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Can Labor Get All the Profits and Win

Take a look over the results of the increase of wages in the pivotal industries. What has happened? When labor has gotten more wages, prices have been put up higher.

Read the report of the U. S. War Labor Board on “The Relation Between Better Wages and the Increased Cost of Living.” When labor got an increase of 16% in the sugar industry, the price of sugar was permanently increased more than 40%—at first it was jumped up over 300%!

The coal companies in 1909, when they increased wages, increased prices four times more.

In 1905, the cost of labor on a pair of shoes was 60 cents. Fifteen years later the labor cost was $1.02. That means that during this time labor got an increase of 60%, but the price of shoes to the consumer increased 200%.

It is a pretty general rule that when the industry was to pay an increase of wages, it adds to increase the price of the commodity, and then, to be on the safe side and to provide for any unexpected contingencies in the future, it adds some more.

How many of us have been cunning enough to observe that the more labor attempts to cut into the profits and take them for itself in the form of larger wages and shorter hours the bigger the profits become? How many people have realized that instead of reducing the profits of the employer, the demands of Trade Unionism result in increasing the profits of the employer?

Do you recall the motto of the Industrial Unionist—“Strike; get an increase of wages; rest; then strike again.” Many trade unionists believed that this was the way to win: to keep on striking and demanding until the workers finally have gotten all of the profits. Then the industry would fall into their hands like a ripe apple. They said: “When labor takes all of the profits, labor will then take charge of the business. When labor is at the top, the man who was once a capitalist or an employer will have to join the ranks of labor. He will have to go to work himself, if he wants to make a living, for there will be no other way!”

But what are the facts? The more wages the workers have gotten in response to their demands or their strikes the more profits the employers have made. Look at the surplus wealth in interest and dividend which have been created by our industries in these days of high wages. Low wages could never have created such profits.

Is the worker “getting control of the business”? Is the employer “joining the ranks of labor in order to make a living”? He surely is not.

Industrial unionists may answer, “We have not had enough strikes, we have not gotten enough in wages yet.” But the facts stand out—more wages; higher prices; more profits! Is there anyone who still claims that is the way to put the employer out of business? Is there anyone who still thinks that this is the way to supplant the capitalist?

Of course we are for labor organizing. Labor should organize for the same reason that the capitalist organizes—for protection and for solidarity.

But neither the capitalist, organizing to get more profits, nor the worker, organizing to get more wages, can change the present industrial system. Neither is offering a fundamental plan of constructive progressive action.

Before we can have a plan we must have a motive, a motive that is as sound as it is human. The best motive we know for the reorganization of industry is to have industry run in the interest of all the people. At present it is run in the interest of the owners. Some people run it for profit, some for the benefit of the industry run in the interest of all the people. We believe neither of these are sound. They are not human either. They leave too many of us out of the picture, the women homemakers, the old folk, the non-industrial workers. They all need to be included. These people are all consumers.

To run industry for service is a sound motive. To run the industrial system in the interest of the consumers, this is a motive that excludes none. It is one of the few motives that exist in the world. The Consumers’ Co-operation is the plan that can and does put into effect service for all rather than profit for the privileged. This is the program for a New Civilization.

J. P. W.
Co-operation Among the Farmers

Address Delivered at the Fourth Co-operative Congress

By Albert S. Goss

Master, Washington State Grange; Formerly Manager, State Grange Wholesale

In discussing Co-operation among the farmers we must remember that farmers are not all members of co-operative associations, and all those who belong to co-operative associations are not all co-operators. The percentage of real co-operators is small. Nevertheless I believe that there are more farmers interested in Co-operation than any other single class. We have 10,000 agricultural co-operative organizations in America to-day. Some of them have a membership as high as 10,000. They call themselves "co-operative" although the members know but little about it.

There are two reasons why we have more farmers than any other class in the co-operative movement. First, the average farmer has more opportunity to think about the problems of his business than any other single class. We have met here primarily to consider the Federal Reserve Board's marketing plan for the 1920 crop. It is not a new plan; it has been before Congress many times in the past. The farmers' demand for a marketing plan has been a persistent one. The government has been slow in meeting this demand, but it is now meeting it. We have incorporated this plan into a national marketing act.

The farmers say that until we have a dependable source of credit, we cannot build a strong co-operative movement. Our plan is to base automatically the amount of credit on the amount of success in raising crops. There must be some system under which the credit can be distributed to consumers. The idea is that the consumers' movement is more the same, and the producers are your buyers.

