, had a profitable year in 1923, after suffering a loss in the previous year. The total sales during 1923 were $67,000. After all expenses had been paid, and allowances made for interest payments, taxes, etc., there was a net gain for the year of $2,700, or a little over 4 per cent. This more than wiped out the loss of $1,389 suffered during 1922, and helped to swell the educational, building and emergency reserve accounts.

This is a very creditable showing in view of the trouble the Lewiston Association ran into from the beginning. It will be remembered that this Association was a part of the ill-fated Pacific Co-operative League which went into bankruptcy. Warned of the dangers of centralization by the Co-operative League, the Lewiston Society withdrew from the insolvent P. C. L. before the crash came. This turned out to be a piece of good fortune, as otherwise the Lewiston Society would have suffered the fate of the Farmers Union Jobbing Association of Kansas, which six years ago was insolvent. After finishing the most prosperous year in its history, the association has wiped out its deficit. Only a few years ago the directors reported that the value of the capital stock of the association had been entirely lost. The members were given the alternative of letting the association go down in history as another failure, or pouring more money into what looked like a bottomless pit. Some of the loyal members subscribed a few thousand dollars, and it was determined to keep the association afloat. Now, after six years of uphill work, all losses have been wiped out.

During the past year $15,091 were returned to members as patronage rebates, and $1,478 as interest on share and loan capital. This amounts to a return of 34 per cent of the capital invested. The total sales for 1923 were $266,706. During the last quarter an 8 per cent savings return was paid to members. And it will bear repetition to state that some of the members received in patronage rebates the equivalent of a good week’s wages.

CO-OPERATIVE DELICATESSEN

The Clifton Co-operative Association, Clifton, N. J., has embarked on a hitherto almost uncharted sea. These co-operators have been running a grocery store for several years past. In 1924 divided off one side of the store and opened up a delicatessen department. Located on the main street of Clifton, and with one of the best locations on that street, these co-operators believe that they can get some of the transient trade in ready-cooked foods which is now going elsewhere. The store is open every evening and on Sundays during the morning and evening. One thousand dollars was invested in new fixtures, and the first week under the new plan saw an increase in business of almost $100.

At the same time the new Board and the Manager, Martin Weber, are putting on a more intensive educational campaign. League leaflets are being distributed, personal letters are being sent to members and patrons, delivery service is being reorganized.

For the last half of 1923 the sales were $13,565. Expenses have been kept well within limits, and the Directors report a slight gain for the six months. With the new policies in force they expect a much better showing before next July.

KANSAS CO-OP REGAINS LOST GROUND

A splendid recovery is reported by the Farmers Union Jobbing Association of Kansas, which six years ago was insolvent. After finishing the most prosperous year in its history, the association has wiped out its deficit. Only a few years ago the directors reported that the value of the capital stock of the association had been entirely lost. The members were given the alternative of letting the association go down in history as another failure, or pouring more money into what looked like a bottomless pit. Some of the loyal members subscribed a few thousand dollars, and it was determined to keep the association afloat. Now, after six years of uphill work, all losses have been wiped out.

Although no patronage rebates have been paid to the members, the Farmers Union Jobbing Association has saved millions of dollars for them in lowered prices. The association supplies hundreds of co-operative stores with farm and household requisites. The saving in one item alone, binder twine, has saved the farmers many times the value of their capital investment.

MINERS’ CO-OPERATIVE OF OHIO

Although the Rush Run Co-operative Society of Rush Run, Ohio, is far from the largest store society of the state, it is among the most progressive. Made up entirely of miners who are members of the United Mine Workers of America, and carrying on its rolls names derived from many of the nations of Europe, this little association is very typical of the best kind of co-operative we have in this American melting pot.

In 1923 the sales amounted to $22,094 and expenses of operation to $3,492, or 15.8 per cent. As the gross surplus savings were 20.6 per cent, the net saved to the members was almost 5 per cent—$1,091.82, to be exact. The Directors expect to pay a savings return to members of about 10 per cent, and a 1 per cent return to non-member purchasers.

In addition they are donating $265 to the Labor Press, have put $350 into organization and education, and have made a loan of $300 to one of their fellow co-operators who went to jail and needed bail. These miner co-operators of Ohio introduced into the last National Co-operative Congress the resolution demanding the release of political prisoners.

UTICA MAKES GREAT SAVINGS

The Utica Co-operative Society of Utica, New York, increased its sales during 1923, and made large savings for its customers. Total sales for the past year $113,265, a gain of $14,000 over the previous year. The savings on this turnover amounted to $8,858. Of this amount, $4,100 went toward the educational fund, $500 to the reserve fund, $191 to the educational fund, $1,411 as rebates to members, and $256 as rebates to non-members.

Since its organization in 1915 this cooperative has sold $661,701 worth of merchandise, paying total rebates of $11,258, and in addition paying $7,315 as interest on shares. The assets of the society have steadily grown, the real estate being valued at $42,000, while the cash in bank, machinery, truck, etc., bring the assets up to $76,000. The Utica society runs a bakery in addition to its grocery store. The bakery employs only union labor. Half a million loaves of bread are baked annually by the Utica society.

Active educational work is carried on by this society. A Women’s Guild meets from time to time, at which discussions on the Co-operative Movement are held. The society has subscribed to Co-operation for all the members.
EIGHTEENTH YEAR THE BEST AT MAYNARD

Maynard, Massachusetts, has been a co-operative center for many years, boasting a larger co-operative population than any other city or town in the eastern part of the country. The 1923 financial statement of the United Co-operative Society of that community shows that business in the past year has been larger and more profitable than that of any year since the society was incorporated in 1907.

The store (in which meat, clothing, general merchandise and furniture are sold as well as groceries) had sales of $294,805.25; the restaurant had sales of $34,889.89; the milk and dairy department sold $62,656.20 worth of goods; and the bakery business (included in store sales) was $34,652.12. Each of these departments made savings for the members, too, the bakery department doing the best with savings of 9.5 per cent. The total savings ("profits") for the whole business were $13,889.89.

Counting cash, stocks, real estate and equipment, these people now have resources totaling $74,287. Their capital stock is more than $27,000, and their surplus almost $7,000. These figures do not look very large to a few of our big city co-operatives, but they are very large for a town whose past population is considerably less than 10,000, and which tries to support two or three other co-operatives as well (Maynard has co-operatives among its Americans, its Finns, its Poles, its Cussians).

Late in the year a new department was opened up, operations of which do not appear in this statement. In November they began to handle coal, and in the three months since the first carload came have sold nearly forty cars. To handle coal satisfactorily and economically, they invested more than $15,000, and they are able to save their members more than $3 per ton. They invested more than $15,000 in equipment before they were able to handle coal satisfactorily and economically.

W. Niemeier, the Manager of this most successful society, is a Director and the Treasurer of The Co-operative League.

A GENUINE ENDORSEMENT FOR CO-OPERATION

Probably there are few men in political life who have so little in common as President Coolidge and Senator La Follette. But they nearly make all the more interesting recent statements from these two men regarding the co-operative movement. The President's words appear on an earlier page.

As we should expect, Senator La Follette does not deal in mere abstract endorsements. Since his return he has written several articles on his co-operative experiences in Europe last summer. At the end of one of these articles appears the following clear-cut statement:

"I expect to devote a large part of my time during the coming years to fostering the development of co-operation in the United States, because I see in this movement an opportunity for a great good for the common man and a means of escape from the operation of the monopolies and combinations which are slowly but surely throttling the economic life of America."

FIRE DAMAGES CENTRAL STATES WHOLESALE

A fire in the warehouse of the Central States Co-operative Wholesale Society at East St. Louis, Illinois, resulted in the loss of about $10,000, early in January. Although an immediate alarm was turned in, the firemen found it difficult to save the stock and fixtures, due to a frozen water pipe making it hazardous to get at the fire. The loss was fully covered with insurance.

PROFITING UNDER THE PRESENT SYSTEM

An interesting article appears in a recent number of The Railroad Trainman. A few brief quotations from the opening paragraphs follow:

"We have a proposition that asks the Government to subsidize certain products that cannot find a profitable market."

The reason is that too much of this one commodity was produced, not only in the United States, but in the world.

To subsidize a product because there is too much of it certainly does not mean lower costs to the consumer. If we mean to do anything for the last buyer, the thing to do is to commence at the bottom and control both production and distribution. Subsidizing production is an absurdity.

The writer then goes on to quote from a recent article by B. F. Yoakum in The Nation's Business, organ of the National Chamber of Commerce:

"I foresee that the margin of profit between the producers and consumers, especially of food, was being gobbled up through a marketing system which has steadily become a great burden upon both the producer and the consumer."

Mr. Yoakum goes on to show that in 1922 the potato crop, which netted the farmer an average of 50 cents per bushel, cost the average consumer $2 per bushel, almost four times as much as the farmer received. Seventy-two per cent of the consumers' dollar gone to the costs and profits of distribution! Or, in other words, the consumers are compelled to carry the recognition that they desire, eliminating the enormous burden that the farmers and consumers are compelled to carry."

FAILURES AND THE REASONS WHY

During the ten years from 1913 to 1922 more of the thousands of farmers' organizations went out of business. These organizations were engaged in collective buying or selling, 38 per cent of them being co-operative. The United States Department of Agriculture tabulated and analyzed the reports, which make an interesting study.

It is stated at the outset of the report that the abandonment of business by a thousand societies "is not so serious a matter as might be supposed, as many of these organizations ceased to function only after they had encountered difficulties that fully justified their formation and their support during a period of years. Probably a majority of the associations that have ceased to function have just 'faded out.' The initial capital has slowly dwindled, as has also the volume of business and the amount of enthusiasm for the enterprise. In such cases the only pecuniary loss has been that involving membership fees or dues or the value of shares of capital stock. Even in such cases the loss has not always been real, for the reports received indicate that not infrequently the ben-
The first protection the co-operative manager has is that of discounting all bills. Once he does that regularly, his next protection is to subscribe regularly to the catalogue of at least one large and reliable house and keep posted on prices. But there is only one certain protection available to the Board of Directors—who are held to final responsibility by the stockholders. They should have duplicates of all invoices sent regularly to the head office of one of the Co-operative Accounting Bureaus in this country (there are such Bureaus in the State of Washington, in Illinois, and at League Headquarters). These Accounting Departments have passing before them every day hundreds of invoices from scores of wholesale houses; and thus they get a birdseye view of prices throughout the entire wholesale field. If your manager is being overcharged, the expert accountant will see it and let you know—just as he does if your Association has signed up for this Accounting Service.

BOOK REVIEW

CO-OPERATIVE MOVEMENT IN RUSSIA

By Elsie Terry Blanc

Since J. B. Bubnoff’s book on Co-operation in Russia, published in 1917, we have had no adequate treatment of the subject in English. And because of the tremendous upheaval in Russian political, economic and social life since that date, a comprehensive view of the movement in the land of the Soviets has become available only by keeping a careful record of every order placed.

But aside from the tricks of the unscrupulous salesman, the manager who does not discount his bills is beset with another difficulty. Wholesale houses lose money on bad debts. They can afford to give their best prices only to those who pay promptly and thus show that they are absolutely sound financially. Every grocer who fails to take his discounts regularly is classed as either a fool or in financial difficulty; and the wholesale house must guard against losses from such grocers. The best protection is to make good all possible losses before they occur; they can’t be recovered afterward. Therefore these merchants begin systematically to overcharge as soon as the bills run over the discount period. And the grocer who tries to break into another man’s territory is to quote his lowest price and thus get an order away from a competitor. But in such an instance the salesman will fail to leave a copy of the order with the manager and when the invoice comes he gets his due only to his oldest and shrewdest customers; in other words, they quote low too often. The most frequent cause of failure was inefficient management. The dwindling interest of the members is the next most frequent cause. The following are the various reasons given for failure by the associations which reported:

- Insufficient money
- Insufficient management
- Insufficient accounting system
- Dishonest management
- Capital stock falling into hands of competitors
- Property damaged by fire
- Co-operators may well examine their own societies to see whether they are suffering from any of these troubles which cripple or kill co-operative associations.

Most of our managers think that the salesmen have a fixed price for his goods. Practically all directors think this. But as a matter of fact these men have several prices and they quote their lowest only to their oldest and shrewdest customers; in other words, they quote low only when they have to. And we have found very few co-operative managers capable of getting such quotations.

The chapters on the educational work of the co-operatives are particularly significant. They promoted elementary education for the peasants, established high schools, supported universities. In the bookshop of Centavoys an annual business of 3,000,000 rubles took place. One provincial union alone established 170 libraries, 130 reading circles, and purchased 42,000 books within six months. The co-operatives promoted dramatics, kindergartens, the study of foreign languages (including Esperanto). In October, 1918, there were 143 co-operative publications in Russia, eighteen of them full-sized newspapers.

Those who look forward to seeing the difficulties of the revolution in Russia on the road to plenty again will find in this book all the possibilities ahead—and the difficulties.
THE PLACE OF CO-OOPERATION AMONG OTHER SOCIAL MOVEMENTS

By V. TOTOMIANZ

Having been asked to what party he belonged, a Co-operator replied; "I belong to no party. Co-operators are the friends of the common people, the enemies of none." He who is asked to what class he belongs can make the same reply. This is the center or core of the little fort, eight pages written by the well-known Russian co-operator and published by The Co-operative Union, Manchester, England.

Mr. TOTOMIANZ begins with a definition of Co-operation and a statement of its aims. Dealing briefly with the three chief branches of Co-operation, Distribution, Credit, and Production, he passes on to an investigation of the ways in which Co-operation differs from other Social Movements, such as Trade Unionism, the different kinds of Socialism, Anarchism, Nationalization, and the Land Program of Henry George. He shows the relations of Co-operation to the Class Struggle and to Political Action, and closes with a criticism of some of the terms used in the co-operative vocabulary that are unlike those used in the jargon of the profit-making world, such as Rebates (instead of Dividends), Social Fund (in place of Capital), etc.

This little pamphlet is well prepared, very well edited, and cheap (at six pence). A more important fact, yet, the subject is concisely and clearly handled.

THE CORRESPONDENCE FILE

MORE ABOUT MANAGERS AND LOYALTY

I enjoy the articles in the magazine very much. In general, the managers will say that most consumers as members treat the manager like a messenger boy because they own the store.

The way to reduce expenses is for members to be loyal to the store. We bear a good bit about one vote for one member. Why should a member who spends $75 for the necessities of life at the store not be asked to vote? When the time comes that the loyal members desire large dividends, they will find the majority will be in favor of a mutual agreement. But it would not take away their liberty. A disloyal member is a traitor, both to his store and to Co-operation.

One of the chief reasons, I believe, that Co-operation does not advance is that it has been the policy of co-operatives in general to let the members engage in retail business. I think the contract for the store will be a success, I think.

Then we hear again about compulsory levy. Why should there be a member opposed to a mutual agreement? That would not take away the liberty. The members desiring large dividends will give the manager the necessary authority to get together (perhaps because one of their friends was not elected a director) and cause the society to close the store. Why should a rule that unless a member spends at least $20 or $40 a month he should not have a vote? That would not take away their liberty.

A disloyal member is a traitor, both to his store and to Co-operation. One of the chief reasons, I believe, is that Co-operation does not advance is that it has been the policy of co-operatives in general to let the members do as they please; and then the manager gets the blame because the store failed, whereas the members themselves are blame.

I am in favor of the mutual contract. Why not vote among the managers of the co-operative stores in the U. S. A.? I think you will find the majority will be a vote for a contract.

PELLE HENRICKSEN,
East Pittsburgh, Pa.

A TRIBUTE FROM ADAMSTON

We are enclosing herewith application for membership and check covering one year's dues. The League has already demonstrated its value to us, and we should, we feel, try to maintain our relations.

Your secretary's visit to our city was an inspiration to us, and the writer feels the need of more impartial advice and criticism.

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Issued monthly, in bundles, $1 per hundred.

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Albert Sonnichsen, Managing Editor

VITAL ISSUES

THE CATTLE EAT AND ARE NOT FED

We like to think of Co-operation as a voluntary movement. People go into it of their own free will. But as a matter of fact there are always forces that drive people into Co-operation.

This is the way it happens:

The farmers buy feed for their cattle. The feed merchant is to be found in every town. There is much adulteration of feed. The farmers get a law passed against adulteration. Immediately after such a law is signed one of the big feed houses in Washington actually sends out a notice to its customers that the price of feed has to be raised 20 per cent. There is a frank acknowledgment to begin with that up to that time feed had been at least 20 per cent adulteration. But the law did not stop it. Feed dealers continued to put in shorts, oat hulls, screenings, rice polish, rice hulls, be burned; now they bring $15 a ton and ground straw. Screenings used to sort of stuff has about the same nourish...
"Too far away!" is merely looking for an excuse for his own disloyalty to the larger co-operative movement. No manager or director is really to be called loyal to all that Co-operation implies until he has written to one or two of these wholesales and received quotations on such goods as the manager of the wholesale can give the best prices on. We need a larger loyalty from many who are now blaming the members of their own societies with disloyalty. Let the pot scour itself clean before it calls the kettle black.

BUILDERS OF CO-OPERATION

JOHN T. W. MITCHELL

By Albert Sonnichsen

JOHN T. W. MITCHELL

Leaders are usually people who can talk more glibly and more noticeably than their fellows. They are remembered by what they have talked. There are two classes that must be excepted. One is the military leader. The military commander holds his job because of the efficiency with which he can direct action. The less he talks the more effective his work. How many recall by name! "Too far away!" is merely looking for an excuse for his own disloyalty to the cause of Co-operation, during the period when it had not yet cleared shallow waters. But thousands of other men are devoting their lives to social service, doing constructive work, and yet are by no means comparable to John Mitchell.

Another point that is played up is that he began his career as a poor working boy. So have a million other successful men in all walks of life. Far more significant is the fact that when he first began to give himself to Co-operation he was no longer a laboring man.

Mitchell did not at that time give up his private business for the sake of the Wholesale. In fact, he maintained his hold on it till the end of his days, but as his duties on the Wholesale took up more and more of his time, he gave less to his business. When he died, in 1895, it liquidated for a bare $1,500. And that was a remarkable sacrifice. The average labor leader rises from poverty to a life of ease, and even luxury, with the success of his movement. Mitchell was on the road to a place among the wealthy Manchester merchants, when he deliberately turned and gave himself up to a movement which had nothing to offer him but a life of poverty.

So much for his character. His mentality has been described as mediocre. His thoughts were expressed in the language of the man in the street. But whatever his shortcomings in the art of self-expression, Mitchell was the man in whose brain was first conceived the idea that the only true industrial democracy must be based on the broad collectivism of the people as consumers. It was Mrs. Sidney Webb who first put this philosophy into comprehensible words, into scholarly phraseology, but frankly she admits that the fundamental thought was conveyed to her by John Mitchell. One catches the idea dimly in the fragments of speeches presented by Percy Redfern in his short biography of the man. But his vocabulary was limited.

It was in his actions that the idea rose clear. The so-called leaders of Co-operation of that day, Jacob Holyoake, Vansittart Neale, Tom Hughes, held that the future salvation of the people lay in profit-sharing, in a partnership between the workers and the capitalist. When the Wholesale Society, therefore, not only discontinued "sharing profits" with its workers, but deliberately went into manufacturing on behalf of its constituent societies, under the leadership of Mitchell, he was bitterly attacked by all these intellectuals. He was a "materialist," a "dividend-hunter," the champion of the selfish consumer.

Mitchell withstood these attacks with a self-possession that showed the stability of his own inner convictions. On his...
CONTRIBUTED ARTICLES

THE MANHATTAN HEALTH SOCIETY

By Olive E. Hask

In an uptown section of New York known as "Washington Heights" a certain triangular business block houses, among its other communal interests, a steadily growing co-operative association known as the Manhattan Health Society. An experiment of pioneer significance in the development of a public health service. Only sixteen months old, it already claims a definite place in the community's activities.

The society had its inception some three years or more ago when the Maternity Center Association of New York began to discuss the possibility and feasibility of self-support for its own work, and thus became an independent group known as the "Committee to Study Community Organization for Self-support of Health Protection for Mothers and Young Children."

For a number of months this group gave serious consideration to two questions, namely, the practicability and timeliness of an experiment designed to prove whether or not the support of a given community could be obtained for health protection of mothers and young children within its area, and what the cost of such service would be to the community.

It seemed not unreasonable to believe that people would learn through their own management of a self-support enterprise practical lessons essential to the successful transfer of all such measures to the community. By July, 1921, the committee was agreed that the experiment should be undertaken as a local community service within a limited district. Several sections of New York City were considered, and the one finally chosen in the Manhattanville section seemed to meet all of the qualifications, with the seemingly additional advantage of already having under roof the three organizations concerned.

The estimated cost of service at a membership of 5,000 members was $6.00 per year per person. This estimate was based on the actual cost of the 1920 operating expenses of the three associations concerned and upon sickness statistics of a population of 5,000. The method of billing for service to be through individual memberships at $6.00 a year, payable in advance; concessions of a monthly or quarterly rate to be made to those who would have difficulty in paying the full yearly due at one time. It was recommended that a family membership be worked out after actual experience in cost and amount of service.

In presenting the project to the other associations of the district, the approach was made through the local Chamber of Commerce, the local Women's Club, the schools, churches, and all known social and civic groups, from which a temporary Citizens' Committee was recruited. On May 1, 1923, as the result of a decision of the Citizens' Committee to organize and conduct its own affairs, the Manhattan Health Society began to function.

For its members, and as required, the Society purchased from the three participating associations the professional services of physicians and nurses, on the basis of an hourly fee for the physicians, and the regular monthly salary rate for nurses, both doctors and nurses being assigned from the staffs of the associations they represented. Special arrangements were made with "Henry Street" for night delivery service and Sunday care on a cost per visit basis.

From the inauguration of the service on June 15, 1922, the enrollment of members has steadily but slowly increased through the medium of satisfied membership rather than through any special publicity effort. On May 1, 1923, the Center was moved to 502 West 163d Street. Later a reorganization was effected and new officers elected. The faith of the many membership, who has made the Manhattan Health Society possible, was shown in a second gift of $12,000 to carry the Society through 1923, and later by an assurance to help meet deficits of 1924. Up to the present time all expenses have been met by the subsidy, and the membership fees allowed to accumulate as a reserve fund, still untouched but to be included in the accounts in which is to be a basis of an increasing fee account and a decreasing subsidy.
of four months of service, September 1, 1923, the fees received amounted to 4.5 per cent of the cost of service given; by September 1, 1923, the monthly intake had climbed to 25 per cent of the current cost, and by November 1, 1923, it had climbed to 36.7 per cent of the cost.

The Society has encountered the usual vicissitudes to be expected in the growth of a Co-operative Society. With the exception of the Medical Society at The Hague, and a Co-operative Students' Society at the University of California, there are no precedents for such a health service. Practically all mutual benefit societies provide monetary benefits rather than medical and nursing care service. The essential difference between the foregoing and the Manhattan plan, with its many possibilities of health education, is that it tends to reduce sickness and thus lower the cost of service.

On October 1, 1923, there were 424 paid-up members entitled to the service of the Society; 72 expectant mothers, 793 babies, 45 children of pre-school age and 825 babies, 45 children of pre-school age, have had the advantage of the advisory conferences of physicians and nurses; the Society provides for them and their families, to give nursing care to members who were under the care of their family physician. More than 70 physicians have given their approval of the service which the Society offers to the public. The little group of pioneers working for the establishment of a Co-operative health service in the country, in the face of ad
dvice from some quarters that it is a venture too dangerous to attempt, is far more than the Soviets, that will bring about that result.

There are a certain number of societies in Russia which have remained faithful to the principles of Co-operation. Of these, a few are the ones called "Free" which were established some years ago in opposition to the system of compulsory Co-operation, when the Co-operative societies had been converted into a class institution. . . .

CO-OPERATION

THE 25TH ANNIVERSARY OF "CENTROSOYUS," MOSCOW

By Charles Gide

(The reprinted from the International Co-operative Bulletin)

Russian Co-operation, if we take into account the distribution of the profits to members alone, has 30,000 societies, with over 12,000,000 members, and therefore has three times as many members as England.

As regards home trade, the share taken by the Co-operative societies is estimated at a third. . . . As regards foreign trade, in no other country have the Co-operative societies nor their Wholesales attempted foreign trade, or, if so, on a very limited scale, while the "Centrosoyus" is already the largest and, apart from the State, the sole export organization of Russia. . . .

The Russian Co-operative program is truly universalist—"the trusts," as they are called, and the rural population, to provide the latter with manufactured products, agricultural machines, sugar, etc. Above all, Russian Co-operation is unrivalled for the place it occupies in the national life. It is everywhere—in the streets, where its shops display innumerable signs—"500 in Moscow, almost as numerous as the churches!—in all the public ceremonies, where it has its place; in military reviews, where thedistribution of the profits to members on a pro rata basis of their purchases. Members of Russian Co-operative societies do not receive dividends but a 10 per cent rebate on the purchasing price. It is possible that this amendment to the old rule may have been instituted owing to the poverty of the Russian population and the necessity of lowering the purchasing prices to a minimum; but there is reason to believe that it was instituted above all owing to the idea that the dividend is a survival of the capitalist regime, the expectation of which in some measure makes the mass of the population believe in the "centrosoyus," the Soviets retaining only the political control.

In the outlines we have traced it will be easy to gather that the Russian Co-operative program is altogether different from that of Socialist Co-operation, and our Comrades of the "left" who, in France, at least, attack us at each Congress for being too neutral and the puppets of the capitalists, will find a powerful argument in support of their thesis. That
in their right. It is well, however, to point out to them that Russian Co-operation exists under special circumstances, and that it is precisely owing to these reasons and not to the modification of the program of Rochdale that it owes its marvelous growth. After the Revolution, the whole of the old capitalist organization having been wiped out, Co-operation was confronted with a desert—"no man's land," as was the name given to the zone under fire—and it had only to take the empty place. To-day private trade reappears but rarely here and there, like the stumps of old felled trees. It would therefore be very unwise for the Co-operative societies of other countries to model themselves henceforth on the lines of those of Moscow.

I know quite well what the Communist Co-operators will reply. They will say that the example of Russian Co-operation teaches us precisely that Co-operation will not attain its great ideals and create a new social order until the path has been cleared, probably by Social Revolution!...

It is here, in fact, where our paths separate. For us Co-operation, as its founders and apostles have taught us to appreciate it, awaits victory solely on its own merits and economic superiority. That victory has been achieved by a vanguard of destroyers. In its fight against the capitalist regime all that Co-operation asks is "Fair Play." Is this too optimistic a point of view? Experience will decide. But in any case we are grateful to Russian Co-operation for what it has done, for if one day, owing to the political blunders made in this unhappy Europe of ours, Revolution should come to us as it did to Russia, we are comforted by the thought that here as there Co-operation will be with us ready to create anew the economic life on the ruins of the capitalist regime. Russia teaches us that if the Great Night should come, Co-operation will be the dawn of a new day.

**The Object**

The object for which the Guild is organized, as set out in the charter and by-Laws, is: to promote the welfare of its members by inculcating the principles of Co-operation in their social and economic relationships; to encourage and support every kind of co-operative effort; to provide the means for co-operative education, and for mutually aiding each other in case of sickness, accident or death, on a co-operative, non-profit basis, for and among the members of the co-operative societies affiliated with the Central States Co-operative Wholesale Society and others.

**The Plan**

The plan upon which the Guild is to work is simplicity itself. It simply means that one thousand workers are going to band themselves together in a group and agree with each other whenever one of their number dies, they will all contribute $1.00 each to the widow and children or other heir or beneficiary of the deceased member. They agree also that they will each contribute a small sum in addition to this each year for the purpose of paying for the necessary stationery, postage and other incidental expenses for maintaining the group on an organized, permanent and effective basis, and they further agree that while doing so they will do what they can to spread the knowledge and understanding of the principles of mutual self-help through Co-operation among the members.

**Membership**

Any person, regardless of race, creed, color, sex or nationality, who is in good health at the time of making application for membership, regardless of occupation, who is not under sixteen years of age or over sixty, may become a member of the Guild by making application on the prescribed form and paying the $5.00 initial membership fee.

Persons between the ages of sixteen and fifty come in as Class "A" members, while those from fifty to sixty come in as Class "B" members. Group No. 1 has already been started in each Class, and as the applications for membership are received in each class they are added to this group in their class. As soon as either of these groups is completed, Group No. 2 for that class will be added to that group as they come in, and so on continuously. Thus there will always be one group forming in each class. As a death occurs in any particular group in either of the oldest applicants from the group then forming in that class will be transferred from the incomplete group to the complete group where the vacancy occurs, thus keeping the membership of the group once it has been completed, up to its full quota of 1,000 members.

**The Cost**

While the Guild must not be considered as life insurance in its strict sense, yet at the same time it brings to the member the more important benefits and protection of life insurance and at an average of less than half the cost of so-called old life insurance. It does this because all the private profit has been squeezed out of it. It is a co-operative organization, conducted by its own members to serve them at cost, while the life insurance companies are among the worst private profit vultures that the competitive profit-system has yet developed.

The $5.00 membership fee which is collected from each member at the time he files application for membership is for the following purposes: $2.00 to pay the annual subscription to The United Consumer, which has been adopted as the official organ of the Guild, and $2.00 to the death benefit fund with which to meet the first two death claims occurring in the group to which the member belongs.

The only additional cost is the $3.00 per year membership dues payable $1.50 in January and July each year, which pays the office expenses of the Guild, such as office salaries, rent, printing, postage and stationery, and includes...
$1.00 for the annual dues as an individual member of the Educational Department, including annual subscription to The United Consumer.

Benefits
When you make application for membership you are placed in the Group in your Class that is then forming, in the order in which your application is received. If your death should occur before this group is completed and the membership brought up to 1,000, you will receive $1.00 for each member in the group at the time your death occurs, provided you are a Class “A” member. This holds good also after the group has been completed, but as the group when completed will always have 1,000 members, it means practically a guarantee of $1,000 in case of your death. In Class “B” Groups, only fifty cents for each member in your Group at the time of your death is paid, making a total of $500 if you are a member of a full group, but as contributions to the death benefit fund are only collected on every group, but as contributions to the death benefit fund are only collected on every 1,000 members. It is reasonable to assume, therefore, that our death rate in Class “A” Groups, while the death rate in Class “B” Groups, should be much less than in Class “B” Groups, while the death rate will undoubtedly be higher.

Safety of Funds
The funds of the Guild will be in the hands of and under the control of the Secretary and Treasurer, who will be amply bonded to protect the membership against any loss, as will also be the organizers working in the field. The death benefit fund will be deposited as a savings account in a LABOR BANK and the interest received from it will be placed in a special fund. The general expense fund which is created by the members’ annual dues will be deposited in the same way and the interest from this fund will also be placed in the special interest fund.

Control
The membership meetings of the Guild are held annually immediately following the adjournment of the regular annual meeting of the Central States Co-operative Wholesale Society. At these meetings the Board of Directors are elected for the ensuing year and any other matters acted upon that may come before the meeting. Initiative, referendum and recall are provided for in the By-Laws. Any proposition may be referred to a referendum vote of the entire membership upon the petition of 20 per cent of the members, and any officer or director may be recalled for cause by the same method.

The Board of Directors of the Guild is compelled to meet at least once each month and the Executive Board at least once each week. They must report their actions to the Board of Directors of the Central States Co-operative Wholesale Society at each of its regular meetings, thus giving a double check and control upon the Board of Directors of the Guild, which will make as a double safeguard for the interests of the members.

Probable Cost Per Annum
This is not a new plan for Mutual Aid by any means. Organizations of this character have been in existence continuously for the past 700 years. The probable cost of membership per annum in each class and group, of course, can never be accurately determined in advance. We can make a close estimate, however, by taking the experience of similar organizations and by the death rates bearing upon the class of people who will make up the larger portion of our membership.

The death rate for the United States for 1922 was 11.8 per 1,000, while the death rate of the Illinois farmers for the past five years has been a little over 20 per 1,000. The other mutuals operating on this or similar plans in this country for the past several years have had a death rate ranging from 7 to 12 per 1,000 members. It is reasonable to assume, therefore, that our death rate in each group should range somewhere between 10 and 15 per year. Figuring in Class “A” upon the basis of $1.00 for each death and $3.00 per year dues would make the average cost from $13.00 to $18.00 per year, while in Class “B,” with its increased death rate and decreased benefits, the average cost between $8.00 and $12.00 per year, including the dues. This cost, however, is paid in small installments scattered throughout the year in such a way that they never become burdensome and the money is scarcely missed.

In the event that a member feels that the cost is excessive for the benefits received, all he needs do is notify the Secretary that he wishes to withdraw his membership, cease paying his dues and contributions and his membership automatically ceases and his liability and obligation is at an end. He is not the loser in any sense in this case, as he has had value received for the money he has paid while he retained his membership, by virtue of the fact that his fellow members have protected him to the extent of $1,000 during the time he was a member, which any old line life insurance company will tell you is worth anywhere from $20.00 to $50.00 per year, according to the age of the member.

The office of the Guild is at present at 203 Converse Avenue, St. Louis, Illinois, and inquiries addressed there for any further information you may require will be gladly answered.—United Consumer.

LECTURE COURSE ON CO-OPERATION
The Central Bureau of the Central Verein gave a course of five lectures on the Co-operative Movement Among Farmers at their headquarters in St. Louis on February 27 and 28. About eighty people attended the sessions, most of them from the rural districts of Illinois and Missouri, according to a report sent The League by Aug. F. Brockland. A number of those who attended were Catholic priests, some were practical dirt farmers, a few were students for the priesthood, and a handful came from the city.

Two of the five lectures were given by Directors of The Co-operative League: A. W. Warinner, Educational Director of the Central States Co-operative Wholesale Society, and L. S. Herro, Editor of the Nebraska Union Farmer. Rev. A. J. Muench is on the faculty of St. Francis Seminary at St. Francis, Wis. Mr. Herman Danforth is a founder of the Illinois Agricultural Association and once president of the Federal Land Bank, St. Louis.

The first three lectures were given on Wednesday, the last two on Thursday. The subjects and speakers were as follows:

1. Principles and Advantages of the Co-operative System; a Study in Ethics and Economics. Rev. A. J. Muench, Professor of Dogmatic Theology and Social Science, St. Francis Seminary, St. Francis, Wis.

2. Co-operative Marketing by Farmers; Marketing in Its Various Phases as Engaged In Co-operatively by Farmers. Mr. L. S. Herro, Editor the Nebraska Union Farmer, organizer of the Farmers’ Co-operative and Educational Union, State of Nebraska.

3. The Co-operative Elevator Movement; Special Reference to Co-operative Marketing of Grain. Mr. Herman Danforth, one of the founders of the Illinois Agricultural Association, and one time president of Federal Land Bank, St. Louis District.


5. Co-operative Buying by Farmers; the Farmer as Member of Co-operative Consumers’ Societies. Allen W. Warinner, Educational Director of Central States Co-operative Wholesale Society.

SIXTH ANNIVERSARY CELEBRATION AT BLOOMINGTON
To celebrate the sixth birthday of their Co-operative society, the supporters of the Bloomington Co-operative Society met recently at a banquet and entertainment prepared by the active women of the Society.

The banquet and entertainment celebrating the sixth anniversary of the Bloomington Co-operative Society reminds one of the meeting of a big and
happy family, each individual member
of which realizes that the interest of each
is the interest of all.

Six hundred and fifty hungry Co-
operators sat down at this festal board
and partook of a meal which started
with chicken and ended with ice cream
and cake, with all the spirit born and
enjoyed by such a meal. They were
seated in order, no faster and no slower,
and no faster. The whole thing was
done by co-operators and done co-opera-
tively, with the result that the cost of
the banquet, for which any profit-
making hotel or restaurant in the country
would have charged from $1.50 to $2.00
per plate, according to the menu
and circumstances with which it was
served, was so low, per plate, that if we
told you the amount you would not believe it.

Three orchestras furnished music for
the occasion, in addition to which there
were a number of individual musical
and literary numbers rendered by mem-
bers of the society. The feature of the
evening, aside from the banquet, was the
address on "Co-operation" by Carl
Vrooman, who is a member of the Bloomington
Society, has long been a student of Co-operation, both in
Europe and America. He was Assist-
ant Secretary of Agriculture during the
White administration, and is one of the
leading advocates of Co-operation in America. Mr. Vrooman
said, in part: "Co-operation and civilization are
synonymous. In the progress of mankind toward higher planes of thought
civilization develops as fast as does co-
operation, and so faster.

"Co-operation consists of a spirit and
a method. There is no spirit of any kind toward higher planes of thought
which exists today. It is the spirit of working together, of
the recognition of one another's needs. The method consists of the putting to-
gether of common resources for the gain-
ing of a common objective. "Co-operation is the opposite of war.
As men learn the advantage to be gained
from voluntary teamwork, all forms of
war will gradually disappear.

It may be there was a time when,
in order to get the best enjoyment of the
leisure necessary for study and the de-
velopment of their intelligence, that war
was necessary. It may be that there
was a time when it was necessary that
the few should rule a less favored class.
But, with the advance of modern science,
it is plain to all nations and individuals from this time on can pro-
gress faster and farther by uniting
to exploit nature than in fighting among
themselves to exploit each other."

A large part of the credit for the success
of the celebration belongs to the
very nature of things their part in
an undertaking of this kind could not be
as big as that of the women. A co-
operative society with such a back-
ground is sure of success. May their
success ever grow greater.

CO-OPERATIVE HOUSING EXHIBIT

From February 26 to March 2 the
United Neighborhood Houses of New
York City held the first Co-operative
Housing Exhibit ever staged in this
country at the exhibition rooms of
the New York Society. The doors were opened on Tuesday
morning, and from that time until Sun-
day evening there were crowds going
through the material every morning,
Wednesday, Thursday, Friday, and
Saturday evenings a speaking program
was put on, and twenty speakers in all
talked to hundreds of people on hous-
ing problems in relation to health,
ygiene, city planning, charity and
relief work, organized labor, labor bank-
ing, the church. And through all the
talks ran the constant note emphasizing
the fact that Co-operation is the only
permanent and sure cure for the housing
difficulties in such a large city as New
York. Congratulatory letters were
received from President Coolidge and
Governor Smith. Mrs. Warbasse closed
the Saturday evening session with stereo-
vision views of co-operative housing in
Europe.

The exhibit itself contained many
photographs of co-operative houses now
operating in New York—both interior
and exterior views. Many small card-
board or wood models of the houses
themselves were donated to the exhibit
by groups of school or settlement house
children who made them. These models
were very interesting, for even the
miniature pieces of furniture, the little
chairs, the chandeliers, were all made to
scale to fit the small rooms. On the
walls were a great many charts depict-
ing health conditions in the various dis-
tricts of Greater New York, congested
areas, vacant land still available for
buildings within the five-cent fare zone,
and other matters of interest. The liter-
ature table was always kept loaded with
booklets and pamphlets about co-opera-
tive housing and hundreds of pounds of
this was carried away by visitors.

CO-OP. EXHIBIT EXHIBIT

The Beardstown store is one of the
newest, cleanest and most attractive co-
ocative stores we have ever seen. Al-
though we had just eaten lunch before
we went over to visit the store for the
first time, the first impression it made on
us was a distinct feeling of hunger, so
appetizing and appealing was the tasty
display of the very best of food prod-
ucts and the general appearance of the
store.

Their statement, which we publish
below, covers a period of one year. Mr.
Foster did not assume charge until
June and a careful check reveals the
fact that they sustained an operating
loss of some $500 for the first half of the
year which would mean that Mr. Foster
not only made a net saving of $1,246.67
for the second half of the year, but over-
came the $500 loss for the previous half
of the year as well.

Profit and Loss Statement for the Year
Ending Dec. 31, 1923.

<table>
<thead>
<tr>
<th>Item</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales</td>
<td>$47,727.07</td>
</tr>
<tr>
<td>Inventory, Jan. 1, 1923</td>
<td>$5,338.57</td>
</tr>
<tr>
<td>Net purchases</td>
<td>$37,700.36</td>
</tr>
<tr>
<td>Freight, drayage and express</td>
<td>789.80</td>
</tr>
<tr>
<td>Net income</td>
<td>$3,576.72</td>
</tr>
<tr>
<td>Inventory, Dec. 31, 1923</td>
<td>5,444.79</td>
</tr>
<tr>
<td>Cost of sales</td>
<td>$33,239.94</td>
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<tr>
<td>Gross gain</td>
<td>$9,404.32</td>
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Expenses

<table>
<thead>
<tr>
<th>Item</th>
<th>Amount</th>
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</thead>
<tbody>
<tr>
<td>Administration</td>
<td>$2,318.00</td>
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<tr>
<td>Sales</td>
<td>$1,044.85</td>
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<tr>
<td>General</td>
<td>$1,334.40</td>
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<tr>
<td>Delivery</td>
<td>433.88</td>
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<tr>
<td>Light, heat and rent</td>
<td>802.70</td>
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<tr>
<td>Depreciation</td>
<td>147.42</td>
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<tr>
<td>Expenditures</td>
<td>$6,061.28</td>
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</table>

<table>
<thead>
<tr>
<th>Item</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Costs from operations</td>
<td>$1,301.85</td>
</tr>
<tr>
<td>Financial loan and investment</td>
<td>306.47</td>
</tr>
<tr>
<td>Total charges</td>
<td>$1,608.32</td>
</tr>
<tr>
<td>Interest and discount earned</td>
<td>281.26</td>
</tr>
</tbody>
</table>

Net gain for the year                     | $1,346.67 |

—The United Consumer.
CLOQUET, MINNESOTA

The annual meeting of the Cloquet Co-operative Society was held January 28, 1924. There were 174 members present and registered. The total membership of the society is 356. Alterations were made in the by-laws, the capital stock of $25,000 being raised to $75,000, and the board of directors to be elected for one year instead of for six months.

The financial statement with the managers and auditors report were read and approved. Total net sales for the year were $285,707.43; gross profits $36,642.07; total expenses $285,777.94, leaving a net gain for the period of $9,843.12. Two thousand of the net gain was transferred to contingencies and $500 to the educational fund, the balance being divided in shares to members and nonmembers, on the basis of patronage.

Gross profits for the net sales were 14.46 per cent of the net sales 10.77 per cent and the net gain 3.69 per cent. Average merchandise inventories were $34,231.31, making the turnover about twelve and one-half times during the year.

Total assets of the society were $633,300.88. The current liabilities were $18,353.89, and the net worth, including share capital, $447,665.59.

The society took over, September 15th, the Tovey Rochdale Co-operative Association of the same town and is now operating in two stores under the same management. The business handled is groceries, meat, shoes, clothing, hardware, furniture, building materials, feed, seeds and farm machinery. About 30 per cent of the business is done with members and the balance is city trade.

The meeting was well attended and complete harmony prevailed among the members. The members and patrons seem to understand co-operation very well and have developed a determination to back up their co-operative affairs in the future.

The society has earned net profits since 1918 of $29,045.58, which has been distributed in shares among the patrons and members. This is re-assuringly a little saving for the people who make their purchases in a co-operative store.