I want to read to you Mr. Swing's statement in connection with this:

"I cannot understand how men can continue to deny that the decision adopted by the Federal Reserve Board was not deliberately aimed at the farmers."

"I was present at the meeting of the bankers of southern California, held at El Centro, in my district, in the middle of November, 1920, when W. A. Day, then deputy governor of the Federal Reserve Bank of San Francisco, spoke for the Federal Reserve Bank, and delivered the message which he said he was sent there to deliver. He told the bankers there assembled that they were not to loan any money for the purpose of enabling the farmer to hold any of his crops beyond harvest time. If they did so he said the Federal Reserve Bank would refuse to rediscount a single piece of paper taken in such a transaction. He declared that all the farmers should sell all of their crops at harvest time unless they had money of their own to finance them, as the Federal Reserve Bank would do nothing toward helping the farmers hold back any part of their crop no matter what the condition of the market.

"I think I was the only person present who was not a banker. This was in a way, confidential advice being given by the Federal Reserve Bank for the guidance of the smaller banks, many of whom were members. One of the bankers asked Mr. Day this question: 'If you say to us we cannot loan the farmer the money with which to hold his crop until the farmers may loan money to hold the crop until it can be taken up by the market in an orderly way according to the demands of the consumers?' 'Oh,' said Mr. Day, 'of course, we will have nothing to do with that. We will take up the crop and hold it until the market is ready for it.'"
We have sixty co-operative store societies in our district federation in Washington. Thirty of them are real stores and the remaining thirteen are buying clubs. They are doing business to the amount of six million dollars worth per year. We have our own feed mill, and in three years we have not had a single case of feed adulteration charged against us and there have been one thousand cases charged against private dealers. We have been forced into consumers' co-operation. The average farmer is slow to go into business, but we have been forced into it. Our only hope is to control the source of the products we need.

We were selling cereals. An Eastern manufacturer, wanting our market came to the notice of the Agricultural Department and said he would not sell us any cereals. He had already developed a market in the East and we were to have his cereals. He had a feed mill in the West, and he showed us how to produce our cereals. He said we should have our own feed mill and he would supply us with the grain. We took his advice and we are now able to produce all the grain we need. We are able to control the source of our food supplies.

The farmer is the victim of the middleman quite as much as any other consumer. I could tell you of hay purchased for $20 and sold at $60 a ton. Farmers were forced to buy hay and could not get it anywhere else. This kind of profit-taking is nothing short of robbery. It is against this practice that the farmers have contended. The adulteration of feed is a common practice among the middlemen, despite the laws which are supposed to protect the consumer. There were more than two hundred violations of the law in the State of Washington, which came to the notice of the Agricultural Department of that state in one year. Out of these only five feed dealers were fined $500 each. The Department didn't divulge their names. The fine is nothing but a license to protect these men. We have laws against adulteration but they do not need them.

Letters From Abroad
Finland, the Farthest North
By J. P. Warrase

The Finns have suffered about everything that ruling classes can impose upon them. The Swedish government on one side and the Russian on the other fought over them, robbed them, persecuted them, and "governed" them for over 800 years. Despite all the attempts to stamp out their language and their national solidarity, both have survived; and what is more, Finland has built up a great culture and a fine people. The world is compelled to admire them. There are scarcely 3,000,000 Finns, but they are playing a noteworthy part in advancing civilization. Those who have come to the United States can show a larger percentage engaged in co-operative organization than can the people from any other country in the world.

Take the boat from Stockholm in the evening. As you sail out of that beautiful harbor you get a good view of the big flour mill of the Swedish Co-operative Society on the island of Haga. It seems as if the water's edge like a monument to human progress and faces the palatial residence and grounds across the harbor of the 

"money king" of Sweden. The symbol of the civilization of the future and the symbol of the civilization of to-day face one another at the gates of Stockholm and the stream of traffic passes between. Some day one of them will be gone.

In the morning you arrive at Abo, Finland. There on the pier stand the Finns. You see a half a dozen whom you recognize at once. But you are wrong; they really are not Alanne, Niemela, Grandahl, Wirkkula, Rinn and Liukku—they only look like them.

By train you come to Helsingfors and get out at the railroad station which is unique in its beauty and architecture. And then you are in the heart of Finnish Co-operation.