P. K.

EMBARRASS, MINNESOTA

The Embarrass Farmers’ Co-operative Mercantile Association had a most successful year in 1923. Though their capital stock is but $10,470, their sales were $82,600.82. Gross profit was $13,676.90, or 16.55 per cent of sales; expenses were $6,661.15, or 8.06 per cent of sales; and net savings for the year were $7,015.75, or 8.49 per cent. These are good figures and show a most healthy condition. Total stock was 5.81 times during the year.

The Embarrass Association is one of the scores of societies in the North Central States which are members of the Co-operative Central Exchange and thus indirectly members of The Co-operative League.

VOLUNTARY ASSOCIATION AMONG FARMERS

The various governmental plans for relieving the difficulties of the farmers have received much attention in the public press. Some of them deserve all the attention they get because of their merits; others deserve it for their faults. But there are farmers in the country, thousands of them, who realize that government aid or other schemes for highly centralized control are impractical and fear it might encourage the use of imported butter and substantially have become imbued with the idea that by organizing and concentrating the resources they use their best judgment and discretion before embarking on any new and untried program.

TOVEY, ILLINOIS

The recent annual meeting of the Tovey Rochdale Co-operative Society had more women than men in attendance, according to the testimony of A. W. Warner, Educational Director of the C. S. C. W. S. This is so unusual an event in a mining town that it is worth blazoning to all the other miners’ co-operative societies throughout the anthracite and bituminous districts. But this was no chance turnout by the women. They have been organized and working for some time, and the success of the meeting was largely due to their efforts. The membership voted unanimously to affiliate with the Educational Department of the C. S. C. W. S. Already they have been taking the Central Accounting Service of this Department.

For the last two months of 1923 the Tovey Society had a surplus savings of $389.46 out of sales amounting to $1,904.97, or 5% per cent. Gross savings were a little better than 16 per cent of sales; expenses were 11.3 per cent, and the purchase discounts added to the difference give the 5¼ per cent. With expert auditing and bookkeeping which these folks will now receive from their office in East St. Louis, the co-operators at Tovey should make bigger gains next year.

UNITED CO-OPERATIVE SOCIETY OF NORWOD

The co-operative society at Norwood, Mass., though not as old as some of the others in the Bay State, is doing its share of the distribution of the necessities of life to the people of that city of 12,000 people. The figures recently sent to The League by the Manager, O. E. Saari, show large sales for 1923 and a good net gain.

<table>
<thead>
<tr>
<th>Sales</th>
<th>$72,210.99</th>
<th>$2,526.09</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>$74,734.08</td>
<td>$2,638.59</td>
</tr>
<tr>
<td>Gross Gain</td>
<td>$10,422.26</td>
<td>$6,262.63</td>
</tr>
<tr>
<td>Cost of goods</td>
<td>$62,387.73</td>
<td>$1,965.96</td>
</tr>
<tr>
<td>Milk</td>
<td>$1,375.36</td>
<td>$4,272.63</td>
</tr>
<tr>
<td>Total</td>
<td>$63,763.09</td>
<td>$1,498.60</td>
</tr>
<tr>
<td>Net Income</td>
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</tr>
<tr>
<td>Gain on real estate and on exchange</td>
<td>$411.28</td>
<td></td>
</tr>
<tr>
<td>Total Net Gain</td>
<td>$3,366.87</td>
<td>$672.78</td>
</tr>
</tbody>
</table>

The group of Finns at Norwood is not as large and has not been at this game as long as those in Fitchburg or Maynard, but they are pushing ahead each year.
The Correspondence File

The "Purity" of Paterson

Since, I presume, co-operative news that you receive from your manager, it might be well for me to inform you that the Purity Co-operative Bakery was partly damaged by a fire which broke out at and gutted a lumber yard adjoining the bakery. Two ovens were rendered useless for a few days and all of the flour on hand was dampened by water. The damage has been repaired and the factory re-opened. It seems there were quite a number of knockers enrolled in our membership. This is indeed encouraging, in view of the fact that this constitutes the first gain made in three years. It marks the beginning of a new era in the Purity's business and general affairs. It is generally conceded that the bakery is now on the road to recover its lost thousands of dollars which have depressed the institution for such a long time.

The butcher shop is doing well as usual. It is being planned to branch out this enterprise into another section of the city, but it is waiting for the bakery to go in with it on a partnership basis. It is hoped to establish a store jointly, one half for meat and the other for bread. This, we believe, will be realized some time during the latter part of this year.

Henry Berggren, Paterson, New Jersey.

Progress at Lewiston

The Lewiston Co-operative Association is proceeding briskly at its standpoint on earnings of the investment, but it has been a hard pull all the way through. It seems our most pressing trouble here in Lewiston is to increase our membership. Of course, at the beginning we lost considerable in the Pacific Co-operative League, but there was quite a number of subscribers enrolled in our membership. Possibly they became knackers due to the fact that they were promised splendid results. We started business when goods were at the height of price, and some have declined ever since, and being in a farming country, we get the full benefit of the declining market. So it was impossible to make a large profit due to the wares of such knackers.

A good many wanted their membership loan returned, but necessity forced us to withhold payment. We are now providing a fund to pay for bread. This, we believe, will be realized by the end of this month. The poor farmers are groping around trying to get a farm started on a new section of the city, but it is waiting for the bakery to go in with it on a partnership basis. It is hoped to establish a store jointly, half for meat and the other for bread. This, we believe, will be realized some time during the latter part of this year.

P. S. Berggren, Lewiston, Idaho.

Positions Wanted

A young married man of thirty years of age desires to connect with a co-operative store in the capacity of manager. I have made a study of the co-operative movement and feel that I should be of great assistance to a store of this nature. References exchanged.

W. E. Farnsclt,
Quincy Junction, Pa.

A Montana Farmer on the Tariff

The poor farmers are groping around trying to get a farm started on a new section of the city, but it is waiting for the bakery to go in with it on a partnership basis. It is hoped to establish a store jointly, one half for meat and the other for bread. This, we believe, will be realized some time during the latter part of this year.

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Lovejoy, Mont.

Young German bookkeeper wishes a position in a co-operative society. References exchanged.

A. U. Barthelmski,
Zella-Mehlis, Germany.
The Co-operative League
(Member of The International Co-operative Alliance)
167 West 12th Street, New York

An educational organization for teaching the history, 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. Subscribe for the Monthly Magazine and keep in touch with the Movement.

Enclosed find $........... for Subscription for CO-OPERATION, $1.00. Membership in The LEAGUE, $1.50.

Name:

Address.............

Co-operative Central Exchange
Wholesale Grocers and Jobbers, Bakers

We supply goods to Co-operative Societies only. We are owned and controlled by Co-operative Societies. We are organized to enable Co-operative Societies to do collectively what they cannot do individually.

THE PRODUCER

Issued Monthly Price 6d.

The PRODUCER is the only monthly in Co-operation in India. Special articles on Rural, Consumers' Co-operative, Agricultural, Credit and Industrial Cooperation; and Cooperation Abroad.

Subscription Rs. 4/12 per annum.

The Canadian Co-operator

Brantford, Ontario, Canada

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

Published monthly 75¢ per annum.

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

Address Albert Sonnichsen, Managing Editor

THE PRODUCER

Issued Monthly Price 6d.

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.

1 Balloon Street, Manchester

Post free 4 sh. 6d. a year.

The Trade and Technical Organ of British Co-operation.

Co-operative in Scotland

In no part of the world is Co-operation further developed, or more successfully practiced than in Scotland. If you wish to keep informed, read "The Scottish Co-operator" (Published Weekly).

Subscription: Year 12 sh.; half-year, 6 sh.

Address, 119 Faidley Road, Glasgow.

The Madras Monthly Bulletin of Co-operation

ROYAPETTAH, MADRAS, INDIA

The only monthly on Co-operation in India. Special articles on Rural, Consumers', Agricultural, Credit and Industrial Cooperation; and Co-operation Abroad.

Subscription Rs. 4/12 per annum.

VITAL ISSUES

PROFIT-MAKING ‘CO-OPE-RATIVES’

The "Co-operative" Shingle Mills

A few months ago there appeared in the Monthly Labor Review an excellent analysis of the movement in the State of Washington to establish co-operative shingle mills. The first was organized in 1910, and since then there have been many others. To-day eighteen shingle mills and three lumber mills maintain a central organization called the Mutual Timber Mills, Inc.; and there are several independent co-operative mills outside this Central.

The League has been bitterly assailed because it has so often stated that producers’ co-operatives become capitalistic. As this group of producers’ co-operatives on the western coast is probably the most successful in the country, it is worth examining.

We learn that the by-laws of the Olympia Shingle Co., organized in 1915, have been most carefully worked out and have since served to a large extent as a model for other mills. Outstanding provisions in these by-laws are: Equal number of shares of stock for each stockholder; election of all new stockholders; one vote only to each stockholder; all stockholders must be employees of the company. Some of the more recent organizations provide that any stock which is for sale must be offered to the stockholders at the same price as has been bid by any outsider. These are all good provisions. Do they, however, eliminate the most notorious features of the capitalistic corporation?

The Mutual Mill of Marysville is the oldest, having been established in 1910. To-day twenty-five of the employees are stockholders and seven are mere wage workers. Shares of stock which originally cost $600 are now worth as high as $1,600. The Olympia Shingle Mill (with its model by-laws) now has twenty-nine employees, of which eighteen are stockholders and eleven wage workers only. Stock which was originally $150 a share has sold for as much as $3,800 a share. The study goes on to state: "The mills when first organized included all or nearly all the employees as stockholders, due to the need for working capital, but after the mill has become a success this reason for having all workers as part owners no longer exists. If a worker drops out and the worker taking his place buys his stock, no new capital is brought to the enterprise, and if the mill is making a good profit the remaining stockholders can keep this profit in their own hands by buying in this stock as a group or through purchase by some individual among them."

At the present time there is no co-operative mill in which all the workers are stockholders, although there are two in which only one employee is a stockholder, and one mill where all but two employees hold stock. In a number
of cases, however, consolidation has gone so far that the mills can hardly be classed as co-operative in any sense."

Two of the most outstanding and essential evils of the capitalist form of organization are these:

1. The necessity of keeping the mills in operation, i.e., maintaining a steady flow of goods to meet the demands of the public. This necessitates a constant supply of raw materials and a steady flow of labor.

2. The control of the mills by a small group of stockholders or the profit it can earn. This control gives the managers a voice in the corporation.

The official Insurance Year Book gives the total income of 2,711 life insurance companies in 1927 as $1,200,000,000, of which policyholders received in payments only one billion dollars. The difference is absorbed in unnecessarily high overhead expenses and in huge profits. Large sales forces of highly paid agents are employed, directors and officers receive princely salaries, and gigantic offices and buildings are erected. Despite heavy expenditures in maintaining expensive organizations and equipment, the profits continue to pour in.

This is perhaps inevitable, as the life insurance business is a business of uncertainty. Actuaries have studied mortality figures so carefully as to know the probability of death among a given number of people, in the different ages, at any given time. All life insurance companies rely upon a standard Table of Mortality. They know to a certainty in advance what the basic cost of insurance will be. Yet premiums rates differ because the public is easily confused by the various types of insurance. As Mr. Nash aptly puts it, "In the hypnotism of the public lies the profits of the companies."

Here is a field where Co-operation is practically no factor of risk. Actuaries have studied mortality figures so carefully as to know to a certainty just what is the probability of death among a given number of people, in the different ages, at any given time. All life insurance companies rely upon a standard Table of Mortality. They know to a certainty in advance what the basic cost of insurance will be. Yet premiums rates differ because the public is easily confused by the various types of insurance. As Mr. Nash aptly puts it, "In the hypnotism of the public lies the profits of the companies."

The competitive life insurance companies are subjected to a searching and merciless study, in a series of interesting articles written by J. V. Nash in "The Deburn Independent." Mr. Nash lays bare some of the gorging tactics employed by life insurance companies that have made billions out of the business of protecting against want.

There is hardly a business in which the consumer is more thoroughly mystified by sleight of hand manipulations than that of life insurance. The average policy holder has countless varieties of insurance dazzled before him—ordinary life, twenty payment life, endowment, etc.—with varying premiums, until he is hopelessly muddled about what is perhaps one of the simplest affairs in the world. Experts who have studied the life insurance companies intimately have suggested that the rush of types of insurance is deliberately employed to cover up the huge profits in the life insurance business as it is conducted to-day.

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The searchlight on life insurance

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HAS CO-OPERATION A FUTURE IN THE U. S.  
A Discussion

HURRAH BOYS!  
By Stuart Chase

It has been claimed that the co-operative movement lacks pep—particularly in America. As an amateur student of social behavior, I have been asked how this missionaries may be supplied. This is a large order, one quite beyond my powers, and also, I fear, quite beyond the boundaries of human knowledge to define. For a long time, Messrs. Neal, Hughes, and Kingsley—intellectuals all—put up the work of Dr. King, and proceeded to formulate a theory of co-operation. It was a theory as ethical as it was ingenuous. They got into the work, and the societies which they founded failed with a kind of intellectual certainty.

In America conditions of livelihood were very different from those to be found in Europe a hundred years ago. There was the limitless West, the spirit of adventure, the doctrine of “shirt sleeves to shirt sleeves.” Economic realities accordingly did not foster a cooperative movement as inevitably as it did in England and on the continent. Many co-operatives were started notwithstanding. But it is to be feared that the effort was started on pep. Propaganda had crossed the Atlantic. Theories were heavy. Ethics was the air. The early American movement traveled in hand with prohibition, if you please. One organization essayed to pass on the “moral character” of all applicants for membership. The name of an early federation in the Northwest was the “Right Relations League.” And with unfailing regularity these high-minded groups went to smash. The co-operative movement itself was born. The crusading spirit has its uses, but in co-operation is a psychologically unsound one. Rather than put pep in the co-operative movement, I would put research—inform, if you will, by passionate devotion on the part of a few leaders. By your works—not by your words—will you be known. And when all is said and done, why isn’t this the best way to be known? What is the net accomplishment of propaganda by faith to date? A few gaudy dreams, a few noble lives an altar fire, and a funeral pyre. The rest is silence.

CO-OPERATION VIA THE SQUEEZE PROCESS

By Albert Sonnichsen

So far as the past is concerned, Mr. Chase can’t be disputed. His facts are straight enough, and his interpretation of those facts seems pretty sound. Following out this beginning logically, I believe we can come to a very hopeful conclusion.

Before the introduction of machine industry economic necessity, or pressure, was caused by “acts of God”; wars, or crops failures, etc. Machine industry, through transportation, more or less removed or reduced these particular causes. But a steady, continuous pressure remains just as impressive.

So far as my feeble lights go, I draw the obvious lesson. It would seem that co-operation is not primarily an ethical way of life, but a very practical way of making existence less burdensome in certain concrete situations. Incidentally, and in passing, the concept of justice and fair play which have so much to recommend them—but ethics follows the primary economic need. If this analysis has any merit it would seem that the ideal start to a co-operative is when you find a fairly compact group bellowing with pain and anguish over a specific economic grievance. The chances of success in such a case would probably far exceed the chances in a group composed of kindly, uplifting individuals with only the evils of the world in general on their minds. Rather than put pep in the co-operative movement, I would put research. By study and analysis I would locate available sore spots, and the scientific possibilities of remedying them the co-operative technique. Is the temper sufficiently exasperated to make a genuine effort towards readjustment? Does the surrounding situation lend itself to the technique? If research answers both questions in the affirmative, then strike! If in the negative, then drop it utterly, whatever the number.

Some movements can gather momentum on their ethical appeal alone. Christianity did in its early days. So did Islam. Socialism weaves a spell of words, provides a villain, gives all the essentials of a drama in the doctrine of the class struggle. You can put pep in religion—as the Y. M. C. A. has admirably demonstrated. You can put pep in socialism or communism or even into single tax, with the very obvious lack of a landlord. But co-operation by its very nature has to be more concrete. There is no devil—no revolution, no barricades, no fires of hatred, no barricades, no fires of hell, no Utopia—just stock ledgers and shelves of goods and minute books and now and then a rebate. It does not fetch the essential drama in the human spirit. It is grounded too close to the harsh realities of every day.

So I would say that the job of spreading co-operation by ethical appeals, by hurrah boys, by “let’s get together,” is a psychologically unsound one. Rather it should be led by the scientific spirit of research—informed, if you will, by passionate devotion on the part of a few leaders. By your works—not by your words—will you be known. And when all is said and done, why isn’t this the best way to be known? What is the net accomplishment of propaganda by faith to date? A few gaudy dreams, a few noble lives, an altar fire, and a funeral pyre. The rest is silence.
take on a broader scope, and then we get Consumers’ Co-operation in practice or Socialism or Syndicalism in thought.

The economic pressure created by the introduction of machine industry brought about the first result in large volume. The cream of the European working classes abandoned their homes and made their way across the Atlantic. The grade below these, those who had not the means to pay their passage, or not quite the courage to tear themselves up by the roots, stayed at home. They resorted to collectivism. The result was the Co-operative Movement among the workers and Socialism among the intellectuals. For a time the pressure increased so rapidly that the final result, revolution, seemed ever near. Marx and his followers saw it close at hand. But at the same time, a serious handicap to the growth of collectivism, in either practice or thought. As an instance, William Maxwell tells how the first attempt to establish the Scottish Wholesale Society failed because of the emigration of every member of the organization committee.

The country there was no economic pressure, therefore no Co-operation— and no Socialism. Penniless adventurers saw tremendous opportunity for big profits to be made, and for every one that made a fortune a dozen went on with flaming hopes. Every man was a pioneer. And you can never make a Co-operator out of a pioneer. What does a quarterly out on the purchase of his groceries mean to the man who sees a pot of gold at the end of the rainbow?

Yet for a period, before the Civil War, conditions in New England began approaching those of Europe. Manufacturing was begun and industrial communities appeared. There was a slight touch of economic pressure. And Co-operation appeared. No, it was not created by enthusiasm. No mass movement was ever yet created by enthusiasm. They go out in the middle of the market place and shout “hurrah, boys!” till the crows come home, but unless your call harmonizes with some real human need, material or spiritual, you will get no response. That is a bit of herd psychology that needs no laboratory demonstration.

Co-operation appeared in New England. Then came the Civil War, and the cream of the working classes was drawn off and sent to the front. Had this vital element removed the industrial population there might have been a further development of Co-operation, but just then the west was thrown wide open by railroad development, and the New England boys, already uprooted and scattered to a body. What manhood was left in New England followed. New England has not yet recovered from this bleeding. Yet there was enough Co-operation there ten years ago to form the subject matter of James Ford’s book, “Co-operation in New England.”

For forty years the westward flow of the American population continued. It was not only the gold in California, but the prairie wheat fields being developed, the building of railroads and the tremendous expansion of our industry to meet the needs of the growing western population. Every red blooded American saw himself an ultimate millionaire. The whole working population was in a perpetual state of flux.

Well, to-day it is mostly invalids and movie actors who go to California. I believe Mr. Chase will agree that the gilded age has definitely come to an end. All the claims have been, but we are still talked about and fished in. The lateral flow of money, passing from Tom to Dick and on to Harry has ceased and now it sinks down from father to son. Our industrial aristocracy has been more or less established. And so has the working class.

Economic conditions are not yet the same here in England as they are traveling in that direction. The symptoms of economic pressure are here; the growth of radicalism, of labor organization, and the spreading co-operatives. The rural population is decreasing, the industrial population increases. The screws are turning, slowly, but ceaselessly.

The first result should be emigration. For some years past this has been a solid flow of emigration over into Canada, but there is no golden west beyond. There remains Mexico. But Mexico is not what is called a “white man’s land.” Beyond the Pacific lies Asia, with her teeming millions.

Growing economic pressure, minus the safety valve of emigration, is the condition that is facing us. Economic pressure, though relieved by emigration, produced Co-operation in Europe. What will economic pressure, without emigration, produce in this country?

Socialism, says the Socialist. But throughout all Europe the resort to collectivism has manifested itself constantly as Consumers’ Co-operation.

The one determined effort to set Socialism to work, in Russia, has been a dismal failure. Consumers’ Co-operation is doing the real work there. As for people that is a side issue. Socialism attracts the intellectuals but it has pep. In other words, it is sugar coated. Naturally, we would like a little sugar coating for the education of mankind is a dreary job without it. But we can pull along without it. We may have to.

CONTRIBUTED ARTICLES

COMMONWEALTH MUTUAL SAVINGS BANK OF MILWAUKEE

Annual Report of the Secretary
C. B. WHITNALL
(Abbreviated)

Fellow Corporators:

This, our twelfth annual report, is as gratifying as the eleven which have preceded it when measured by the personal interest shown in our co-operative method in the use of savings. But our encouragement as a group, eager for the development of co-operative democracy, is more assurance than ever, so that the one determined effort to set Socialism to work, in Russia, has been a dismal failure. Consumers’ Co-operation is doing the real work there. As for people that is a side issue. Socialism attracts the intellectuals but it has pep. In other words, it is sugar coated. Naturally, we would like a little sugar coating for the education of mankind is a dreary job without it. But we can pull along without it. We may have to.

CONTRIBUTED ARTICLES
tive of the builder for profit has induced him to use inferior materials and poor labor in the construction in order to increase this profit. It is quite obvious, therefore, that this assistance should be of greater value during construction than after completion. To undertake the production of a single home at cost prices, even to such men as own their own cars, knowledge, and experience as would engineer the development of many. In fact, co-operative building, like all co-operative successes, requires the self-estimation of a group. The co-operative housing eliminates profit and speculation; there is no unearned increment added to the price which families are obliged to pay either as original occupation or when there may be a change of ownership.

It seems logical that co-operative housing should in time become our method of providing homes by building groups of houses by association of individuals and receive the aid and economy afforded by co-operative banking. This would lead in time to co-operative manufacturing; then on to co-operative heating, etc.; until some day a co-operative commonwealth would be the result, thereby fulfilling the maxim credibly indicated by our name—The Commonwealth Mutual Savings Bank—which was quite a large name to be supported by such a small bank. But we have now attained a position where it may not seem ridiculous to disclose somewhat the ambitions which prompted the choice of our name.

In Europe this co-operative movement has developed as well as being a "State within a State" wherein principles of self-government are applied to the conduct of a large part of their economic relations. They have survived the wreckage of their political governments, and their practical experience is in itself an education in fundamental democracy, and will in all probability be the only counter-example in our intellectual circle which will be capable of rescuing civilization when the prevailing financial system of pyramidizing interest-bearing obligations breaks down.

Although our principles appear to baffle the understanding of many so-called business men, we know from constant inquiry made of us that our perseverance and success has created considerable thought and study. Our growth of $236,000 since our last annual meeting is a fair indication of appreciation... Milwaukee Labor is learning to do its own thinking... It is time for our workers to realize that investing in oil, copper, railroad notes, or mortgages is based on the calculation of the borrowers that the investor takes the chance, is merely encouraging a vicious trend of exploitation which we are endeavoring to overcome. Such investments are made by thousands of workers in Milwaukee who are actuated by selfish impulses. They listen to the promoter, who cleverly encourages him and argues in favor of selfish moves, understanding full well that his own selfishness is dependent upon their selfish support. Every time a worker lends encouragement to an investment which, in order to succeed, must exploit others unduly, he is defeating the cause of Labor—for all that Labor wants is the payment of labor, and by co-operative methods we secure more and more of that product, and suffer less and less exploitation... The following is a statement of our financial condition for the year just passed:

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<th>Description</th>
<th>Amount</th>
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<td>Surplus, carried over</td>
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<td>Expenses for year</td>
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<td>Dividends paid</td>
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<td>Amount required for guarantee fund</td>
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<td>$30,153.19</td>
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<td>Surplus on hand to start 1924</td>
<td>$833.23</td>
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CO-OPERATIVE TELEPHONES IN THE U.S.

By J. P. Warbase

There are more than 300 co-operative telephone societies in the United States. Some of these are organized under the ordinary stock-cooperation laws, some under membership association laws, and some under state laws. But they all are organized for service, not for profit. They have been started by people who got together to supply themselves with telephone service.

These are almost exclusively farmers' organizations. The farmers buy the instruments and equipment; the farmers put up the lines and do the work. They commonly use the barb-wire fence to carry the electric messages. The central switchboard is established in a farmer's house; his wife or daughter is paid a small amount to serve as "central" and make connections. Fifty cents a month from each member abundantly pays for the service.

Everything goes well. The neighbors are considerate and do not call "central" out of her bed at night except in urgent circumstances. "Central" knows all of the gossip of the neighborhood. She can tell any member at most any time who has gone to town, at what house the doctor is calling, what the county agent is doing, or what is Mrs. Wigg's recipe for crullers.

There is only one fly in the ointment. On rainy days the blamed thing won't work. Electricians know why you can't get through a barb-wire fence when the heavenly choir is singing Father Noah's favorite hymn, "Oh, Lord, didn't it rain."

Well, what's the answer? As the farmer says, the society has some surplus funds, so they buy some "two-by-fours," run them up about six feet above the fence posts, string the wires on insulators, and from that time on they have their electric current hog-tied so it can't get away. After that they get a connection with the general telephone system in the nearest town, and then they are connected with all the round world of telephone lines, sights, and sounds. It was a short one.
And then what happened? The rate was jumped from fifty cents a month to $2.00 a month. The people of the Valley have been ever since at the mercy of the same telephone octopus that has most of us in its grasp. Go out and take a look at Kennewick Valley now. Look at its fine clothes, paint, and glass diamonds. Ask what it is all about. And the reply will be that of the overdressed colored lady: "Why, lordy, ain't you all heard the news? Why, I's been ruined, I has."

There is another interesting thing about those co-operative telephone lines. The big trust likes to have the farmers go ahead and organize because it saves the trust the trouble and expense of doing the preliminary work. It is an expensive job for a corporation to go out and get a lot of subscribers signed up in a new territory. But the neighborhood do it easily because they know one another. After all of the preliminary organizing has been done, the farmers' company organized, the instruments installed, and everything going smoothly, then is the time for the big fellow to come in and "take over" the business. These hundreds of associations are easy to find. The big corporation can smell them out as soon as they are ripe for picking. It does not even have to be smart. It can use the method of the village fool. A man offered a reward of $5 for his lost horse. People went seeking it in every direction. Presently the fool came back leading the horse.

"How did you find it?" asked the owner. "Well, I just says to myself," he sez: If I was a boss, where would I put the horse? I put it in the nearest telephone corporation thereto is willing to or can serve the big interests. This is the way it does it: The public service commission notifies the little company that it is violating the labor law; it is working its switchboard operator more than eight hours! The little telephone association is then ordered to put on three girls in eight-hour shifts at full-time service in a job that could be done by one woman on part time. And when the little association finds that it has been so base and vile as to break the labor laws of the state, and that it will have to spend a lot of money to obey the law, it just runs to the big telephone corporation and goes down on its knees and begs the trust to take it over.

Then there is "the certificate of necessity." It is one of the implements invented by the public service commissioners. "The certificate of necessity" provides that if a community is already served by a public service corporation another corporation to supply similar services can enter that community, or if a community is not served then no other corporation can enter it if the nearest corporation thereto is willing to or consents extending its lines of service into the community. So if the big profit-telephone corporation learns that the farmers are starting a telephone company, and it does not want them to do so, it just flashes "the certificate of necessity" on them, and they have to stop.

Then there is another remarkable hoea-pecos to regulate the fixed charges of public service corporations—depreciation, and all that sort of thing. In the end the big corporations have behind them all the powers of the government and the little co-operative association has only the strength of its members' wills. So there the matter stands. But there is a bright side. A report by the Federal Government shows that they are succeeding. They stand forth among the many examples of voluntary associate action to give encouragement and hope. Although insecure, often weak, and easily swept away, still they grow and multiply even faster than they can be destroyed.
FOREIGN

A PLEA FOR CO-OPERATIVE UNITY

At the meeting of the Central Committee of the International Co-operative Alliance which was held at Prague in March, Mr. Bennet, speaking for the Austrian co-operators in particular and the German speaking co-operators in general, expressed the fear that the central co-operative organizations of Germany, Austria and Czecho-Slovakia might not be able to attend the International Congress to be held in Ghent the first of September. He reminded the members present that co-operators in the Ruhr had been expelled from their homes and doubted whether, even in Brussels, the liberties of co-operators might not be violated.

The President of The Co-operative League of the U. S. A. has sent the following letter to the heads of the Co-operative Unions in these three German-speaking countries and copies of the letter to leading co-operators in France and Belgium.

Dear......................

I learn from the report of the meeting of the Central Committee of the International Co-operative Alliance at Prague that it is possible that the German-speaking co-operative societies will not send delegates to the International Congress to be held at Ghent this year.

If you have come to such a conclusion I do very sincerely hope that you will reconsider the matter. The invasion of the Ruhr by the armies of the French and Belgian Governments are acts of these two Governments. The atrocities which have been committed against the people of the Ruhr are not atrocities committed by the Co-operators of France and Belgium; they are atrocities committed by the Governments under whose orders these atrocities are being committed.

The French and Belgian Governments are not controlled by the Co-operators of these countries. Just as in the case with the Imperial Government, these Governments are far removed from the hands of the Co-operators. The Co-operators have little to do with their conduct.

It seems to me that we Co-operators should rise above the sins of the Governments under which we live. We should be superior to them. Co-operation should express so far as possible the true spirit of international and world brotherhood.

Co-operative members and co-operators have an opportunity to show their magnanimity and their loyalty to the principles of internationalism by attending the Ghent Congress.

I take the liberty thus to express myself in the interest of the world Co-operative Movement and also with the hope that I shall have the privilege and pleasure of meeting and greeting the German-speaking co-operative comrades at Ghent.

With best wishes,
Faithfully yours.

RUSSIAN PUBLICATIONS
(From the Federated Press)

After a lapse of several years Centrasyoys has again begun to publish its Yearbook. The Yearbook for 1922 appeared recently and is divided into two parts, the first of which is devoted to a report of the activity of Centrosoyus during the years of its existence. Following this is an exhaustive article on the new tasks confronting the Soviet co-operatives in connection with the introduction of the principles of voluntary membership.

The second part contains an analysis of the activity of Centrosoyus and of the consumers’ co-operatives during the twenty-five years of their existence. The following are the more important chapters of this part:

Cultural and Educational Work in the Past, Present, and Future.

The role of the Consumers’ Co-operatives and of Centrosoyus in the Economic Life of the Country during the Various Stages of Its Development.

The Trade and Industrial Activity of the Consumers’ Co-operatives.

Relations with the Workers’ Co-operatives.

The role of Centrosoyus in the International Co-operative Movement.

The role of Centrosoyus in the System of State Agriculture Since the Revolution.

In addition, this number contains articles by persons engaged in practical co-operative work and by co-operative functionaries. These articles give a complete survey of the twenty-five years of development and history of the Central Union of Russian Consumers’ Co-operatives.

CO-OPERATIVES AND THE JAPANESE EARTHQUAKE

Reports from Tokio tell of the devastation wrought among the co-operatives by the fearful earthquake which demolished so much of that country last summer.

The following figures give a glimpse of the devastation and loss. In Tokio nearly 13,000 houses of Co-operative Members have been destroyed by fire; 308 Co-operatives were killed, and the number of the injured is unknown. Taking the districts of Tokio, Kanagawa, Chiba, Saitama and Shiznoka, no less than 39,886 houses of Co-operatives have been destroyed, while the number of their dead cannot be computed. Out of 768 Societies 331 have been seriously affected, and in Tokio alone the damage to co-operative property amounts to over five and a half million yen.

CO-OPERATIVE UNITY IN POLAND

A great step in the direction of unification of the Co-operative Movement of Poland was taken at All-Polish Congress which was held November 17th and 18th at Warsaw. Poland has eight separate Co-operative Unions, all with headquarters at Warsaw. Many of these federations have local societies in the same town. The result was that co-operative societies were competing with each other. The All-Polish Congress was convened by the two most important federations, the Union of Consumers’ Societies ("Spolem") and the Socialist Union, which consists of workers’ societies. Delegates from 510 societies attended.

Henry J. May, Secretary of the International Co-operative Alliance, greeted the co-operators in the name of the Alliance, and urged unity. Professor Charles Gide, representing the French Federation, reported on the importation given to the Co-operative Movement by the consolidation of several competing federations.

After much discussion a resolution in favor of complete unity passed by two to one. It is hoped that complete plans will be worked out soon for the consolidation of co-operative forces.
CO-OP BAKERY WIPES OUT LOSSES

The Co-operative Bakers of Brownsville, an outlying section of Brooklyn, N. Y., during the past year wiped out 80 per cent of the losses it had incurred of $10,681. A concerted drive to wipe out this deficit brought in donations amounting to $3,200, but more encouraging still, the business made a net saving of $5,439.

The co-operative is by far the largest bakery in Brownsville. Eight trucks are kept busy supplying the trade. Last year $227,446 worth of bakery products were produced and sold. The bakery has a new model plant, sanitary and modern in every respect.

It should be stated that although the Co-operative Bakery has not as yet paid patronage to its customers, it has managed to save them hundreds of thousands of dollars by reason of decreased prices. During the period when bread was at its peak price, the co-operative suffered severely from the strain put upon its credit resources; but this Accounts Receivable figure has been much reduced the past year.

After the business meeting a Co-operative Rally was held under the leadership of President Olaf Quist. Eskel Ravn, Manager of the Wholesale in Superior, gave a talk on the wholesale and retail communications of that hustling society.

TWO HARBORS, MINNESOTA

The Workmen's and Farmers' Co-operative Company of Two Harbors, Minn., had a most prosperous year in 1923, and the members gathered late in February to learn the details and to celebrate. There are now about 300 stockholders among the railroad employees and the farmers in and about the city. During the shopmen's strike the co-operative suffered severely from the strain put upon its credit resources; but this Accounts Receivable figure has been much reduced the past year.

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FARMINGTON MAKES ANOTHER LEAP

Since Peter Moerth left the Union Supply and Fuel Company of Staunton, Ill., to take charge of the wholesale at East St. Louis, there has been new management for the market store, but the good work goes along as well as ever apparently. Sales for the second half of 1923 are more than half those for the entire year 1922. The condensed report follows:

The New Era Association of Grand Rapids, Michigan, has returned to its members a good statement of conditions at the end of the year 1923. The membership is 37,008, and benefits on these total $43,777,000.

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FOURTH QUARTER OF 1923

CO-OPERATIVE LIFE INSURANCE

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Six months business at Staunton

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CO-OPERATION

As the year 1924 opens, the Co-operative Association, which was held unanimously to affiliate with the Educational Department of the Central States Wholesale.
RADIO FANS CO-OPERATE

Radio "fans" in Chicago have organized a co-operative society for the purpose of exchanging information, assisting inexperienced members to build their sets, and to act as a buying club. The Chicago Radio Listeners' Co-operative Association is, so far as we know, the only association of its kind in the world. The association was started in February at the instance of radio enthusiasts led by G. H. McDonald. Meetings are held weekly at which the members discuss their hookups, tuning, and instruments. Upon the payment of a small initiation fee any radio fan may join. No capital stock is sold. The club supplies radio instruments to its members at a liberal discount. Hundreds of manufacturers have offered large discounts on orders pooled through the co-operative association. It is planned to test instruments of the various makes, selecting the best quality goods for the co-operators. Approximately the members of this co-operative association are not acquainted with the Co-operative Movement, for when they were asked whether they were running a co-operative the reply was: "No, we're not out for profit; we're trying to get together to help ourselves and save some money." This is the old-fashioned spontaneous development of a co-operative organization.

PANA CO-OPERATIVE CONTINUES TO GAIN

Many a seer has prophesied failure for the store at Pana, for there is very little practice of the co-operative principles among the directors and members. The adviser who visited this town from the League last year was told that the Directors held no meetings, that the members had no interest in the store outside of their dividends, and that the manager ran the entire business pretty much by himself. Yet the annual report shows that the society is financially successful, if not otherwise.

Sales for the year 1923 were $35,278.05; gross profit was $6,598.74; expenses were $4,333.34, and surplus savings $1,765.40. The gain thus proves to be almost 5 per cent of sales.

THE DIRECTORS’ PAGE

HOW ABOUT A SUMMER TRAINING SCHOOL?

Co-operative clerks need vacations during the summer, and when they go the store is left short-handed unless extra help is taken on. The League is interested in that extra help situation. For we can recommend a few clerks who are studying co-operative and labor problems at labor schools and who want to get closer to the movement during the summer months.

Your store might make a genuine contribution to the training of some young man or woman for a few weeks or months in co-operative store problems. Two or three stores, like those at Utica or Roseland (Chicago), have already hired people whom The League has recommended for several weeks to do general work about the store or bakery in the summer.

Many of the best managers in the North Central States have got their start as green young clerks who wanted to find out just what the co-operative movement is all about and what it is trying to do. Co-operators know from bitter experience that one of the prime causes for co-operative failures in this country is the failure of our movement to train its own managers. The Co-operative Training School at Minneapolis is a first step toward remedying this situation, but so long as it is held in that particular part of the country only, it will not bring much relief to the Western, Eastern, and Southern States. We must still rely chiefly on the individual store as the Local Training School.

Will your society become a unit in this summer Co-operative Training School and take one clerk? Talk it over at the next Directors' Meeting. Write and tell us how long you could employ a young man or woman, what wages you can offer, and when you want a new clerk to begin.

Your society can help today to educate-to-morrow's co-operative leaders—and at no extra expense to your store. Will you help this plan along?

The League office would like to receive replies from all Boards of Directors who are interested in making this work a success. Replies should be sent very soon, though, for the best young men and women for co-operative work are the kind that are engaged early by other progressive movements. Let's get to them first!

ACTIVITIES OF DISTRICT LEAGUES

The Executive Board of the Northern States Co-operative League held a meeting on March 4. One of the outstanding features of the meeting was the report of the affiliation of the Wisconsin State Federation of Labor with the League as a fraternal member. More than a year ago the Minnesota Federation of Labor affiliated with this District League and has recently renewed its membership.

Another matter of importance was the discussion of the Co-operative Training School which is to be held in the autumn of 1924. Although the Educational Department of the Central States Wholesale requested that the place for the 1924 school be changed, as to be nearer the Illinois societies, it was practically decided that Minneapolis both deserved and needed the school this year.

Other matters of minor importance came up. Several affiliated societies sent in financial statements, and several others wrote asking for advice of one nature or another. Two auditors of the Exchange reported that they had collected eighteen subscriptions for the magazine CO-OPERATION, and Co-operators Nurmi and Sahlman reported that they had secured sixty individual members for the League at the Managers Meeting and at the Annual Meeting of the Co-operative Central Exchange. Reports were also made on circulars sent out to co-operative societies urging the reading of co-operative literature and membership in The League.

Treasurer reported Receipts since November of $121.05 and Disbursements of $135.75. Cloquet Society sent an invitation to The District League to hold its next Convention in that city.

BOOK REVIEW

LABOR YEAR BOOK

The American Labor Year Book for 1923-24 appeared April 1st. This is the fifth volume of the series begun in 1916. The present edition, edited by Selen De Leon, contains fourteen chapters covering in an objective manner the American labor and political movements, labor organizations and labor politics abroad, labor legislation, workers' education, labor banking, co-operative and women for our work are the kind that are engaged early by other progressive movements. Let's get to them first!

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Speakers, writers, teachers have found the Year Book invaluable in the past. It is to be found in the libraries of trade unions, co-operatives, banks and commercial institutions. Much of the material it contains is unavailable in any other form.

The book is published by the Rand School of Social Science, 17 East 15th Street, New York City, and may be obtained from The League.
THE SUBJECT OF LOYALTY AGAIN

I believe every organizer ought in the beginning to teach the consumer that a co-operative movable asset to make profits but a place where merchandise is distributed to the members of a social and savings society. I think, too, many co-operative societies have been destroyed by those who see profits at other people's expense.

Part of a Plan for a Co-operative Society

Buy a building out of the high rent district or buy a lot and put up a building. Then start with every member subscribing for at least $200 worth of stock. Allow no member to take the death benefit of $800. Those who have bought an additional feature, those members who have done $480 worth of groceries per month, or a total of $1,800 for three years shall have to their credit in case of death, $1,000, $500 to be paid to heirs at the death of the member, and balance in goods to the amount of not more than $50 per month. Co-operation is no place where merchandise is sold at a profit, but a place where merchandise is sold at cost, and the member should be entitled to groceries in the hands of the feudal landholders, and has provided the poor farmers with small tracts of land which they are now cultivating. Co-operation will make a success of such a subdivision of the land.

I will be very glad to receive any suggestion that you may kindly wish to make that will enable me to carry out my work of organizing farmers' co-operatives successfully in Mexico, where the majority of the people have been shamefully exploited by capitalists for centuries and hope to be redeemed by co-operation.

IGNACIO FLORES

5a Comfort 28, San Luis Potosi, S. L. P., Mexico.

Statement of the Ownership, Management, Circulation, etc., Required by the Act of Congress of August 24, 1924,

Of co-operation, published monthly at New York, N. Y., for April 1, 1924.

State of New York,

County of New York, ss:

I, before you, a rotary public in and for the State and county aforesaid, personally appeared Julia N. Perkins, who, having been sworn to tell the truth, and says that she is the business manager of Co-operation, and that the following is, to the best of her knowledge and belief, a true statement of the ownership, management (and if a daily, the circulation), etc., of the aforesaid publication for the date shown in the above caption, required by the Act of August 24, 1912, embodied in section 466 of the Laws and Regulations, printed on the reverse of this form, to wit:

That the names and addresses of the publisher, editor, managing editor, and business managers are: Publisher, The Co-operative League 1911 St., N. Y. C.; Editor, James P. Warbasse, 167 West 28th St., N. Y. C.; Managing Editor, Cedric Long, 167 West 28th St., N. Y. C.; Business Manager, J. N. Perkins, 167 West 28th St., N. Y. C.;

2. That the owner is: The Co-operative League U. S. A., 167 West 28th St., N. Y. C. (organization members, 1,000); J. P. Warbasse, President; A. F. Booser, Vice-President; J. F. McNamara, Secretary; W. Niemela, Treasurer.

3. That the known bondholders, mortgagees, and other security holders owning or holding 1 per cent or more of total amount of bonds, mortgages, or other securities are: None.

J. N. PERKINS.

Sworn to and subscribed before me this 28th day of April, 1924.

(SEAL) HARVEY P. VAUGHN.

(My commission expires March 30, 1924.)
THE CO-OPERATIVE LEAGUE
(Member of The International Co-operative Alliance)
167 West 12th Street, New York

An educational organization for teaching the history, 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. Subscribe for the Monthly Magazine and keep in touch with the Movement.

Enclosed find $ . . . . . for

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We are organized to enable Co-operative Societies to do collectively what they cannot do individually.

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A four-page magazine for use in co-operative societies.
Issued monthly, in bundles, $1 per hundred.
Published by
The Co-operative League
Address
Albert Sonnichsen, Managing Editor
Willimantic, Conn.

VITAL ISSUES

ART AND CO-OPERATION
The Co-operative Society of Gent, Belgium, employed Van Biesbroeck, the great Flemish artist, and instructed him to create beautiful things. This was an important step in Co-operation. It was also an historic event in the emancipation of art. This society now has in its buildings many very beautiful allegorical paintings and pieces of statuary illustrating the upward struggle of the masses. Some of these pieces have been awarded international prizes, and proclaimed as superb.

The Festal Palace of the Ghent Society is a thing of beauty as well as a great center of co-operative art. This building, with its two theaters, will be the meeting place of the Tenth International Co-operative Congress this year.

Co-operation is seen also expressing itself in its standards of architecture. One of the very beautiful office buildings in Europe is the building of the Danish Co-operative Bank in Copenhagen. The massive bronze doors are ornamented with an allegorical bas relief illustrating the development of the co-operative idea. The office building of the German Co-operative Wholesale in Hamburg is another example of architectural beauty. For dignity and elegance the central office buildings of the Berlin Society, the Swiss Co-operative Union at Basel, and the main store of the Zurich Society are noteworthy. The finest business buildings in Glasgow are those of the Scottish Wholesale. One can see in Europe a hundred towns in which the most beautiful business buildings are the premises of the co-operative societies.

Besides its charming buildings, the co-operative society "Umanitaria" in Milan, Italy, is promoting possibilities for art expression open to all of its members in its School of Art and Handicraft. Here are taught designing, painting, metal work, lace making, etc. Fine work in these arts is carried on. The Institute Carducci by the side of Lake Como is another institution for popular education in the arts.

Then we see in many countries the co-operative theater and even the opera house; choirs, choruses, orchestras, and bands are found in societies in many lands. In the United States, the Theater Guild, in New York, has a theater owned and conducted by the members who constitute the audience. It presents the best plays. In Berlin is the "Volksbühne", a great people's theater with more than a hundred thousand members. The Franklin Society in Milwaukee has an orchestra and a choir. The male voice choir of the British Co-operative Wholesale Society ranks among the best of the musical bodies of England. One of the encouraging signs is that an address on "Art, Life and Co-operation" has recently been delivered in Manchester by Mr. Charles E. Tomlinson, and is now published in pamphlet.
form by the British Co-operative Union. There is much to encourage the hope that Co-operation will promote more and more the expansion of art and beauty.

Competitive profit-making business and political governments have failed to create the best conditions for the development of art. The freedom under which it could best expand has been lacking. Those who could produce things of commercial value have been sometimes rewarded, but the lot of most artists has been failure of opportunity. Still the artist is the flower of civilization. No obstacle should be put in his path. Society should make him free to create.

The world's great period of art was before art became commercialized. The artists of the Middle Ages excelled because they were free from the depressing influence of economic competition. The artist was subsidized by a wealthy patron, by the church, by some noble, by the state; and from that day on he was free from the worry as to how to live and support himself. His living was guaranteed by a yearly stipend; and the beauty of his products augmented his rewards. It should be possible for Co-operative Democracy to perform this ancient service for art, and restore the artist to freedom.

THE TRADE UNION AND THE STRIKE

Trade Unionism in order to solve the worker's problem must have the assistance of organization of the consuming needs of the workers. The worker not only earns money but he spends it also. If he leaves this spending power unorganized, his earning power is organized in vain.

Organization to earn more at the point of production is just what the capitalist producer is demanding. But the Trade Unionism also is capitalism in overalls. It develops a capitalist idea in the head of the workman. One hundred per cent Trade Unionism, that gets everything it wants, converts working-men into capitalists.

That is good enough so far as it goes, but it does not solve the economic problem for Labor—or for anybody else.

Trade Unionism has one weapon—the strike. The General Strike is the glorified ideal. George Bernard Shaw has said that the strike means starving on your enemies' doorstep. Then he adds: "It may terrify an Oriental if he happens to believe that your death will bring the wrath of Allah on him; but your modern capitalist snaps his fingers at Allah; he simply calls the police to remove your body to the mortuary."

The possibility of the strike may be a good thing for the workers to have up their sleeves; but is it not possible that some of the millions upon millions of dollars that the workers are paying for strikes might be spent to good advantage, closing up the leak at the other end of the economic stream. While the worker has no control over the price he has to pay for life, he increases his wages in vain. What his strike wins for him the merchant, trader, and indeed the whole country gets away from him as soon as he gets it.

Labor can not be said to be organized until it is organized both as producer and consumer.

J. P. W.

COULD THIS KIND OF THING HAPPEN IN A CO-OPERATIVE COMMONWEALTH?

The Christian Science Monitor aroused considerable discussion during the past six months by having submitted to Congress a bill which would force the government to conscientize all wealth as well as its citizens in time of war. This proposal is an old and familiar one to those who kept their heads during the late war, for there were thousands who dared talk about prevention of war even while the "War against War" was in progress. But it is new to the great nuthinking majority. The following are some of the logical reasons for conscientizing wealth if there must be wars; and other reasons why the proposal is no cure for essential evils, at all. It is merely a palliative. The fundamental cure would be the reorganization of our economic order so that the interests of great blocks of the nation's wealth would be eliminated, and with it would go the causes of war as well. But that means that business corporations for profit must give way to co-operative associations run by and for the people: a drastic remedy. The hopeful signals that we see in the sky are the increasing numbers of men and women who are devoting themselves to the difficult task of effecting such a reorganization.

C. L.

A FARMERS' PLAN

In the March issue of this magazine we published an editorial on "A Farmers' Plan." This was based on the efforts of Mr. A. S. Goss, master of the Washington State Grange, to promote legislation that would be helpful in relieving the distress of the farmers. Mr. Goss went to Washington and labored earnestly with the best authorities on farmers' legislation. One by one the co-operative features had to be dropped until, when a bill was finally produced, it provided for a marketing commission under government control, and even this bill more favorable to the farmers than any other bill in sight that there is little possibility of its becoming a law. Thus Mr. Goss and all of us again are disillusioned. The best help the farmer will come from himself. His own co-operative efforts can best solve his problems; but the government can not and will not.

J. P. W.

WHY ISN'T THIS CO-OPERATIVE?

It is estimated that the Atlantic and Pacific Tea Company now does a business of about a million dollars a day. And there is only one co-operative in the country that handles as much as one thousand dollars a day! What are the reasons?

They are many. But the one that always interests us most is this: that most of our radical and liberal friends who condemn so heartily the entire profit system are buying their foodstuffs from the Atlantic and Pacific Tea Company. Here is the true index of the temper of radicalism and liberalism in America.

C. L.
THE "MORAL EQUIVALENT" OF JAZZ

By L. S. Herron

What has the co-operative movement to offer as a substitute for the thrill that comes when the political spellbinder sticks great handfuls of fresh feathers into the eagle’s tail and makes him scream? What can take the place of the entertainment, fireworks, and that "gr-r-rand and glorious feeling" furnished by the political activists? In short, what is the "moral equivalent" of political jazz?

No movement that really proposes to do something for the people can be promoted by the methods of the hair oil vendor. Just as real religion never has been, and cannot be, propagated by prancing sensationalism, so real economic reform cannot be advanced by noise and bombast. Nevertheless, I think the most serious of us will admit that we do need entertainment features in the co-operative movement, as well as striking ways of presenting co-operative truth.

More than entertainment features, however, we need a deeper and better-founded enthusiasm for co-operation, not only to attract new members and adherents, but to carry us all over the rough places and periods of discourage-

tent. That is the moral equivalent of political jazz that I wish to discuss here. How shall we arouse such enthusiasm?

First, it seems to me, we must show the real promise of the co-operative idea. We must show that co-operation is a comprehen-
sive remedy, that it is potent to cure deep-seated economic disorders—more potent than anything else that has yet been advanced. We must give to the term co-operation as much meaning and significance as the term socialist has had for many years. By this, I mean we must show that co-operation is just as definite a program as is socialism.

The trouble is that outside of a com-
patively few convinced co-operati-

dists, the people, in this country at least, do not consider co-operation a compre-
sensive remedy. By the great majority of those who know anything about it at all, co-operation is looked upon as a means of saving some of the retailer’s profit on soap and prunes, but not as a road to prosperity and general well-

being. National prosperity is still gen-
erally associated with politics. Most of the people still harbor the notion that we vote prosperity in or out on election day.

It is not to be wondered at that peo-

gle in general do think politics is the key to prosperity. We are "f-ed up" on that notion from the beginning to the end of our earthly pilgrimage. All the heroes of the school histories were political activists, from George Wash-

ington down. Almost every schoolboy, whether fired with ambition to gain fame or to serve his fellowmen, gets the idea that the sure road to attain some office high in the government. Such a thing as showing that men and women can render noble service to their fellows in the field of economic relations without getting into the government is simply "not in the books."

To supplant this supine trust in poli-

tical action, we must show that it has not delivered the goods. My memory covers thirty years of political action by farm-

ers, reaching back to the Populist days. In all that time what have the farmers accomplished by politics? If one-tenth of the promises made by office seekers and winning parties in this period had been fulfilled, or if one-tenth of the "pointing with pride" by those in power had had any foundation, farmers would be rolling in prosperity.

But the truth is that agriculture is now in a very bad plight.

All the fundamental ills in our eco-
nomic system remain. With a few ex-
ceptions, politicians and officeholders have no thought of going to the root of our troubles. They would rather dip into the treasury and offer a handout to the victims than to abolish the privileges of the industrial masters. Congress at this time is considering all sorts of stopwatch-lifting measures for the "relief" of agriculture, but is ignor-

ing the outrageous tariff duties that pro-

tect manufacturers in shameful profite-

ering, and which are the most immedi-

cate factor in the disparity between prices of farm products and prices of industrial products.

"How it escapes out" is the cry of the progressive political activists. Well, I remember some campaigns in which we thought we were doing just that. We have learned, however, that the real power in government rests not with those who hold the offices, but with those who hold the reins. In an increasing measure, I find myself accepting the conception that those who own the wealth of a country, those who control its eco-


nomic life, are the ones who control its poli-
tics and government. This conclu-
sion is pretty well supported by history. Political democracy, therefore, depends upon first establishing industrial de-

mocracy.

This reveals one of the weaknesses of the method proposed by our socialist friends. They say the people must use the government to promote the common weal. But any short step in socialism, such as state ownership of a flour mill, if let us say, is always in danger of reversal at the polls and sabotage by the indus-

trial masters through their control of the government. And if the people brought about a complete "revolution" by the ballot—or any other means—at one fell swoop, and could force the economic masters to let go, the system would be doomed to failure because of the lack of experience in running the different industries.

Let us make whatever use we can of politics as we go along, to remove barriers and loosen the grip of privileged interests, but let us show that positive economic salvation cannot be expected by political action. And what is more important, let us emphasize, in season and out, that co-operation is really potent to establish economic peace and prosperity for those who practice it. Then we must preach with all the zeal of crusaders until the public recognize co-operation as one of the "pro-
posed reads," and an increasing number of people accept it as the road, to free-


dom.

Just what is it that ails us? All our economic troubles, I think, can be classified under two: (1) In-

efficiency in production and distribution, due to too many people doing useless or needless things, or more people than necessary doing them, or doing things, and (2) one part of the popula-
tion taking more than it gives in return. In other words, our economic ills are comprehended under inefficiency and profiteering and their various corollaries. Co-operation has everywhere shown itself potent to cure these ills just so far as it has been earnestly applied.

But the political folks say, "Co-operation is too slow, and doesn’t go far enough." And if that does not hold you, they will seek to flatten you out entirely by asking, "How are you going to overcome monopoly of natural resources with your little co-operative societies?" That is supposed to be a po
er. But listen.

All of the fortunes in this country, or any other, were built from the profits made on the trade of the people. All of the factories, mills, and mines were acquired in this way. Let the people es
establish their own co-operative businesses, beginning at the bottom, and save the profits on their own trade, and they can soon acquire these facilities for themselves. They can buy and build their way into the economic system until they arrive at the ownership of natural re-

sources. When the people set about in dead earnest to "mind their own busi-

ess," there will be plenty of plants and holdings of natural resources for sale—

for no trust or combination, no matter how stra
g, can long endure without customers.

The potency of co-operation to check the profiteering system, and ultimate-
ly to replace it, is limited only by the vision, devotion, and loyalty of the people themselves. Our English broth-
er have carried co-operation far enough to show that it is a practicable cure for economic ills—this big move as well as the little ones. Their movement should furnish us a considerable amount of "moral equivalent."

Of course, we must make immediate savings as we go. There are a great many people who can be held in the movement only in that way. Also, we
CO-OPERATION

shall have to use entertainment and social features and attention-arresting publicity to attract new recruits. But men of faith and vision must ever be pointing to the goal. They must show that co-operation will take us somewhere—more surely, if less spectacularly, than anything else that has been proposed. By this means can be aroused the quiet, but deep-running, enthusiasm that will be far more effective than the torchlight demonstrations of the political actionists.

The same is true of the stabilization of the currency. It is good to know that we do not need to wait for the revolution—that we do not even have to "capture our government" in order to begin to remove some of the causes which make for international hostility and to substitute, in their place, agencies which promote economic justice and human brotherhood.

All of the methods that heretofore have been advanced, both political and economic, in this Congress, have been methods which use the state, the political government, as their agent. Free Trade is good. We want it—but it is the various governments of the world that must institute Free Trade and the abolition of tariffs. The same is true of the stabilization of the currency—of the nationalization of industry—of the government control of natural resources, of the Outlawry of War—the World Court and the League of Nations—all these require political action.

To change the policy of the governments in the near future appears to many of us as an almost superhuman thing. It is too arduous, too roundabout, too distant.

Therefore the Co-operators of the World—united in the International Co-operative Alliance with forty million members—seek to accomplish their results quite apart from political action. They are not using the machinery of the state to bring about their ends. They are proceeding directly by the voluntary action of the people.

These people, united in Consumers' Co-operative Societies, have ideas broad and noble as those of any dreamers, but though their "heads are in the clouds—their feet are on the ground."

What are Co-operators doing independently of their governments?

They are producing and distributing locally, nationally and internationally, the things the people need in their daily lives. They are using the regular methods and the regular machinery of private commerce. They are baking bread, building houses, manufacturing clothing, shoes, furniture, utensils and agricultural implements; they are carrying on co-operative banking, insurance and credit; they are conducting creameries, restaurants and laundries. They are doing all these necessary things that make the wheels of daily life go round, but they are doing them with such a different motive than the motive which animates ordinary trade and commerce! They are distributing and producing food, clothing, etc., solely for service, not for private profit or speculative investment. Co-operators are by their very actions to-day proving that trade and economic intercourse can be carried on effectively without personal gain as the motive.

In every country of Europe local Co-operative Societies are federated into national wholesaling for national production of manufacturing, and for national education and propaganda for Co-operation.

The national federations of Co-operative Societies are united in an International Federation, called the International Co-operative Alliance.

Through its committee on International Co-operative Trade we learn that to-day, despite all the numerous obstacles which prevent free economic intercourse, such as civil war, foreign invasions, instability of exchange, high tariff walls, etc., direct international exchange of products is being carried on between fourteen countries.

The total amount of international trade recorded in 1923 amounted to £29,231,290 (sterling). This does not include the reports of the international trade of Russia, Austria Hungary, Russian Lithuania or Estonia. It may be surmised, however, that this amount would be more than doubled were a report from these countries included.

The chief items include such commodities as wheat and flour, lard and ham, butter, sugar, coffee and rice, timber and hides, fish, meats and oils. These raw products are exchanged for manufactured articles, such as textiles, shoes, implements and machinery from industrial countries.

And all this trade is carried on for no other purpose than mutual service!

So here we are to-day, all of us able to go back to our own localities and put our shoulders to the wheel of economic progress, if we but choose to do so, without waiting for political changes.

Through the Consumers' Co-operative Movement we can unite, and by our practical, concrete efforts demonstrate that economic justice, equality and service is not a "dream of the future" but a possibility, and in a limited sense an actuality to-day.

The great English economist, Richard Cobden, said that the Peace of the world can best be brought about by as much intercourse as possible between peoples and as little intercourse as possible between governments.

This friendly economic intercourse between people is the daily work of the Consumers' Co-operative Movement, both nationally and internationally.

Let us in this Congress of the W. I. L. dedicate ourselves to forwarding this great Movement.

A. G. N. S. WARBAHSE, Member of W. I. L.
Delegate appointed by the Executive Committee of the I. C. A. to represent the International Co-operative Alliance at the above Congress.

Educational Secretary, The Co-operative League of U. S. A., headquarters New York City.

TWO IMPORTANT CONFERENCES IN WISCONSIN

By Arvid Nelson

Two meetings of great significance to the Co-operative Movement in the North Central States were held in Superior, Wis., during March of this year. One was the seventh annual conference of managers and directors of co-operative association work in the North Central States, held March 16th and 17th, and the other was the sixth regular annual meeting of the Co-operative Central Exchange, held March 18th and 19th. Both meetings were held in the meeting hall of the building owned by the Exchange in Superior.

CO-OPERATION
It was admitted by all that the managers' and directors' conferences held this year were in all respects more successful than any such conference heretofore arranged by the Exchange. The total attendance this year was 62, compared to 36 in 1925. Many managers and a number of members of co-operative bodies were present who had not attended these conferences in the past, and all were so well pleased with the work accomplished during the two-day session that before adjournment a motion was unanimously passed to request the Exchange to arrange another such conference this year and to hold them twice a year in the future.

The order of business included the following questions, which were thoroughly discussed and acted upon by the conference:

How co-operative educational work should be carried on in the future.

Co-operative agitation committees and their duties.

The joint management of chain stores to co-operatives.

Centralization of co-operatives by districts.

Why the Co-operative Movement must function hand in hand with the other branches of the Labor Movement.

Why the co-operatives must support and develop their own banking institutes (The Workers' Mutual Savings Bank, Superior, Wis.).

Joint meetings of co-operative employees and directors.

Why the co-operative societies and their relation to the Exchange: (a) How purchasing power can be centralized behind the Exchange; (b) How and why the co-operatives must support and develop their own banking institutes; (c) How new branches of the Labor Movement: (a) How new brands of goods may be secured for the Exchange; (b) How and why the co-operatives must support and develop their own banking institutes; (c) How new brands of goods may be secured for the Exchange; (d) How and why the co-operatives must support and develop their own banking institutes.

The annual meeting of the Co-operative Central Exchange this year was attended by 72 delegates, representing 59 affiliated co-operative societies. Twenty-two affiliated societies had been represented by 33 delegates at the meeting held in 1925. The number of co-operatives now associated with the Exchange totals 88, while it is estimated that there are about 100 Finnish co-operative associations in Wisconsin, Michigan, Illinois, and the Dakotas, which comprises the territory covered by the Exchange.

Detailed reports of the management, the board of directors, and the various departments of the Exchange were presented to the annual meeting. Total sales in 1926, according to the manager's report, had amounted to $53,771.01, which was an increase of $14,651.08, or 49.35 per cent over the sales of the previous year.

Flour and feed sales, which form the bulk of the products handled by the Exchange, amounted to a total of 232 carloads in 1925. In 1926 the flour and feed sales had amounted to 130 carloads, and in 1921 to 69 carloads.

Coffee sales for the year reported on at this meeting amounted to 159,106 pounds, compared to 93,014 pounds in 1922.

Sales of bakery goods, chiefly hard-tacks and toasts manufactured by the Exchange in its own bakery plant, increased from $34,129.16 in 1923 to $53,383.03 in 1924.

A total of 23 persons were now employed by the Exchange in its office, warehouse, bakery, and auditing department.

A resolution on the relations of the co-operatives to the Exchange, that the total annual sales of all the co-operatives in the district, including the American stores, undoubtedly exceeded $10 million dollars, while the sales of the Exchange last year for the first time exceeded $500,000. This was one of the principal arguments expounded by the manager in impressing the centralization of the purchasing power of the co-operatives through the medium of the Exchange.

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therefore ensued, but as a result of further interpretation by its sponsors, the resolution was unanimously confirmed in its original form.

The resolution in full follows:

Why the Co-operative Movement must function properly rather than be a branch of the Labor Movement.

This conference verifies, that the Consumers’ Co-operative Movement is one of those movements, one of these means by which the working masses secure the right of self determination, and apart from all of the above mentioned reasons, it is the only safe system of production and distribution, based on the interests of all members of society. The more correct this movement becomes in its inner substance, the more clearly it will realize that it is an opposition movement to the present form of society, a movement which the reigning class of present society will endeavor to destroy with the aid of capital, legislation and court decisions, or at least to prevent it from developing to a stage injurious to the present prosperous classes.

This conference realizes, that a fundamental change of the present corrupt system of society can not be achieved through the Co-operative Movement, although we feel that it can be of great use in this work. This conference considers, that it is erroneous in three situations, the Consumers’ Co-operative Movement, and the industrial and the agricultural workers affiliated with it, aside from political and economic struggles of the Labor Movement under the guise of the neutrality of the Co-operative Movement.

This conference considers, on the contrary, that its duty is to fix the attention of the most intelligent portion of the membership of our co-operative organization on the necessity of the effort, which will eventually lead the members of our cooperative association to realize the necessity of a fundamental change in our whole social structure, as well as to seek and construct such connections and ties with other forms of the class struggle, so that our Co-operative Movement shall become a real fighting unit in the class struggle of the working class.

We feel, that at this time, our co-operative organization can partake in the forming of this kind of co-operation in the following ways, among others:

(a) By carrying on educational work among wide masses of consumers along the lines indicated above.

(b) By aiding in the development of industrial organizations, whereby such organizations, as well as aiding the workers in their economic struggles against their employers; by showing the workers struggling in economic organizations the feeling of community of interests and the solidarity of the Co-operative Movement, in placing the interests of the employees of co-operative societies, not only members of the Co-operative Movement, but the need of proper activity within them, so that they may become better qualified for the conflict.

(c) By aiding, with mass meetings and financial assistance, the political and other organizations in its original form.

(d) By aiding, with mass meetings and financial assistance, the political and other organizations which are trying to abolish the capitalistic system and to defend the new, all-wise system of production and distribution, based on the interests of all members of society. The more correct this movement becomes in its inner substance, the more clearly it will realize that it is an opposition movement to the present form of society, a movement which the reigning class of present society will endeavor to destroy with the aid of capital, legislation and court decisions, or at least to prevent it from developing to a stage injurious to the present prosperous classes.

THE CO-OPERATIVE BAKERY OF SYRACUSE

By Anna B. Zellman

At 918 Orange Street, in the heart of the downtown Jewish section, I found a new one-story red-brick building, part of which was used as a bakery, the other part rented to a house, very well market.

The bakery is a two-story building, two large plate-glass windows and two large plate-glass doors. Behind the counter stood a girl who appeared to be about twenty years old, and just as I was making known my mission Fannie Gabriel came from the bakery.

She took me around and told me the story.

There are two sections—one a "Patent" with the first floor underneath, used for the lighter baking; the other an "American," with a door at one end through which the coal is placed right inside where the fire is built in one corner. The latter is used for heavier baking, such as the twenty-pound loaves.

The bakery opened six years ago—in November, 1917. People in the Jewish section of the city had been avowed because the quality of their bread was good and prices were high. Nor could they get the kind of bread they wanted, twisted and turned into shapes they liked.

It took about one year to organize the group and get together the necessary funds. A building was finally rented for one year. At once quality and prices were lowered, and turned into shapes they liked.

Fannie Gabriel is a Jewish girl from London, England, and has had some training in stenography. She started with the bakery in February, 1920, at $125 a month. She gave satisfaction to everyone and at the end of the first year managed to get a third floor. Over the face of the building she put, "Fannie Gabriel," and the name has stuck ever since.

The latter is used for heavier baking, such as the twenty-pound loaves.

The bakery continued in this first location for four years, in the meantime searching for a new site and putting up their own building at a cost of $50,000.

They have now been in the new home two years. They have a membership of about 300, all of them Jewish with the exception of about ten persons who are Gentiles. Membership meetings are held every six months, but there are no social gatherings. Five dollars constitutes a share and interest on top.

The treasurer comes daily to look over the business and to sign necessary checks. The head baker or "first hand," in charge of the bread in the oven; the "second hand" is dough man; the "cake man" comes third on the wage list. The "bench man" forms the bread and biscuits. The helper is a boy only six months over from Europe and serving as apprentice. The cake man is the only Gentile, though he speaks Jewish and makes Jewish cakes. A special janitor cares for the coal, the ashes, and the heating work. A window cleaner comes twice a week. All the bakers receive more than the union scale, principally because of the scarcity of Jewish bakers.

In addition to wages, all bakers and drivers get free bread and what baked goods they need for their families.

About 5,500 loaves of bread are sold a week, and 1,600 dozen rolls. The weekly business is $1,000 plus. Rye, white, and black bread are sold, the latter in large leaves which are cut up and sold by the pound at six cents per. White bread is nine cents per pound and rye bread seven cents.

They are using three brands of flour, at the rate of about forty barrels per week. About "cracked" eggs, "koshers" are used.

In the store there are three workers, all girls at low wages. Delivery is done by two men who own their own delivery outfits.

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old established grocers. From that day to this, however, the store has regularly paid 4 per cent interest on capital and has never missed the semi-annual savings return to members and non-member purchasers. The last two returns have been at the rate of 8 per cent to members and 4 per cent to non-members. There are few families loyal to the store which haven’t got back that original investment of $25 several times over.

The half-yearly report from October 1, 1923, to April 1, 1924, shows a sales income of $87,753.92 and a gross gain of $6,651.85. Operating expenses, including delivery, come to only $4,233.71, or a little over 11 per cent, the shareholders and other purchasers have more than $2,200 to divide among themselves after putting $350 into the Reserve Fund.

The remarkable success of this store, largest and most prosperous of twelve or fifteen in the town, is due to a combination of features. The original organizers have tried to develop a cosmopolitan, inclusive policy, so that all groups in the town should have equal access to the co-operative. Anyone who knows the conservatism of the small New England towns realizes some of their difficulties they have encountered. But their insistence on this point has resulted in having Italians, Finns and Americans, as well as English and Scotch members, on the Board of Directors, and has shown the strength of their determination.

The most noteworthy feature of the society is the control exercised by the Directors. All books are kept by the Secretary and the Treasurer, and the Treasurer handles the check book exclusively. This throws the final responsibility for the conduct of the business upon the Directors, where it belongs, and at the same time leaves the Manager free to run the store. As a result, the Milford Board of Directors, each one of whom has the most intimate and access to the co-operative. Anyone who is the native American population that they now are coming in.

The Co-operative League staff has also been selecting the various countries and the possibilities for systematizing and enlarging this trade in such a way as to lay the foundation for the competition which are being conducted among its members for the best song and badge. The two songs which came down into the final competition are in Dutch and English respectively. The English song was finally selected as best representing the purpose for which the competition was given out. This is the song:

The Mothers’ International

Round the world a new song’s ringing;
Listen! Women of all climes,
‘Tis the mothers’ song we’re singing.
Telling hopes of happier times—
“We will put all hate behind us,
We whose hearts are sick and sore,
Tired of strife and empty vict’ries—
Bear the pangs of war no more.”

For our eyes have seen the vision
Of a world where peace doth reign,
Where our husbands, sons and brothers
Shall not kill, nor yet be slain;
But where love shall be triumphant
Over greed and hate and pride;
Linked in one ‘Co-operation,‘
Peace o’er all our final goal.”

The International Badge has also been selected, and the various countries are already sending in their orders to Frau Freundlich of Austria. The Co-operative League of the U. S. A. has ordered 200 of the badges.

TOWARD AN INTERNATIONAL WHOLESALING

For a good many months the Committee on International Trade established by the Executive of the International Co-operative Alliance has been trying to gather statistics on the present status of trade between co-operatives of different countries and the possibilities for systematizing and enlarging this trade in such a way as to lay the founda-
tion for a future International Co-operative Wholesale.

Figures gathered late in 1923 show that goods are being imported from foreign co-operatives by the co-operative movements in England, Scotland, Germany, Switzerland, Czecho-Slovakia, Finland, Sweden, Norway, France, Belgium, Holland, Poland, Latvia, and Italy. The total value of these goods was more than $40,000,000. The largest trade of this nature was in meats and fats, dairy products and oils. Next came cereals, sugar, peas and beans. Third was the class comprising fruits, nuts, perfumes, and fish. Cloth and manufactured goods or timber, minerals and acids were purchased in very small quantities.

This committee is now circulating the co-operatives of all countries to find out what quantities of tea, coffee, cacao, sugar, wheat, rice, and other cereals are being sold by the Wholesales. These are the commodities that the International Wholesale would be most likely to handle at first.

**BULGARIAN CO-OPERATORS PERSECUTED**

In the systematic class warfare now being waged in Bulgaria, many co-operatives and their societies are being made to suffer. According to reports received from abroad, September saw an organized campaign of violent repression on the part of the Government against the Communists. Since many of the Communists are members of co-operative societies, the Government directed its campaign against the co-operatives. For two months the stores of societies coming under the ban were closed down, ostensibly for an "investigation." Many of the officials of the "Osovojednic" (Workers' Co-operative Organization) were imprisoned; others less fortunate were killed. Many co-operative buildings were looted and burned; the printing departments closed down. The authorities are still in possession of several of the properties of the co-operatives.

**COMMENT**

Early in the autumn an agreement was made with one of the coal mining companies of Pennsylvania, and work began on the yards in Maynard. A piece of land was purchased near the Boston and Maine Railroad tracks for $2,100, permission finally wrung from the Railroad Company to build a spur, and work started on the overhead trestle and big concrete bins. Before this overhead track was completed and bins built, the cost had risen to more than $10,000, $8,000 going to trestle, track and bins alone. A large scale was installed, the swampy land filled in, and other work finished so that delivery of coal started late in October. The entire plant cost $15,000.

At the end of March the report of the society showed that 2,200 tons had been sold, with a substantial saving to the co-operators on each ton handled. The directors of the Lehigh and Wilkes-Barre Coal Company recently declared an extra cash dividend of 80 per cent on its capital stock. Some of our co-operative coal companies could do as well if they were declaring dividends on capital stock; but they are organized for another purpose, and therefore distribute their earnings more widely to purchasers and consequently at a lower rate.

The next move of the hunting society of Finnish folks in Maynard is to be the expansion of their furniture department, which hitherto has merely carried samples and has ordered most of the goods purchased by members shipped direct from Boston.

**UNITED CO-OPERATIVE OF FITCHBURG, MASS.**

The United Co-operative Society of Fitchburg made a substantial gain in 1923 and continued its progressive march toward becoming the largest distributive business in the city. The Society now conducts four grocery and meat stores, a milk department, a bakery, and a men's furnishings department. In the same building with the main store there is a co-operative restaurant run by the same group of people, but under another charter.

Sales for the year were as follows:

| Grocery store No. 1 (inc. bakery) | $135,559.54 |
| Grocery store No. 2 | $28,637.77 |
| Grocery store No. 3 | $24,791.93 |
| Grocery store No. 4 | $25,604.28 |
| Milk Department | $41,494.66 |
| Furnishings | 16,777.12 |

Total Sales: $270,525.30

Proportion of gross profit and expenses to sales was as follows:

<table>
<thead>
<tr>
<th>Gross Profit</th>
<th>Expenses</th>
<th>Profit</th>
</tr>
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<tbody>
<tr>
<td>18.3%</td>
<td>16.1%</td>
<td>2.2%</td>
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The Fitchburg Co-operative made a gain in gross sales of $24,339 over the business of 1922, or 10 per cent.
interesting to note that while the Massachusetts bakeries are meeting unusually severe competition this past year, the Jewish Co-operative Bakeries in and near New York are experiencing unusual prosperity during the past twelve or fifteen months.

TWO NOTEWORTHY CONGRESSES IN AUTUMN OF 1924

The Co-operative League is entitled to five delegates to the International Co-operative Congress which is to be held at Ghent, Belgium, the first week of September. Who these delegates are to be has not yet been fully decided. The Board of Directors and Executive Board hope that one representative may go from Illinois, either one or two from Northern States League, Franklin Creameries, and the Co-operative Central Exchange, and two from New York or other parts of the East. The delay in selecting the delegates is due to uncertainty of the various co-operative groups as to their ability to finance a representative. Already several co-operatives in various parts of the country have signified their intention of going to the Congress as visitors, and four or five of these have already sailed.

After the return of the delegates from Europe, the societies affiliated with The Co-operative League of the U. S. A. will send their delegates to the Fourth Co-operative Congress of The League, to be held in New York, November 6, 7, and 8. Previous Congresses have been held in Illinois or Ohio, and this is the first to be planned so that the many Eastern co-operators can comfortably finance their delegates. The Congresses held in the central part of the country have had only one or two delegates from New England and not much more than half a dozen from New York and New Jersey. This year there should be a score from New England and twice as many from other Eastern co-operatives.

THE DIRECTORS' PAGE

THAT CO-OPERATIVE TRAINING SCHOOL AT MINNEAPOLIS, 1924

The story of the highly successful Training School which was held in Minneapolis in September-October, 1923, was told in these pages during the winter. A large and more intensive course is already being planned by the Directors of the Northern States Co-operative League for the autumn of 1924.

Every experienced co-operator in the country knows that one Big Reason which stands out above all the multitudes of Little Reasons for the failure of Co-operation to take hold in America in a large way is the lack of co-operative understanding; the ignorance of the fundamental economic principles underlying the movement, and the ignorance of the best technical methods of dealing with organization and administration problems. The Northern States Co-operative League, in making a direct attack upon this weakness through the inauguration of such a full-time Training School, has done a bold piece of pioneering work from which the entire movement in the United States is to benefit.

In the fall of this year there should be students in attendance at the Training School from every section of the country. The co-operatives of the country should not consider this a local affair for the benefit only of the Central States. It is the only school of its kind anywhere and its classes are available to all co-operatives.

The Executive Board of The League strongly urges every co-operative in the United States to adopt either one or the other of the following propositions:

1. Plan immediately to prepare one student for this School; lay aside a few dollars each month to help finance him; and communicate with either The League or the Northern States League, Box 147, Superior, Wis.

2. Appropriate at least $20 as a scholarship at the School so that some other co-operative can send the young clerk that they would not be able to finance without your help. Your association thus becomes a donor of the School and helps to support there some student who is taking the place of the one you are not able to send.

Now that there is such a Training School in the United States, our co-operatives must take advantage of its facilities. Classes will be in session about seven hours daily. Courses will be given in Co-operative Principles; Co-operative Accounting; Co-operative History and Theory; Co-operative Organization and Administration. The School will continue at least six weeks, perhaps eight. The young men and women who go will come into contact with co-operators from all parts of the country; meet with many of the national leaders; study large co-operative institutions as well as books. In a short, they will be steeped in co-operative ideas and the co-operative atmosphere for fifty or sixty days, and will bring back to you multitudes of new ideas.

Full particulars will be sent all societies at a later date.

BOOK REVIEWS

HANDBOOK FOR MEMBERS OF CO-OPERATIVE COMMITTEES

By F. Hall, M.A., B.Com.

This book by Professor Hall, published by the Co-operative Union, Manchester, meets a long felt need in Great Britain, and should be of great service to co-operative societies in the United States. The author, as Adviser of Studies to the Co-operative Union, as chairman of the Central Education Committee, and as an experienced executive and student, is possessed of the peculiar qualifications necessary to the authorship of such a book. This book of some 450 pages, is inspired by the fact that the Co-operative Movement is ruled by committees. Rarely is a society so small in membership as to make it possible to have all of its business matters submitted to the whole membership.

The author realizes that not always is the most efficient person necessary to the one elected at a members' meeting. Even though he were there would still be need of a formulation and standardization of the work of the executives of a co-operative society. This book is addressed especially to the Board of Directors which is naturally the most important committee. This body which carries the business responsibility for the members must make itself efficient.

It is not only charged with the duty of promoting a great social and ethical enterprise of transcendent significance, but also so conduct the business affairs of the society that it can compete successfully with profit-business which is free of social responsibilities and not at all concerned with ethics.

The historic development of co-operative business is shown. The steps necessary to establish a society upon a sound basis are described. We find chapters upon such important subjects as "Co-operative Capital", "The Place of the Members", "The Place of the Committee", "The Committee's Administrative Work", "Trading Policy", "The Fixing of Prices", "The Payment of Dividends", "Working Expenses", "Co-operative Finance", "The Balance Sheet", "Labor Matters" and "The Educational Committee". These few titles give one an idea of the scope of the book.

On the subject of maximum dividends the author says, "The only sound practice is to sell at the current prices of the district or a little less (in order to exert a downward pressure on prices) and let the dividend represent the superiority of the co-operative organization and management over that of private traders." There is a large part of the philosophy and practice of Co-operation contained in this sentence. It is highly significant.
The British societies often charge their members interest upon overdue accounts. The account from goods which are properly and fairly. He believes that the amount of credit allowed should never exceed three-fourths of the paid-up share capital of the member.

"Co-operative societies ought to be able to give as satisfactory a service as a private one; and they should be able to give a better service, for their trade is more regular and their purpose a better one." This is not only true but co-operative societies have made an effort to give a service that is unequalled by their competitors or they will not succeed.

This book discusses the relation of the society to its employees. It is interesting to note that of the more than 1,200 British societies only thirty of them permit employees to be elected to the board of directors. Of this situation, the author says that any employee who is elected to the board should be elected as a member's representative responsible to the members and not as an employee's delegate responsible to the employer.

Practical information and advice which is applicable to conditions in every country are found in this book. "Where an employee purchases from the shop in which he is employed, it is advisable to prepare and file a written statement of goods purchased, and have the goods checked and the parcel made up by another employee"—this dispenses with the condition which every store must meet.

Professor Hall's book should be read by all board members. If every society in the United States would purchase this book and read it to its board members to read it, we should witness a great improvement of efficiency among our directors.

EDWARD OWEN GREENING, A MAKER OF CO-OPERATION
By Tom Ormes

Here is a book published by the Co-operative Union (Manchester) which gives an excellent idea of the character of Greening. It tells about almost everything except his interest in the Co-operative Movement. And, perhaps, this omission is due to the fact that Greening was not especially interested in Co-operation.

The subtitle of the book is not quite correct. Greening was not "a maker of modern Co-operation". If he had had his way he would have made a very different kind of co-operation from the modern kind. He was a maker of the old-fashioned co-operation, out of which modern Co-operation evolved, despite its makers. It was not made by any one.

Greening belonged to that old school of splendid men who hungered after righteousness for labor. They wanted the workers to organize as producers to control their own shops. They hoped to see the Co-operative Movement grow by the increase of workers' controlled shops. But Co-operation did not grow that way. And men of Greening's point of view never quite became reconciled to the modern movement; nor understood it. Greening was not "a maker of modern Co-operation".

Greening always was closely associated with Co-operation. He wrote and spoke much—always well and effectively. However, the thing for which he worked and hoped was not Co-operation, but syndicalized trade unionism. Workers' productive industries belong in this category rather than in the catalog of Co-operation.

Greening has left a large following; and so long as this old school remains so large, the British Co-operative Movement will have labor troubles, a heritage of Co-operative understanding among the masses of its membership, and a lack of clearcut appreciation of the meaning, possibilities, and philosophy of Co-operation. Thanks to the many fine and progressive minds of a new generation, this difficulty is being overcome. Co-operative teachers are practically undoing the damage of the old thinking, and the prejudice against the consumer is melting away in the light of the facts of Co-operative experience.
THE CO-OPERATIVE LEAGUE

(Member of The International Co-operative Alliance)

167 West 12th Street, New York

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ON TRUSTING OUR OWN PEOPLE

It is said that "a Scotchman dearly loves a lord." Can it be said likewise that a workingman dearly loves a capitalist? Here is an illustrative incident:

A co-operative flour mill was started at Rochdale, England, in 1850. The shareholders were individuals, co-operative societies, trade unions, and similar organisations. A working-man's co-operative sickness insurance society had funds to invest. They could get 2 or 3 per cent interest at the bank; the Flour Mill Society paid its members 6 per cent of their capital. The insurance society voted to invest its funds with the Flour Mill, and it elected three of its members to take the money and invest it. It is related by Holyoake that when they got there they dared not leave the money that they felt it was a sort of duty to lose it by respectable defaulters. They went back to their society and reported that "they had better not leave the money that they felt it was a sort of duty to lose it by respectable defaulters."

Here was a co-operative society started and run by working people which had a desperate struggle to get the confidence of other working people just because it was not a capitalistic business.

We have this same problem to-day. The agents of absolutely fraudulent "co-operative" societies have gone into towns in Illinois and Pennsylvania and taken thousands of dollars from working people for worthless stock. And in these

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The New Secretary's Ledger

Just published by the EDUCATIONAL DEPARTMENT, Central States Co-operative Wholesale Society (603 Concord Ave., E. St. Louis, Ill.) is the form for keeping the Membership Ledger of a Co-operative Society which provides ample and proper space for all transactions with a maximum of efficiency and a minimum of time, worry and errors. Send for Samples and Prices.
WHAT THE WORLD'S STATESMEN THINK OF CO-OPEPATION

In view of the very flattering remarks that most eminent nobles, very eminent statesmen, and less eminent politicians make about the Co-operative Movement, it is interesting to note that no whole-hearted endorsement of Co-operation gets into the platforms of the old-line political parties of this country (and probably of few other countries either). This is probably due to the fact that individual politicians can say what an organization of politicians dare not say; or, to put it more plainly, that vote-catching phrases thrown to the hungry pack of citizens at a country picnic and money-catching promises handed out to favored business interests at political conventions are two different things.

The President of the Union of Soviet Societies in the Czecho-Slovakian Republic, is a member of a co-operative society and has told his people that "the salvation of all depended much more on co-operation towards one single aim and object than on great and special reforms." The King of Bulgaria last Co-opera-
tors' Day sent his personal greetings to the celebration at Sofia. King Albert of Belgium has sent the Medaille du Roi to Mr. Robert Stewart, President of the Scottish Co. W. S., and the Medaille de la Reine to Mrs. Stewart. The late King of Italy, Humbert, himself belonged to the Co-operative in Milan and left his park for the festive gatherings of the movement.

M. Stanislaus Wojciechowski, President of Poland, has recently published a book, "Co-operation in Its Historical Development."

Our President Harding, shortly before his death, said: "The need of this time is to shorten the bridge between producer and consumer, and to reduce the toll that must be paid for passing over it.

President Coolidge says: "I have many times declared my conviction that the development of a powerful Co-operative Movement in this country is one of the needs of the period of economic readjustment. There is need for co-operative organization among agricultural producers. There is likewise need for organization of the urban consumers. The establishment of a close working relationship between these two groups ideal at which the larger Co-operative Movement of the country should aim."

We do not mean to imply that some of these statements are not sincerely made; many of them are. But note that in only one of these countries mentioned there has been any wholehearted attempt on the part of those now in power to put an end to the profit system, known as Capitalism. And in most of the other countries the rulers still owe their chief allegiance to the profit interests which control the economic life of their respective countries.

There is another side to the picture which is encouraging. Senator Brookhart, the most ardent champion of Co-operation, said the other day at the Co-operative Convention at Washington, has just been given a majority of almost 40,000 votes in the primary over his opponent, who had the backing of all the reactionary business interests in Iowa. And Senator LaFallette, whose platform contains an outspoken challenge to profit-making by his Co-operative endorsement of the Co-operative Movement, is a pariah and an outcast in the eyes of the leaders of both the old parties in their National Conventions.