If you are fortunate enough to be welcomed at the station by such a friendly host as the K. K., with Mr. Ules Primus-Nyman as its representative, you are happy indeed. Then you proceed to learn about co-operation.

The oldest co-operative store in Finland dates back only to 1899. The "Pellervo" Society (1899), is the first serious attempt at a co-operative movement. Then societies multiplied. In 1904 the Wholesale S. O. K. was formed by the union of twelve store societies. Since then the movement has grown steadily. Co-operative societies, co-operatives in the cities and towns, coffee roastery, banks, factories—yes, everything is in the hands of the farmers and they love it so much that they can and would organize.

There are scarcely 3,000,000 Finns, but they have been able to control the source of the things we need. They have been forced into consumers' co-operation by inefficient system in the place of an efficient system. They have taken this into business, but we have been forced into it. Our only hope of economic freedom is to control the source of production, the source of the things we need.

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print, the others for want of space must be abbreviated to their initials. With many young, efficient and aggressive men in the management of this organization, its progress has been remarkable. In the course of seven years its member societies have extended over all Finland. Its member societies have over 1,000, stores, with many bakeries, restaurants and other productive plants.

The total membership of the K. K. societies has become nearly as large as that of the S. O. K. Its life insurance society "Jotkansa" and its fire insurance society "Tuleturva" are also growing. Its central offices in the Helsingfors are models of efficiency. Here one finds systematized every necessary department for carrying on the work of a central union. Among these departments may be mentioned the following: Propaganda, Management, Supervisory, Building, Law, Audit, Employment, Education, Publishing, Statistical, Foreign, Sales, Productive Plants, Office Furniture, etc.

And just a few blocks away is the head office of the S. O. K. with a duplication of all of these splendidly organized departments—two central offices in the same city doing much the same work!

One day in July we drove sixty miles out in the country from Helsingfors to visit the Ahjo society. In this district the people of several of the country towns formed a society which nearly the whole population belongs. The one big business of the Helsingfors is the baking of bread to relieve the housewife of drudgery and barefooted women of the country to Imatra. Here in the forests, a bakery in a new building produces the best bread in the world.

The Finns get results. They work together. They have a strong clannish spirit. And above all they have social ideals. No people in the world, of whom I know, have a more earnest desire, backed by a will, for the advancement of social justice and they are willing to work for it. This springs, perhaps, from the fact that for centuries they have been persecuted and subjected by the Russian government and the Swedish rulers. For nearly a thousand years they have hoped and struggled for liberty. Now they find themselves on the way to attain it. And cooperation is the instrument they find most effective.

The K. K. was once accused of left wing socialist activities. In America the Finns have regarded it as the Communist wing of the Finnish movement. This is positively not correct. The K. K. is neutral in politics. Some of its leaders and many of its members are personally promoters of the politics of the Social-Democratic party, but the K. K. as an organization takes no sides in politics. Its officers are not Communists. Of the members of the society, six years ago have looked with some hope towards communism to save Finland from militarism and from the white terror of the bourgeoisie; but if they did then, they do so no longer.

At present, not only the officers but the general membership of the K. K. are strongly opposed to communism. What little influence communism once had is gone. They will have none of it. They feel that it is destructive of cooperation. In every country in Europe, except Russia, the leaders of the co-operative movement are opposed to communism and in no country is this feeling stronger than among the leaders of the K. K. in Finland.

The American Finns will make a useful contribution to the accurate study of cooperation if they will circulate the knowledge of this fact.

The reason that these K. K. leaders are opposed to communism is because they are thoroughly radical. They want to see a co-operative commonwealth take the place of the capitalist system in Finland, and they believe that cooperation can accomplish this end and communism can not. They have seen communism in action and they know its limitations by observation of it at work. As one of them said: "COMMUNISM would only break down what we have thus far built, give us disorder and autocracy in its place and then swing back toward capitalism in the end; we want to keep moving steadily onward."

Finland is moving on. The consumers' co-operative societies are steadily growing. Already in this country of a little over 3,000,000 population, the consumers' societies connected with S. O. K. and K. K. have a total membership of 350,000—that represents more than half of the families of Finland.

There is something about the Finns that makes them effective co-operators. They make their societies succeed because they are willing to sit down together and give all of the time necessary to think things over and plan things out. When they have a meeting they talk slowly and deliberately, the more the movement of society. They then do an unusual thing: they go out from the meeting and put into action the things they agreed upon.