We co-operatives have no political party in the United States and no candidates for political office. We have more than we can do in the day-to-day struggle to put an end to the profit system. But we may profit considerably if we take a part of that noon hour or the evening beside the kitchen lamp to see how the politicians are reacting to the Co-operative Movement and its rapidly growing popularity among the people.

COOPERATIVE POLICE DEPARTMENT ON A VOLUNTARY BASIS

In the light of the oft-repeated statement that there are certain public functions which cannot be handled adequately by a voluntary association of consumers, the story of the "police department" in the town of Freidorf, a suburb of Basle, Switzerland, is highly instructive.

Freedorf is a town in which all the houses are co-operatively built and owned, all the business is co-operatively run, and all the residents are co-operators. Naturally, the policing of the village is organized according to the same principles. The duty of watchman is rotated among the men, each male between the ages of eighteen and fifty doing watchman's service every three or
four weeks for about three hours. There is absolutely no compulsion about this service. There it is; it is recognized as one of the responsibilities belonging to every man who enjoys the privileges of the colony.

The editors of popular writers and speakers on modern social problems who contend that a co-operative police service cannot cope with the problem of crime in a typical American town are quite right. The significant fact about this story is that Freidorf is not a typical American town, nor even a typical Swiss town. It is a co-operative town.

The credit for visualizing public service administered by voluntary co-operative societies is suffering from an astigmatism, that's all. We ourselves should hate to see a voluntary police department try to keep order in the streets and parks of any city in this country. But there is a very wide difference between this typical American city and the co-operative city. The latter would have no bookkeepers, no houses of prostitution, no gambling joints, no back-alley thugs in the employ of industrial magnates, no college-student millionaires so saturated with the luxurious vices of privilege that they make use of them with murder in order to find a new thrill, no children driven to thieving by the pangs of hunger. Need our imaginations be so dulled by this system of organized greed and exploitation as which we live that they cannot visualize a community in which commerce and industry are operated for service instead of profit, and where the thought and action among the people are social instead of competitive habits?

The approach to the problem of crime in America is through the economic problem of production and distribution. And this The Co-operative Movement is learning to handle. Once it has mastered that, the treatment of crime becomes a relatively simple matter. For in the newer kind of civilization the newer and higher privileges which are accorded men and women will encourage them to assume larger responsibilities, such, for instance as voluntary service on the police department, the fire department, the faculty of the schools, and the street cleaning department. C. L.

**CONTRIBUTED ARTICLES**

**CO-OPERATIVE HOUSING IN NEW YORK**

New York is probably the birthplace of co-operative housing in the United States, and the Fins are the parents of the New York co-operative housing movement. Their first houses were built in Brooklyn in 1918, and since then they have built more than a dozen other apartment houses in the same section of the city, as well as two or three in uptown Manhattan. One of the latest and most spectacular achievements to their credit is their co-operative club house on Fifth Avenue, which cost almost $250,000 to build.

But this important housing movement could not stop with the Finnish pioneers. A few years ago they tried the idea out two or three years ago, and their success gave courage to still others. Chief among the present users of the idea are the big profiting real estate operators who realize the growing popularity of the co-operative plan and who are exploiting the term to their own advantage through the promotion of "fake" co-operative housing. To-day there are hundreds of large apartment houses along Fifth Avenue, and other fashionable sections of the city, as well as in the more exclusive suburbs, and the suggestion has been quickly taken up by operators in other large cities throughout the country and as far west as Los Angeles and other California cities, where there are probably as many of these "speculators" co-operatives as in New York itself. Apartments in these houses are being sold for as much as $10,000 and $15,000 cash, and monthly charges run as high as $500 and $600. Buyers of these apartments are permitted to speculate freely with them, to sublet them at extortionate prices to less fortunate tenants, and even to own large numbers of such apartments and retire from business, to live on the proceeds of their investments.

But the genuine co-operative housing movement continues its way, slowly, yet steadily. A group of young Jewish people now have three houses which they have leased for several years. Several groups of workers in various parts of Brooklyn have copied the idea from the Fins and have taken over low-priced houses and remodeled them for their own use.

Two or three similar groups of intellectuals or professional people in Manhattan have done the same. A church in East Harlem has taken two or three cold-water flats and installed modern conveniences for its parishioners to make use of in co-operative groups.

Outstanding examples of co-operative progress in 1924 are three ventures, one in Greenwich Village, one in the Bronx, and one in Long Island City.

**Bedford-Barrow Co-operative Apartments**

Since the spring of 1923 a small group of co-operators, organized in the Consumers' Co-operative Housing Association, have been meeting regularly every week and drawing up plans for a new type of housing society in America. Previous to this every housing association had been limited to the confines of one or two apartment houses, or at best to a group of houses in one plot, such as that at the northern extremity of Milwaukee. It was the ambition of these organizers to develop a society which could take in a general membership, with no restrictions as to race, color, or class, and build or buy for them houses of any kind and in any part of Greater New York; in other words, a central housing organization with no restrictions upon the extent to which it might carry its operations. Plans for such an organization were involved, for the only precedents to be found were in such European countries as Germany, Holland, Denmark, Switzerland, and France.

In mid-April the first payment was made on the property, ten people having signed for apartments, and in mid-June the final cash payment on the equity was made after sixteen people had contracted for tenant-membership.

These houses, situated at the corner of Bedford and Barrow Streets, are of red brick, about twenty-five years old, and in excellent condition. The three houses on Bedford Street are improved, with modern baths, electric lights, and hot water. The four houses on Barrow Street have neither modern bathrooms nor electricity yet, but these will be installed before autumn. Steam heat will be supplied from a central heating plant to be installed. Cellar stairways are to be fireproofed and other minor improvements made.

These buildings cost $140,000, and improvements, carrying charges, fees, organization expenses, etc., are going to bring the final cost to the tenant-members up to about $170,000. Of the $140,000 first cost, $150,000 is covered by three mortgages and $25,000 is being paid for the equity. Apartments vary in size from four rooms and bath to seven rooms and bath. Cash payments on these apartments vary from $1,160 to $2,400, and monthly charges the first year vary from $52 to $110. As these monthly charges which members are paying include interest at 6 per cent on their own investment, however, the actual charges are about 9 per cent less than these figures.

Monthly payments decrease each year until at the end of eight years, when second and third mortgages are retired, the rentals are only 60 per cent of what they are at present. Each year the members' equity in the building increases as these mortgages are amortized, and their stockholdings in the co-operative association increase correspondingly. No member can hold a lease to more than one apartment; and no one can sell or sublet at a profit.

The Directors of this association are as follows: President, Edison Long; Vice-Presidents, Franklin C. Wells, Jr., and Helen L. Alfred; Secretary, Harry Rappaport; Treasurer, Adolph Wirkulla.

The esthetic and social possibilities of this development, the largest co-operative housing project yet attempted in
New York City proper, are almost unli-
limited. A social unit of the members will take charge of the beauti-
fying of the buildings. Another com-
mittee will make over the roofs so that
they can be used as a playground for the
children. Other families taking apart-
ments (to date, all children whose par-
ents have taken quarters here are pre-
cisely the same age). The basement is
very large and can be utilized for either
a common laundry or for community
recreational purposes. Collective buy-
ing of many household necessities will be
developed gradually.

An interesting group of New York
people have signed up for these co-opera-
tive houses to date, and the Directors
anticipate that by autumn there will be
more applicants than can be accommo-
dated. When this group is once settled
the Directors will begin to look around
for a site for the next co-operative hous-
 ing development to be undertaken by
this association.

"Consumerized Homes" Begins to

Consumerized Homes Co-operative,
Inc., has purchased No. 1884 Belmont
Avenue in the Tremont section of the
Bronx. This is an eight-family new law
 house. The building is a four-story brick
 structure, thoroughly modern, with mar-
bale staircases and all improvements.
There are two six-room apartments on
each floor. The average rent will be
about eleven dollars a room. The society
is also negotiating the purchase of four
other similar apartment houses in the
same block.

Consumerized Homes was organized in
February, 1924, for the purpose of tak-
ing over dwelling houses in New York
City in the interests of the tenants.
Title to land and buildings remain with
the Co-operative. The association does
not buy for speculation and hence does
not sell its property, nor are members
permitted to speculate with their apart-
ments. By amortization at the rate of 4
per cent per annum the property will be
owned by the organization, free of all
cumbrances, in twenty-five years.
Tenants have year leases, which they can terminate at will. Rent
is at the current rate, payable in ad-

vance. Stock in the association will pay
6 per cent dividend annually. There
is an insurance feature by which mem-
bers who are tenants save $200, which is
available in case of sickness or other
emergency. Members obtain apartments
in the order in which they join.

The officers of this association are:
Hyman I. Cohn, President; William
Gallagher and Louis Swerdlove, Vice-
 Presidents; Phineas Litman, 2d, Secre-
tary; Harry Kanter, Treasurer.

Housing in Long Island City

Early in the spring Mr. Alexander M.
Bing, well-known builder, social worker,
and student of housing conditions in the
United States and Europe, purchased
1,100 lots in Long Island City and or-
organized the City Housing Corporation
as a limited dividend company to de-
velop this property. The only co-oper-
tive feature of this company is the limi-
tation placed upon dividends; but the
houses built will be offered to genuine
Rochdale co-operative groups that wish
to obtain houses at a low cost. The first
block of thirty-two houses (with living
quarters for eighty-eight) is now more
than half built. By fall it is expected
that accommodations for 125 families
will be ready.

These are one- and two-family houses,
with a few six-family apartment houses.
Each block will have a large garden
space in the center, with the houses ar-
ranged artistically around the block.
One part of the garden will be set off
for a playground for the children. The
buildings are to be of brick, solid con-
struction, sanitary modern bathrooms,
size basements (separate from the com-
munity garden), separate entrances for
each apartment; every room will be an
outside room. The architect is Clarence
Steen, well-known student of co-opera-
tive housing and garden cities in Europe.

The most attractive feature of these
houses for workingmen's families is the
low price at which they can be obtained.
Each apartment is worth between $5,500
and $6,500, but initial payment will be
only $750 to $900, and monthly rentals
will be less than $10 per room.

How many of these houses will actu-
ally be taken over and operated co-ope-
atively is still an uncertain question.

The City Housing Corporation is deter-
mined to sell the houses either to indi-
viduals or to co-operative groups, and it
will give preference to the latter. There
are a few small co-operative groups now
considering the proposition. Unfortu-
nately, co-operators are not so aggressive
as the shrewd business man who wants
a neat little home in the suburbs, and the
business man has no use for co-operation.
He wants to own his property outright
and be at liberty to sell or sublet for all
the market will stand.

The co-operative groups will organize
under co-operative, co-operative rules,
with stringent regulations to prevent
speculation. Overhead monthly charges
for co-operators will probably be slightly
higher than for those who own their
houses outright, for the association itself
has an overhead which must be carried.

A voluntary committee is acting in an
advisory capacity on the co-operative
features of this big development, this
committee being composed of individuals
from The Co-operative League, the
United Neighborhood Houses, and Mr.
Bing's office. The extent to which these
1,100 lots and these beautiful little houses
will be co-operatively owned and
administered depends now only upon the
amount of genuine interest in co-opera-
tive housing which actually exists in New
York and upon the organizing ability of
those who wish to see co-operative hous-
ing become a reality.

INTERNATIONAL NEWS

ADDRESS OF GREETING TO GERMAN CONGRESS,
23, JUNE, 1924, AT ULM, GERMANY

By J. F. Warbase

To the German co-operators I bring
greetings and brotherly good wishes
from their co-operative comrades in the
United States.

We know that we owe much to Ger-
many. After the European revolutions
of 1848 many Germans came to the
United States. They were strong men.
They left Germany because their ideas
of liberty and justice were not congenial
to the ruling powers of the world.

They brought progressive ideas and
surgical culture.

Now, after the lapse of time, the new
world of America has ceased to be the
land of social progress and promise. It
is ruled by great financial powers with
an unsatisfied hunger for profits. It is
reactionary and far advanced in the
decay which follows always the domi-
nance of privileged wealth.

Once again we come to Germany for
help. But the help we need must come,
not from those who would patch up and
improve the present civilization, but
from those who are building a different
kind of civilization. The old idea that
people can capture the political govern-
ment and make it good, and just, and
democratic, is fast fading away like a
dream that has failed to come true.
A new civilization is being built close
to the lives and homes of the people.
This is the civilization that Co-operation
is creating. And you are teaching us
how to build it strong and true.

In America we are beginning to see
that the people need to be freed from
two monstrous evils. One is the privi-
egled profit motive in industry. The
other is the dominance of great central-
ized political power. It is to bring to
mankind freedom from these two evils.

In all the history of the world no
movement ever had a more noble pur-
pose. And at this particular period to
accomplish these two purposes is the
pressing need of humanity.

I am happy to inform you that the
movement of people in my country are
beginning to recover from the war in-
sanity which was forced upon them by
the controlling financial powers, and by
the government which was tool of
those powers. The belief that Germany
alone was guilty of causing the war is
fast breaking down. With this better
understanding, let us hope, will come an
understanding of the dreadful injustice
which the French and Belgian governments, in their invasion of the Ruhr and Rhine districts, are inflicting upon the German people.

You are teaching the world the lesson of patience. Teach us also how to build up a great Co-operative Democracy of international scope, through which the peoples of all lands may live in brotherhood and peace.

INTERNATIONAL CO-OPERATION IN 1922

The International Co-operative Alliance has recently compiled statistics to show the position of Co-operation in the various countries. Obviously these figures are only for central organizations which are affiliated with the I.C.A., and therefore do not comprise total figures for the countries in question. Yet they present a fair picture of what Co-operation is doing throughout the world. We present the table as given, but omit figures for share capital, sales, profits, and assets, as these figures are compiled according to the currency of each country and so cannot be compared.

STATISTICS FOR 1922 OF THE CENTRAL ORGANIZATIONS IN THE VARIOUS COUNTRIES.

<table>
<thead>
<tr>
<th>Country and Organization</th>
<th>No. of Societies</th>
<th>No. of Members</th>
<th>No. of Employees</th>
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<tr>
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<td>Union of Consumers' Societies</td>
<td>300</td>
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For the countries not listed above, the figures given are for the central organizations only which are affiliated with the I.C.A., and therefore do not comprise total figures for the countries in question. Yet they present a fair picture of what Co-operation is doing throughout the world. We present the table as given, but omit figures for share capital, sales, profits, and assets, as these figures are compiled according to the currency of each country and so cannot be compared.

PRIVATE TRADERS QUIT ENTERPRISES IN RUSSIA

Thus read the headline of a recent news story from Moscow in the New York Times, which relates how the Soviet campaign for state and co-operative business is driving out small capitalists. "Hundreds of private traders and wholesalers and retail business houses", says this article, "are suspending operations owing to the Government's determination to support only State and co-operative enterprises. At Vitebsk some forty firms have closed and at Vladimir twenty-five traders have ceased business. Fifteen per cent of the entire number of independent commercial firms at Yaroslav are liquidating, while at Irkutsk private trading has ceased altogether. Similar reports have been received from Tiflis and other Caucasian centres.

"The refusal of the State and co-operative concerns to sell merchandise to private wholesale dealers leaves the independent business men no alternative except to close their doors. In Moscow and other large cities State and co-operative stores are rapidly supplanting concerns supported by private capital."

CO-OPERATION

Country and Organization | No. of Societies | No. of Members | No. of Employees |
<table>
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<tr>
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<td>TOTAL FOR 28 COUNTRIES:</td>
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<td>84,001</td>
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ENTREPRISES IN RUSSIA

"The refusal of the State and co-operative concerns to sell merchandise to private wholesale dealers leaves the independent business men no alternative except to close their doors. In Moscow and other large cities State and co-operative stores are rapidly supplanting concerns supported by private capital."
BIGGER GAINS AT SPOONER

The January number of Co-operation carried the story of the beginning and growth of the Spooner Co-operative Association, Spooner, Wisconsin. The railroad men and farmers of that enterprising little town went into the final meetings of a "fake" co-operative and rallied around them a few staunch co-operators who would not be discouraged by the loss of a few dollars in one abortive effort; and this group went out and started a genuine Rochdale society which proved to be eminently successful from the start.

The third year of business ended on April 30th. Total assets of $6,216 in April, 1922, had increased to $12,016 by the end of April, 1924; and in the same time the surplus has grown from $2,052.49 to $5,655.10. Though there were only one or two during co-operators to invest $1,650 up until the end of the first year of business, this stock account has now increased to $5,400.

One of the unique features of this little association is that in spite of continual earnings, year after year, not a cent has ever been paid out in rebates on members' purchases. The members have decided each year that they are aiding their own cause more by turning surplus back into the business than by taking it out and dividing it up among themselves. This is the reason why they have grown from a little society with a capital of $988 in 1921 to a business capitalized at $10,700 in 1924.

WHOLESAILING IN WASHINGTON

On February 13 the stockholders of the Associated Grange Warehouse Company held their annual meeting in Seattle. The report of the manager of the Warehouse Company, Mr. Cleaver, was as follows:

"Over a year ago it became evident that we must ultimately secure quarters suitable for office purposes and having warehouse room. After a careful survey of available locations the business was moved to its present location.

"Quarterly meetings of managers have been held on the second Thursday of April, July, and October. These meetings have been well attended. Reports of the feed business for the preceding three months and of general progress were made. It also brought the central office into closer touch with the local stores and gave the managers an opportunity to express themselves regarding work of the Associated Grange Warehouse Company which was of greatest benefit to the whole movement.

"Early in the year the Grange Warehouse Company of Satsop began making monthly payments of one-quarter of 1 per cent of their sales of their subscription notes, and Mr. Johnson, chairman of the Managers' Committee, urged each store to begin making these payments. A considerable number of the stores have responded.

"Retail branches of the Associated Grange Warehouse Company have been established at Bothell and Renton. These locations were selected because they were near enough to the central office so that close supervision could be maintained and stocks of groceries could be replenished daily. By making a rapid turnover in the retail branches there has been an assistance rather than a load on our working capital.

"The feed business has paid to the central office an income of $320 and its proportion of telephone and stationary charges. This is an average of about sixty cents per ton for sales costs and overhead, which is very low. The total sales of feed for the year were 7,292.43 tons, amounting to $564,486.58. The grocery sales amounted to $131,577.49; making a total of $427,043.07.

"Greater attention has been given to Grange Buying Clubs, with the result that not only more active and increasing in number.

"Some preferred 7 per cent stock has been bought by individuals and Granges, the total amount sold to January 1 being $66,350. Seven per cent stock notes have amounted to $704.49, and the surplus for the year is $600,43, making a total increase in the working capital of $2,000.52.

"There are many opportunities for increased savings with greater working capital. Every Grange Warehouse and Co-operative Store should immediately begin making monthly payments of one-quarter of 1 per cent of their sales. This amounts to only $25 per month for a store having $10,000 sales. The sale of preferred stock should also be much more rapid, and your manager suggests that each person here take this matter up in your Grange and with the stockholders of your local store.

"The crying need is for a broader view of Co-operation among all the producers of the state, and a thorough realization that Co-operation has come to stay and this is fulfill its mission it must be properly financed.

"Your manager suggests the preparation and publication of a booklet outlining the principles and advantages of Co-operation for general distribution.

"Several items of routine business were taken up by the stockholders and the suggestions of the manager adopted. Mr. Cleaver was instructed to prepare a pamphlet outlining the co-operative principles and including an explanation of the work of the company for distribution to stockholders and others.

On February 14th, the day after the stockholders' meeting, the third quarterly Managers' Meeting was held, with Mr. Johnson of Satsop in the chair. Seventeen managers were present.

"The manager of the Wholesale gave a detailed statement of the feed sales for each of the last three months of 1923, with itemized expense statement for each month. A long discussion of this report was then followed by a report on the grocery business.

"Considerable discussion was given to the subject of raising more capital to meet the expanding needs of the Wholesale. It was brought out that much more economical buying could be done if orders were placed for less than twenty-five case lots. There was also universal agreement that there should be more Grange brands put out for the use of the stores so that they might be freed from the cut-throat competition in the standard advertised lines of goods.

The managers present decided to consolidate their calendar business for 1924 and appointed Mr. Cleaver to do all the calendar buying for the stores of 1924. Special attention was also given to the imperative need for selling more preferred stock.

"Mr. Cleaver was delegated to award the prizes won by the stores for largest sales during the closing months of the year and for largest purchases from the Wholesale. Stores are divided into two or three classes each year and prizes awarded in each class. The biggest prizes of 50,000 German marks was turned over to the office of the Wholesale with instructions that it be set aside for the store doing the smallest business with the Wholesale during November and December.

A BIG GAIN AT CENTRAL EXCHANGE

The Central Exchange has beaten its previous records during the first four months of 1924. The sales during the months of January, February, March, and April showed total sales of $180,613, but for the corresponding period of 1924 the sales were $210,891. This is an increase of more than 16 per cent.

The best indication of the development of the business of this Wholesale, however, is the comparison of the sales for April with the sales for the two years. In place of the $57,436 of 1923, they show $76,059 for April, 1924, a gain of almost 32 per cent.

There are eighty-five stores which contributed to this success of co-operative wholesaling. Six of these stores purchased more than $5,000 worth of goods during the three months, and twenty-eight purchased more than $1,000 worth. Among the goods disposed of were five earloads of barbed wire and nailing materials, one earload of fruit jars, and thirty-four earloads of flour.
Co-operation

TWO NEW CO-OPERATIVE PAPERS

Two very attractive little papers have recently appeared in the co-operative field in the United States: The Commonweal, published by the Credit Union National Extension Bureau of Boston, and devoting itself to the cause of Credit Union development. The first number of the paper has several good cartoons, and articles on the following subjects: New Jersey Credit Union Law Enacted; Louisiana Bill Pending; Postal Employees Take to Co-operative Banking; Georgia Legislature and Credit Union Legislation; National Advisory Council Organised; First Credit Union in Tennessee; Mississippi Authorizes Credit Unions; Bank Commissioner Speaks at Meeting of Credit Union League; Annual Conference in Tennessee; N. J. Manufacturers Discuss Credit Unions; and a page of editorials. The publication is edited by Roy F. Bergengren, and is attractively made up on an excellent grade of paper, four pages in all.

The Commonweal is the little four-page paper, about 12 by 6 inches and most attractively made up, which has just been published in its first number by the Stetson Co-operative Association, Stetson, N. J. These people are members of two colonies at Stetson: the Ferrer Colony, famous for its Modern School, and the Fellowship Colony, made up of a group of Socialists. Several years ago a co-operative store was organized among these people, but it went bankrupt in 1921. Since then the association has maintained a loss service to carry the store to and from the New York trains, and an ice delivering service in the summer. Last year both were highly successful. During the spring it was decided to start a store business again, and after careful plans the opening took place the first week in June. This publication of The Commonweal is timed to appear with the opening of the new store.

The office of The League rarely sees a co-operative journal which is as well edited as this, or as neatly made up. The general understanding of what co-operation is striving to carry the commuters to and from the city. The articles show a fundamental understanding of what Co-operation is striving to do. The typographical work is done by the students at the school and is faultless. An unusually high grade of paper is used for this first issue. The note at the top of the first page informs us that the paper is "For Free Distribution" and is "To be Issued Every Now and Then."

SAVINGS RETURNS AT VILLA GROVE

There are a good many sincere co-operators in the country who still think that Co-operation is usually a losing game. They will tell you that they are willing to forego any dividends and even to go without interest on their investment, "because co-operators are not successful enough to return anything to their members," and they object only to losing everything they put into the venture. In other words, they are "good sports" and don't look for any returns on their interest in the movement.

The report of patronage rebates made by the Villa Grove Co-operative Society to its members since the autumn of 1918 should be an eye-opener to some of these skeptics. The following figures do not include interest on capital; they are the total returns made and do not look for any returns on their interest in the movement. Operating profit for the quarter was $34,885.23 after deductions had been made for interest on bonds, depreciation on all property, and reserves for insurance and taxes.

The total assets of the Franklin Creamery amounted to $1,655,077.74 at the end of March, 1924, $1,299,009.56 of which was in land, buildings, machinery, fixtures, and delivery equipment. The business continues to go ahead in this way in spite of the absence of the general manager, Edw. Solem, for several months, is an indication that this is not a one-man affair. Mr. Solem has been working with the City Co-operative Dairy of Cleveland since late in the winter, trying to put this business on a sound financial basis, and the management in Minneapolis has fallen upon the heads of the various departments and upon the Board of Directors.

LARGE FIGURES FOR THE 36TH QUARTER AT FARMINGTON

The total sales for the first quarter of 1924 at the Farmington Co-operative Society were $60,224.86, on which there was a gross saving of $1,997.70 with no debts—22.8 per cent. As the expenses were only $7,540.68, the net savings were nearly $5,000, or more than 8 per cent of sales. The total sales for the first quarter of 1924 at the Glen Carbon Co-operative Society is $22,293.90, the loan capital $15,654.70, and the reserves $19,842.63, according to the figures appearing in the United Consumer. These are considerable in the country which can show such a firm foundation as this for future development.

WITT, ILLINOIS

The Co-operative Society at Witt is one of the smaller ones in the State of Illinois, but one which shows a gain at the end of the quarter. On sales of $7,685.30 in the first quarter of 1924 the savings were just short of $170, or 2.2 per cent. Overhead expenses of 19 per cent kept this gain as low as it was. The manager who can run such a high overhead as that and still make money is a good money-maker, even if he does spend too freely. If he can earn to pay his expenses he should save a good deal for these miners.

GLEN CARBON, ILLINOIS

On sales for the first quarter of 1924 amounting to $6,662.35, the Glen Carbon Co-operative Society saved nearly 7 per cent. Here again, as at Witt, the overhead expenses are still too high, coming to almost 16 per cent. As is the case with the Witt society, part of this high operating expense is due to the fact that sales are small each week, averaging between $300 and $600 a week. Doubtless the same managers would be able to do 50 per cent more business on the same overhead, if they could get the business. But whether they would do 50 per cent more business on the same overhead or not is another question. Before they insist that they would do only 50 per cent more business on the same overhead, they should show that they are able to cut their present overhead about 3 or 4 per cent. As the greatest weaknesses among co-operative managers, as among other human beings, is to trust too much to promises and not put enough emphasis upon performance.

SPARTA CO-OPERATIVE SOCIETY

At Sparta the co-operators have made the same mistake as they are making at Glen Carbon and Witt: letting the men get too large a share. The net gain for the quarter of only $6,272.20, the manager succeeded in saving $479.72, but...
he should have saved nearly twice that amount. Overhead expenses were 21 per cent of sales; in this case the chief trouble is in slow turnover of stock. In the entire three months the sales amounted to less than the merchandise inventory. Thus their turnover for the year comes to less than four times. The amount of sales! In this case the chief manager has been heavily overloaded by their bread is buttered.

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bakery which was opened in 1918 has been added since then a pool room and amounted to less than the merchandise for the month of May and for the previous statements, for the loss was only $300.

The turn for the better occurred in the middle of 1923 with the employment of Samuel Sahlman, a Finnish manager who had had considerable success in other stores and who was willing to try his luck with this group of American labor unionists. With total sales for the year of more than $56,395, the gross gain was 19.62 per cent, and the net gain 1.85 per cent of sales. This brought the old deficit of $8,001 down to $3,410.

With this start on 1924, the business should be even better situated at the reckoning time the end of next December. Paid-in capital stock is nearly $35,000 and total assets are in excess of $32,000 (including a substantial equity in the store building). These provide a good foundation for successful Co-operation in Duluth. Some credit is due to the editors of the managers who should provide the rest.

Educational work is being pushed vigorously. Various social evenings have been arranged for the members, and the associate magazine is being taken from The League and converted into The Duluth Co-operator.

CHICAGO CO-OPERATIVE BOOK STORE

The Chicago Co-operative Book Stores Company is the only co-operative of its kind in the country. Organized in April, 1920, it first conducted two stores, the Radial Book Shop and the Walden Book Shop. In 1922 the first of these was sold to another party and all attention given to making the Walden Book Shop a genuine co-operative success. For about two years this unique Rochdale society had difficult sledding and lost money, but in 1923 a decided gain was shown for the semi-annual periods, and 1924 has started off just as auspiciously.

The directors of this company, finding that they had a surplus at the end of 1923, instead of merely paying interest on capital stock for the current year, decided to go back to the beginning of the enterprise and pay earned interest from the start. Therefore we read in the financial statement sent out late in January, 1924, that a check is being sent to stockholders for interest at 6 per cent on capital stock for the period from May 1, 1920, to December 31, 1921! If 1924 is as successful as it is hoped to be, interest due stockholders for 1922, 1923, and 1924 will doubtless be paid.

The financial statement for the Chicago Co-operative Book Stores Company at the end of 1923 is as follows:

<table>
<thead>
<tr>
<th>Assets</th>
<th>$4,025,141</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>$3,649.63</td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>9,012.18</td>
</tr>
<tr>
<td>Merchandise, at cost</td>
<td>17,932.85</td>
</tr>
<tr>
<td>Supplies</td>
<td>683.75</td>
</tr>
<tr>
<td>Advance payments</td>
<td>6.75</td>
</tr>
<tr>
<td>Unexpired insurance</td>
<td>78.11</td>
</tr>
<tr>
<td>Furniture and fixtures</td>
<td>5,221.32</td>
</tr>
<tr>
<td>Total</td>
<td>$4,025,141</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Total Liabilities</th>
<th>$2,483,392</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital stock</td>
<td>12,665.00</td>
</tr>
<tr>
<td>Accounts payable</td>
<td>12,638.37</td>
</tr>
<tr>
<td>Loss from operations</td>
<td>6,766.39</td>
</tr>
<tr>
<td>Depreciation reserves</td>
<td>2,015.99</td>
</tr>
<tr>
<td>Deferred charges</td>
<td>7.41</td>
</tr>
<tr>
<td>Surplus</td>
<td>1,293.54</td>
</tr>
<tr>
<td>Total</td>
<td>$2,483,392</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Other credits and debits</th>
<th>$88,987</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income credits</td>
<td>$88,987</td>
</tr>
<tr>
<td>Gross income</td>
<td>$12,638.88</td>
</tr>
<tr>
<td>Income charges</td>
<td>$3,224.17</td>
</tr>
<tr>
<td>Total expenses</td>
<td>$3,224.17</td>
</tr>
<tr>
<td>Gross surplus</td>
<td>$12,638.88</td>
</tr>
<tr>
<td>Interest due stockholders</td>
<td>$3,410.00</td>
</tr>
<tr>
<td>Net income for the year</td>
<td>$9,530.16</td>
</tr>
<tr>
<td>Surplus at end of 1923</td>
<td>$4,629.23</td>
</tr>
</tbody>
</table>

Sales for the academic year totalled $750,285, and the net gain for the year was $82,210. As the volume of business was necessarily small, due to the fact that there are less than forty students at the school, and as the goods were often purchased at retail prices and sold at bottom prices as well, this showing for the year is very good. The balance left at the close of business was turned over to the library fund for the purchase of books.

ROSELAND IN CHICAGO

The Roseland Co-operative Association, in the southern end of Chicago, continued its good work in 1923, as the following statement gives evidence:

<table>
<thead>
<tr>
<th>Assets</th>
<th>$34,584.62</th>
</tr>
</thead>
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As the capital stock of this association is only $7,410, the net savings for the year is more than 100 per cent of the members' actual investment in the business. In all fairness it must be said, however, that the members have an additional $4,420.99 of loan capital in the business, and this addition to its working capital enables it to work much more freely than would otherwise be possible.

On an average inventory of $11,728.62, gross sales of $172,000 mean a turnover almost fifteen times, which indicates good management.
OCEAN CREDIT UNION

One of the unique credit unions in New York City is the Ocean Credit Union, organized late in 1923 by members of the Marine Engineers’ Union. Though this association is hardly six months old, it has already 225 members holding at least one $5 share of stock, and at this writing has about $8,200 on deposit in its treasury. The Credit Union has handled more than $15,000 since its opening in November.

The members of this little co-operative association are either engineers or other seamen, but all men who travel the high seas and other members of the families hold membership in the organization also, for funds deposited by the men would sometimes have to lie there a year or more if they waited for the “head of the family” to make withdrawals. These seamen travel to every port in the world, and so carry the story of their credit union to the people of all countries. The Directors say that most of the larger deposits are made by men formerly “blow in” their entire savings at the homes of relatives upon their return from a long voyage. Loans formerly made directly from the treasury of the Engineers’ Union to this class of men were frequently lost entirely. The Credit Union is the spirit and attitude that has resulted in so many co-operative failures in America. It would be the easiest thing imaginable for any manager, who was dishonest enough to desire to absolutely ruin this society in a few months’ time, and they would be sitting helpless. The only thing that has protected us from a disaster of this kind in the past is the fact that in always having a manager who was scrupulously honest.

It would cost society an average of $35 per month to have their accounting done by experts through the Auditing Bureau. By doing this they could be sure that every entry was accurately and properly made; that a proper check was being kept on their accounts; that no one might get the impression that they did not “know what we are doing,” and their high sense of dignity and individuality outraged.

We can’t help but wonder what comfort their individualism would be to them if they should wake up some morning and find themselves in financial difficulties through the dishonesty of some manager or the ignorance of the Board of Directors as to the actual conditions.

A. W. WARMEN

ACTIVITIES OF DISTRICT LEAGUES

The following letter comes from the Assistant Secretary of the Northern States Co-operative League, accompanied by a copy of the minutes of the meeting of the Executive Board which was held in Duluth on the 27th of May:

“Herewith I enclose the minutes of the last Executive Board meeting. I trust same will reach you in time to get the gist of it into the July number of the magazine.”

The best news we have this time is that there will be about four months of school on Co-operation. The Exchange School will be in Finnish except book-keeping; the Franklin School will be in English, of course; each school will be able to take care of about thirty-five students.

“The major questions at our board meeting on the 21st of this month will be sending a delegate to the International Co-operative Congress, election of delegates to the Fourth Co-operative Congress in New York, and arrangements for our District Convention. I find it somewhat hard to attend to my duties as Secretary on account of working on a freight run days and being away from home three nights in the week. I am in hopes that the League will grow big enough within a year and be able to employ a full-time Secretary. We will have to carry on and live in hope.”

“John Scholz.”
Applications for fraternal membership were received from Local 51B of Brotherhood of Locomotive Firemen and Enginemen and Teamsters' Union No. 67, both of Duluth. Due to the political neutrality of this Co-operative League, it was decided that no one should attend the Farmer-Labor Convention in St. Paul on June 17th, but President DeMore was asked to attend the convention unofficially to "represent and project the Co-operative Movement."

The following resolution regarding the School was adopted unanimously:

"The Co-operative Central School Exchange will be conducted during the months of September and October in Superior; the Franklin Crematory School during November and December in Minneapolis."

It developed that invitations had been received from the Co-operative Associations in Two Harbors and Cloquet, both of Minnesota, requesting the Co-operative League to hold its 1924 Convention in those cities. Matter referred to Directors' meeting on 18th of June.

THE CORRESPONDENCE FILE

WHAT ONE CO-OPERATOR'S SMALL GIFT CAN DO

Received your esteemed letter of March 10. We thank you and are glad to hear that Mr. _has given $5 for the needy children in German gold, was only received through the mail and we have forwarded it to the Children's Home, "Production," Society, "Production," has a children's home situated in Hoffnung on the Ostsee, in which it has no more children. The children are boys and girls, and in the course of a year it takes care of 1,200 children, where health is restored greatly. These children are of the poorest families, mostly poor, and the majority of these children that were maintained for the children of the weakest class. We extend to Mr. _our heartfelt thanks and also the thanks of the Konsum-Bau' Society, "Production." The writer could write a book on the golden share of co-operation in the future.

With sincerest wishes,
H. M. Lord, Manager.

E. M. Lord, Manager.

A HOPEFUL WORD FROM BEACRECK

Exculded from the School during November and December in Minneapolis. To invite you to attend the convention unofficially to "represent and project the Co-operative Movement."

Mr. Stuart Chase, in his article printed on page 76 of the May issue of Co-operative League, says, "It is not recorded that the twenty-eight years of the Rochdale was, denounced by the earlier generation of co-operatives as unco-operative, and few, if any, of the Rochdale pioneers or their successors even considered the question in this light, yet it is the Rochdale system that has become the best known and the most widely used in the world today."

The following books are recommended as containing the best discussions of the modern Co-operative Movement:

(2) The Story of Co-operation. By J. P. Madams. Cloth, $3.00;
(3) Co-operation, The Hope of the Consumer. By E. P. Harris. Cloth, $3.00;
(4) Co-operation in Many Lands. By Smith-Gordon and O'Brien. Cloth, $3.00; paper bound $1.75.
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(6) Co-operative Consumers' Movement in Canada and Belgium movements.

A CALL TO ACTION

What are the main planks in what is now called the Rochdale Programme were borrowed from the pages of The Co-operator. On the other hand, the Division on Public
THE CO-OPERATIVE LEAGUE  
(Member of The International Co-operative Alliance)  
167 West 12th Street, New York  

An educational organization for teaching the history, principles, methods, and aims of the Co-operative Movement and for the promotion of Co-operation in the United States.  

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Address.  

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Bakers  
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Central States Co-operative Wholesale Society  
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Brantford, Ontario, Canada  
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Published monthly  
75c per annum  

THE HOME CO-OPERATOR  
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Issued monthly, in bundles, $1 per hundred.  

Published by  
The Co-operative League  
Address  
Albert Sonnichsen, Managing Editor  
Willimantic, Conn.  

VITAL ISSUES  
THE LEADING ARTICLES  
The first two articles featured in this issue of CO-OPERATION come back again to the old, old controversy: Which is the most direct road to the Co-operative Commonwealth? That disagreement is not going to end with this year or this century; it will continue as long as men's minds work differently and people's temperaments vary. But even though champions of differing economic philosophies may not agree, they can make the effort to understand one another. And with increasing understanding there may come an approach to agreement.  

Mr. Nearing does not profess to be a special student of the Co-operative Movement so much as of other economic movements. Therefore Mr. Sonnichsen has an undoubted advantage over him to begin with. Whether he maintains that advantage or not is for the reader to decide.  

Mr. Cregg's survey, the subject of the third contributed article, was made possible by a gift from Mrs. Gordon Norrie for her activity in progressive movements. Mrs. Norrie is a member of the board of directors of the New York State League of Women Voters, chairman of the Poughkeepsie City and County Club, and chairman of the Women's Committee for Political Action (New York state group). C. L.  

CO-OPERATION IN THE PUBLIC SCHOOLS  
Last month we published an editorial on co-operative policemen. We have, from time to time, noted other unique activities of co-operatives, such as the running of street cars, administration of health, furnishing of electric light and power. Perhaps some of our readers think we are getting into rarefied atmosphere but we tackle such matters as this. Is not Co-operation primarily designed as a method of producing and distributing the simple food and clothing essentials of everyday life to the people? Why not stick to that primary function and let the wild men break their necks trying to scale those unassailable mountain peaks of co-operative consistency?  

Perhaps it is a rather "ornery" streak of cussedness in some of us, but we do like to come across these examples of the application of co-operative principles to the activities of life that are not just broad and shoes and chewing tobacco. We insistently and persistently maintain that Co-operation can do just as much for our minds and spirits as it can for our stomachs and our feet. The following is one more gratifying indication that we are correct.  

In Sofia, capital of Bulgaria and its largest city, Mr. Minocheff, a well-known co-operator, inaugurated in 1921 the formation of co-operative societies in the public schools. The parents of the
pupils are the active members of these societies and the teachers are associate members. The societies purchase school supplies, clothing, shoes, medical assistance for the pupils and open canteens and lunch rooms. In the future they hope to organize libraries, reading rooms, gardens and holiday camps, and one society has already set aside 25,000 leva for this purpose. This society has made a savings of 60,000 leva on a business of 250,000 leva worth of books purchased for the boys and girls. The larger part of this profit is turned into a fund for poor pupils.

The International Labor Office, in commenting on this unique experiment, emphasizes the very real educational value that such training as this has for both parents and children, giving to them a working knowledge of the principles of Co-operation. We are equally impressed with that feature. But just as important to us seems the discovery lying behind this experiment that the children of well-to-do parents can get their own education, and without any help from the pockets of the state. Their parents can at the same time build up a surplus which will help the children of poor parents. Carry this principle over into the co-operative organization of the schools themselves and we punch an awfully big hole in that venerable old argument of our super-politically-minded friends to the effect that the poorer folks could not afford to educate their children if it were not for the compulsory school tax levied by the state.

HOW BROOKHART WOULD CHANGE THE STEEL TRUST INTO A CO-OPERATIVE

Speaking before the Triennial Convention of the Brotherhood of Locomotive Engineers at Cleveland, Senator Smith W. Brookhart gave his own formula for changing the Steel Trust into a co-operative. Just "three little things" are necessary, maintains the Senator, to change any articles of incorporation into co-operation. "With these three little amendments," he said, "I could change the Steel Trust into a co-operative."

These three things, according to Senator Brookhart, are one man, one vote; limited earnings; and a provision that one-fourth of these earnings go to the business for growth and three-fourths be distributed back to the producers and the consumers.

Perhaps Judge Gary would agree with this, that serious minded reporter, Will Rogers, who names Brookhart one of the Four Horsemen of the Apocalypse mentioned by Newton D. Baker in his speech at the recent Democratic Convention keynote at Madison Square Garden.

The Senator's political platform is simple—economic co-operation. "Whatever," he says, "you hear of me doing anything in a political way in Congress or out, if it isn't directly for the Co-operative Movement, it is indirectly. And I don't support any theory unless, directly or indirectly, it assists toward economic co-operation."

Senator Brookhart is the man whose primary campaign cost $37.24 in contrast to his opponent of the Old Guard whose expenses are conservatively estimated at $100,000. And the Senator stayed in Washington "on the job," too, trusting to the folks back home to re-elect him. They did, defeating his adversary by 35,000 in the largest primary vote ever polled in the state. P. C.

EAST ST. LOUIS CONFERENCE

The Managers' Conference in East St. Louis, mentioned elsewhere in this number, was indeed "one of the best ever held in Illinois". Real decisions were made—actual problems were dealt with—there was an absence of "tall talk," promises, repetitions, and unanimous action was taken to continue wholesaling on the commodity basis, carrying more articles with the co-operative label, and not attempting to supply the entire wants of stores at present. Here managers discussed their common problems, became better acquainted, and took back to their societies scores of practical suggestions and an inspiration that cannot be missed.

M. C.
The Co-operative Movement has gained a firm footing in Europe. During the same period it has met with widespread failure in the United States. Perhaps these reasons account for the different development. Co-operatives undoubtedly have their uses. They train workers in co-operative activity. They teach them the art of economic control. They save money. But as a substitute for an organization of producers, and as a structural basis for immediate social progress, they will not qualify.

THE WORKING CLASS
“COMPLEX”
By Albert Sonnichsen

Co-operation has many opponents—millions of them—and it shouldn’t excite us to discover a new one now and then. But so brilliant an exponent of the Co-operative Commonwealth of the future as Scott Nearing deliberately adds himself to the list, we do feel hurt.

Mr. Nearing says that Co-operation will do. First he said it to his current history class in the Eard School, and now the Rand School issues a pamphlet to the same effect, under his name.

Briefly, these are Mr. Nearing’s reasons why Co-operation can never bring us to the co-operative common wealth:

1. The trusts have got hold of the natural resources, such as coal, timber, oil, iron, etc., and they mean to hang on to them.

2. The worker is the slave of a wage system, serfs of the consumers.

3. The workers will be the slaves of a wage system, serfs of the consumers.

4. “As they proceed in accumulation of property, will not the co-operatives develop into defenders of the present system, which protects their property and defends them in their right to direct production?”

5. Capitalism will never surrender its property voluntarily.

Now, of course, to most of us who have been in the Co-operative Movement for some time, these points are not new. We have heard them brought up again and again. Sometimes we answer, and sometimes we don’t. In the case of a lesser figure than Scott Nearing it is scarcely worth while; no answer will ever convince the party raising such questions. Far behind him lurks the working class complex. A complex—just that.

Let us consider this complex critically—a complex idea in a diving suit.

When the invention of the steam engine initiated the present system of machine industry and factory organization, the handicrafts system, preceding it, was necessarily doomed. To many of the intellectuals of that day, this seemed a bitter tragedy. For the weaver pounding his loom or the carpenter hewing a beam with an adze, with a picturesque figure, while the man at the factory bench is not. It was a purely sentimental regret for a thing that was passing, rather than a humanitarian compassion for the sufferings of factory workers.

Machines were ugly. Things made by hand were beautiful, artistic. Men worked for the love of the task. That they worked twelve or fourteen hours a day to make a living at their hand work, was a mere detail.

Later, of course, critical eyes were turned on the new factory system, but the sentiment for the hand worker permeated all conclusions. The worker had been robbed of his tools. They should be returned to him. The William Morris school of Socialists preached that creed literally. But if a return to the handicrafts system of industry was too absurd for general acceptance among all the reformers, the sentiment nevertheless persisted. If the workers were not to have back their hand looms, then give them the textile mills. Even hard-headed old Robert Owen became obsessed with his life and fortune in futile efforts to put it into practical effect. Came Marx, and glorified it into a “science.” It became literally a complex—among intellectuals. For the workers have never taken to the notion. In their working programs the political Socialists have repudiated it in deference to workers’ votes, but in their speech and propaganda they still obsess them.

The Syndicalists and Communists remain consistent in speech and action.

It is this complex that glares at us from out of Mr. Nearing’s objections to Co-operation. Without having studied the subject too closely, he senses the fact that Co-operative principles rest on the people as one broad collectivity of consumers; that it emphasizes the consumption, or division, of wealth, as an end to which production is only a means. Co-operation sees in a coal mine a social asset which should properly belong to all the people, regardless of trade or vocation, whose product should be distributed at cost price. Mr. Nearing would turn the coal mines over to a comparatively small group of some hundreds of miners, to whom (with a license and perhaps a loan) he would sell it to their hundred million fellows at a price which, giving them control, will naturally be fixed by themselves. Control will be put out logically, and it leads you within the realms of sheer insanity.

The schools would be for the profit of the teachers and, as Mrs. Webb suggests, the streets would be turned over to the street cleaners. Possibly the jails should belong to the jailers. However, the idea is carried out logically. It is modified—according to temperamental idiosyncrasy.

A man-made idea, essentially. It is a survival of a time when woman was regarded as man’s chattel. Since the industrial system is to be ruled by “the workers,” how does woman come in for her share of control? She will be forced to go into the coal mine or the machine shop to obtain her vote? Not quite as bad as that. There would be the council of the organized housewives. It would be a huge organization, outnumbering in membership every other industrial organization in the land. Now, what would be its interest in the control of industry? Could it by any possibility be anything but an organization of consumers? Can you imagine the wives of the doctor, the plumber, the carpenter and the undertaker discovering any economic interest common to all, except one—the cost of things? This is the sort of problem you have to pass over when you have the working class complex.

I am aware that I do not seem to be answering the questions Mr. Nearing specifically raises. Let me first of all point out the confusion of thought that enters into these questions as a group of questions. Compare question No. 2 with question No. 4. In the former the capitalists are going to kill Co-operation by means of legislation. In the latter the Co-operators, being protected in their possession of property by the capitalist system, will become content with it. Now, which is going to happen? Because the two are mutually exclusive.

The answers to these questions are no matter for argument. We have no arguments against them. We need none. For the reason that they can all be answered by past experience, by facts. It is only the obvious perusal of Co-operative literature bores Mr. Nearing. I can imagine him, poring over the dry pages—and I admit they are dry. Co-operation, lack the dramatic element. He yawns and gasps out of the window, his imagination quickened for a moment by visions of bloody street barricades, himself hurtling over the top with the red flag in one hand. This must have happened, I say, because there isn’t any question but what it is that his really keen intellect got down to it, it would be grasping our idea—and especially the facts of past experience.

To begin with (question No. 2), the Co-operative Movement has already become big enough to threaten big financial interests. It includes the biggest flour milling business in Great Britain, for one thing. And, as a matter of fact, the financial interests have really tried to kill it with legislation. That has happened in Great Britain, France, Belgium, Switzerland and in Germany. This is a chapter by itself in the history of the Movement. Only two years ago the British Cabinet was almost upset over the question of taxing co-operative so-
CO-OPERATION

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that means that -the street sweepers must
of chain stores. Summed up, the
I suspect, the question nearest Mr. Near-
meat trust, Bell & Co. The result was
that the Co-operators bought a con
and No. 5; the struggle, in 1914, between
the Swiss Co-operators and the Swiss
dollars than the people, organized as
consumers ?

sending special agents over to Canada
recital of facts covering the history of
trust trying to kill the co-operative
 tors with the cement cartel, the latter
there is the record of the Swedish sugar
relations but the power of the consumer to
wage system. With full power to fix
his own remuneration, facing no limita-
tion but the power of the consumer to
his price, in which way does the coal
miner occupy a situation different from
that now occupied by the coal baron ?
The wage system will not be ended by
Co-operation. The workers will be in
the employ of the social body and will
get their pay checks in the usual man-
er. But, assuming that Co-operation
has become universal, as Mr. Nearing
does, where is the possibility of ex-
plotation? Private profit having been
eliminated, all the product of labor must
necessarily go to the labor fund, minus
whatever may be allocated to the social
capital for future production. What
more can labor desire, than the full
product of its effort?

There is a problem here. How will
the wage fund be divided ? Who will
get the larger share, the plumber or the
carpenter? Will the workers be better
paid than the marble quarry
workers? Under Mr. Nearing’s system,
I suspect they will, for the men who
produce coal, quite aside from their
superiority of numbers, have the drop
on society, whereas we might conceivably
pull through a very severe winter with-
out marble. However, this is a problem
between workers’ groups, and not
between the worker and the consumer.

To all of Mr. Nearing’s questions
there is a flavor of personal tempera-
ment. He thinks in terms of physical
violence. How are we going to “seize,”
to “capture,” the property of the
capitalist? Like all men of deep emo-
tions, he reacts against the steady but
slow processes of the evolutionary
method. He is essentially a revolu-
tionist, and Co-operation is essentially
revolutionary. Therefore he recoils
from it, intuitively. His antagonism
toward Co-operation is purely emotional,
not rational, not critical. In spite of
his keen intellect, Mr. Nearing is
primarily a fighter, the leader of a
cause upon which more than one
thinks. To be both is not given to any
man.

n
no.

Hamburg trade with only two ships.

RURAL CO-OPERATIVES IN
THE EMPIRE STATE

By Lloyd M. Croagrace

During three weeks in June, I had
the pleasure of studying, under the auspices
of the League, thirty-two buying co-
operatives in the Empire State. They
were widely distributed and were se-
lected for study, among others
because the League was particularly
anxious to have information about them.
I made a separate report about each co-
operative and I shall here merely
attempt to set forth a few general con-
clusions.

Really, I visited only twenty-seven co-
operatives. Four organizations had
passed out of existence since the last list
of co-operatives had been issued by the
State Department of Farms and
Markets. One had been incorporated
but had never done any business. In
the course of five, I endeavored to
learn as far as possible what the trouble
was or had been with them.

Out of the twenty-seven living co-
operatives, twenty-three were strictly
farmers’ organizations; two were com-
posed of factory workers and two had
a membership that was about evenly
divided between farmers and factory
workers. (In neither case in which
the membership was divided did the
two groups of members get along very
well together.)

In all of the twenty-three farmers’
organizations, the service rendered by
the co-operative was strictly of a buying
nature. In no case did it aid in the
marketing of crops, although, of course,
markets were generally the interest of the
farmers in

No. 3, regarding the wage system, is,
I suspect, the question nearest Mr. Near-
ing’s heart. There can be but one
alternative to the wage system, and that
is a revolution. Mr. Nearing’s
answer is, in the majority of cases, men
with but little education and with little
familiarity with business methods or
with co-operatives in general. They
have been active and yeal, partly be-
cause they realized the possible benefits of co-operation; partly because they appreciated the honor placed upon them when they were elected; partly because they were in general public spirited individuals. In three or four cases they have been paid small sums for attending directors' meetings but these cases are exceptional.

On the whole, on the other hand, the members of the co-operatives (averaging about one hundred each) seem to care little for the organizations. They do not, as a rule, attend annual meetings. There have been a large number of cases, buy from the co-operative except as they gain immediate profit thereby. This attitude of mind seems easy to explain.

Their interest was secured suddenly by the conditions and means previously described. They had not previously known much about co-operation. They were led to expect very great things from it. It was not long before local dealers reduced prices considerably, often going somewhat below the co-operative frequently proved unsatisfactory.

The stock carried by the co-operative was often less varied than that carried by the privately owned store. The private store was, in many cases, better able to furnish credit than was the co-operative. The chain stores increased in numbers, with their well organized advertising. In many cases, a member lived nearer to a well conducted privately owned store than he did to the co-operative. It was soon evident that the co-operative was not going to furnish all of the advantages that had been looked forward to during the campaign for its organization. The members knew little of the internal affairs of the co-operative. In most cases they were not even in possession of a copy of the by-laws. The members saw no reasons for going to annual meetings for they dealt with very financial matters, little understood. They thought that the directors and officers were doing as well as could be expected. If they were not, the members knew of nobody to put into their place.

The result has been that a quorum has been a rare thing at annual meetings of New York state farmers' co-operatives. (The society that has best secured the attendance of members is the one at Lowville. There a 60 per cent attendance can be expected.) This has been due apparently to the policy of the meetings semi-social, semi-business in nature. Refreshments are served, entertainment is provided and the meetings have been of a very enjoyable nature.

Another result has been that the business done by the co-operatives has usually been far short of what was expected and a large part of this has consisted of sales to non-members.

Curiously there is one opinion among the members that seems to be contradictory to this general lack of interest. They do not, in general, want the co-operatives disbanded, once they are started. At times the directors have, in despair, asked them, by mail or telephone, or personal interview, if it would not be well to do away with the organization. Always, the answer is "No." This is probably due to the following reasons:

(1) Prices began falling soon after the co-operatives were formed. Many persons think that this movement of prices in their locality was due to the co-operative (and doubtless private dealers were led to lower prices upon previously acquired stock more rapidly than they would have had the co-operative not been started). There is often a feeling that if the co-operative were done away with, prices would rise again.

(2) To disband the co-operative would entail considerable attention on the part of the members and they do not care to go to the trouble.

(3) In cases where dissolution is suggested, there is never much chance for the members to get back more than a small fraction of what they invested and they prefer to wait to see if conditions will not improve.

In general, then, it may be said that the farmers of New York state know or care very little about co-operative buying. Only a small proportion of them belong to a co-operative buying organization of any kind. Of those that do belong to an organization of this kind, but few give much attention to it. They do not, however, desire to have those co-operatives that have been formed done away with.

Co-operative organizations in New York rural communities do not seem to have been very successful from the financial standpoint. On the whole, dividends on purchases and as a rule these dividends have been only 2 per cent to members and 1 per cent to non-members. But little has been voted to reserve. Their financial condition is very difficult to determine with accuracy, because of the necessarily inadequate bookkeeping employed, but, considering the "dead stock," "bad debts," "depreciations," etc. that are often overlooked in the annual reports, it seems probable that less than half of them are now worth what was originally invested in them.

Among the chief difficulties that New York rural co-operatives have experienced are the following:

(1) The keen competition of the many privately owned stores, including the chain stores.

(2) The great diversity of crops and the great variety in articles needed by the farmer.

(3) The fact that most of the farmers are from families that have lived for generations in America and are consequently but little familiar with the development of co-operation in other countries.

(4) "Section 13a." New York State has two laws under which co-operatives may be organized. One, usually called "Section 13a" is well suited to meet the needs of selling co-operatives; the other, known as "Section 12," is, apparently, not suited for co-operatives that wish to engage in buying for their members. Owning, apparently, to a misunderstanding about 1920 when the co-operatives were formed, the majority of them incorporated under "Section 13a." It is cumbersome, provides capital for only short periods instead of for permanent investment, and in general has proved very unsatisfactory. Nearly all the co-operatives working under it wish to change to "Section 12" and are anxious to learn how to go about it. The League was formed to assist them in this.

(5) The farmers of New York have, in general, been settled in particular districts for long periods of time. They have local prejudices, feuds, etc. And this has added in making the position of the manager one of great difficulty to fill. In addition to the usual characteristics necessary for such a place, the individual must be thoroughly familiar with the people round about and he must not attempt (too rapidly at least) to instruct them. Good managers for co-operatives are, in any case, necessarily hard to find. In some cases it is not, the position is being filled very ably in New York rural co-operatives. The successful individuals, however, have differed very widely from each other— as widely as the communities which they served.

Innumerable other difficulties might be cited, as is true, of course, of the co-operative movement in general. In spite of these difficulties, management of twenty-three rural buying co-operatives are doing business in New York state and they have survived for three or four years. Co-operation in buying will not revolutionize rural New York very soon, if it ever does. However, there are many reasons for looking forward to a consistent development of this kind of enterprise in the state.

(1) The present co-operatives have brought forward a most encouraging number of active, public spirited individuals who are willing to serve their community for little or no return.

(2) The people are gradually being informed concerning Co-operation.

(3) Where co-operatives exist, there is no apparent desire on the part of the membership that they be done away with.

(4) The League exists to help the movement, doing so, among other ways, by furnishing a clearing house for the distribution of knowledge concerning successful devices that have been used.
LETTERS FROM ABROAD
THE INTERNATIONAL CO-OPERATIVE MOVEMENT AT GENEVA

When Edouard Anselle, the eminent Belgian Co-operator, offered a resolution at the last International Congress at Basle, Switzerland, in 1921, that the next International Congress should be held in Ghent in connection with an international exhibit, the resolution was acted upon favorably because the Congress knew that the Ghent Co-operatives are well organized and equipped to carry out effectively any plan they undertook. They had created the “Veerviiit” one of the best examples of co-operative success in the world. The Belgian co-operatives had plans beyond the capacity of their own splendid building. They took the Palace des Fêtes, a huge public edifice surrounded by the charming flower gardens of the Park; there they have organized the Exhibit; and there will be held the Eleventh International Co-operative Congress during the first week of September. The Exhibit opens June 15th and will continue until September 15th.

The national co-operative organizations of twenty-five countries are represented here. In no way can one with the expenditure of a moderate amount of time get so good an idea of the whole Co-operative Movement as by a visit to the exhibits of the different national organizations.

The Belgian Federation has an exhibit of its central educational work and a large display of its productive enterprises. Machines are seen packing and wrapping cocoa, soap powder, coffee and other products. Textile looms demonstrate the character of their weaving industries. Belgium shows also printing presses at work turning out co-operative literature. The most artistic department of the French-speaking exhibit is that of the Jollmont Society, illustrated by statutory and paintings. Under such allegorical painting are the statistics of that particular department. Thus this one society shows that in 1923 it distributed four million newspapers, 2,371,000 francs, for gymnastic work 3,697,000 francs, paid life insurance 3,697,000 francs and similarly large amounts for library and literature, medical societies, x-ray apparatus. Goods which the co-operatives can spare the huge pyramid of Marx but all in all well arranged and effective. The national co-operative organizations of twenty-five countries are represented here. In no way can one with the expenditure of a moderate amount of time get so good an idea of the whole Co-operative Movement as by a visit to the exhibits of the different national organizations.

The panel of the United States consists of scroll above, containing the U. S. A. seal, below the seal of Liberty, then the Co-operative League House in New York and the seal of the League—the two green pine trees on a shield of gold. Between the two latter are the statistics of the League’s societies; and below is the seal CLUSA. All of this work is admirably executed in oil color. In this central pavilion surrounded by the exhibits of the outside of all nations, an orchestra renders an excellent program morning, afternoon and evening. Branching out are avenues leading to the exhibits of the different national organizations.

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The Swiss exhibit is unique. The Swiss seem always able to do something original. They have a little theatre, all in bright red, even to the seats. It seats about 200 people. The theatre bears the notice: "Show daily at 5 P.M." Around in bright red, even to the seats. It seats about 200 people. The theatre bears the exhibit. It is beautiful. If we only had their artistic and effective placards for store windows, it would be a great thing for our movement. These signs would only look in place in a window that is artistic and clean.

Then there are Sweden and Finland and Holland and other countries with exhibits. A little apart is Norway with a dignified map showing the location of its societies and the literature from which the Norwegians learn co-operation.

And next Norway is the exhibit of the United States, represented by the Co-operative League. It is dignified and graphic. The central piece is a map of the U. S. seven feet long dotted with 2,500 societies with which the League is in touch. This makes an impressive showing. Exaggeration is avoided by the statement that "2,100 of these 2,500 societies are weak and insecure; but six have more than 1,000 members, the largest has 6,000 members." The League's 338 societies with 135,450 membership appear in the I. C. A. exhibit. Eight panels on three walls show in pictures, charts and legends the work of the League and the character of the American movement. Its status is graphically represented by a man building a foundation while in contrast stand the old houses of the European movement. Some examples of the societies connected with the League are shown. Among these are "A District League." This is represented by the Northern States League, its school and other works. A typical miner's society in Illinois is shown. A typical successful distributive society with pictures of stores and bakery is represented. "The Finns in America" are illustrated by cartoons and pictures of Finnish enterprises, including A summer school in three languages, French, German and English is announced in the circular of the International Co-operative Summer School which this year will be held at Ghent from August 23rd to August 30th. This is the week preceding the International Co-operative Congress.

The lectures will include Dr. Fouchere of Basle, Switzerland; Messrs. W. Sorvey of Brussels, and Anselse of Ghent, and Professor Hall of Manchester.

A SUMMER SCHOOL IN THREE LANGUAGES

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ONE WAY TO PAY WAR DEBTS

"That was jolly good of you," remarked the Prince of Wales when told the Co-operative Wholesale Society made up to their employees who enlisted in the Great War the difference between army pay and their ordinary wages at a cost of $35,000,000. Co-operators hate wars, but they show marked sympathy for the men who have got to fight in them.—The Canadian Co-operator.

News and Comment

CO-OPERATION IN OHIO AND ILLINOIS

DURING MAY AND JUNE Mrs. Mabel C. Ched, a member of the Executive Board of the League, visited thirty Co-operative Societies in Illinois and Ohio. In spite of the fact that so many stores have suffered because the majority of the mines are shut down, Mrs. Ched writes that a number are very progressive and that Co-operative Movement is by no means failing in that part of the country. The following notes are taken from her reports.

Co-operatives Sell Out to Managers

Perhaps the most discouraging discovery made was the case of three good co-operative stores selling out to the managers. These societies were in Bucyrus, Salineville and Wellsville, Ohio. In the Bucyrus case, the manager explained that the members had lost interest even though business was fine, they had never failed to receive dividends, and at present were getting a 50 cent dividend per dollar on all purchases. In the Salineville case, the manager explained that the store when he threatened to leave they offered him the store. Another rather hopeless condition was found in the southern part of Ohio, where some union mines had been shut down for over a year. The Co-operative Societies are very poor, some will not be able to survive, and some will only pull through if the people get work soon.

Illinois Stores Improving

In Illinois, too, wherever the mines are working but one or two days, the Co-operative stores are struggling to keep alive. A few have closed. There is a brighter side of the picture, however. Among the mining towns of Illinois the little co-operative store in the miners' hall building is almost a necessity. Other stores come and go, and how a few years ago the store when taken over by the Co-operative Wholesale was worth to the members thirty times its original value besides the large amounts returned each quarter to members.

Glen Carbon

Glen Carbon, a mining town 20 miles from St. Louis, held a record meeting of members, women and children, combining a good vaudeville with the lecture on Co-operation, a dance and supper following. Such a good time was enjoyed by all that the women promised to organize a Guild to arrange regular meetings and socials.

Benld

Benld Co-operative Society, one of the largest in Illinois, has a large double store. Last quarter's business was over $8,000. Membership 500. Total savings $3,793. Total sales in 1923 amounted to $266,708. Savings $16,570 returned.

Space will not permit a description of all the places visited in Illinois, from Williamson Co. up to Beardstown, but with few exceptions the impression remains that is the Co-operative Store of the Central States Co-operative Society are now building right and will progress as never in the past.
Ohio’s Prosperous Co-operatives

In Ohio, Dillonvale, with three branches, Bellefontaine, Cleveland, Fairport Harbor and Ashtabula are all doing well. Others like Toledo, Crestline, Orrville, Middleport, Pomeroy, Van Wert, due to unemployment, are marking time. It seems in this country our co-operative stores must learn to include all kinds of working people in the membership, so that a temporary shut-down in any one industry will not affect all the co-operators at once. The failure of stores because of lack of work is no reflection on the management or principles of Co-operation. Credit trading ruins many a co-operative store since in time of distress all members have equal right to expect credit while private stores grant it only to those who have property or probable means of paying later. Almost every single store visited this summer was operating on a credit business while the League has advocated cash business for ten years. The managers all tell you it is impossible to operate a cash business, because people are used to the book. More education especially among the women is the only remedy.

Dillonvale a Model Co-operative

The New Co-operative at Dillonvale, Ohio, keeps accounts with its 400 members but every member uses the society like a bank in which $64,000 savings are invested and credit is given only up to a certain figure, and never given on the original share. It is doubtful if any American-born as well as others cannot duplicate this splendid example if they really want to.

Excellent management and a faith in the principles of Co-operation have made the Co-operative of 14 stores—Dillonvale Co-op a bright and hopeful spot to turn to for encouragement.

There is a place where our 100 per cent Americans can learn something from 100 per cent Co-operators.

Bellefontaine

Over in the western part of Ohio, at Bellefontaine, is a different class of co-operatives—railroad employees—who have a beautiful, busy, grocery store. It has only been going a few years and seems very progressive. It has the finest furnishing department upstairs.

Cleveland

In Cleveland the Bohemian and Slovakian grocery stores are prosperous. The one American grocery store in Cleveland is doing a good cash business and is considering starting a branch. It is one of the best kept stores visited, small, but very attractive, due to a woman’s touch, we were told.

Cleveland boasts over a dozen co-operative enterprises, among them being a milk and branch coal distributing society, a bakery, a bank, a boarders’ house, a construction company, beside the three grocery societies, one of which has six and another three branch stores. These are all united in a District League for educational and social purposes. The fifty employees of the Co-operative Dairy meet socially once a month—sometimes for supper and a talk on Co-operation sometimes a dance, entertainment, or picnic. The next step is to be a Women’s Guild.

Fairport Harbor and Ashtabula

Fairport Harbor and Ashtabula, Ohio, are two towns populated largely by Finns. So naturally good co-operative stores were found. Also co-operative milk distribution. The North Star Co-operative at Fairport Harbor, has its milk department adjoining—fine modern buildings, good business and attractive in every way, 470 members. In Ashtabula there are three separate societies comprising some of the same people. It was apparent that political ideas keep these people from being 100 per cent united in their co-operative enterprises. Bellefontaine and Ohio co-operative states. With more education, especially among the women, standardized accounting methods, and a strengthening of the District Educational Leagues we shall see fine results soon.

THE DIRECTORS’ PAGE

AN AUDITING AND ACCOUNTING SERVICE

The Co-operative League has long considered offering co-operative societies an accounting and business service which would be manned by men of experience in co-operative accounting and administration.

This year, for the first time, through the generosity of the American Fund for Public Service, the League finds it possible to make an investigation of its market for this service and a survey is now in progress. When organized, this accounting and business service will include auditing and accounting and income tax information, and will provide for an exchange of experience along the broader lines of the best co-operative practice.

While this survey is under way, a series of articles by men of successful experience in auditing and accounting will appear in Co-operation. Mr. Jules Englander, who contributes this first article in this number, is well known to co-operatives in and about New York. He is the auditor for the League, for Consumers’ Co-operative Services, Inc., and has done work for the Finnish Co-operative Society of Brooklyn.

THE IMPORTANCE OF ACCOUNTING FOR CO-OPERATIVES

By Jules Englander

Would you use candles for illumination when electricity is available? Of course not. Yet business men who use high power illumination in all other
branches of their business, struggle along with candle light accounting methods. It seems almost too obvious to state here, that methods and systems of accounting have changed with changing conditions. Not alone in intricate business enterprises of considerable magnitude, but even in small business organizations, the increased complexities of organization, the stress of present day competition and other factors, have caused a development in accounting methods, shifting away from the elementary records of day to day transactions, and progressing more and more toward a well ordered plan for bringing together the vital and essential financial facts of a business for the use and guidance of its owners and managers. While the fact is almost too obvious to state, yet, in the minds of a great many people making up a new business venture, the problem and purpose of their accounting records are given but slight consideration. We are frequently asked by clients organizing new business enterprises to outline a simple system of accounting for their use. In many cases, no attempt is made on their part to suggest what special information they expect to obtain from the records. They know that some sort of record keeping is necessary, but simplicity and cost are the only factors considered. The problem is peculiar to their business, special features which the business may require, are points which, to them, have no bearing on an accounting system. To them bookkeeping is bookkeeping, whether it be for a grocery store, a manufacturing concern, a factory or a bank. So they talk only for a bookkeeping system for any business, large or small, are to:

- Ascertain the particular features wherein that business differs from others in the same field.

Find out the vital factors that the management and owners consider of prime importance to themselves and shareholders, for the successful and efficient supervision of the business as a whole.

Plan your accounting methods for the needs and conditions of your own business, so that the maximum light on your business is thrown, and simply reflected through the records.

Bearing in mind the fundamental fact that the primary purpose of all accounting is to assist the management in carrying on time, if they can with the most detailed information relative to its members to provide them with the most detailed information relative to the conduct of their business. Ordinary business opens its books to but few people. Co-operatives on the other hand, are ever ready to open their records to all co-operators. It may safely be assumed that the majority of co-operators are as interested in figures; hence these figures must be presented in a manner to speak for themselves—and to tell the truth.

Due to the very nature of co-operative organizations, the finance and control of the business is widely diffused. This very diffusion of control makes it imperative that the bookkeeping records should be in the simplest form the exact status of the business so that the management can at all times be above reproach, not alone as to the internal conduct of the business, but as to the capable and efficient management of the members’ funds.

In conclusion I wish to say that your accounting system is the medium whereby the light on your business is...
reflected. As with candle light, the visibility of your business is dimmed if the medium is poor; so plan and use your accounting records to serve to the maximum of their possibilities, and the light on your business will be as great as the powered electric light.

THE FOURTH CO-OPERATIVE CONGRESS
November 6th, 7th, and 8th, New York City

Directors of Co-operative Societies can meet with representatives of a large number of other co-operatives in a general convention only once every two years in the United States. This is unfortunate. Once we have more District Leagues as active as that in the New York Central, Directors can get together once a year or oftener. But more unfortunate than the impossibility of meeting oftener, is the unwillingness of so large a majority of co-operatives to meet their fellow workers at least every two years. If you ask some of these folks how they justify their service on the Board of Directors of a society whose members hold them responsible for learning all they can about the movement, they will give a number of answers: "Too busy"; "Costs too much"; "We're doing well enough as it is"; "Members of our society are not supporting us in the work we are doing now"; "We can read all about the Congress afterward without spending all that time necessary to go to New York." Isn't the following fact highly interesting? If you examine the hundreds of co-operative failures in the United States and examine the reasons for failure and the types of men who were officials you will somewhere find them repeating just such phrases as the above when someone suggests greater loyalty by the membership.

We think of one highly successful co-operative in New York City. Wholesale"*, the leaders will tell you. Because they are making money, these folks think they are genuine co-operatives. We think of another, conducting the largest business in the community. When asked to join the League, and pay no more than $1 for membership they say, "What will we get out of it?"" Bargain hunters. Or perhaps the leaders have become so accustomed to being in positions of authority over a flourishing business that they are afraid to be members in a Co-operative. The Central League might subordinate them to a movement larger than that in their own town. The Congress is for those co-operators who are not satisfied with being the largest frog in a very small pond; it is for those who are satisfied with nothing less than the capture of the entire ocean by a federation of all the frogs in all the small ponds.

Those of us who believe in these biennial Congresses may modestly lay claim to being super-frogs. "Let the rest of them sit in their mud holes and leave the Congress alone if they want to . . . the future is for those who co-operate."

Those Boards of Directors who are behind these great gatherings of co-operatives should either send a delegate or they should ask someone to serve. If this is impossible, they should order copies of The League. The future of our Movement lies in its solidarity and nowhere else.

Remember the time and the place: November 6th, 7th, and 8th, New York City. Delegates should be selected now. Visitors are welcome, especially women co-workers. Although only delegates of affiliated societies may vote, all are admitted to the sessions. Local problems will be discussed by some of the most successful directors and managers of co-operative stores, laundries, bakeries, restaurants, etc. The Call to the Congress has been printed and mailed to all societies. Let us see to it that every member knows about this Congress, and that every effort is made to send at least one delegate.

Send names of delegates or visitors to The League office.
THE CO-OPERATIVE LEAGUE
(Member of The International Co-operative Alliance)
167 West 12th Street, New York

An educational organization for teaching the history, 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. Subscribe for the Monthly Magazine and keep in touch with the Movement.

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Address.

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Wholesale Grocers and Jobbers, Bakers
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THE HOME CO-OPERATOR
A four-page magazine for use in co-operative societies.
Published by The Co-operative League
Address Albert Scnnichsen, Managing Editor Willimantic, Conn.

THE FOURTH CO-OPERATIVE CONGRESS
New York
Thursday, Friday and Saturday,
November 6, 7 and 8, 1924

All interested in Co-operation are welcome.

Rochdale co-operatives, agricultural and producers co-operatives, trade unions and educational societies are invited to send delegates and fraternal delegates.

Practical men and women who are making co-operation succeed will discuss co-operative wholesaling, banking, accounting and the kinds of co-operative organization that succeed in America—laundries, bakeries, stores, housing, restaurants, etc.

Delegates will have opportunity to visit co-operatives in Greater New York where one society is doing nearly half a million dollar business and another will probably approach this mark by 1925. Special sightseeing trips to other points of interest will be arranged for delegates and their friends.

Send names of delegates, fraternal delegates and alternates to the Co-operative League before October 1.
HOW MANY FARMERS FALL FOR THIS?

Five of the largest grain-handling companies in the country have recently announced a plan for turning over their warehouses and facilities to the organized farmers, the letter to pay $26,000,000 for these assets. The American Farm Bureau Federation seems to be backing the plan strongly, for many of its officers are named on the provisional Board of Directors of the new merger. What do the legitimate self-help farmers' organizations think of the idea?

The Nebraska Union Farmer suggests that any one of the following three explanations may be in order. (1) The big companies know that the farmers will not come in on this scheme, but are using this "co-operative" form of merger so as to avoid the anti-trust law. (2) The heads of the big companies are very anxious to unload on the farmers, and at their own price, a lot of warehouse facilities that have been rapidly losing money since the farmers' co-operatives have become so strong. (3) The leaders of the enterprise are trying to pull as many as possible of the legitimate farmers into the scheme, the latter to pay $26,000,000 for these assets. The American Co-operative Society of America was immensely surprised if the contemplated co-operative comet are out to blacken the farmers in cold blood or are really convinced that they are going to show the one and only sure short cut to prosperity; and we don't care. The fool can do the farmer and the co-operative movement just as much harm as the knife. The new grain merger labelled co-operative is as far removed from Rochdale co-operation as the late Co-operative Society of America which sold upward of twenty-eight million dollars of stock.

LETTERS FROM ABROAD

In this number of Co-operation we publish the second of Dr. Warbasse's Letters from Abroad giving an account of the German Co-operative Congress, where he represented the League. From Germany Dr. and Mrs. Warbasse are traveling through Norway, Sweden and Finland and their accounts of snow fields, glaciers and skiing are refreshing reading as this magazine goes to press with the thermometer doing a marathon up the office wall. After a month's stay in their next objective, Dr. and Mrs. Warbasse will return to Ghent to attend the International Co-operative Congress, where they will act as delegates of the League.

THE INDUSTRIAL REVOLUTION—THE REVOLUTION FROM HANDWORK TO MACHINE

While the machine set the pace for the development of production which the war accelerated, little attention was paid to the other end of the process, distribution. In chain stores and systems of chains, we are seeing its beginnings on a large scale. A few years ago there were 2,000 chain stores in this country. To-day there are many more. Some chains are huge. To suggest as to the quantities of goods sold over their counters in a single year:

$86,000,000 is the net profit for 1923 of the fourteen chains that have recently announced the combination of 19,000 stores in the largest retail merchandising consolidation ever organized anywhere in the world. In this group are the big chain store systems in the United States—the Woolworth Company whose 1,200 stores in 1923 did a business of more than $183,000,000; the Atlantic and Pacific Tea Company with 5,500 stores handling $315,000,000 in a year; the Kregge Company with 220 stores and a business of $82,000,000; the United Cigar Stores Company with 2,550 stores and agencies and the United Drug Company with 269 stores and more than 8,000 stockholder agencies.

A gigantic consolidation like this will mean changes in retail distribution of far reaching significance—changes of special interest to all who care for the future of co-operative business. It directs attention to co-operative selling stock with fresh force. Wholesaling is to be one of the topics discussed at the coming national congress in New York. Immediately following the congress there will be a post-conference meeting of wholesale managers to thoroughly consider the subject.

For these reasons wholesaling is the feature of this issue of Co-operation. The editor is fortunate in being able to publish in this number articles by men who are working at the baffling problems the wholesale presents to the co-operative movement to-day—Mr. Eskel Ronn, the Manager of the Co-operative Central Exchange, and Mr. A. J. Cleaver, Manager of the Associated Groange Warehouse at Seattle, Washington.

With their articles we are printing a statement on Coming Changes in Distribution taken from an address of E. A. Filene, a Boston department store merchant and delivered by him before the Chamber of Commerce of the State of Massachusetts. We understand it was Mr. Filene who once compared vast combinations of capital to the dinosaurs and ichthyosaurs of prehistoric time, and who applied the lesson of the ages by suggesting that the fate of these gargantuan consolidations might be the same as that of these monsters who grew so large they could neither walk nor swim and as they clumsily wallowed through the primordial mud, fell easy victims to smaller and more agile creatures. That from some of these creatures we can claim common ancestry, is perhaps encouraging under the circumstances. However, these articles are published neither in the spirit of prophecy nor with any thought of moralizing, but with the hope that our united thinking may result in constructive discussion at the coming congress.

COMING CHANGES IN DISTRIBUTION

The industrial revolution—the revolution from handwork to machine—transformed production. Invested capital increased, output mounted, competition intensified, until the large units resulted necessitated the vast and highly perfected organization of production. The war greatly developed the machinery of production—in speed, in efficiency and in what is known as "mass production." The after war result was super-competition, still more scientific methods and still better organization.

While the machine set the pace for the development of production which the war accelerated, little attention was paid to the other end of the process, distribution. In chain stores and systems of chains, we are seeing its beginnings on a large scale. A few years ago there were 2,000 chain stores in this country. To-day there are many more. Some chains are huge. To suggest their power in mass buying consider these figures recently published by the Great Atlantic and Pacific Tea Company as to the quantities of goods sold over their counters in a single year:
It is a long jump from the chain store to the simplicity of the individual small store, where owner or manager is in direct contact with all phases of the business, employees, public, finances and publicity—where he does his buying in person and where his close relationship with both employee and customer builds up good will. Inefficiency is not so much the shortcoming of the small store as its simplicity which is unsuited to the growing complexity of modern life.

This complexity the chain store meets with its large buying power, scientific warehousing with its high rate of stock turnover, standardization of merchandise, fixtures, accounting, etc., employment of expert buyers, price appeal, ability to keep most wanted goods and to acquire better locations than the average small store.

Mr. Filene believes that the "small store is worth saving, for it has qualities valuable to good distribution and valuable to society." To survive, he holds it will be necessary for small stores to weld themselves into chains and very difficult, much more than ten years ago.

"The co-operative stores," he says, "successful in many countries on account of their up-to-date organization, including mass buying, are relatively unsuccessful in this country for lack of this."

Just as it menace the small store, the chain store now threatens the department store. The latter is entrenched against it by group organization and by the association of independently owned stores, by co-operative scientific research, by exchange of information, by co-operation in personal work and by attempting co-operative buying. The department store will win, in Mr. Filene's opinion, because it is a machine adapted for mass production and mass distribution. He explains this as follows:

"The chain of stores doing a business of $1,000,000, will have its buying power focussed wholly on a single line. The buying power of the department store may be divided into fifty to one hundred departments each handling one type of merchandise, an average of $250,000 to $500,000 per department. A chain of 30 or perhaps fewer such department stores would therefore far exceed in each of its 50 or 100 department chains the buying power of a chain of the size mentioned; that is, provided that the buying power of the 30 stores is consolidated, as in the present small store chains."

Co-operative wholesales will learn much in following this struggle between single chain systems and department store chains.

**How Dreams Come True**

By Eskel Ronn

Had the ordinary citizen been invited to a certain meeting in Superior, Wisconsin, in the fall of 1917, he would have expected to find either a bunch of slick looking fat men of the type cartoonists like to represent as capitalists, or a group of long haired fanatics. Instead there were only ordinary working men and farmers who came to the meeting to represent twenty co-operative stores and for the purpose of starting a wholesale house and bakery. They chose one of their number as manager, and he—with not a penny in sight for pay day—accepted the job.

A Packing Box for an Office

An editor of a Finnish comic paper offered a corner in his office and the new manager called his bluff—got an old packing box for taking a type writer—and opened for business. When salesmen came in the manager would put on front, and say, pointing to the editor, "There's only two of us now, until we get our warehouse built."

The organizing expenses were to be raised by contributions from societies, $30 each. Of the original twenty societies, five got weak in the knees and quit, and others paid their shares only with promises. As a result, the financial statement showed a paid in capital stock of the end of 1917, of $480. With this a business of $25,574.62 was transacted.

After the hospitality and good nature of the comic editor had worn out, a three story brick building was purchased and regular offices opened. A bookkeeper was got to take care of the manager company. Somehow a car of flour and feed was purchased and stored in the warehouse. This was the start. Now there are twenty-three men and women employed. Sales have climbed to over a half million dollars a year. A wholesale bakery had been established. The dream of a few workmen has materialized into a co-operative wholesale.

**Small Beginnings Spell Success**

Co-operative wholesales have come and gone, and so reasons for the success of this examining.

First the organizers always remembered that talk was cheap. It was all right to discuss in conventions the big things co-operatives were doing in England and that they might sometime do in America, but when it came to action they went ahead only as far as their means. They did not try to make dreams materialize overnight. Every step was taken with deliberation. They refused to hurry; after each step they paused to entrench themselves until they felt secure enough to take another step—sometimes half a step—but always forward. Many co-operative wholesales that started "big" laughed at them; but the big fellows are dead and this wholesale is gradually growing big. Therefore, the first lesson to be learned from them is—go slow—build according to your means and immediate needs and don't own up to your dreams with dreams.

Faith in themselves and distrust for too much money is worse than too little money until we learn how to use it.

A certain manufacturer once sent his representative to attend an annual membership meeting of this wholesale. In a little while he walked out, saying: "Excuse me, but I'm in the wrong tent. I thought it was a business meeting but I see it's a meeting of a school board."

And one cannot blame him, for speaker after speaker got up and spoke on co-operative education. From the discussion developed an Educational Department whose sole purpose is to educate people as co-operators and to teach them how to conduct their own local societies. This department does its most effective work through a co-operative daily paper, besides publishing books, leaflets and delivering lectures. The fourth lesson is that—without education in co-operation, no co-operative wholesale or retail society can be successful.

Society Refuses Dividend Shares

This success was not as easy as it sounds. There was the opposition of
Co-operating with members who have the right to contend. It is the lure of fat dividends that brings most people into a co-operative society. But that is not always the case.

When this co-operative wholesale declared a dividend one of their membership was horrified at the prospect of losing his capital and decided to withdraw his membership. An investigation showed that a couple of bootleggers and a Holy Roller priest had been spreading propaganda among them. They told them that if they did not receive their dividend the store would be closed. Meanwhile they were one of the wholesale's best customers, and so, to their dismay, accumulating more and more shares which they finally accepted. We think this is the only known instance of a co-operator who has broken his neck to get in line at the window where the dividends are paid.

Another delegate to an annual meeting upon learning that some of the salesmen had brought a loss and that the drop shipments had brought a gain, demanded that the building and bakery be immediately sold and a telephone booth be installed in which the business should be conducted. It took a lot of fast and furious talking before he finally gave up his fight.

Co-operative Brands

The wholesale soon found that all managers of co-operative societies are not co-operators. Co-operative societies seemed to have a hankering for crooks, drunkards and bankrupt business men. So a school was organized to train managers, bookkeepers and clerks. Many a bitter fight was staged to rout the old foggies and the "busted" business men out of their positions. Now about seventy-five per cent of the stores supporting the wholesale are managed by students of their school. A record is kept of every manager and societies do not choose a manager before they get his record from the wholesale.

Need of Good Accounting

The societies did not seem to be able to keep their accounts straight with the wholesale. An investigation was made and disclosed that many societies had no system of accounting at all. The following instance was typical of the situation:

An investigator took a list of the goods, the first question popped at him, "How much cheaper can you sell them?" "Say, how do you get that way?" answered their salesmen. "If a man in the spring tried to harvest his crop and put any seed into the ground, you'd call him a fool, wouldn't you? You guys have invested only $30 in our organization and expect us to beat the prices of the big corporation. We, brother, I'm here to tell you that it can't be done. But give us a chance and he's broke."

The wholesale might have bought him a mouse trap or given him a cut but decided instead to have its accountants prepare a system of accounting which is now installed in practically every society. At a meeting of one of the investigators found the books in a muddled condition and a lively scrap in progress between the manager and the treasurer. Finally, a colored man, a board member, and the whitest man in the "bunch," got up and said, "Talk compares, but the books don't compare." So a crew of auditors were hired to go around twice a year and see that books do compare and incidentally to see that the rats don't eat them up again.