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News and Comment

National Co-operative Wholesale Federation

O N E of the outstanding results of the Fourth Co-operative Congress in November was the Conference of Wholesale Managers and those engaged in joint buying activities. These sessions began Sunday morning and immediately followed the Congress and continued for a day and a half. The subjects discussed were:

Brief history of the wholesales represented.

Possibilities of consolidation of buying of flour and other commodities.

Access to producers of nationally advertised products.

Import and roasting of coffee by wholesales.

Necessity for uniformity of co-operative labels and brands.

Promoting the loyalty of retail managers.

The buying club and the wholesale.

Wages among wholesalers employees.

Dealing with the credit evil.

Publications by the wholesales.

Organization of a permanent wholesale federation.

Those present for part or all of this Conference were:

S. Alanne, Educational Director, Co-operative Central Exchange, Superior, Wis.

A. W. Man, General Director, Co-operative Central Exchange, Lynn, Mass.

K. G. Grandahl, Manager, United Co-operative Society, Fitchburg, Mass.

George Keen, General Secretary, Co-operative Union of Canada.

W. Ninnelle, Manager, United Co-operative Society, Maynard, Mass.

Egal Ronn, Manager, Co-operative Central Exchange, Superior, Wis.

M. Robbins, Manager, Co-operative Bakeries of Massachusetts, Lynn, Mass.

A. W. Warinner, Manager, Central States Co-operative Wholesale Society, East St. Louis, Ill.

Dr. Warbasse and Cedric Long represented the Executive Staff of The League.
Mr. Ronn briefly outlined the development of the Co-operative Central Exchange since it first started in business in 1917 with one employee at a rented desk, up to the present time when it is doing a business of almost three-quarters of a million dollars and has more than sixty retail stores in affiliation. Mr. Warinner related the story of the Central States Co-operative Wholesale, stating it as a conference for joint buying in 1919; swollen in 1921 to a vast chain store system doing a business of almost three-quarters of a million dollars; and shrunk again in 1923 to a condition of virtual bankruptcy.

The Central States Wholesale is now organizing the educational work which should have been done from the beginning and for the past twelve months is showing a healthy growth. Mr. Goss related the story of over-expansion in Washington with its disastrous effect on a group of farmers' stores organized merely for the purpose of giving bargaining in prices. Like the Central States Wholesale, the Associated Grange Warehouse Company, now built over the ruins of misnamed "Rochdale Co-operative" (Pacific Co-operative League), is gradually building up a strong membership and a substantial business among forty or fifty stores and an equal number of buying clubs in the Northwest. One of the most powerful influences for progress in Washington is the central accounting system conducted by the Warehouse Company in Seattle, and the exchange and comparison of invoices from the various stores.

The question was raised as to whether the wholesale managers and employees were fairly uniform in all parts of the country. There was a slight variation in the average of wages paid to managers of retail stores.

The Central Exchange does all of its practice through articles in the Finnish papers. The Grange depends entirely upon The Grange News of the state of Washington. The Central States Wholesale utilizes both the United Consumer and the Illinois Miner and does a great deal of direct advertising in the former.

At the close of the last session of the Conference, Mr. Warinner expressed the opinion that this meeting of the wholesale managers of the entire Congress had been a highly successful meeting; whereas in Seattle the conference of store managers had to be discontinued.

Mr. Ronn promised to attend the next meeting of the Conference of Massachusetts Jewish Bakeries to talk with them about the joint buying of flour directly through the Co-operative Central Exchange. It was also agreed that samples of the flour now being used in the East should be sent to Mr. Goss in Washington so that he can have tests made and thus be able to make his investigations in Montana more intelligent.

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The question was raised as to whether the wholesale managers and employees were fairly uniform in all parts of the country. There was a slight variation in the average of wages paid to managers of retail stores.

The credit evil was found universal. The private manufacturers or brokers who were willing to discount for co-operative wholesalers find a ready excuse in the credit practice of the co-operative wholesalers. The Central Exchange is very strict with its local stores and charges interest on all accounts overdue; but it finds that less than 10% of its retail stores are doing a cash business with their own people.

The question of loyalty of local store managers and control of local stores is a difficult one. The wholesale in Seattle establishes its control through its central accounting system and the inspection of purchase invoices. The Central Exchange relies largely upon its auditing department and its training school for managers and bookkeepers. Both the Central Exchange and the Central States Wholesale find that the Cooperative Central Exchange, a proportion of which develop into co-operative buying clubs, a proportion of which develop into co-operative producing clubs. The Central Exchange sends to the Central States Wholesale a voluminous report to Congress dealing with certain phases of the subject. Insurance and housing are omitted. But the report is illuminating on banking, distribution, co-operative education, women's organizations, international Co-operation and co-operative laws.