Co-operative Training School

The wholesale soon found out that all managers of co-operative societies are not co-operators. Co-operative societies seemed to have a hankering for crooks, drunkards and bankrupt business men. So a school was organized to train managers, bookkeepers and clerks. Many a bitter fight was staged to rout the old foggies and the "busted" business men out of their positions. Now about seventy-five per cent of the stores supporting the wholesale are managed by students of their school. A record is kept of every manager and societies do not choose a manager before they get his record from the wholesale.

Managers Must Be Real Co-operators

The greatest difficulty in the Northwest meets about the same difficulties as encountered in other sections. One of these is that after co-operators get the vision, they become too enthusiastic and impatient. The broad view of the whole movement stimulates them so that they think everyone must see it too. The result is sometimes overconfidence and an attempt to build too fast. In this way the movement has suffered from the misguided efforts of its friends. To a greater extent it has suffered from the exploitation by those who neither knew nor cared anything about the fundamental principles of co-operation and

Manufacturers Try Boycotting

The dollar is supposed to be almighty, but the money of the wholesale was pronounced "no good" when they tried to buy highly advertised goods. Private jobbers feared the co-operatives and threatened the manufacturers that sold it to them. However, little by little, the manufacturers are being converted despite the opposition of the private jobbers. In this fight the managers of the local societies are doing their bit by refusing to accept goods through any other jobber than the wholesale. Through their loyalty the fight will finally be won. When the wholesale together with other Co-operative wholesales has developed to a point where it will control its own factories and not be dependent upon private manufacturers, then their ultimate aim will be within their grasp.

These workers are practically demonstrating in this co-operative wholesale that dreams can come true.
hazy. The fundamental principles of the movement have not penetrated their souls nor have they complete confidence in its ultimate success. Most of these men would come into the fold in time were it not for the adverse influences to which they are subjected.

The Influence of Salesmen
This influence to a great extent is exerted by salesmen from all kinds of private enterprises. About eight of these salesmen visit each of our stores daily. Many of them intentionally make careful statements with the intention of discrediting the co-operative movement, aiming their remarks especially at the co-operative wholesale. Traveling salesmen as a class are able men and good talkers. In some instances they seem to have been carefully instructed how to attack the co-operative movement. They carry tales from disinterested managers, enlarging on any rumor they may hear and sometimes drawing on their imaginations in order to cause dissatisfaction.

In contrast to their many representations is the fact that the same salesmen who visit thirty-five stores once every two weeks. The others are visited occasionally, sometimes at six months intervals. A market letter and bulletins are sometimes sent out every three months. During the two weeks interval between the calls of our salesman, the manager has been interviewed by nearly fifty salesmen, each one attempting to tear down any constructive co-operative work which is being done.

In addition to this the local banker and the merchants with whom the manager comes in contact look at co-operation with more or less suspicion and are bound to reflect their views to some extent. The manager must be a superman and thoroughly saturated with co-operation, otherwise this continued propaganda will have its effect. Our greatest weakness is the lack of any efficient system for combating and overcoming these influences.

Co-operative Stores Fostered by the Grange
Nearly all the stockholders of the local stores are farmers and a large percentage of them are members of the Grange. Each store is a corporation and has no connection with the Grange but nearly all of them were originally conceived in the Grange and have been fostered by that organization. For this reason a large number of them bear the name Grange Warehouse.

The movement originated by Grange members buying feed in pool cars. This developed as a matter of convenience into buying more than was pooled and storing or warehousing the balance. Ultimately they were incorporated and groceries were added to the stock. The original name, however, was maintained. A large percentage of the sales continues to be feed. The feed sales of the Associated Grange Warehouse last year were nearly three times as great as the grocery sales. Feeds are made of good wholesome grain without the use of any adulterants or fillers and are sold on merit instead of price. All Grange and co-operative products are sold with a strictly money back guarantee. Without question the introduction of Grange feeds has caused a marked improvement in the quality of feeds manufactured by other companies in the Northwest but there is still room for much improvement.

In general stockholders and boards of directors are better co-operators than the managers, and here we have noted by nearly fifty salesmen, each one attempting to tear down any constructive co-operative work which is being done.

The Grange an Educational Organization
The Grange is the only educational co-operative organization in the Northwest, which has any considerable membership and has been of the greatest value educationally. In addition to the discussion of co-operation in Grange meetings, a semi-monthly paper is published and one page is devoted entirely to co-operative news and to articles on various phases of co-operation.

The co-operative organization in the North-west has a long way to travel before he cuts his wisdom teeth but he promises to be a six footer when full grown.

LETTERS FROM ABROAD
By J. P. Warbasse

The XXI German Co-operative Congress
A co-operator is bound to leave Ghent with regret. It is a great co-operative center. They do not stand still and expect the co-operative world to pass before him in review; he must go out and meet it.

After Ghent came Brussels and then Louvain and then across the border into Germany. Down through the Rhine valley is a sad picture—a once peaceful and prosperous region, now occupied by an alien army. The railroad stations are dilapidated, grass growing up between floor planks, wood rotting for want of paint, French officials at every station, sullien and morose, the German people, however, showing outward signs of good cheer.

Half a day at Cologne—all of a bright Sunday afternoon. I started at the head of a row of taxicabs standing at the station and asked each driver if he was a member of the Cologne Co-operative Society. The fourth one was my man. He had on a wedding ring. The first three were unmarried and were not members.

The name of the society is "Hoffnung" (Hope). We drove out to its headquarters at Vingst. There it is its bakery, slaughter house, warehouse, and machine shops. Twenty-two trucks are required to deliver daily, the bread to the 200 stores of the society in the city. Their huge plants face on Hoffnung street, named after the society.

Then came Bonn, Coblenz, Frankfurt, Mannheim, Stuttgart, and Ulm. As soon as one escapes from the occupied region, things again look spick and span.

At Ulm, the Union of German Consumers' Societies held its twenty-first Congress, 23-25 June. A lovely city—so clean, so architecturally charming, with a high on the hill overlooking the Danube. Two large banners with "Hearty Welcome" greet the delegates as they emerge from the station upon the public square. The directors and executive board held their meetings the day before the congress. The opening assembly was held in the evening—a scene of festivity in a great hall. The 1,100 delegates, with their accompanying visitors, a still larger number of the local co-operators in the galleries, on the platform the officers and foreign delegates—flowers, music, a maennerchoir, and the hum of joyful voices. The opening session was wholly devoted to the speeches of greeting.

I enjoyed the privilege of conveying the good wishes from The Co-operative League of the U. S. A. and expressing the hope of better international relations to be attained through co-operation.

The president of the congress thanked the speakers and the inspiring session closed.
Co-operatives from six other countries added their words of greeting to those from various parts of Germany. The next two days of the congress were devoted to the routine work of a well-planned program. That means reports, recommendations, resolutions, and their discussion. The one subject that took the most of our time was the relation of Co-operative to the Co-operative Movement. The discussion brought out the facts that a propaganda is going on among the German co-operative societies to persuade them that co-operation is not fundamental but must be secondary to a political effort to capture the government and to run the industries in the interest of the proletariat. They showed that this propaganda is dividing the organized Co-operatives into discordant parties. The Communists who were present took the ground that Co-operation must be a class movement of the workers alone; people not of the working class should not be permitted to join. It should be a part of the workers’ consumers’ societies, having a total of 8,495 gain admission by the use of an absent voter. It brought the people together; Com- munist was creating discords and driv- ing the people apart; Co-operation was making class movement. Against this plan the organized Co-operatives into discordant parties. The Communists who were present took the ground that Co-operation must be a class movement. There were present at the congress 762 delegates, of whom 460 were voting delegates. This is an unusually small representation and means that the majority of societies are too poor to send delegates.

The desperate situation in Germany has caused much damage to the co-operative societies. The turnover per member is less than half what it was before the war. But there is every indication that the people are becoming more and more convinced of the importance of the Co-operative Movement. During the past year it has been necessary for the Wholesale to establish several new factories.

On the last evening of the congress a banquet was given by the Central Union to its officers and to the foreign dele- gates. This was followed by a great mass meeting in the park, larger than came to greet the King of Würtemberg when he last appeared there during the war. More than 10,000 people were addressed in many groups by many co-oper- ative orators. This was for the benefit of the Ulm Society.

Ten days in Ulm went fast. Then came Göttingen. Here the mayor sum- moned the bakers to a meeting at the city hall last winter to demand of them that they put down the price of bread—a four pound loaf for 60 pfennig was too much, many people could not buy bread. The bakers said it could not be done. They would have to close their bakeries if they were compelled to do so. They would have to close their bakeries if they were compelled to sell at less than that price. But the Co-operative Society’s representative was there with his facts and figures to show that the loaf could be sold for 50 pfennig at a profit. So the price had to come down. Now the society has reduced its price to 45 pfennig. Still most of the people of Göttingen do not know that they have to thank this quiet co-operative society for saving them 10 pfennig on every loaf of bread.

Hanover is a co-operative success, with its 38,000 members, representing more than half of the families—its beautiful buildings—its enthusiastic and loyal membership. The last I saw of Hanover was its roofs and spires, fading in the distance as I looked down upon it from an aeroplane carrying me to London.

A few days in London, through New Castle to embark on the steamer, then up the North Sea to Bergen, Norway, the land of clear air and new co-operation.
CONSUMERS' CO-OPERATIVE SERVICES, INC.

Everyone interested in Consumers' Co-operation will want to read the new announce to the Co-operative Cafeteria and the report which has just been issued covers the fiscal year from April, 1923, through March, 1924.

From 66 members in April, 1920, the membership has increased to 1,550 and the business has grown from $96,000 in the first year to $319,000, with the probability of reaching the half million mark next year. Four cafeterias serve 65,000 meals a month and a laundry washes 1,500 batches each month. $14,000 has been paid back to members in rebates and $2,500 in interest (dividends) on stock.

The staff now numbers 135. The balance of net income for the year ending March, 1924, transferred to the reserve fund is $15,199. Features of the year's growth are change of name to Consumers' Co-operative Services, Inc. from the legend of the charming cover map to the last figure in its impressive financial statement. Consumers' Co-operative Services is the new name for our Co-operative Cafeteria and the report which has just been issued covers the fiscal year from April, 1923, through March, 1924.

The first annual picnic given by the Kincaid Workmen's Co-operative Association and the Rochdale Co-operative Society in celebration of Co-operators Day was a distinct success. A crowd of more than 4,000 watched the games and cheered the contests between the two towns. Kincaid won the base-hall game but the band contest resulted in a draw. Mr. John Walker, president of the Illinois State Federation of Labor and also president of the Central States Co-operative Wholesale, addressed the crowd with his address which won a number of new members for the cooperative society. The large attendance and the enthusiasm of the crowd indicate that Co-operators Day will be observed with even more success another year.

Three thousand co-operators, children with young and old folks, enjoyed a real holiday at the picnic of the Roseland Co-operative Association, one of the most successful Rochdale co-operatives in the city of Chicago. A feature of the games was the awards to prize winners as well as to the winning contestants. This was made possible by a gift of a large number of prizes by the wholesalers and manufacturers exhibiting at the picnic. Charles F. Wells, executive board member of the Chicago Federation of Labor, and Mr. Swan M. Johnson, president of the Roseland Association, made the chief addresses. The games thus emphasized the importance of co-operative business to the workers. The Roseland society was organized in 1915 by a group of workers in the Pullman shop and the little store they founded has already rebated back to its members in savings twice the original investment. The Soo Co-operative Mercantile Association celebrated Co-operators Day by making a record $4,200, the largest since its organization five years ago, and by joining with the Chippewa County Farm Bureau and the Pomona Orange Association in the picnic which promises to make Co-operators Day an annual event locally. The Soo Cooperative now operates seven stores, a bakery and a meat market. A number of its grocery stores also have butcher shops. It employs fifty people. The membership represents all classes and religious. It is making co-operation a vital element in the community.

FIRST CREDIT UNION OF TEXAS

Texas has a Credit Union Law which is so cumbersome that it is practically useless, and the workers and farmers of the state have dodged it ever since it was enacted five years ago. However, this fact does not deter one group of co-operators from operating a Credit Union. The First Credit Union of Texas (unnincorporated) of Houston, presents the following financial statement as of July 1, 1924:

<table>
<thead>
<tr>
<th>Assets</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>$52.79</td>
</tr>
<tr>
<td>Savings</td>
<td>$535.50</td>
</tr>
<tr>
<td>Loans</td>
<td>115.50</td>
</tr>
<tr>
<td>Stocks and bonds</td>
<td>460.00</td>
</tr>
<tr>
<td>Educational fund</td>
<td>16.59</td>
</tr>
<tr>
<td>Capital stock</td>
<td>$1,025.00</td>
</tr>
<tr>
<td>Expenses</td>
<td>.90</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$1,181.69</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Liabilities</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital stock</td>
<td>$1,028.00</td>
</tr>
<tr>
<td>Educational fund</td>
<td>16.59</td>
</tr>
<tr>
<td>Guarantee fund</td>
<td>32.74</td>
</tr>
<tr>
<td>Deposits</td>
<td>169.36</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$1,181.69</strong></td>
</tr>
</tbody>
</table>

These people might incorporate and thus secure a much larger membership, for the liability of members would be limited to twice the amount of stock. But the charter they would receive would so hamper them that they prefer to operate without one until the law has been brought up to date.

OUT OF THE HOLE

"In the month of June your dairy made a profit—to be exact, $195.29. It is out of the hole." This is the good news Edward Solem sent in a recent letter to labor unions in the trade union movement in Cleveland. For this they have waited for three long years. Congratulations to Cleveland and best wishes for the continued success of the City Co-operative Dairy Company!

PHENOMENAL GROWTH AT NEWMANSTOWN

Newmanstown, Pa., is one of the little Dutch towns in Berks County which boast a flourishing co-operative. Organized in 1919 and starting business with a very small capital, the business has continued to increase and the surplus pile up until the actual paid-in capital of $1,560 has grown to a present capital of $7,180 and additional undivided savings of $8,076.40. In other words, the capital has increased 1,000 per cent in five years. The biggest jump in this increase came in 1922 when a stock dividend of $5,420, or 360 per cent, was declared.

The three people who incorporated and thus assure a much larger membership, for the liability of members would be limited to twice the amount of stock. But the charter they would receive would so hamper them that they prefer to operate without one until the law has been brought up to date.

$3,000 GAIN AT ADAMSTON

The Adamston Co-operative Mercantile Company, of Adamston, West Virginia, continued to increase its business in the first half of 1924. Sales from January to June, 1924, were $50,655.34, as compared with $47,720 for the same period in 1923. After payment of 4 per cent interest on common stock and one per cent on preferred, there was still $1,592.52 left as clear savings to the member purchasers of the association or 3.8 per cent of sales.

The Adamston Co-operative is organized principally by members and is one of the best in the state. The directors justify their affiliation with the League to their skeptical members by the fact that a few years ago they saved $875 on their income tax through information furnished them by the League office.

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PROFITS IN LIFE INSURANCE

The figures for the profits that are made by the big life insurance companies have long been quoted to show the waste of profit-making business. We recently looked over some of these figures again and continued to be impressed by the skill with which these huge corporations manipulate figures.

For instance, the published profits of the big companies seem very large. But what of the unreported profits that are hidden away in other accounts? The Metropolitan Life Insurance Company, for example, runs a restaurant and laundry for such of its employees as wish to patronize them. We don’t know what the total initial cost of this department may have been, nor even what business it did last year. But under the single item of Repairs made in Laundry and Kitchen is the magnificent sum of $302,519.70. Why, 34 families in this fine country of ours.

Therefore, when we turn to the insurance tables of a genuine co-operative company such as the hundreds of co-operative fire insurance societies we have in this country or the few co-operative life insurance companies and find that their rates are from one-quarter to one-half of the big corporations, we are not surprised. For these co-operatives are not operating for profit, they don’t need to conceal large blocks of their profits in padded expense rolls, and they find it unnecessary to employ whole armies of agents working for large commissions.

And then, the commissions that this company pays to its agents. It is well to remind ourselves that if we add together all the salaries of all the employees of the United States Government who are drawing more than $5,000 annually we get a total of about $11,000,000. But the Metropolitan Life Insurance Company pays in commissions alone $14,777,039. Mind you, there are no salaries for officials of the company, no wages for thousands of office workers, no pay checks or tips for the workers in that wonderful lunch room included in these fourteen and three-quarters millions. Just commissions to the agents who solicit your business. More pay than all the salaried employees of this government of 110,000,000 citizens! Is it any wonder that big business dominates the government?

And that is only one insurance company out of dozens. And the insurance business is only one of scores of powerful branches of capitalist business in this fine country of ours.

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SURVEY OF OPERATING COSTS OF FIVE RETAIL GROCERY STORES OF MINNEAPOLIS

A survey of the operating costs of five retail grocery stores in Minneapolis (three private and two co-operative), despite the utter incompleteness of the reports from three, emphasizes the great difference between stores in this respect. The percentage of gross sales which goes to wages and salaries, which is the only item of expense appearing in all five reports, varies from 6-2.3 per cent to 16 per cent. The rent, too, which was reported by four stores varies from 4-5 of 1 per cent to 34 per cent. No report on profits or losses was obtained, but the two stores having the highest percentage costs for wages, salaries and rent admitted that they were not making a profit. On the other hand, the other three had every appearance of doing a profitable business.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Wages of Salesforce</td>
<td>0.8%</td>
<td>0.7%</td>
<td>0.5%</td>
<td>*9.5%</td>
</tr>
<tr>
<td>Advertising</td>
<td>0.13</td>
<td>0.6</td>
<td>0.53</td>
<td>0.3</td>
</tr>
<tr>
<td>Wrappings, etc.</td>
<td>0.6% 0.6%</td>
<td></td>
<td>0.7</td>
<td>0.6</td>
</tr>
<tr>
<td>Total Selling</td>
<td>10.16</td>
<td>11.1</td>
<td>7.8</td>
<td></td>
</tr>
<tr>
<td>Wages of Delivery</td>
<td>1.2</td>
<td>0.9</td>
<td>2.7</td>
<td>1.8</td>
</tr>
<tr>
<td>Other Del. Expenses</td>
<td>0.5</td>
<td>0.5</td>
<td>1.0</td>
<td></td>
</tr>
<tr>
<td>Total Delivery</td>
<td>1.7</td>
<td>1.4</td>
<td>2.8</td>
<td></td>
</tr>
<tr>
<td>Management Salaries</td>
<td>*6.67</td>
<td>*8.33</td>
<td>3.9</td>
<td>4.5</td>
</tr>
<tr>
<td>Office Sup. &amp; Postage</td>
<td>0.05</td>
<td>0.2</td>
<td>0.2</td>
<td></td>
</tr>
<tr>
<td>Total Management</td>
<td>4.1</td>
<td>2.6</td>
<td>2.8</td>
<td></td>
</tr>
<tr>
<td>Rent</td>
<td>0.8</td>
<td>2.2</td>
<td>3.5</td>
<td>3.12</td>
</tr>
<tr>
<td>Ice, Heat, Light Power</td>
<td>0.7</td>
<td>0.56</td>
<td>1.2</td>
<td>1.0</td>
</tr>
<tr>
<td>Taxes</td>
<td>0.1</td>
<td>0.06</td>
<td>0.6</td>
<td>0.2</td>
</tr>
<tr>
<td>Insurance</td>
<td>0.23</td>
<td>0.1</td>
<td>0.4</td>
<td>0.2</td>
</tr>
<tr>
<td>Repairs of Equipment</td>
<td>0.13</td>
<td>0.03</td>
<td>0.1</td>
<td></td>
</tr>
<tr>
<td>Depreciation</td>
<td>0.2</td>
<td>0.16</td>
<td>1.0</td>
<td>0.3</td>
</tr>
<tr>
<td>Total Interest</td>
<td>0.5</td>
<td>0.47</td>
<td>0.2</td>
<td>1.2</td>
</tr>
<tr>
<td>Total Fxd. Charges</td>
<td>3.72</td>
<td>6.39</td>
<td>3.7</td>
<td></td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>0.6</td>
<td>0.7</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Losses from Bad Debts</td>
<td>0.1</td>
<td></td>
<td></td>
<td>0.4</td>
</tr>
<tr>
<td>Total Expenses</td>
<td>15.73</td>
<td>23.59</td>
<td>18.0</td>
<td></td>
</tr>
<tr>
<td>Gross Sales (estimated</td>
<td>$30,000</td>
<td>$43,000</td>
<td>$69,000</td>
<td>$67,608</td>
</tr>
<tr>
<td>per year</td>
<td></td>
<td></td>
<td></td>
<td>$52,000</td>
</tr>
<tr>
<td>Inventory</td>
<td>900</td>
<td>4,000</td>
<td>1,856</td>
<td></td>
</tr>
<tr>
<td>Stock Turn</td>
<td>27 times</td>
<td>19 times</td>
<td>36 times</td>
<td>10.1 times</td>
</tr>
</tbody>
</table>

*Includes wages of both management and salesforce.
INTERNATIONAL NEWS

WORKING HOURS OF CO-OPERATIVE EMPLOYEES

The following figures presented by Mr. J. Hallsworth, Industrial General Secretary of the National Union of Distributive and Allied Workers, show the maximum working hours of the men and women employed in co-operative societies of Great Britain and Ireland.

<table>
<thead>
<tr>
<th>Geographical Section</th>
<th>No. of Co-op. Societies</th>
<th>No. of Members (Customers)</th>
<th>No. of Distributive Employees</th>
<th>Maximum Working Hours per week</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scotland.............</td>
<td>255</td>
<td>654,584</td>
<td>11,916</td>
<td>44-48</td>
</tr>
<tr>
<td>Northern Counties....</td>
<td>127</td>
<td>490,572</td>
<td>11,322</td>
<td>44-48</td>
</tr>
<tr>
<td>North-Eastern, North-Western Counties and Ireland.....</td>
<td>452</td>
<td>1,705,825</td>
<td>32,243</td>
<td>44-48</td>
</tr>
<tr>
<td>Midland Counties....</td>
<td>169</td>
<td>605,287</td>
<td>11,252</td>
<td>44-48</td>
</tr>
<tr>
<td>London and Southern Counties........</td>
<td>169</td>
<td>685,246</td>
<td>14,480</td>
<td>44-48</td>
</tr>
<tr>
<td>South-Western Counties.....</td>
<td>75</td>
<td>195,647</td>
<td>4,022</td>
<td>44-48</td>
</tr>
<tr>
<td>Gloucestershire, Herefordshire, South Wales and Monmouthshire....</td>
<td>84</td>
<td>182,201</td>
<td>4,155</td>
<td>48-46</td>
</tr>
<tr>
<td>Totals................</td>
<td>1,321</td>
<td>4,519,162</td>
<td>97,390</td>
<td>44-48</td>
</tr>
</tbody>
</table>

In the English and Scottish Co-operative Wholesale Societies a working week not exceeding, and in some cases less than, 44 hours is in operation, the number of distributive employees being 4,006 and 1,791 respectively, or 5,796 altogether.

Therefore, the number of distributive employees in retail and wholesale co-operative societies covered by a maximum working week of 48 hours or less is 103,186.

CO-OPERATIVES AND LABOR LEGISLATION

A correspondence committee has been set up by the International Labor Office to insure closer contact between that office and co-operative societies. As these societies do not have direct representation in the International Labor Organization, the object of the Committee is to give co-operatives the opportunity they seek of "expressing their opinion on all questions of labor legislation which affect them to the same degree as private enterprises."

A CO-OPERATIVE COLLEGE

The report of the Central Education Committee of the Co-operative Union to the recent English co-operative congress at Nottingham, announced that $17,611 had been contributed to the special fund for establishing a co-operative college. This fund is growing steadily although no appeals have been made recently. The Union also reported the appointment of a travelling teacher. This teacher will visit centers to teach classes of salesmen and managers.

THE DIRECTORS' PAGE

Steer by the Compass

By H. V. Nurmi

Would you take a chance at sea if you knew your ship had no compass? How, then, can you expect your co-operative store to navigate the rocks and shoals of competitive business without a sound accounting system to guide its course?

When a society is started, seldom is any thought given to a method of accounting that will serve the business by providing reliable information for the management and board of directors on its financial condition and the progress of the organization. Without carefully kept records, it is impossible to analyze various phases of the business—to learn why one class of expenditure is too high and another too low, to understand why one co-operative store makes money and another, doing the same volume of business, operates at a loss. If a crisis threatens, without adequate accounting, members will often be caught unawares by creditors pressing for payment, and then asked to "come across" with their dollars in the form of additional loan capital.

COLLECTIVE ACCOUNTING

If societies at the start were willing to join the existing co-operative central organizations, they would be kept informed of these dangers and proper remedies would be suggested before it was too late. Nine times out of ten, the societies prefer to fight their own battles singlehanded—they are too proud to learn from others—bitter experience only drives them "home" to look for advice from the ones who have stood the test. Societies are not always in position to hire the services of an expert accountant and auditor. Their fees are often prohibitive. There remains only one solution. Co-operatives must handle their accounting collectively—through their central organizations.

It was to meet this need that the Co-operative Central Exchange started in the latter part of 1917. Societies were crying for assistance in accounting and auditing. Many societies were losing ground in their fight with private competitors, without understanding how and where. If they were able to produce a statement of the condition of their society, they exhibited figures picked at random or gave unreliable estimates. This gave us the first thought of promoting co-operative courses. As early as 1918 a one week's course was arranged for co-operative store bookkeepers. The year following it was decided to extend these courses to four weeks or more and to include in the curriculum other subjects in the field of co-operation.
Through these courses a special system of accounting for co-operative stores has been developed. Now after five years we have enough competent bookkeepers to fill our most urgent needs and accountants so improved that they picture the actual condition of our member societies. They are standardized. The central organization can now access the data of its societies through its central auditing department.

Centralized Bookkeeping

The next step will be to centralize the bookkeeping of several societies in the same locality in one central office under a competent head bookkeeper. We are cognizant of the saving that can be effected in this way but we are handicapped by the wide area over which our societies are spread.

Ever since our auditing department was set up in 1921, it has been felt that we should have a central organization to prepare the actual condition of our co-operative stores has been developed. Now after five years we have enough competent bookkeepers to fill our most urgent needs and accountants so improved that they picture the actual condition of our member societies. They are standardized. The central organization can now access the data of its societies through its central auditing department.

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THE CO-OPERATIVE LEAGUE

(Member of The International Co-operative Alliance)

167 West 12th Street, New York

An educational organization for teaching the history, 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. Subscribe for the Monthly Magazine and keep in touch with the Movement.

Enclosed find $........ for

Subscription for CO-OPERATION, $1.00.
Membership in The LEAGUE, $1.00.

Name.................................................................
Address............................................................

Co-operative Central Exchange
Wholesale Grocers and Jobbers, Bakers

We supply goods to Co-operative Societies ONLY. We are owned and controlled by Co-operative Societies.

We are organized to enable Co-operative Societies to do collectively what they cannot do individually.

Co-operative Central Exchange
Offices, Warehouses and Plant:
Winter Street and Ogden Ave., SUPERIOR, WIS.

Co-operators' Ltd. Mutual Fire Insurance Co. is now writing Insurance in State of Wisconsin

THE PRODUCER
Issued Monthly Price 3d.
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.
1 Balloon Street, Manchester

Post free 4 sh. 6d. a year.
The Trade and Technical Organ of British Co-operation.

The New Secretary's Ledger
Just published by the EDUCATIONAL DEPARTMENT, Central States Co-operative Wholesale Society.
(203 Converse Ave., E. St. Louis, Ill.)

is the form for keeping the Membership Ledger of a Co-operative Society which provides ample and proper space for all transactions with a maximum of efficiency and a minimum of time, worry and errors.

Send for Samples and Prices.

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
Address
Albert Sonnichsen, Managing Editor
Willimantic, Conn.
fore he became a member of the U. S. Supreme Court), men of affairs and leaders of public opinion have spoken in high praise of Senator LaFollette and his work. "Slowly," says a writer in The Nation, "the public is catching up with him." At the recent Republican national convention, Representative Cooper said that twenty-six out of thirty-onemembers in the platforms that the LaFollette forces have presented for adoption by their party every four years since 1906—always contemptuously rejected—have bit by bit become the law of the land. LaFollette has been the leader not so much in the march of new ideas across the continent...

However much co-operatives may esteem Mr. LaFollette or any other presidential candidate, what we are fundamentally interested in is Consumers' Co-operation. For this reason the League requested four candidates for President to state their position on this vital issue for publication in Co-operation. "If elected as President, will you," we asked further, "sponsor legislation in Congress favoring Consumers' Co-operatives such as Co-operative banking?" Their replies appear elsewhere in this issue. At the time of going to press nothing had come from the Democrats or from the Workers' Party.

Of approximately 4,600 words in the letters and statements accompanying the reply of Mr. Slemp, Secretary to President Cooledge, the greater part is devoted to co-operative marketing and agriculture reform. The most definite bearing upon our inquiry we quote from a letter addressed to Walter Peteet, Secretary of the National Council of Farmers Co-operative Marketing Associations. "There is," writes the President, "need for co-operative organization among agricultural producers, to help both in selling their products for a better price and buying their requirements cheaper. There is, likewise, need for organization of the urban consumers, to give like benefits. The establishment of a close working relationship between these two groups ought to be the ideal to which the larger co-operative movements of the country should aim."

Yes, the editors will vote. If anything could win them to the "political actionists," the statements of these two candidates would do it.

THE FOURTH CO-OPERATIVE CONGRESS

The Fourth Co-operative Congress will be held in New York, Thursday, Friday, Saturday, and Sunday, November 6, 7 and 8. This magazine goes to press too early to make it possible to more than outline the tentative program of its three days' sessions.

This is the first time the Congress has been held in New York. It was chosen to give delegates opportunity to see how co-operative works in a great city. Presenting as it does obstacles of peculiar difficulty to the co-operative idea, nevertheless New York has two consumers' co-operatives each doing a business approaching the half million mark. Quite as significant is the variety of its co-operatives—restaurants, laundries, bakeries, housing, even health centers applying the co-operative principle.

Headquarters

The League House, 167 West 12th Street, will be the headquarters of the Congress. Here delegates will register, present credentials, find information about the Congress, local co-operatives, hotel accommodations, baggage, sightseeing, theaters, etc. The reception room and office of the League will be reserved for the exclusive use of delegates throughout the three days of the Congress.

Accommodations

The League has reserved a limited number of rooms at hotels for the accommodation of delegates. These will be assigned in the order applications for them are received at the League. Rates for these rooms range from $2 up. If you wish us to arrange for your accommodations, write or better wire at once.

The number of reservations we have made is not large enough to take care of last minute calls.

Sessions

The Congress will open at nine o'clock Thursday morning. Morning and afternoon sessions will be held at Green Room Hotel, 317 West 41st Street, a few blocks from headquarters. There will be three evening meetings. The first evening meeting to discuss credit unions, labor banks and the possibilities of banking legislation, will be held at the Co-operative Cafeteria, 49 East 25th Street. Friday evening a banquet will be given delegates by the Co-operative Bakery of Brownsville and East New York, and other Greater New York co-operatives. Saturday evening's session will be devoted to the consideration of the relation of labor and the farmer to the co-operative movement and the part Government has played in the development of co-operative activities.

Store management, housing and co-operative education will be given an equal place in the Congress. The annual meeting of the delegates of constituent societies will take place Saturday morning promptly at nine o'clock. Following this the constitution of the League will be presented for ratification. At this session the Nominating and Resolutions Committees will report and there will be reports by officers and by the Committee on Publications and the Press.

One of the most interesting subjects to be taken up will be the Salvaging of a Sinking Co-operative. Edward Slemp, now Manager of the Cleveland Co-operative Dairy, will lead this discussion. Of equal interest will be the consideration the Congress will give to the Best Types of Co-operative Business for Initial Organization. Miss Mary Elliott Arnold, General Manager of Consumers' Co-operative Services, Inc., will open this meeting on Friday morning when various kinds of co-operative business will be described from the standpoint of initial venture—bakeries, restaurants, milk and coal distribution and other services.

A feature of the Congress will be a sightseeing trip by bus to the Finnish Colony in Brooklyn, the Russian stores, the Brownsville Bakery. Opportunity will be given to visit the five branches of Co-operative Servicors, Inc., health centers, and to observe co-operative housing in a city which presents unique conditions.

The Committees of the Congress are as follows:

Auditing, Bookkeeping and Accounting: H. V. Nurni, Superior, Wisconsin.
Bakeries: B. Levine, Lynn, Mass.
Banking: Walter F. McCaleb, Los Angeles, California.
Coal: Roy Shanks, Cleveland, Ohio.
Housing: C. B. Whitman, Milwaukee, Wisconsin.
Initial Venture for Co-operative Organizations: Miss Mary E. Arnold, New York.
Milk: Edward Solen, Cleveland, Ohio.
Publications: Leslie E. Woodcock, New York.
Salvaging the Sinking Co-operative: Edward Solen, Cleveland, Ohio.
Store Management and Administration: W. Niemela, Maynard, Massachusetts.
Trade Unions and Co-operation: John P. McMahon, Cleveland, Ohio.

YOUR ENDORSEMENT, PLEASE

"Co-operation without education is like a house without windows. People on the outside can't see in and those on the inside can't look out."

So writes one of the League's members. He believes in the magazine Co-operation as a medium of education. He spends all his spare time getting subscriptions for it. He is an enthusiastic co-operator in the employ of the Franklin Creamery.

It is the faith of men like this milk driver that has brought the Franklin Co-operative success. It is their belief in education that is spreading co-operative principles, bringing the people on the inside and the people on the outside together.

Won't you too endorse co-operative education by sending us ONE DOLLAR for the renewal of your subscription now?
Presidential Candidates on
Replies to the League's Request

Republican

The White House
Washington,
September 11, 1924.

I have your letter of September 9th, and have been giving some consideration to the manner in which most effectively your inquiries can be dealt with. To begin with, it is truly impossible for the President to write a special treatise on this subject for a particular publication, simply because so many requests of this kind come to him every day that we are compelled to treat them all alike, and make his excuses. It would require a corps of half a hundred writers, every one of them capable of producing exactly what the President would want, and all of them working ten hours a day, to put out the amount of material that is asked for. On this account, it is truly impossible to give special articles to those who ask for them.

On the other hand, I am very anxious to comply in substance with your request, and I think the most effective possible way to do it is to send you, as I am doing, copies of a number of letters the President has written within the last year on the subject of co-operation, together with some excerpts from his public utterances. I should say that with this material you could make a most effective statement of the President's attitude.

(Signed) C. B. Slepmy,
Secretary to the President.

Democratic

NO REPLY TO DATE

Workers

NO REPLY TO DATE

Consumers’ Co-operation
for a Definite Statement

Progressive

United States Senate
September 13, 1924.

The progressive movement and I, personally, have always stood for the principle and the development of co-operation. It is a principle inseparable from the Progressive movement. The Progressive platform in this campaign is pledged to secure such legislation as may be needful or helpful in promoting and protecting co-operative enterprise.

Every Progressive is enthusiastically for the extension in every possible direction of the co-operative movement—co-operation in production, co-operation in distribution and marketing, co-operation among consumers, co-operation in banking. It is impossible to imagine a Progressive who is not a co-operator.

In the Wisconsin Progressive Platform of 1910, we pledged ourselves to promote co-operative selling, buying, storage and warehousing and co-operative credit. To the extent to which the Wisconsin Progressives have had the power that pledge has been fulfilled.

In the Progressive platform which we offered to the Republican National Convention in 1920 we declared: We favor such legislation as may be needful and helpful in promoting direct co-operation and eliminating waste, speculation and excessive profits between producer and consumer, as offering some measure of relief from the oppressive and intolerable economic conditions under which the farmer, the wage earner, and people generally suffer at this time.

The platform of which this was a part was rejected by the Republican Convention, dominated by the great special interests.

I have long held the opinion that in the co-operative principle as applied to both marketing and credit lies the best hope for dealing effectively with monopoly. But unless the entrenched powers which now control the economic life of this nation are restrained by the vigorous action of Congress and the executive, the attempts of the people to free themselves through co-operation will fail. In their uneven struggle against monopoly, the people must insist that the government be their ally rather than, as at present, the active agent of the enemy.

Government interference in the conduct of co-operative activities has proved one of the most fruitful causes of co-operative failure. Proper supervision within certain limits, the setting up by law of safeguards for the public, are keenly needed; but bureaucratic and political domination by the government, as has been shown to exist, for example, in the case of the Federal Farm Loan System, is intolerable, destroying the principle of “self-help through mutual help” which, in addition to direct financial betterment, is the chief benefit derived from co-operation.

Alone among government agencies, the Federal Trade Commission has repeatedly investigated complaints of unfair methods practiced by corporate foes of co-operatives and to the extent of its powers, always under assault from the organized special interests, has prohibited such methods designed to destroy the co-operatives.

Because I see, with all other Progressives, in the co-operative movement an opportunity for great good and a means of escape from the operation of the monopolies and combinations which are slowly but surely throttling the economic life of America, I am unreservedly in favor of all measures calculated to encourage and extend the movement. (Signed) ROBERT M. LA FOLLETTE.
One Way to Run an Election

BY LESLIE E. WOODCOCK
(Of Consumers' Cooperative Services, Inc.)

There are different ways of electing a Board of Directors. One is to get a group of your friends "fixed", and elect yourself. Another is to get into a meeting and elect your enemies who are absent.

We do not understand that the Rochdale Pioneers recommend either of these methods.

The way one society does it might be interesting.

The first requisite of an election scheme is to make everyone want to be on the Board, and to keep off those who want it so much they need watching. You've heard of the man who advertised for an office boy who should be "ambitious, but not too ambitious.

Then we tell them what the Board does and how it does it; just how much money they are responsible for, how everything rests on their judgment, how the Manager is dependent on their orders, how the business figures are checked up to the last column, and how Co-operation would never be spread if it were not for their effort!

We sum it up by solemnly quoting the By-Laws which say that "The Board shall have the responsibility for seeing that the business is run efficiently and honestly in the interest of the shareholders".

Diogenes is the Patron Saint of our election. With the aid of his lantern and the seven senses of his black cat he goes hunting honest men for the Board. We make little sketches of him going about his duty. On the Bulletin Board we put larger sketches.

This "gets people talking" because they are amused. At the same time they see that there is something underneath that is not silly.

After raising considerable wind in this way, a Board of Elections and a Nominating Committee are chosen in local meetings. This creates more excitement.

The Board of Elections are Diogenes' tangible servants—they run the whole show. The Nominating Committee invite suggestions from everyone as to whom they should nominate. All proposed candidates are ex-
posed to the most exhaustive investigation, all their crimes put on the table and weighed.

Then the Nominating Committee meets in august solemnity to select from all the list of members those best fitted to be Directors. They choose for each office to be filled two candidates "both of whom are so able that the Society would be honored by the election of either."

These names are announced. Immediately Diogenes asks whether there are no other good men in the Society! And two weeks are allowed for petitions to come in. Thirty names are enough to put up new candidates.

Then comes the office seekers' ordeal. First the record of last year's Board is published. Those who come up for re-election squirm! Here is an actual report:

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a. General Manager, member ex-officio.
b. Chairman.
c. Secretary.
d. Elected, February, 1924.

Then their pictures are taken! And printed in the little paper we publish. It could be done by any Society on the front or local page of the Home Cooperator.

But that's not all. We tell all about the excitement when elected as they were as candidates. It's like a man chasing a street car. He comes bel lowing down the street, waving his umbrella, raising a terrible racket. But when he catches it he pays his fare, sits down quietly in a corner and reads the paper as quietly as a mushroom.

Diogenes, his cat, and his lantern retard the progress of Trade Union congresses, in 1921, much time had been given to the question as to whether the Russian delegates, sent by Centrossynd, should be seated. In the meantime the delegates from Russia were held up by the German Government and could not get to Switzerland. But when they had gotten far enough to have been met by a decision of the Swiss Government that they were not to be allowed to enter that country, in the course of the three years, the Alliance had sent a committee to investigate Co-operation in Russia. The Committee reported in 1922 that "the Co-operative Movement in Russia occupies a unique position in influence, power, and the extent of its operations," and it is entitled to full rights and privileges of membership in the International Alliance.

The Congress was held in the spacious Palace des Fêtes where the International Co-operative Exhibition was held (June 15 to September 15). The Co-operative League was represented by four delegates: J. P. Warbasse, Agnes D. Warbasse, Grace Burnham, and Niles Carpenter. The League is entitled to six delegate, Edward Solem and C. E. Warne were elected but were not able to attend. The League is the only organization in the United States which is a member of the Alliance.

The Central Committee had held meetings during the morning and afternoon of the day before the opening of Congress, and had formulated the lines of action. It was estimated that the Congress consisted of 40 members from 20 countries. There were 40 members present—a pretty good representation at a committee meeting with members from countries as widely separated as the United States and Russia.

The new Central Committee met also the day following the Congress. The Congress had held meetings during the morning and afternoon of the day before the opening of Congress, and had formulated the lines of action. It was estimated that the Congress consisted of 40 members from 20 countries.

The congress was at once placed in a difficult position. Should it endorse the Amsterdam International Federation of Trade Unions? It would seem that one or the other of these steps would have to be taken. From a strategical standpoint, the Russians were too insistent. The more they debated the more did the opposition of the other nations
crystallize. Finally the subject lost its original significance, and became a discussion of Co-operation versus bolshevism. The Germans were particularly earnest in their opposition. They claimed that Communists were being sent into their co-operative societies and, indeed, into the trade unions for the purpose of breaking them down. They cited instances where this had occurred. They said, let the workers of each country have whatever sort of politics they want, but let them not attempt to impose upon the workers of other countries if it means breaking down the organizations which have been built up to protect the interests of the working people. To this the Russians replied that the Co-operative Movement should be a workers movement only, that Co-operation should recognize the class struggle, that a Co-operative Movement which admitted as members people of the working class was a bourgeois movement and a help rather than a hindrance to capitalism, the Russian movement admitted only people of the working class, and the Moscow International was the only international to which those workers could belong. Then every nation apparently got after the Russians. Every time a vote was taken the Russians voted practically alone. The world seemed to be against them. To close the discussion a resolution was presented which had been passed by the Central Committee before. This resolution proposed to "adjourn" (a polite way of saying to "rescind") the relation with the Amsterdam International in the interest of neutrality.

Then the Congress offered a substitute resolution as follows:

This Congress considers it necessary to draw the attention of its affiliated members to the fact that, while fully respecting their independence, the Alliance cannot consent to their infringements of that political and religious neutrality which is a fundamental standing of its constitution and which those who form its membership have freely accepted.

The Congress therefore authorizes its Central Committee and Executive to ask, and if the necessity arises, to demand, from its members undertaking to strictly observe the neutrality of the Alliance and to permit no infringement of the rights of national movements to carry on their work freely and without foreign interference.

In case of necessity the Executive must refer the matter to the Central Committee and recommend to them all necessary measures.

This was carried—397 votes for, and 115 against. And the Resolution of the Central Committee was lost.

The resolution for this was that the discussion had left the field of co-operation and entered that of political propaganda. And as soon as this idea went abroad, there developed a general atmosphere of hostility against the Russians.

With Communism disposed of the Congress then went on its way. The report of the work of its committees and executive body since the last Congress showed a large field of work covered. The growth of the Alliance continues. The total membership of its constituent societies is 40,000,000, amounting to all representing families. That means about 160,000,000 people.

The program of future work shows the development of an international wholesale, insurance, and banking society to be well in hand. These things move slowly but they are moving. The Alliance has taken a position on disarmament, on the stabilization of currency, on the abolition of passport regulations, and for the evacuation of the Ruhr.

A statement made by the General Secretary, to the effect that the International Co-operative Alliance is in accord with the aims of the League of Nations, was passed without articulate protest. If this is true then the I. C. A. is in a very uncertain position. If the League of Nations can be said to have any aim, it is to preserve and perpetuate the international economic status quo. And if that is not diametrically opposite to the aims of the I. C. A. I have it will be hard to find something that is opposite.

The paper by Albert Thomas (France) on "The Relation between the Different Forms of Co-operation" presented many aspects of Co-operation. Thomas W. Allen's (England) paper on "Production by Wholesale Societies," like that of Mr. Thomas, took the ground that there was a limit to the productive function of the consumer. Mr. Allen believes that farming is not for them. He best thinks, for the farmers to organize and for the consumers to buy from the organized farmers. No discussion brought out the question as to why other foods and necessities also should not be produced for profit instead of for use. If the land is always to be exploited for purposes of profit, one wonders how people can be so enthusiastic about Co-operation as a means of changing the motive of industry from that of profit-making to that of service. The land is the biggest thing there is, and if the Co-operative Movement is not capable of reaching it or if its leaders have no vision beyond where the city wall touches the farm then perhaps Co-operation is destined to be "store keeping and nothing more."

The paper on "Production by Districts," by Max Mendel (Germany) was sound, practical, and showed vision. It was a redeeming feature of the Congress. No one could take exception to any of its contents. Mr. Mendel is the manager of one of the most successful societies in Europe. Emmy Freundlich's (Austria) paper on "The Place of Women in the Co-operative Movement" was pertinent to European conditions, but scarcely to American conditions. "The Rôle of Co-operative Banks" by Gaston Levy (France) showed the possibilities in this field.

The Congress lasted four days. Compared with the preceding Congress at Basel, it was a disappointment. The acoustics in the hall were so bad that less than one half of the delegates could definitely hear what was said. The pronunciation, enunciation, and translating ability of the official translators were so deficient as to greatly increase the difficulties of understanding. After the second session, a third of the delegates disappeared. The seats farthest from the rostrum remained empty throughout the rest of the Congress. At Basel there was unity, a sense of being drawn together, and harmony of action. Here this was lacking.

Still the advantage of such a congress does not reside in its official actions. One is fairly justified in taking a fatalistic attitude and assuming that it does not make much difference which way a motion goes. The official acts of this Congress were quite unimportant. But there was a very important result—each delegate silently and inwardly possessed of the feeling of the potency of Co-operation, and of the comradely bond that connected him with all the other delegates in all parts of the world. If the delegates had only come together, sat side by side, looked into each other's eyes, grasped hands, and gone home again to the many corners of the world, even though they spoke no word, the Congress would have been worth while. These delegates were thinking more than they were talking. A great international congress, with all of the difficulties of speech and translation is not the place to solve practical problems. They are solved where the jobs are done. The value of the Congress resides in its inspiring, idealistic, and consolidating function.

And then there was the great co-operative exhibition to be seen. Such an ocular demonstration of what the co-operators of the world are doing inspired the entire Congress. There was entertainment, too, given by the Voorhuit of Ghent and by the Belgian Union with a lavish hand. The banquets were good and the fellowship.

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The envelop with the foreign postmark from Mrs. Warbasse waiting on top of the editor’s mail, yielded first a little blue pamphlet with the challenging title “Death or Life?” How did the Lady manage to time us we wondered for to-day is “Mobilization Day.” Flags are flying, from schools and other public buildings, air- ships are winging overhead, the traffic of the great city is stillled while the military parade the streets. “All New York Joins Defense Day Test—Sham Battles and Parades—Military Out in Force,” read the news headlines, while in the next column in uncanny juxtaposition, the same paper announces that “Jugoslavia Celebrates Peace Day as a Protest Against Defense Day.”

We turn back to the morning mail. Death or Life? A Call to Co-operative Women (From a letter of Agnes D. Warbasse)

A Swiss woman’s eyes sparkle as she talks in German. We sit on the edge of our chair. We knew she has a message. But alas! we must wait for the English translation. Now a French woman is talking. A stimulating speech driving home what all women know—that not by diplomacy, not by political action will the world be changed but by economic action—and in that field co-operation leads. This speaker describes the medical service of French co-operatives for preventing diseases among small children, their seashore homes for little ones and sums up the whole spirit of the French movement by saying “Next year we intend to bring the children of the German workers to our French vacation home.”

Miss Davies reads her paper in a deep, penetrating voice. A real person. “There is no class,” ring out the vibrant tones, “to whom the cause of peace can make a stronger appeal than to the International Co-operative Guildswomen, for war casts it dread shadow in a special way on the lives of wives and mothers. Nor is there any class whose ideals can more effectively undermine the causes of war...

It is natural that our newly-formed international guild should begin its life by declaring its unceasing opposition to war, and by considering the actual practical means by which it may be destroyed forever.

“An International Co-operative Bank and an International Co-operative Wholesale Society are instruments for peace,” continues the clear voice. “Through them the surpluses of trade would be pooled and divided amongst the nations, and International Commerce would become not a fight between nations to over-reach each other, but a harmony in which the interests of each and all are one. International Co-operation undermines all the time the pernicious and ingrained idea that each nation can only prosper by the consideration of its interests alone. Co-operative women! Here is your supreme vantage ground as peace-makers. You represent the people organized as consumers, whose interests over-ride national boundaries. You, with your basket power, are indispensable to the success of our national co-operative movements, which will form the basis of the International Co-operative Bank and of the International Co-operative Wholesale Society, which it must be our immediate aim to build up.

The hum of traffic closes in on the last of the marchers as they disappear up Fifth Avenue. Defense Day is over. By the time this reaches our readers the great Co-operative Congress at Ghent will be a thing of the past. These women delegates will have scattered to their respective countries. When will the internationalism they voiced take root? How long will it be before their American sisters demonstrate that economic co-operation is the highway to World Peace?

LITHUANIAN CO-OPERATORS IN THE UNITED STATES

The study of immigrant groups is of especial significance to all who are interested in the growth, the survival, of the Co-operative Movement in this country.

For these future citizens under the pressure of a strange and sometimes unfriendly environment, in their common bond of language and customs offer the unifying element so favorable to sound co-operative organization.

Unusual opportunity to study a foreign born group in relation to the American Co-operative Movement is afforded in the dissertation on “Co-operation Among the Lithuanians in the United States” submitted by the Rev. Father Fabian S. Kemesis to the Faculty of Philosophy of the Catholic University of America, in partial fulfillment of the requirements for the doctorate of philosophy.

In his own country, in addition to his duties as pastor, Father Kemesis took active part in the co-operative movement from the time of its organization in 1902 until his arrival to America in 1913. During all his ten years residence in this country he has been an interested student of it.

Father Kemesis' treatment of his subject is comprehensive. Against the Lithuanian racial and historical background he traces the causes of immigration to America and shows that a liberty-loving, socially-minded people, of magnuminos and with the instinct of solidarity and a keen sense of justice, are by their very characteristics temperamentally adapted to co-operation.

The membership in Lithuanian societies, he tells us, is largely among the foreign born. Lithuanians of the younger generation as a rule are not interested in the co-operative movement since the whole educational system of America is directed towards arousing ambition for individual achievement. Although one-third of the total turnover of Lithuanian stores is provided by American buyers (in Pittsburgh and Middleborough, Mass., even more), Lithuanian societies do not like to accept other nationalities as members. The reasons for this are that meetings must be conducted in the Lithuanian language and also because Lithuanian co-operatives openly express their fear that if Americans should participate in their co-operative societies the latter would be changed from “Co-operation to Corporation.”

Father Kemesis feels however that as soon as Lithuanians understand that there
are real co-operators among their American neighbors they will not fail to work with them.

The motives leading to the organization of the first Lithuanian stores and the difficulties the Lithuanian societies have met are the familiar experiences of co-operators everywhere. Father Kemesis’s investigation is limited to twenty-three existing stores situated largely in Massachusetts and Pennsylvania, and the twenty-eight extinct ones. The Lithuanians in America seem to be experimenting in many forms of co-operation, distributive stores, insurance, building and loan and co-operative production. In the latter field the Bridgewater Co-operative Association has established a modern shoe factory which is worthy of close study. Beginning with the first consumers’ society on the Rochdale basis in West Lynn, Mass., in 1908 the Lithuanian Co-operative Movement grew slowly and normally until the years 1919 and 1920 when it increased more rapidly. It then met the industrial factors which tended to weaken it.

The existing societies have not reached the degree of efficiency of the average American Co-operative. The future however, looks bright when one considers that these immigrants did not get moral support from American co-operatives and lacked the assistance of the most intelligent people of their own nationality, who were more interested in their own personal fortunes than in furthering the Co-operative Movement. The author is a staunch believer in co-operative education. He would begin by introducing classes in co-operation into the public schools and into evening and business schools—in short he would like to reach the young everywhere. “If!” says Father Kemesis, in conclusion. “Rochdale Co-operation should spread through the country, revolutionists would lose ground and the problem of Americanization would be solved automatically.”

Father Kemesis has just received his degree of doctor of philosophy and it is with deep regret the League learns that he is to leave America to take up leadership in his native land. America needs leaders like him.

**News and Comment**

**Holidays for Co-operative Children**

The big West Australian Co-operative Wholesale Society, Westralian Farmers’ Ltd., according to the Co-operative News of Sydney is creating closer ties between farmers and industrialists by giving city co-operative children a holiday in the country and country children a holiday in the city. Co-operatives in city and country look after the children and plan their entertainment. Prizes for the best essays written by the young holiday makers on what they have seen and enjoyed are offered by the Westralian Farmers’ Ltd.

**A Great Record**

The Riverside Co-operative Association of Maynard has just sent the League its first semi-annual report, ending June 30, 1924. For nearly 46 years this co-operative has sold groceries, meats, hardware, dry goods and candy to the English speaking population of this Massachusetts town. Although its grocery sales show a falling off of several thousand dollars and its dividend is 4 per cent less than that of last year, an unbroken record approaching the half century mark is indeed impressive and takes on fresh significance when it is remembered that there are three other co-operatives in this town of 7000.

More Co-operative Gasoline

One of the readers of CO-OPERATION has sent us a list of additional co-operative associations for the distribution of gasoline and oil. These are all in the state of Minnesota:

- Litchfield Co-operative Oil Co., Litchfield.
- Lake Basin Oil Co., Minneapolis.
- Consumers’ Co-operative Industries, Minneapolis.
- Odessa Co-operative Oil Association, Odessa.
- Owatonna Co-operative Oil Co., Owatonna.
- Scenic City Co-operative Oil, Redwood Falls.
- Martin County Co-operative Oil Co., Stockholm.
- Co-operative Oil Co., Triumph.

These associations are organized on strictly Rochdale principles with one vote only and no proxy voting; interest on capital stock limited to 8 per cent; distribution of surplus according to patronage; transfer of stock only on the books of the Association, and the right of the Directors to call in all non-productive shares of stock at book value.

**Overhead and Profits**

For three years, according to the report of the Rosedale Co-operative Association, a five year old Pennsylvania society, this co-operative has paid a cash dividend on all purchases including those of non-members. It has 30 members and a paid up capital stock of $2,200. With only a manager and two clerks it does an annual business of almost $85,000 on a weekly payroll of $88. This is one of the reasons why this co-operative could show an undivided profit of $4,754 when its books were audited by a certified public accountant. Its total operating expenses were 8.9 per cent of sales while its wages including delivery were only 6.4 per cent of sales.

**A New House Organ?**

Two years ago a little group of Iowans started to supply themselves with groceries, shoes, flour and feed. Each member put in $10, traded out this amount and then put in $10 more. They handled 12 cars of flour and feed, and did so well that they have now organized as the Cresco Co-operators under the non-stock co-operative law of Iowa. They have taken over the tiny store which ran for two years under their manager’s name, and conduct a strictly cash business. Their monthly sales are $2500. Though they number only 25 they have set up an educational fund. This shows grasp of the co-operative idea and is a sound beginning for a real Rochdale co-operative.

**Surplus Goes Toward Education**

At its meeting in August the United Co-operative Society of Norwood reported a net profit for six months of $1,046. The members decided not to return these savings to customers, so this sum will go to the reserve educational purposes. The total sales of the Norwood Society for the first half of the year amounted to $4,000. This Finnish group distributes meats, groceries, milk and beer. It is affiliated with the League and is one of the societies to subscribe for the new accounting service.

**The New South Side barn now under construction by the Franklin Creamery affords a fresh illustration of that co-operative’s policy of “a square deal for everyone”—in this case the beneficiary is the horse. One hundred and twenty horses will be accommodated in this new building where the most modern equipment will provide for their comfort. Individual drinking cups, shower baths during hot weather, large roomy stalls for horses that are out of sorts, accommodations for extra horses to take the places of those that need vacations, a ventilating system to cool the temperature in hot weather, are some of the things provided for the horses. And when all is told the South Side barn will merely duplicate on a smaller scale the North Side barn where he has been enjoying these comforts for several years.
CO-OPERATION

number of the Franklin House Organ which has just come to the League's office.

Franklin workers number about 400. This is a large family to call by their first names. They have a glee club and a band. But when a family gets as big as Franklin's they need something more to keep them in touch with each other. This is the purpose of the house organ. It will be drawn the Franklin family together. Each department of the Creamery has its own section, and everyone is expected to contribute his bit—stories, news items, jokes. If the house organ can be made self-supporting, it will change its stencilled sheets for a stylish dress of print. It may even try to sell advertising space. Prizes have been offered for the two best names for the new house organ.

We'll venture that Franklin workers will never have to hunt for copy. Not in a Creamery where sales for the first six months of 1924 totalled $1,814,357. There is a good story in their low bacteria count and in their high per cent of butter fat. And for shelf human interest is there anything to compete with the milk driver's job save perhaps that of the traffic policeman? We just can't wait for that house organ!

The Co-operators' Price List

"Did the office girls work harder or are store managers so loyal they will buy from us regardless of what we do here?" planned Mr. Ronn of the Co-operative Central Exchange in trying to work out why the Exchange's July sales jumped nearly 50 per cent over last year's, and this in spite of the manager's absence on a brief holiday. Sales of $55,744 is the midsummer record for this year as contrasted with $55,581 for July 1923; a pretty good stride toward the "five-easy million" dollar mark, the Exchange has set itself for a goal in 1924.

Perhaps the Central States Manager was only asking a rhetorical question. In any case he has given his own answer in the new Price List of the Exchange where we read, "The advertising of the co-operative store must be education more than the boosting of various merchandise." That is the secret, Education, and the kind of intensive education the Northern States League does—member by member, manager by manager, store by store.

The Price List is to be a monthly issue. The sprightly orange of its cover tempts us to read it, from barbed wire, gum, tacks, stump pullers, tooth picks, groceries and provisions of all kinds straight through to cigarettes, candy and literature. We can well believe its claim that it will eventually be a price list of every conceivable kind of merchandise.

Future prices, market reviews, jobbing arrangements, pool cars for co-operatives near each other—the List is packed with information. It is modestly stencilled. We shall await its appearance in print with interest for someone with a "futurist" sense of make-up piled those magenta sheets in to "hold" the orange covers. The Price List is a triumph. Its 31 pages represent a six years struggle, stem by item, with manufacturers and with private jobbers. What is more, we believe it represents an organization that will ultimately eliminate them.

Thought Provoking

"Free Acres" is a single tax colony six miles west of Summit, New Jersey. The Association owns the land and leases it in perpetuity to those who come. None in sold by Newton Hall, the moving spirit in this little colony, sends the following for publication in CO-OPERATION:

We have, at "Free Acres" gate, a sign made of copper tacks driven into a cedar board, which reads "Civilization is capacity for Co-operation." While I was making it, the "Free Acres" folk passed by and commented. One said that activity, and co-operation, constitutes civilization—which would make a dog or a bird the most highly civilized creature. Another said that if civilization is co-operation, then the Burmese head-hunters who hunted together would be civilized. So they would, fast in that respect, and they would bent out the non-co-operative. But nearly all approved of the slogan—and it will produce there more than discussion.

THE CO-OPERATIVE LEAGUE

(Member of The International Co-operative Alliance)

107 West 12th Street, New York

An educational organization for teaching the history, 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. Subscribe for the Monthly Magazine and keep in touch with the Movement.

Enclosed find $......... for

Subscription for CO-OPERATION, $1.00.
Membership in THE LEAGUE, $1.00.

Co-operative Central Exchange

Wholesale Grocers and Jobbers, Bakers

We supply goods to Co-operative Societies ONLY. We are owned and controlled by Co-operative Societies.

We are organized to enable Co-operative Societies to do collectively what they cannot do individually.

Co-operative Central Exchange

Wholesale Grocers and Jobbers, Bakers

We supply goods to Co-operative Societies ONLY. We are owned and controlled by Co-operative Societies.

We are organized to enable Co-operative Societies to do collectively what they cannot do individually.

Co-operative Central Exchange

Offices, Warehouses and Plant:

Winter Street and Ogden Ave., SUPERIOR, WIS.

Co-opera'tors’ Ed. Mutual Fire Insurance Co. is now writing insurance in State of Wisconsin.

THE PRODUCER

Issued Monthly Price 30.

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.

1 Balloon Street, Manchester

Post free 4 sh. Gd. 6 year.

The Trade and Technical Organ of British Co-operation.

The New Secretary’s Ledger

Just published by the

EDUCATIONAL DEPARTMENT.

Central States Co-operative

Wholesale Society

(209 Congress Ave., E. St., Louis, Ill.)

is the form for keeping the Membership Ledger of a Co-operative Society which provides a blank space for all transactions with a maximum of efficiency and a minimum of time, worry and errors.

Send for Samples and Prices.

The Canadian Co-operator

Brantford, Ontario, Canada

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

Published monthly 75c per annum.

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

Address

Albert Scovel, Manager, Editor

William S. Camp,
DELEGATES TO
FOURTH CO-OPERATIVE CONGRESS
November 6, 7 and 8

Attention

Make your room reservations at once through the Co-operative League.

Bring credentials from your organization.

Register early. Registration at League’s office on Wednesday afternoon and Thursday morning, November sixth, beginning at eight o’clock.

First session begins Thursday morning at nine o’clock.

Delegates wishing to see New York should come early or stay late. The Congress will take three full days. Information on sight seeing trips and points of interest may be obtained at the League’s office.
Co-operation

A magazine to spread the knowledge of the Co-operative Movement. J. F. Warbasse, Editor.

Vol. X
New York, November 1924
No. 11

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THE FOURTH CONGRESS

This magazine will reach our western readers just as delegates for the Fourth National Co-operative Congress are starting for New York. The men and women who will gather for this Congress will come from all parts of the country. They are of many nationalities, American and foreign-born. Workers of hand and brain they represent co-operative societies as varied as the human needs they meet. They are putting backbone into the family budget and fresh spirit into human living.

They will meet to share experience. They know Consumers' Co-operation not as a theory but as a tested method. They have learned that it takes skill and experience to run a grocery or a bakery; that a laundry is more than soap suds and labor. From cow to family they are working out a new kind of business relation based on a very old engine—a higher gear.

To own your home, keep your coal bin full, invest your savings—all on a co-operative basis—means not only to set up new milestones for the past and set up new milestones for the future.

These men and women are not discouraged because Consumers' Co-operation takes root slowly in the United States where, with all its waste, competitive business is the most efficient in the world. They face the fact that they are working out a new kind of business relation based on a very old set of values. To substitute co-operative service for competitive profit is their goal. At the Fourth Co-operative Congress they will take stock of the past and set up new milestones for the future.
A CO-OPERATIVE ANNIVERSARY

With its September number the Canadian Co-operator, the organ of the Canadian Union of Canada, completed its fifteenth year. All this time the present editor, Mr. George Keen, has been in charge, also acting as secretary of the Canadian Union. His comments on the movement as he sees it after these long years of service might be applied with effect outside the Canadian border.

"The problem," he writes, "with which we are confronted is not a public indifferent to Co-operation, but the existence of hundreds of co-operative societies in ignorance of the fundamental principles of the Co-operative Movement, and appearing to have a rooted disposition to learn. While co-operation is obviously of the essence of the Co-operative Movement, Canadian manufacturers, bankers and retail and wholesale merchants . . . have developed a great deal more capacity for co-operating to their mutual advantage than the hundreds of societies ostensibly organized to practise true co-operation. For the greater part, each prefers "to plough its lonely furrow," regardless of all co-operative education as to buy from or to sell merchandise to them pass us unheed.

Mr. Keen recently spent a month touring co-operatives in Saskatchewan, his expenses being defrayed by the Co-operation and Markets Branch of the Government of that province. He visited 21 co-operatives, traveling 5,500 miles. Mr. Keen was received by the members as delegates at the International Congress and where they have spent four months visiting co-operatives in Russia, Central Europe, Poland and Scandinavia. This reception will be held in the Auditorium at Greenwich House instead of the League House as originally announced.

The LEAGUE'S EXHIBIT

The exhibit of the Co-operative League which has been at the International Congress at Ghent, will be set up at the League House during the Fourth Congress. It is a modest display of graphics and publications illustrating the American Movement and featuring typical co-operative usage. The technical work on this exhibit was contributed by Consumers' Co-operative Services, from whose artists and manager the League received many of the posters that made its exhibit a fitting expression of what the American Movement may become.

An added feature is a small copy of the statue by Sarteel symbolizing Co-operation which was erected in the Place Publique at the International Exposition. This was procured by Dr. Warbasse in Ghent. Artisans, industrial, agricultural and manual workers, intellectuals and housewives are shown supporting a co-operative world. A reproduction forms the front cover of Co-operation this month.

RECEPTION

On Wednesday evening preceding the Congress, a reception will be given in honor of Dr. and Mrs. Warbasse, who have just returned from Europe where they represented the League as delegates at the International Congress and where they have spent four months visiting co-operatives in Russia, Central Europe, Poland and Scandinavia. This reception will be held in the Auditorium at Greenwich House instead of the League House as originally announced.

Our progress may be slow . . . in availing ourselves of the staggering discoveries of Science. But still there is progress. And slowly too, but surely, the co-operative work is spreading in all lands around the globe. We shall discuss more fully in another article. To me the service given to our dairy by the Cleveland Dairy was a success or a failure from the start although the need of a dairy succeed. The co-operative Central Exchange of Superior, Wisconsin, struggling along for several years with a dairy and then with tears in their eyes had to give it up. They proved it too by starting boarding houses, building homes, erecting their own play houses and schools, establishing newspapers. They bake their bread and churn their butter co-operatively. They buy their farm machinery and sell potatoes the same way.

The Dairy—A success or a failure? Yet even the Fins did not make the dairy succeed. The Co-operative Dairy Exchange of Superior, Wisconsin, struggled along for several years with a dairy and then with tears in their eyes had to give it up. These therefore who expect me say that the co-operative dairy is always a success will be disappointed. The Franklin Co-operative Creamery Association of Minneapolis, only four years old, and now doing more than four million dollars a year, is in a class by itself. Its growth and success, financially and otherwise, has been a mystery to all who have tried to study its ways and methods. It was copied exactly by The City Co-operative Dairy of Cleveland three years ago. Their by-laws are alike word for word. The set-up is the same all the way through. Yet the Cleveland Dairy was a failure from the start although the need of a co-operative dairy in Cleveland is ten times greater than it ever was.

The dairy of the Co-operative Trading Company of Waukegan, Illinois, was a losing proposition for many years, and only under the able management of Mr. Liukku has it been operated successfully for the past three years.

THE DAIRY AS A UNIT FOR CO-OPERATION

(Part 1)

By Edward Solem

What is the best initial activity for co-operative business? The most practical unit around which to build a successful co-operation? If we were to send this question to the most successful co-operatives in America, we would receive some interesting replies.

From New York we can hear the answer—"A cafeteria"; Cleveland would say, "nothing can beat banking"; the Illinois miners would swear by the dairy. The Finns—from whom we are likely to receive the most sensible answer this side of the Atlantic—tell us that the only foundation for successful co-operation is the willing co-operative society, with the members want it. Like a trade union, it will not succeed unless those who organize it understand its object and feel its necessity. The Finns—from whom we are likely to receive the most sensible answer this side of the Atlantic—tell us that the only foundation for successful co-operation is the willingness and the desire to work together. They prove it too by starting boarding houses, building homes, erecting their own play houses and schools, establishing newspapers. They bake their bread and churn their butter co-operatively. They buy their farm machinery and sell potatoes the same way.

The Dairy—a success or a failure? Yet even the Fins did not make the dairy succeed. The Co-operative Dairy Exchange of Superior, Wisconsin, struggled along for several years with a dairy and then with tears in their eyes had to give it up. They made a study of the milk and dairy business. But chiefly it is because of what the dairy means to the young—tiny bodies must have something on which to live and grow. Without healthy bodies you cannot have sound minds or fine spirits, and milk, clean milk, we are told, is the natural food for babies and children. What better service then, as co-operators, can we wish for than to furnish these little future citizens with the purest and best milk possible.

Let us begin then by building healthy bodies to house clean and clear minds and co-operation will grow that much faster.

Opportunity for Education

In the opportunity it affords for doing real educational work in co-operation the dairy is unique, providing it has taken the trouble to educate its own employees. To omit this is a
mistake that dairies and other co-operatives too often make. With an intelligent, educated membership, a co-operative dairy, with its representatives daily going from door to door, can do fundamental educational work. Right here lies one of the secrets of the success of the Franklin Creamery. Some of the members and even some of the employees and directors at first could not see the necessity for all the little cards and leaflets. They are now convinced that this continuous educational work has paid, and not only will it make no difference whether it is a bank or a store or a dairy—who those who make up a society must desire it enough to be willing to make some sacrifice, if need be, to get it started and to keep it going. We must know something about the particular line in which we are engaged; and above all we must be animated by the desire to serve and have a vision of a better future. With faith in ourselves, in our cause and in our fellow men, we are sure to succeed.

**ANOTHER PRESIDENTIAL CANDIDATE ON CO-OPERATION**

In the matter of co-operatives, I would say, speaking as the candidate for President of the Workers' Party, the party of the communists, that I am heartily in favor of genuine co-operative organizations of the workers. The communist movement, through its leadership of the most powerful co-operative movement in the world, that of Soviet Russia, has proved its devotion to the Co-operative Movement as a part of the general movement of the working class for emancipation from capitalist exploitation, and also the soundness of its leadership.

Co-operatives, when based solidly upon the needs of the exploited masses, controlled by them, and not for service and not for profit, have proved themselves powerful instruments in the hands of the workers and working farmers in the struggle against the gigantic organizations of the big capitalists.

It is necessary, however, that the co-operatives shall be controlled and directed by the rank and file of the workers and working farmers, and not by the small capitalists, the professional bourgeois experts and intellectuals. Otherwise the co-operatives will cease to be effective fighting organizations against the enemies of the working class and will be turned into organs of class collaboration, attempting to reconcile the fundamental class conflict and thereby forestalling the struggle against exploitation. Genuine co-operatives always work in the closest contact with the political and economic organizations of the working class, to further them and assist in their daily struggles. All labor union members, unorganized workers, and working farmers should do everything in their power to build such fighting co-operatives, which, in addition to their every-day tasks, must militantly favor a Workers' and Farmers' Republic as a necessary pre-condition to the full development of the co-operatives.

In conclusion, the Workers' Party pledges its most energetic assistance, in every field of action, to the co-operative movement, upon the basis of the class struggle. We point to the glorious achievements of the co-operative movement in the Union of Socialist Soviet Republics as the proof of the soundness of our program. The home of the most powerful and highly developed co-operative movement in the world is Soviet Russia, where the power of the capitalist class has been broken and the foundations are being laid of a Communist society.—William Z. Foster.
FOUTH CO-OPERATIVE CONGRESS
NEW YORK, NOVEMBER 6, 7, and 8, 1924
Registration at Headquarters: CO-OPERATIVE LEAGUE HOUSE
Beginning Wednesday, November 5

Reception to
DR. and MRS. WARBASE
Wednesday Evening, November 5, Auditorium, Greenwich House, 29 Barrow Street
Meeting of the Board of Directors of The Co-operative League

PROGRAM
THURSDAY, NOVEMBER 6
Morning Session
Auditorium Greenwich House
9:00 A.M. Reading of the Call to the Congress by the Secretary
Address of Welcome by the President
Appointment of Congress Committees
Greetings from Co-operative Union of Canada. George F. Keen
Greetings from Foreign Societies
Reports of Delegates
Report of Credentials Committee

Afternoon Session
Auditorium Greenwich House
1:30 P.M. Discussion of Committee Reports
Store Management and Administration
Bookkeeping, Accounting and Auditing
Taxation and Legislation
Salvaging Sinking Co-operatives: Discussion led by Edward Solem

Evening Session
Co-operative Cafeteria, 49 East 25th Street
8:00 P.M. Co-operative Banking
Adapting Co-operative Principles to Modern Banking Conditions. Morris Ernst
Legislation for Credit Unions and Co-operative Banks. Gertrude Mather Shelby
Co-operative Banking and its Relation to the Government. Huston Thompson

FRIDAY, NOVEMBER 7
Morning Session
Auditorium Greenwich House
9:00 A.M. Best Types of Co-operative Business for Initial Organization
The Bakery as a Unit, the Restaurant Grocery, Housing, Coal, Milk: Discussion opened by Miss Mary Ellicott Arnold

SATURDAY, NOVEMBER 8
Morning Session
Auditorium Greenwich House
1:30 P.M. Elections
Co-operative Education: Discussion
Education in the Local Society; the District League; from the Office of The Co-operative League.
Schools for Co-operative Training and Education
Schools Co-operatively Organized
Women's Guilds
New Business

Evening Session
Co-operative Cafeteria, 49 East 25th Street
8:00 P.M. Co-operation Among Industrial Workers and Farmers
Labor and the Co-operative Movement. John H. Walker
New Business

Meeting of the Board of Directors of The Co-operative League.
Letters from Abroad

Co-operation Among the Fjords of Norway

By J. P. WARRASSE

Amidst the flashing of lightning and the roaring of thunder, the crashing of rocks and the tossing of the sea, when no eye saw nor ear heard, the earth threw itself into folds four thousand feet high along the whole western coast of the Scandinavian Peninsula. A helplessly-tumbled sprawling rugged land was built which was destined to breed a rugged people. Norway has a coast line, two thousand miles long with six thousand islands strewn upon it like a festoon of beads of malachite.

Now peace abounds. A race now wins its livelihood out of the patches of fertile land among these mountain slopes, from the sea which pushes ten thousand crevices deep into the land, and from the richer timber—the spruce and the birch—which cover the mountain sides with a foliage both rich and glorious. Among these fjords live the sea-faring and mountain-daring Norwegians. Their heads are steady and their step sure. They think slowly and with the hard circumstances of nature, and with the newer difficulties of economic life, these people have learned that the problem of each is his neighbor’s problem also, and his neighbor’s problem is his problem.

The idea of mutual aid takes root in Norway as naturally as do the spruce trees that stand on all its mountain heights. From time beyond memory they experimented with co-operative organization. Then one of their strong men went to England and lit a torch. This was thirty years ago. Society after society was established. These were united in 1878 and formed the Co-operative Union.

In 1911 it established its first productive plant—the margarine factory at Bergen, which in 1923 manufactured 2,000,000 pounds of margarine. Then in 1914 came the tobacco factory. Now all the private stores, as well as the co-operatives in Christiania have to carry co-operative tobacco because the smokers demand it. The tobacco factory is such an excellent plant that the government uses it as a standard. They send their inspectors to study and its administration as a basis for their inspection of private factories. Then came the co-operative life insurance society, “Samwikke.” To insure the people’s lives naturally followed the great increase in tobacco consumption! In 1923 it had in force 5,800 policies of insurance amounting to 63,000,000 crowns. The soap factory and other productive enterprises followed.

Now the union embraces 416 societies, with 97,000 members, a yearly turnover of 24,000,000 crowns and capital of 15,000,000 crowns. One twelfth of the imports of sugar, coffee and groceries of the whole of Norway are carried on by this organization. It publishes two periodicals—one technical, and one for general discussion of the movement which is issued in an edition of 73,000. The members are loyal. The average purchases per member amount to 1,130 crowns a year. The turnover of the 416 distributive societies in 1923 was 109,000,000 crowns; surplus-savings, 5,000,000; and their total capital, 18,000,000 crowns. These societies themselves, independent of the Union, have some 90 productive plants, including bakeries, slaughter houses, meat packing, shoe repairing shops, mills, etc.

Watching and guiding this movement is the president of the Union, Andr. Juell. When he goes from Christiania to visit the societies he must take a long farewell of his wife and daughter. The farthest society is a seven days’ journey, far away in the farthest valley. He could not make the journey to America quicker. This Norway has a population of only eight people to the square kilometer; Sweden has fourteen; Denmark has seventy-six. Neighbors in Norway are few and far away.

To take an example of a single society, the largest society is the distributive society of Christiania, founded in 1894. It has 7,500 members, a turnover of 5,000,000 crowns a year, and pays a savings return of 3 per cent. It has 3 stores, a bakery, a sausage factory, and a shoe-repairing shop. It turns over its capital within the year. This rapid turnover is because the Wholesale Department of the Union has warehouses in the city which can deliver supplies promptly and consequently no stock need be kept with a large stock of goods. The turnover of the wholesale on the other hand, is only seven and a half times a year.

A beautiful suburban society is the Ullevaal Garden Village just on the edge of Christiania. This co-operative society has 620 members. The turnover was 1,175,000 crowns in 1923. Its stores are well organized, clean and attractive. Its housing department has 260 members. A new central building with a central refrigerating plant contains the meat market and food store. The architecture and the whole landscape layout is quite charming.

Up at the head of each fjord is a little village nestled among the snow-covered mountains. There is found a co-operative society with its store, creamery and the co-operative bank. Here is Sandene on the Norwegian side the society has 350 members. The population of the town is 500—a pretty big town for Norway. The membership includes many farmers outside of the town. The store sells literally everything. It has just bought a piece of land for 40,000 crowns where it will put up a new store building. Almost every working man belongs. The hotel keeper whose hotel is next to the store, is a member. His is the largest patronage of all the countryside. The manager of the store gets 5000 crowns a year salary (a crown is about 14 cents). The clerks average about 2500 crowns a year. This is pretty good pay in proportion to the cost of living. The society returned 10 per cent savings to its members in 1923. There are lots of things that are cheap in Sandene—but nothing cheaper than electricity. The store pays 70 crowns per year for 1000 kilowatt hours. That is so cheap that electricity is used for light, for heat in winter, for cooking, and for hot water and making steam. All of this heat is created from the melting snow of the mountains.

The characteristic of the Norwegian Co-operative movement is uniformity and rugged, substantial loyalty. A group of people who plan a society get from the central union a model constitution. They adopt it and alter provisions as necessary keep their society loyal. Everywhere societies are developing. The islands as well as the valleys are dotted with them. The movement goes ahead slowly. But what the Norwegians are building is substantial and enduring.
PROSPECTUS
THE CO-OPERATIVE TRAINING SCHOOL, NORTHERN STATES CO-OPERATIVE LEAGUE

LOCATION OF SCHOOL: 2108 Washington Avenue, North, Minneapolis, Minnesota, the Auditorium of the Franklin Co-operative Creamery Association.

LENGTH OF TERM: Six weeks, from November 3 to December 13, 1924.

SUBJECTS TAUGHT AND TIME GIVEN EACH SUBJECT:
1. Principles, Theory, Methods and History of Consumers’ Co-operation, 50 class periods.
2. Organization, Administration and Management of Co-operative Societies, 42 class periods.
3. Administration and Management of Co-operative Industries, 8 class periods.
4. Double-entry American Bookkeeping (including a special system adapted to the needs of co-operative stores), 126 class periods.
5. Commercial Arithmetic, 18 class periods.
6. Business Correspondence, 18 class periods.

INSTRUCTORS:
A. W. Rankin, former State Inspector of Schools and Professor of Education at University of the State of Minnesota, Minneapolis, Minnesota.
S. Alanne, Educational Director of the Co-operative Central Exchange, Superior, Wisconsin.
C. Ward Clarke, Auditor of the Franklin Co-operative Creamery Association, Minneapolis, Minnesota.
H. V. Nurnberg, Auditor of the Co-operative Central Exchange, Virginia, Minnesota.
Edw. Solem, Manager, City Co-operative Dairy Company, Cleveland, Ohio.
M. H. Hedges, Director, Speakers’ Service Bureau, Minneapolis.

Tuition fee of $20.00 will be charged all students for the six week’s course.

INFORMATION: Additional information concerning the school can be obtained by writing S. Alanne, Secretary of the Northern States Co-operative League, Box 147, Superior, Wis.

FIRST SCHOOL OF ITS KIND
This will be the second year of the Co-operative Training School, conducted by the Northern States League in Minneapolis, the first of its kind with a curriculum in English in the country. The attendance promises to be good and experience has shown that the prospects of graduates for securing employment in co-operative business are excellent.

A new feature of this year’s school will be a night lecture course of twenty-one lectures by fourteen different lecturers, covering different phases of co-operation. This course will be given under the joint auspices of the Northern States League and the Speakers’ Service Bureau of Minneapolis, which has the endorsement of the Educational Committee of the Franklin Co-operative Creamery Association and the Trades and Labor Assembly of Minneapolis. It will be under the management of Mr. M. H. Hedges, Director of the Bureau.

Five scholarships of $200 each will be awarded by the Northern States League and two are offered by the Co-operative Central Exchange. Besides these, the Franklin Creamery Association is offering ten scholarships of $100 each.

MORE THAN 50 PER CENT INCREASE
The Co-operative Central Exchange reports sales for September of $92,849. Last year’s sales for this month were $54,484.6. This represents an increase of $38,364.46 or 51.6 per cent. They are forging ahead toward their goal of half a million; the total sales for the year now amounting to $455,517.64.

What Franklin Is Doing
“The visitor to New York goes to see the Statue of Liberty. The visitor to Minneapolis goes to see the Franklin Co-operative Creamery Association.”

So ran the headline of one of the daily papers of Minneapolis which greeted a staff member of The League who stopped off at Minneapolis in mid September.

The Women’s Guild turned out for its monthly meeting, about 30 strong. The meeting of the Board of Directors for the discussion of future educational policy and the ever-present problem of competition was thoroughly business-like. In the evening the Goodfellowship Club, composed of more than 300 employees of the Creamery, held one of its enthusiastic meetings. Carl Magnusson was on hand with his bundle of Co-operation in which he tells regularly at any meeting within the auditorium of the North Plant. The Glee Club scrambled to the stage and sang half a dozen of its songs under the direction of the leader who has brought it to its present position of leadership among the choruses of the Twin Cities. Half a dozen of the workers had ideas to present to the members present.

A lively discussion took place over the matter of future policy, for the conduct of the Co-operative. The meeting adjourned to soft drinks and gossip after a breakdown in the city’s electric service threw the hall into darkness.

The progress of this great Co-operative is as interesting as ever. There are now 148 wagons on the road every day. Business is so good that the biggest competitor to Franklin (which is not so very big just now) is publicly complaining that the Co-operative Creamery has taken 50 per cent of its business away.

The new barn on the South Side is as imposing a structure as that on the North Side. The sales of ice-cream this past summer have been large in spite of the cool weather and no other dealer in the city begins to have such an ice-cream business. The new product being handled this year, chocolate milk, is gaining great popularity.

But the most interesting development at the Franklin is the increased emphasis that is being put upon the educational program. Two of the Franklin boys who attended the Training School last autumn have been promoted to the positions of Route Chiefs in the two plants. The Board of Directors of the Association, at its recent meeting, voted to set aside $1,000 to provide ten scholarships at the school this year, five for Franklin employees, five for stockholders. The Association is also paying $1,000 as membership dues to the Northern States Co-operative League, which conducts this School.

Recently the Educational Committee turned over $1,200 to the Speakers’ Service Bureau, a new educational organization for providing lecturers and organizing classes in labor and co-operative circles. And the last stockholders’ meeting passed a resolution asking the delegates to the Fourth Congress in New York which will cost the organization at least $500 more.

The most cooperative in the United States that could afford to turn over $4,000 to educational work in the course of a few weeks; and of those few Franklin is pretty nearly the only one that attaches such importance to this side of its work that it would actually spend such an amount.

Co-operative Business Increases
The average business per co-operative association in the United States increased from $100,000 in 1913 to over $215,000 in 1922, according to data collected by the United States Department of Agriculture. Marked increases in the business of tobacco and cotton associations are shown.

The average business for 18 associations handling tobacco in 1913 was about $142,000, and the average for 8 associations in 1922 was over $7,600,000. The average for 79 cotton associations in 1913 was $1,911,000; in 1922 it was $8,400,000.
Average business for 456 associations handling fruits and vegetables was $150,000 in 1913, and for 592 associations in 1922 it was $284,000; the average for 960 grain marketing associations in 1913 was $186,000 compared with an average of $203,000 for 826 associations in 1922.

The smaller number of tobacco and cotton associations in 1922 than in 1913 and the larger business per association, bears testimony to the movement toward the consolidation of independent local associations into large, highly centralized organizations, the department says. A part of the increase in volume of business is due to the higher price level in 1922 than in 1913.

The Northern States League

The Northern States League runs a full schedule. On October 25th students in its school conducted in the Finnish language in Superior, Wisconsin, completed their course. On Saturday, November 1st, the league will open its Third Annual Convention in Minneapolis, and on November 3rd its school in English at the Franklin Co-operative creamery will begin.

A full attendance is expected at the convention which will continue for two days, Saturday and Sunday. Sessions will be held in the auditorium of the Franklin Co-operative creamery.

In addition to the usual reports and questions, the convention will consider the following:

1. The consolidation of independent local associations into large, highly centralized organizations.
2. The organization of a permanent credit association between nine and ten on Saturday morning.
3. A department store run on co-operative lines is one of the dreams of Mr. W. H. Clower, a director of the Soo Co-operative Mercantile Association.
4. A fuel department was added to its grocery activities of three local retail stores; credit was extended to members from pay day to pay day and all went well, the society never failing to declare a dividend every month enabling them to build its shares, loan capital and purchases of members since its original organization in 1911.

Creamery strike

But on July 1, 1922, came the national railroad strike; the boys were out, and it was not long before they were out of money; the majority of the Board of Directors were strikers, their sympathies were with the men, and "sentiment and business" were soon reunited.

A railroad strike finance committee was organized by the shop crafts, which helped with the members' accounts as long as they received donations, but the strike dragged on for two years, the finance committee went "broke" and the strike was "declared off"—LOST!

The society is now facing the problem of some members using up their own stock and loan capital, and also the money invested by other members.

A new force for Peace and for the progress of the Co-operative Movement has come into existence. Up to the present time, the mothers and housewives of the world have lacked an international association. The possibility of international work has been secured by the formation of the International Co-operative Women's Guild. This new organization will be able to express the views of mothers and housewives and to take effective action in all the weighty questions affecting them in co-operative and international life.

Over 100 co-operative women came to Ghent for the Women's conference held on August 29 and 30, some as voting delegates from nine countries with national women's guilds, and others as fraternal representatives of Germany, Russia, United States, Czechoslovakia and three other countries where co-operative women are not organized nationally.

Enthusiastic desire to promote the Co-operative Movement was shown in the two sessions devoted to co-operative questions, and the Congress asked Co-operatives of every country to afford women the necessary facilities for taking part, through their own organizations and representatives, in all co-operative developments.

A Co-operative Department Store

A department store run on co-operative lines is one of the dreams of Mr. W. H. Clower, a director of the Soo Co-operative Mercantile Association.

The society has just taken a step in this direction by the purchase of adjoining stores; credit was extended to members for up-to-date bakery and so vacate a portion of their main building which they plan to use for dry goods and shoes.

The Soo is forging ahead toward its goal of a half million dollar business. Its record for nine months of this year is $355,427. In 1923 its business was $363,818, a gain of $76,382 over the previous year.

The Grocery Again

It is said that 90 per cent of the retail grocery stores in the United States are capitalized for under five thousand dollars and Paul Findlay's Book for Grocers states that every year 8,000 sell out or are forced out of business.

Now that, to quote the Retail Grocer, "Economists have discovered that there is a grocery for each 78 families as compared with one shoe store for each 172 families, a furnishings store for each 603, a dry goods store for each 665 and a hardware store for each 657 families."

It is little wonder that we find it so much complaining (1) about the grocer and (2) among the grocers."
Loyal and able managers are to a great degree responsible for the success of a large number of co-operative stores and where they are backed by a broad vision of the co-operative ideal, results are soon shown. But a large membership and a smoothly running and successful business does not of itself constitute a co-operative success. Unless members practise the principles of economic distribution, there is no particular difference between co-operative and other business. The schooled members, receiving in the direction of the actual processes of economic distribution is what gives the co-operative movement its distinctive social value.

The Control Committee

Effective control requires that key activities be standardized and that a close check-up be kept upon accomplishment. This should be done by a committee preferably of two, elected by the membership and responsible to them. Their findings and suggestions should be presented directly to the Executive Board. With this routine they should combine a study of the particular co-operative business in which they are engaged. Only this combined with intelligent grasp of employees, performance and consumers' wishes will enable them to interpret co-operative principles faithfully to both groups. Every consumer must realize that his pound of sugar (or other commodity) is one piece plus the marketing ingredient of the co-operation—every employee, that plus his week's wages he has the opportunity to personally share in socialized business. It is obvious that the Control Committee must be picked from the ablest and most active members. If possible all officers should serve sometime on this committee. This practice of sharing in responsible control will do much to dispel conventional and erroneous ideas of quick and large profits.

Even the best methods of control may not make a co-operative succeed. They will only enable, the Executive Board to check financial losses and thus prevent an addition to the dismal process of co-operative failures. The responsibility for keeping intact working capital and members' investments rests solely with the Control Committee and with the members who are responsible. They should call a halt whenever they approach the danger line, that is when operating expenses are beginning to consume invested capital. They should never tolerate loose records or inadequate accounting systems; should be able to interpret the actual situation in terms of figures showing obligations incurred, income from sales, stock values on hand. They should have close supervision over buying and selling.

Quality, Price, Quantity

In buying, control to be exercised centers on quality, price and quantity. The selection of quality must necessarily be left to the experienced buyer. The final judge of quality however, is the consumer. Filing their complaints with the buyer is therefore one of the chief duties of the control committee. By comparing commodity prices from different sources, the lowest price can be ascertained. Here are a number of independent stores this can best be done through a centralized system of bookkeeping. The information thus worked up is a great aid to him in getting rock bottom prices. The Control Committee must see that goods are bought at lowest prices and that the buyer's personal feeling carries no weight in placing orders. Quantity control is more direct and whenever a purchase seems too large the buyer must show reason. This helps the average buyer to be wary of the alluring markups that exist only in his imagination. The control is more direct and whenever a purchase seems too large the buyer must show reason. This helps the average buyer to be wary of the alluring markups that exist only in his imagination. The control is more direct and whenever a purchase seems too large the buyer must show reason. This helps the average buyer to be wary of the alluring markups that exist only in his imagination. The control is more direct and whenever a purchase seems too large the buyer must show reason. This helps the average buyer to be wary of the alluring markups that exist only in his imagination. The control is more direct and whenever a purchase seems too large the buyer must show reason. This helps the average buyer to be wary of the alluring markups that exist only in his imagination.
Book Reviews

THE CO-OPERATIVE MARKETING OF FARM PRODUCTS

By O. B. Jenness

Mr. Jenness has done a much more thorough job in this book than Mr. Steen did in his book which was published at about the same time. Both men are endeavoring to explain the agricultural marketing movement, but whereas Mr. Steen takes the point of view of the American banker and lawyer class, which is fostering this movement as though it were a new departure in capitalism, Mr. Jenness carefully analyzes the social and economic factors involved and shows that co-operation among the farmers is a definite revolt against unjust conditions. The former practically insists that the only orthodox co-operative form of marketing is the commodity type of organization fostered by Sapiro and his crowd; he will have nothing to do with co-operative buying, co-operative banking or any form of co-operative retail distribution.

Mr. Jenness, on the other hand, sees the Co-operative Movement as a whole and although he does not give the consumers’ movement the important place which we assign to it, he does realize that it is a legitimate part of the Co-operative Movement. Furthermore he points out the tremendous importance of the independent marketing association organized on the Rochdale plan as distinct from the single-commodity kind of organization. He points out that the arguments for centralization versus the arguments for the independent co-operative is not a mere war of words alone. The location of the store with relation to the group; the nature of the product marketed, whether perishable or not; the amount and nature of membership, etc., all have had an influence in determining which form of organization should be followed. The California Fruit Growers are successful with their centralized form of organization because of their distance from the market; the highly perishable nature of the product they handle, and the fact that most of these fruits are luxuries rather than necessities. The milk producers, grain growers, etc., on the other hand, find that the weakest link in their marketing is at the local center. Before they successfully maintain an organization, they have to have methods of grading, processing and a community organization of their members. Even the California Fruit Growers Exchange is started with local units and these locals still maintain a high degree of autonomy in everything except marketing.

The first eleven chapters of the book contain a highly interesting story of the growth and present condition of the most important types of marketing organizations. The twelfth chapter is a discussion of the co-operative buying of farm supplies. The next nine chapters are concerned with the problem of organization and administration; the relation of co-operative marketing to the anti-trust laws; the subject of monopoly; finance; and an effort to look into the future. Mr. Jenness believes that the non-stock organization has a distinct advantage over the capital stock association and experience seems to be confirming his conviction. The farmers themselves can more easily maintain control over their own society when there is no capital stock which has to be sold to the people who have the most money.

The author gives us a good plan for conducting a survey of local social and economic conditions before a co-operative is organized. He also gives us specimen contracts and agreements, certificates of stock, articles of incorporation, etc. We commend this book to those who want a clear statement of what the farmers are doing with co-operative marketing to determine how they are doing it, and of what it means.

C. L.
FOURTH CO-OPERATIVE CONGRESS
New York
November 6, 7 and 8

Headquarters
Co-operative League House
167 West 12th Street

Reception
Wednesday Evening, November 5th, at Greenwich House.

Sessions
Daily morning, afternoon and evening except Friday afternoon and evening.

Banquet
Friday evening, November 7, at the Brownsville Labor Lyceum.

Sight Seeing Trip
Friday afternoon by bus to local co-operatives.

Make your reservations at once if you have not done so.

Registration at the League’s office begins Wednesday afternoon.

Bring credentials from your organization.

Vital Issues
The IV Co-operative Congress
The Fourth Congress has passed into history. It was an event of signal importance to the Co-operative Movement of the United States. Every one of these four congresses has been a milestone. Before the days of the Co-operative League the feeble attempts at cooperation were mostly scattered and unrelated. To-day the strongest and best societies in the country are united in a single organization which makes it possible for them to work with and for each other. Not only do delegates from Massachusetts and Connecticut sit together with delegates from Washington and Montana, but they meet in conference with those from the north and south and plan actual functions to be carried out jointly. The organized Movement no longer expresses itself in talking about things, but it is doing things. The practical problems of cooperation are now being jointly solved.

The Fourth Congress brought together in conferences the co-operative wholesale societies of this country. They compared notes. They laid their cards on the table. Each learned something from the others. Already they have created a National Wholesale Federation which from the beginning is able to effect economies for all of them.
This is instructive because it shows that these organizations are interested in making money on capital invested by the stockholders. Their concern is not for the consumer. This is well understood. There has been a theory that their concern is for the workers. If this latter is the case they would be interested in paying capital as little as possible in order to have the largest possible surplus to divide among the workers in proportion to their services. As a matter of fact they are perfectly justified in this course. They need capital, and to get it capital must be paid. The workers have not the money adequately to finance these organizations. They are not producing goods for use but for profit. These are the reasons why they are led to oppose a pure co-operative proposition. In the meantime the co-operative societies of consumers are building flourishing productive plants which are in the interest of no class but of the consumers. And since the purpose is service, they must naturally be interested in reducing to a minimum the amount of this surplus savings that can be paid to investors.

P. J. W.

The Bread Trust

For twenty years there has been a movement toward a combine of the big bakeries of the United States. The most recent step in this movement is the incorporation in Baltimore of the Continental Baking Corporation, owning thirty-nine bakeries in thirty-one cities. This is a $500,000,000 corporation and into its hands will pass the properties of a group of the largest baking companies in the country. This new organization will not only be the largest baking system in the world but will be one of the largest and most powerful corporations in America. As large as the initial organization is, its plans include the purchase of still more bakeries in many cities. This great combine has been talked of in Wall Street for a long time, and as a result the stocks of many of the big baking companies that were going in it have experienced sensational advances.

The New York World (Nov. 8), states that the combine includes the Ward Baking Corp., the General Baking Co., the American Bakeries, the Loose-Wiles Co., and others. The World says: "It is difficult to find out who are in this combine since almost all of the corporations concerned are owned in New York Harbor any more, but Jack, the old dog, of the time of Marruyat and Clark Russell is with us yet. That is, the men who go down to the sea-to-day in oil tankers and things that look like floating railroad bridges do not differ temperamentally from the old fashioned sailing ship sailors.

That is what A. E. Turner says, and he ought to know, for though he doesn't look much past thirty himself, he has been sailing for a good many years, though now he holds down a desk in the headquarters of the Ocean Association of Marine Engineers, 15 Whitehall Street, in the lower portion of New York City. His special job is to take in and hand out the small sums of money that enter and leave the treasury of the Association's Credit Union. No where was such an institution more truly needed before than in this country and that such things would be impossible. If they will write to George G. Baker, Secretary and Treasurer of the United Bakeries Corporation, they can get the information that class A common stock already reflects earnings of 8 1/2 a share, and that the Bread Trust is a real thing.

In the meantime the success of co-operative bakeries continues. But the serious question is, how soon will their development be obstructed by the big baking combine? A $500,000,000 corporation is in a position to effect great economies, even to the owning of flour mills and wheat lands. But will these economies redound to the advantage of the bread eaters or of the stockholders? That is what Mr. Turner says, and he has graduated from the engine room of steamships, "but if the stories that survive are anyway near true, I should say the boys who sail the high seas at the present time have inherited a good many of their characteristics from the past generation of seamen. Here's a sample only a few months old.

"Billy Thompson is second assistant engineer on an oil tank running between San Pedro on the West Coast and New York. Every time he reaches New York he has a good wad of money coming to him—some hundreds of dollars, anyhow. I happened to be aboard when his ship came into port two trips ago, and the first assistant, who is one of our enthusiastic members, came to me, and said:

"You want to get hold of Billy pretty quick. He doesn't wait till he gets ashore to break loose. Watch him.' I did watch him for a while. A girl had come aboard selling plaster casts. I watched Billy buy three of them, at three dollars apiece. Then came a boy selling subscriptions to a religious paper, to pay his way through a theological seminary. Billy subscribed—so did I. Billy had the paper sent to his boarding house, where he spends about three weeks in the year. Then came the Salvation Army lass, and Billy gave her five dollars. I didn't wait any longer. When I went ashore I had a couple of hundred dollars of Billy's money in my pocket."

"And what's happened to Billy since?"

"Mr. Turner chuckled. "You can't rate that sort of temperament all of a sudden. Billy's away on one of his western passages, but there's over fifty dollars to his credit here now. And that is doing pretty good. The first assistant usually gets hold of him the minute he gets his pay. Then during the rest of his stay in port Billy is up here every few days, swearing blue streaks against the Credit Union, because of all the trouble it puts him to. But he doesn't pawn his shoes any more. They say he's taking his shoes once and blackened his feet so they wouldn't attract too much attention."

Not all sea-going men, of course, are as bad as Billy, but the man who has led what amounts to a prison life for months and then suddenly finds himself free with a generous sum of money in his pocket is only answering the call of common human nature when he breaks loose. Most of them have the sense to regret their foolishness when they find themselves broke a day or two later. To many of these the Credit Union has been a means to permanent prosperity. The figures prove it.

Since it opened the first of the year the Credit Union has handled $40,000...
The Dairy as a Unit for Co-operation

(Part II)

By EDWARD SOLEM

Very little has developed as far as the Consumers' Co-operative Movement is concerned in the line of milk distribution since our last Congress. Several producers' co-operatives, however, have come to the city and begun distributing directly to the homes of the people.

We hear much in our day of direct trading, that is, cutting out the unnecessary middleman, and a lot certainly remains to be done in this respect. But it is the firm belief of your committee that the Consumers' Movement should reach out into the producing field instead of the producer knocking at our "back door."

It is not our intention in the least to say that the producer—not from choice, but from necessity—under the caption Milk Producers Are Also Milk Distributors that the producers way back on the farm are a long way ahead of us when it comes to doing things in a collective manner. They report that forty-one farmer-owned associations in America are distributing milk directly to 138,600 farmers. Twenty-three of these associations have been formed since 1925. These 41 farmer milk distributing associations are located in 22 states from Massachusetts on the east to California on the west; from New Hampshire on the north to Texas on the south.

The number of consumers' societies engaged in milk distribution we can almost count on the fingers of one hand. We can hear someone say that the farmers are organizing to get better prices; that it is a business proposition, etc. We will grant that. But is it not a business proposition for the city housewife as well to get as much for her dollar as possible? It is a very serious business in most cases. The only difference that we can see is that the producer has been wise enough to sell his labor in an organized way, while the city workers have been fooled into believing that high wages will solve the problem.

Your committee would recommend that an understanding be reached between the organized farmers and consumers' societies before we have too much conflict along these lines. It is confusing and a waste of effort to have such a condition as exists, in Cleveland for instance—two producers' organizations and one consumers' society distributing milk on the same street.

Our recommendation in this respect is that our Executive Board handle this matter, together with other propositions that will naturally come up, and report to our next Congress.

We lack system in our co-operative efforts in America—we are a hit-and-miss country.

Forward!

For the first time since 1922 a Co-operative Congress was able to devote its sessions to its real task—the discussion of Consumers' Co-operation as it operates in the United States and to make constructive plans for the extension of the movement. True 'faine' co-operatives that have taken heavy toll of the time and resources of The League during the eight years since its organization have met the usual fate of such enterprisers. The L. R. Steele Company, the Co-operative League of America, and the Consumers' Association of Philadelphia are bankrupt or have disappeared. At this writing they apparently have no successors.

A fine spirit pervaded the Fourth Congress. It was forward looking, confident. It infused the three days sessions and the post conference meetings. The delegates knew what they wanted and they went after it with zest. They did not always agree but they wasted no time in dissension. The vote was sometimes close but good will prevailed.

Above all the united purpose to strengthen the Consumers' Co-operative Movement. To the Finnish delegates in particular, acknowledgment is due for some of the most constructive measures brought before the Congress.

Co-operative Education

Among these was a resolution on co-operative education introduced by Mr. Severi Alanne, Educational Director of the Northern States League. It was passed by the Congress as read and is as follows:

RESOLVED, That the Fourth Co-operative Congress adopt the following educational program for the year two period between now and the Fifth Co-operative Congress.

1. The Board of Directors of the Co-operative League shall make a special effort during the ensuing fiscal period either to route a national organizer who shall visit co-operative societies, give them technical advice and arouse them to greater activity in the educational field; or, to financially assist the most active district or local organizations to route an organizer in their own district.

In this way permanent and active educational committees may be established.

2. The Co-operative League should assist more actively than heretofore the existing district leagues in their educational work and should make special efforts to organize additional district leagues.

3. The Board of Directors of the League should give all reasonable assistance in its power to the Northern States Co-operative League in its efforts to establish a co-operative correspondence school for the purpose of training efficient administrators for co-operative societies and of arousing more interest in the study of co-operation among members of co-operative societies.

The Board of Directors of the Co-operative League should co-operate with district or wholesale organizations af-
CO-OPERATION

filiated with the League, and, if possible with some of the large local societies, in issuing certain numbers of Co-operation in accordance with the plan presented in the report of the Educational Committee.

Other Resolutions

The following resolutions were also passed: A resolution authorizing the appointment of a Health Committee to work in co-operation with the Workers’ Health Bureau in formulating a code of safeguards which shall serve as a standard to ensure the maximum health protection to workers in co-operative enterprises; a resolution endorsing the effort to reconstruct the Federal Farm Loan Act to the end that it may be more genuinely co-operative, and to permit stockholders to control their own property; and further endorsing the effort to secure legislation embodying the principles laid down by the Banking Committee of the Co-operative League to secure the right to organize and conduct full fledged co-operative banks; a resolution introduced by Mr. S. D. Scudder of the Brotherhood of Locomotive Engineers National Credit Union Bank recommending the patronage of the various co-operative banks throughout the United States; and a resolution providing for the appointment of a budget committee of nine whose duty shall be to prepare an annual budget for the League, and to devise ways and means by which its constituent members shall be made to bear their proportional share of the financial burden that the financial burden is being borne by a few individuals. A resolution recommending the closer co-operation of trade unions and co-operative associations is referred to the Board of Directors of the League for action.

New Constitution

A new constitution was adopted making provision among other things for representation in the Co-operative League for various forms of consumers’ co-operative societies; for the election of a board of from 15 to 21 members recognizing geographical location as far as possible; for a system of initiative, referendum and recall and for the organization of district leagues with proper representation.

Banking Meeting Popular

Full accounts of the meetings of the Congress with reports of officers and committees will be published in the Proceedings now in preparation. It is only possible here to suggest the interest the sessions held from the first morning to adjournment at ten o’clock on Saturday night. At the evening meeting on Banking, the large rooms in the new cafeteria were filled to capacity. Leroy Peterson, cashier of the Amalgamated Bank and the first speaker, said that for the first time in the history of the banking business a commercial bank is co-operating with credit unions, the only true co-operative banks. The Amalgamated Bank, he went on to explain, will lend to any credit union in good standing with the Banking Department of the State of New York to the extent of four per cent of its capital, provided it gives customers’ notes for twice that amount. Mrs. Gertrude Matthews Shelby, secretary of the Banking Committee, emphasized the need for “peace of men of ideas and initiative. We need to amend every credit union law,” said Mrs. Shelby, “to give credit unions the right to accept deposits from any body. At present they can only accept deposits from members. We should have the right to start banks with small capital, say $10,000, and with shares as low in price as possible. Mr. H. W. Goss, Chairman of the Federal Trade Commission, said that business in the United States needs to be localized, decentralized. “One way to do it is through co-operative banks. The co-operative bank helps money in the territory in which it is made and builds up local business and industry.”

Initial Unit for Co-operative Business

Discussion of the Best Types of Organization centered around the margin of profit which is fundamental to success. Can a co-operative business operate at a profit? If not, why not? Miss Mary Arnold who opened the discussion spoke from two charts in strongly contrasting colors. Colors were used instead of the usual figures because they could be easily seen from the farthest part of the room. One chart showed how percentages had to increase if a cafeteria operated at a profit and compared the margin of profit with that of a laundry with which Miss Arnold said their organization had not been so successful. The other chart gave figures for the grocery business based upon a study of the operating costs of retail grocery stores by the Harvard University Bureau of Business Research. Representatives of dairies, bakeries and groceries then discussed the margin of profit as applied to their particular business and brought out not only what this margin was but that there was a difference in it between the east and west.

Housing

The interest shown in the Housing Meeting warranted a much longer session than was possible with that afternoon’s full program. Mr. Whittall urged a closer relation between the city planner and co-operatives. Mrs. Warbasse told of her observation of co-operative housing in eleven countries of Europe during the past summer, emphasizing that the lesson the war seems to have driven home is that housing must be handled by the government or co-operatively. There is no need to build them now,” she said, “for speculation in housing as we know it here. And homes are being built for people of very small incomes.” Mr. Clarence Stein spoke from the architect’s standpoint of the necessity for educating people to the meaning of co-operative housing. “Groups calling themselves co-operative want to build homes to sell rather than to live in,” he said. “The result is merchandise, not homes; a checker board system of narrow deep lots; badly lighted, poorly ventilated houses and noise. Not only,” Mr. Stein went on, “is it hard to get people to substitute for this a group arrangement but they are unwilling even to group their garages, to leave open spaces for recreation and green. Nor do they grasp that by the common use of paths, sewers, water mains they might partially cut down the 46 per cent of their houses which according to the Department of Commerce figures, is charged for lot and street accessories, financing, selling and profit—really not house at all.”

Reception, Bus Trip and Banquet

At the reception Wednesday evening, The League House was crowded to its utmost capacity while members heard Mr. and Mrs. Warbasse describe their four months’ tour of European co-operatives. The sightseeing bus trip to co-operatives in Greater New York was so popular with delegates and their friends that two 48-passenger cars were required. The banquet given by Co-operatives of Greater New York was successful in every detail. The toastmaster and speakers were in good humor and the catering of the Finnish Trading Association of Brooklyn left nothing to be desired.

In the Northwest

Mr. Goss and Mr. Rumm, the speakers at Saturday evening’s dinner held their auditors to the last word. To many present the achievements of the Finnish co-operatives in the northwest was not a new story. With Mr. Rumm’s vivid handling and touched by his humor, it “came alive” and his hearers realized that these Finnish citizens have made of Co-operatives a practical religion of self-respect and mutual service to say nothing of their contribution to the life of the community. According to Mr. Goss, farmers need co-operative organizations more than any other class of people. Their situation has forced it on them. Farmers have 68 billions invested in agriculture in this country,” he told the delegates, “and their gross sales are not 10 per cent on their investment; 26.7 per cent of them have lost their farms or are just hanging on. The point at which to start to help the farmer is credit—credit that will enable him to hold his stuff off the market until the
market is ready. The banks will lend for seed and harvest but when crops are harvested, the farmer has to sell. The farmer must have co-operative credit when he wants it. Something must be done in a legislative way to make co-operation a success. The Consumers' Movement cannot be worn down with ineffective production."

Eighty-nine delegates from 180 co-operative associations in 19 different states took part in this Congress and there were also 18 delegates from labor unions and from organizations in sympathy with Co-operation. The societies now affiliated with The League do a business of more than $15,000,000. Of these the Franklin Co-operative Creamery Association is the most spectacular success with its annual turnover of more than $3,500,000. Another highly prosperous society is the Soo Co-operative Mercantile Association with its six stores, its meat markets and its new plans for a department store. Its membership, typically American, is made up of many nationalities and religious faiths.

It is significant that Co-operation seems to flourish where there is a feeling of natural cohesion among our foreign-born citizens. At the Congress there were delegates from Bohemian, Lithuanian, Swedish and German societies. Mr. Blaha from Dillonvale, Ohio, represented the oldest Czecho-Slovak society in the United States and one of the most prosperous in the country.

Co-operation takes root more slowly among the American-born in spite of successes like Consumers Co-operative associations. The English, Germans or Scotch for instance has point. Sweden, like the other Scandinavian countries, indulges in no economic hysterics. In what country would the national traffic association, a sort of national chamber of commerce, publish a book which favorably mentions the co-operative associations? It does in Sweden. And in this same book, among the living noted Swedes, only one statesman is mentioned, that is Hjalmar Branting, who is described in this book of big business as: "a social political reformer and organizer of the Swedish Social Democracy. He is one of the leading democratic statesmen of Europe and Prime Minister of Sweden."

There is not much bitterness in Sweden. It is a friendly country. There is no purpose to smash anything or to overthrow anything. They are just going on building. They are moving toward co-operative democracy —and making progress. Politically, with a king and all of the machinery of monarchy, Sweden has vastly more democracy than either of the two great republics—the United States or Russia. Naturally in such a country, Co-operation makes progress. Nor is it surprising to find Anders Oerne, who is the executive head of the movement, a member of Parliament along with a considerable number of other co-operators. Steadily the co-operators are overcoming governmental hostility. They do it, not by taking Co-operation into politics, but by increasing their power in the economic field until the politicians respect Co-operation. The last Swedish Co-operative Congress was held in the beautiful new city hall of capital city Stockholm. The co-operators are taming and training the government. This is the evolutionary method.

Nothing seems to hinder the forward movement of Co-operation in Sweden. It goes on from one success to another. Before the war the members of consumers' society numbered 139,000; now they are 326,000. Before the war they had 840 stores; now they have 1,900 stores. The employees in 1915 were 2,128; now the societies require 5,500 people to do their work. The best societies are members of the Swedish Co-operative Union (Kooperative Förbundet). Of the 966 societies in Sweden, 900 belong to the Union. About one-fourth of the population are connected with the co-operative societies.

The Union has a thriving wholesale department. Its large warehouse building on the water front looks like "big business." In 1922 by establishing its own margarine trust. It is saving millions of crowns to the consumers of this product.

There is the Tre Kronor ("Three Crowns") flour mill, the largest in Sweden, located on the island of Håstholm in the charming harbor of Stockholm. This is an island of sixty acres. The mill is a thing of beauty—the most up-to-date equipment, architecturally imposing, electric driven, with harbor and docks, suction appliances for unloading grain from vessels every thing fine, completed in 1912.

After the war the capitalist owners of the mill could market only 60 per cent of the flour. The mill could be run only 16 hours a day. This made the cost of flour high and yielded no profits. They had to sell the mill. And there was only one organization in Sweden that could run it successfully. That was the Co-operative Union. Its members were more than the total output of the mill. The Union bought
it in 1922 and has been running it full capacity ever since—24 hours a day. It is an inspiration to go through this mill, which is a great thing; it is beautiful, powerful, and tremendously vital. The first striking impression is its cleanliness. The varnished floors would well serve for a ball room. The absence of warehouses, action floor—throughout the great assemblages of machines, one sees few human beings. Automatic machinery for washing, purifying and sorting grain, grinding, storing, charging and sacking flour all goes on with but little touch from the human hand. Here and there a man—125 employees in all—to turn out 250 tons of flour a day. The grain elevator has a capacity of 12,000 tons. We went through this mill with the miller—a young technical expert who knows his business. His office is adjacent to the chemical laboratory, which is the real intellectual center of the mill. Well dressed like a prosperous business man, this expert is far removed from the "dusty miller" of old. Having acquired his knowledge in a great mill in Sweden we now learn that, in the summer of 1924, the Swedish Union has acquired the largest flour mill in Sweden we now learn that, in the summer of 1924, the Swedish Union has acquired the largest flour mill in Sweden.

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even have organized a co-operative society to supply themselves with artificial arms and legs and other suitable appliances. The society is already famous because of the perfection of its products. It owns its headquarters and has comfortable accommodations for men who are waiting to be fitted.

Co-operation in the Czech countries dates back to 1850. A recent pamphlet by J. F. Dvorak, Manager of the Central Union of Agricultural Co-operative Societies, traces its development and contains interesting statistics. This writer tells us that the movement received great impetus with the formation of the Czechoslovak State. Many new co-operative societies are being formed. Their increase in number, however, does not represent their increase in the strength since the Central Federation does not organize small co-operative societies but instead encourages the amalgamation of isolated societies into regional groups. Some of the latter can be compared to the largest co-operative societies in Europe. The number of distributive societies in January, 1924, was 219.

Farmers Make Success of Co-operative Laundry

Ten years of successful operation is the record of the River Falls Co-operative Laundry Co. in River Falls, Wisconsin, organized to serve both town and country families. Business has increased from $5,500 in the first year to $16,426 in 1923. It owns real estate, buildings and equipment amounting to $10,900, has capital stock to the amount of $8,540, a reserve fund of $551 and shows a net profit for 1923 of $801. It pays 6 per cent interest on stock and prices are as low as are commensurate with good work. The only other farmers' co-operative laundry in the United States that has been successful for a term of years is the Chatfield Co-operative Laundry in Minnesota, established in 1912. And this laundry now reports it is harder to pay expenses at their present prices on account of the cost of supplies and labor.

The Franklin Clubs

At both south and north side plants this winter clubs will be organized to work in conjunction with the co-operative training school at the Franklin Co-operative Creamery Association and hold again this year in conjunction with the Northern States League. The Creamery is ambitious to make this school permanent in Minneapolis. It believes that by means of clubs, students can spread what they learn in co-operative classes. The Franklin clubs will be part of a chain in Minneapolis and St. Paul and will be organized with the assistance of the Speakers' Service Bureau which acts as a booking agency for speakers and provides reading courses for labor organizations.

Help the Farmer to Spend His Money

The farmer cannot spend his money, once he has made it, without giving up his occupation and going to town, complains Dr. C. J. Galgani, a speaker from the U. S. Department of Agriculture, in showing that archaic methods of distribution in the United States compel the farmer to spend his money in food, clothing and housing. The land grant colleges, he feels, should not leave this problem of better distribution unsolved. They should not only teach the farmer how to make profits but how to spend them to better advantage. Why not, as co-operators, we ask, add courses on consumers' co-operation to the college curriculum?

1,000 Necessary to Make Market Succeed

In a little Wisconsin village of 1,000 population one meat store served the people, and the proprietor seemed successful. Another meat dealer thought that if the first could make money in this village he could do the same. Accordingly a second meat store was opened, and, though well patronized, lost money from the beginning. Sales of the first store, moreover, were cut nearly in half by the new competition, and it lost money, too.

It takes about 1,000 persons to support one meat store. This is true of large cities as of small. A situation very similar to the one already mentioned in Wisconsin occurred in New York City, where the success of one neighborhood meat market caused another to be opened in the same locality. Immediately the first market began to lose money and the second never reached the point of making any. Before you open a butcher shop, count the meat dealers in your town and if there is not a patronage of at least 1,000 for each, don't start. (U. S. Department of Agriculture.)

Foreign

Russia's New Front

"Strengthen the co-operatives for the coming year. Get next to the peasant," are the slogans of the program by which the Communist government aims to capture the retail trade of Russia and co-operation. All Federal Press dispatch. This is Russia's new front. Last year the increase of industry was the main problem. While headway has been made in this field, it is a different story with commerce.

At the beginning of 1924, 64 per cent of trade was in private hands, 36 per cent in government and co-operative hands. The government had the greater part of the wholesale trade but private traders had between 80 per cent and 90 per cent of the village stores.

The activities of the Communists in regard to Co-operation seem to be causing excitement in several quarters. The official organ of the German Co-operative Movement, Konsumenten- gesellschaftliche Rundschau, has published a series of articles attacking the Communist campaign. The Co-operative News (British) gives an interesting outline of the scheme the Russian Communists have worked out in regard to trade and co-operation. All luxury trading is to be prohibited. Co-operative stores must limit their assortment of goods to "articles of mass consumption by the workers and peasants. Prices of goods must be lower than in private stores.

From recent bulletins of the Centralosyus it appears that the immediate task of the Russian co-operatives is to join the city's industries to the peasants. Co-operative business in 1923 was 496 million roubles, a gain of 190 million roubles over the previous year. The movement has been strengthened by the recent reorganization of the membership on a voluntary basis. This will ultimately clear out indiffergent members while keeping those that are interested. As a result of this new policy, it is estimated that the number of active members in Central Russia alone will reach 7,000,000 of whom about half will be peasants. These Russians go in for co-operative education too; 6,000 students enrolled this year in the various co-operative colleges and schools. Higher education is already given in a number of universities and beginning next year will be introduced into the high schools of the country.

All the news from Russia indicates the purpose of the Communist government to weld the co-operatives into the class movement. Working out the new economic policy initiated by Lenin seems, however, to be a more subtle problem than his successors anticipated according to Arthur Ransome in the Manchester Guardian. The Russians, he tells us, want to frustrate private capital without suppressing it. "A policy of absolute suppression would arrest the economic recovery of the country." The Russian Communists seek to utilize all activity and superior economic organization of the co-operatives." Through them they hope to help the poorer producers to obtain collectively the agricultural implements that they lack. They realize that "co-operative agriculture, however, must gradually come to compete with the rich individualists peasants precisely as in the towns co-operative trading is competing with the private trader. There must be no attempt to hurry the process in such a way as to lead to the lessening of production."

The situation takes on additional interest for Americans when they read
CO-OPERATION

(Federated Press News) that according to the European Trade Division of the U. S. Department of Commerce, a larger percentage of the foreign trade of Russia is handled by the United States now than before the war. "The Soviet government has established a monopoly of foreign trade, which it is exercising in a way that sets at naught the trade promotion plans of the Department... Three big agencies of the Soviet government have been established in New York, to sell to us what Russia has to offer..."

Mrs. Blanc, whose book has already appeared, has discussed the trade promotion plans of the U. S. Department of Commerce, a concrete body on all matters of common interest. (c) To establish the Central Organization under the ownership and control of the Federation.

The "Central Organization" referred to in the Westralian Farmers, Ltd., which, up to the present, has been the Co-operative Wholesale Society of Western Australia, and which is doing an extensive and progressive business for Westralian Co-operative Societies and companies. The Federation, then, includes within itself the Wholesale, and becomes the advocate and guardian of co-operative ideals in the West.

Eighty-one Co-operative Societies and companies, including Westralian Farmers, Ltd., constitute the membership of this Federation. Some of the societies simply run a store, while many of the companies conduct store businesses in addition to handling farmers' produce.

And the consumers in the towns and cities have yet to prove that they can carry on agriculture as effectively and economically as can the farmers. Accepting these as established facts, we must look with deep interest at the formation last year of "The Co-operative Federation of Western Australia." Its objects are set out to be: (a) To promote uniform and sound practice in the Co-operative Movement and friendly relationship in all matters of co-operative business. (b) To bring about proper and efficient co-ordination and co-operation between members, and to ensure that the movement acts as one concrete body on all matters of common interest. (c) To establish the Central Organization under the ownership and control of the Federation.

The present capitalist system produces a profit, or an involuntary saving by the consumer, which is appropriated by the capitalist. The latter uses this profit to buy better machinery, expand his factory, build mansions for himself, buy works of art, and endow hospitals and educational institutions. These activities tend to lift humanity to a higher cultural level. It is this accumulation of surplus that makes the greatest accomplishments of civilization possible. The rain running in shallow brooks and streams down the Catskills and Adirondacks will not float a single ship when gathered into the Hudson River is a mighty channel of commerce. If Rockefeller's 1000 million dollars were equally divided among a million persons, its power for cultural advance would be practically nil.

Co-operative societies should accept the lesson taught by capitalism. Co-operation is democratized capitalism—a reservoir to conserve money and human power for the benefit of the consumer. To sell at cost is to waste this reserve of accumulated savings and exculde the possibility of cultural improvement. People are only too willing to ape the millionaire in buying fine clothes, expensive ornaments and extravagant pleasures; they cannot follow his lead in cultural improvement without the outlay of more capital than they command at present.

The English Co-operative societies pay a high dividend, sometimes as high as 18 per cent but this money belong to the members who bought the goods and the service. The members collectively own the co-operative which uses to expand the business. A similar example is the New York society that conducts several cafeterias. They charge market prices for good food, and have built up a strong reserve which enables them to continue the extension of their operations.

Briefly, the lesson is to sell at a sizable profit. Without profit there is no saving, no reserve, no expansion, no strength. Savings surplus is the foundation of culture and progress.
Does America Want to Co-operate?

By W.P. Hamilton

If Wall street represents not only the great financial business of the country but also the financial interest of any one with savings properly protected, which I think is true, and if I am a spokesman for Wall street, which is more debatable, you may rest assured that that is the opposition here to Consumers' Co-operation of any kind when it does not make demands on the taxpayer through the government.

It seems to me that the greatest difficulty here is to furnish all the advantages of Co-operation to people who do not choose to co-operate. Co-operative stores in Great Britain are conducted on a strictly cash-and-carry basis, thereby reducing their overhead and enabling them to return six per cent dividends to the members of the co-operative association. But the American consumer wants the service which is furnished by the great department store, delivering goods at his own door twenty miles from New York and accepting returns of the same goods with full credit if his fancy changes after he receives them. In other words, he does not want to co-operate. He cannot carry home with him such a bulky article of consumption as coal, but I do not think Co-operation will get down to the people who need it most until we restore the homely market basket. It is perhaps true, although even that is debatable, that American business is the most efficient in the world. Nothing else could possibly offset America's appalling record for waste. I have come across no instance of employee ownership of stock which has not had beneficial effects in the direction in which you are working, and there is not the slightest need for employee representation as such as boards of directors. Efficient America is not run by talk and boards of directors are not debating societies, as so many advocates of labor control in industry seem to suppose.

One thing which will unquestionably obstruct Co-operation is democracy's distrust of efficiency. It is willing to put its faith only in a mediocrity which it can understand. This is the reason why great department stores in England, conducted by men like Selfridge, are able to compete in price with the co-operative stores there, in spite of the heavier overhead. I am afraid that Co-operation will not care to pay first-class wages for first-class administrative ability.

You have my sympathy in your attempt to eliminate the middleman. I am anxious to see a demonstration of the extent to which he is indispensable. He must be useful, or at least convenient, or he would not exist. You are probably correct in saying that we are paying far too much for his services.

Failure An Incentive

It is evident to one who observes the progress of Co-operation throughout the world that it is a rapidly growing movement and that in less than another hundred years it will dominate the markets of the world, both wholesale and retail. The principles of Co-operative Marketing are scientific and economically sound, and it will eventually, because of its efficiency, prevail over every other system.

No Co-operator or group of co-opera-

Book Reviews

Agricultural Co-operation in Denmark

By Chris L. Christensen

This little 88 page booklet, published by the United States Department of Agriculture, is a most compact and informative story of the development and present status of Co-operation in Denmark. The first fifty-five pages are devoted almost entirely to co-operative marketing. In the latter part of the book we find an excellent treatment of co-operative buying and co-operative credit.

"The Danish co-operative system is developed independently of all state, political, religious, and social-class points of view," Mr. Christensen tells us. And this fact accounts in no small measure for its effectiveness, whether in selling bacon, eggs and butter, or in buying groceries or extending credit. The consumers' store movement has attained the largest proportional development of any European country. -11.17 per cent of its population hold membership in co-operative stores; or, basing our estimate on five to a family, considerably more than one half of the population is served by these distributive societies.

Iceland ranks second with 9.86 per cent of its people as members in co-operative buying societies; and England and Scotland third with 9.48 per cent. These are Mr. Christensen's figures as of 1921, the largest in Denmark is the Copenhagen society with nearly 29,000 members in 1921.

The consumers' movement in this North European country has a few features that are new to us in America. All societies are unincorporated and the members have unlimited liability for debts. Any disputes arising between societies or between individual members of societies are settled by boards of arbitration formed by the society and cannot be taken into the courts of the country. Practically all of these consumers' organizations are non-stock, each member paying in only a small initiation fee and the balance of the operating capital being borrowed. Managers' salaries are usually fixed on a commission basis. If the society agrees to sell only to members it does not have to...
procure a trade license from the state and has to pay no income tax. Forty per cent of the societies take advantage of these exemptions.

Co-operative wholesaling in Denmark has developed differently than in most other European countries. The Co-operative Wholesale Society, with its membership of more than 1,800 societies representing nearly 340,000 individuals specializing in commodities to meet the needs of the individual consumer. There are special wholesales for buying agricultural supplies and other special commodities demanded by organizations. The Danish Farmers Co-operative Association often organizes the seed growers and organizes the sales of seeds, but agrees not to retail seed and turns over all the retailing business to the Co-operative Wholesale Society. This is an exception, however. There are four Feed Supply Associations which buy at wholesale and sell at retail quite independently of the Co-operative Wholesale Society. The Danish Co-operative Fertilizer Supply Association does likewise; also the Maring Associations and the Co-operative Cement Factory. The Coal Supply Association is another independent organization.

All of these wholesales which confine themselves to handling one commodity only have a contract agreement with their members. The purchasers of coal sign a five-year contract to purchase no coal outside the co-operative.

There is no buying contract between the consumers’ store and the Co-operative Wholesale Society, yet the stores of Denmark need growth of all other European countries in that they place three-fourths of their wholesale purchases with their own Wholesale, while in England, Scotland, Germany and Switzerland the consumers’ stores place only one-fourth of their orders with their own organization. Each consumers’ society subscribes for stock in the wholesale on the basis of one share for each twenty individual members. A peculiar feature of the wholesale organization is that it will permit only retail societies to affiliate that are organized on the unlimited liability plan. The Co-operative Wholesale Society of Denmark is a member of the Scandinavian Co-operative Wholesale Society, a joint buying organization of the three wholesales in Denmark, Norway and Sweden, which deals principally in foreign trade.

Mr. Christensen’s section on co-operative banking is equally interesting. He shows that the numerous credit institutions, modeled after the German long-term co-operative credit organizations, are voluntary, non-profit-making organizations of only the borrowers may become members. All loans are made on first mortgages. The loan cannot exceed 30 per cent of the value of the property mortgaged. Another highly important feature of this banking institution is that the borrower must himself be farming the land on which he borrows. The 15 associations of this kind operating in 1921 handled more than half of all the long-term first-mortgage credit utilized by the Danish farmers.

The co-operative savings institutions are also purely voluntary in character and differ from the credit institutions in that they handle very few mortgages and specialize in loans on personal property. Credit unions give their members a complete banking service, but are also on the unlimited liability plan and may loan only to members. At the head of this great long-term co-operative banking in Denmark is the Danish Co-operative Bank at Copenhagen which is a capital stock association with 46 branch banks. This institution has won the confidence of being the nation’s clearing house for the financing of all agricultural exports. Individual shareholders are never allowed to elect more than half as many delegates to the board of this bank as the co-operatives, and voting privileges are extended only to shareholders who have actually done business with the bank during the current year.

The foregoing are but a few of the high lights that shine from this illuminating little book. Everyone interested in the theory of co-operative organization should read this work of Mr. Christensen’s.

C. L.
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