It is a progressive sign that at last our Congress has had presented to it a document to the President naming that the Co-operative Movement is of such magnitude and importance as to challenge attention. The report states that "more than 120,000,000 people are linked up with the co-operative movement." It is not news to co-operators, but it certainly is news to the Congress of the U.S. that, "during the world war the state
authorities in a number of countries found in the co-operative the best if not the only large-scale organization available for distribution of the necessities of life and a serviceable agency for protecting the public against profiteers." The report goes on: "Moreover, in the post-war era the net economic reforms seemed impossible of work of co-operative societies stretching out and development of trade and industry like the United Kingdom, Germany and France, the consumers' co-operative societies rank among the largest producers and distributors of necessities of life. In England and Germany nearly half of the population is supplied by the consumers' wholesale and retail societies." The report goes on and gives figures showing the membership.

It may open the eyes of our political class to learn from a governmental source that, "in some of the larger countries of Europe like the United Kingdom, Germany and France, the consumers' co-operative societies rank among the largest producers and distributors of necessities of life. In England and Germany nearly half of the population is supplied by the consumers' wholesale and retail societies." The report goes on and gives figures showing the membership of the societies in many lands and the amount of business they do.

There are such chapter headings as "World-wide Extent of the Co-operative Movement," "Magnitude of Business," "The Factors which have contributed to the Development of the Co-operative Movement," and "Advantage of Consumers' Co-operative Societies." Under the heading, "Conflicting Interests of Consumers' and Producers' Cooperatives," the Commission gives its observations on the various methods of harmonious exchange discovered in different countries. Thus the report shows that in Switzerland the local consumer's society and the farmers' co-operative society jointly operate a market in the city. In Switzerland the consumer's society unite with the farmers' societies and with the local provincial government to appoint a committee that fixes the price the consumers shall pay the farmers for milk.

Perhaps the most illuminating section in this report is "Co-operative Education and Co-operative Aid." Here the Commission shows an unusual, and we may say with apologies, an unexpected grasp of the whole co-operative problem. This is summarized briefly as follows:

"The factors which have contributed to the development of the co-operative movement vary in the different countries. It is generally recognized, however, that popular education and training in co-operative methods and principles, by means of systematic educational propaganda and through special schools established for this purpose, is the one agency which has been most fruitful throughout the world in causing the co-operative idea to take root and to prosper. Leaders of the co-operative movement have time and again emphasized the fact that the best aid which the State is able to give to their cause consists in promoting the study of Co-operation, its aims and agencies, but otherwise to allow it freedom to develop independently by its own initiative and through its own resources and agencies. Experience in the United Kingdom and in Continental European States shows that State aid along other lines has in the long run proved more of a hindrance than a benefit to the co-operative movement. In some of the newly formed states of Europe, where war had practically wiped out industry there has been an exception to the principle of no state aid in the matter of reconstruction. Here the governments have given at least temporary financial assistance directly to co-operative societies."

The important fact is that if government would give pupils in schools and colleges information and instruction in the co-operative method of business, as it does in the profit-making method of business, this is all that need be done if the Government favors are expected. Co-operation wants only that it shall not be discriminated against. But as the matter now stands, in the United States, a boy graduating from school or college and knows of no other approved method of carrying on the business of the world except the competitive profit-making system.

The Commission recommends for further development of Co-operation in the United States:

1. Farmers' co-operative societies for marketing products and for joint purchase of farm supplies.
2. The simple, elastic and inexpensive system of rural credit by means of the Raiffeisen deposit and loan type, adapted to local conditions and needs, managed by the farmers themselves, limited to small areas, but with a centralized auditing system and central banks for drawing funds from one section to another as needed.
3. The distribution of electric power in rural communities through farmers' co-operative societies has proved so advantageous in Europe that a greater development of this means of furnishing light, heat and power to the American farmer is recommended.

It is recommended that the establishment of retail consumers' co-operative societies be promoted in the thickly populated rural districts of the United States.

5. Co-operative distribution of household coal is looked upon in some of the leading coal consuming centers of Europe (among them London, Manchester, Edinburgh, Glasgow, Hamburg, Prague) as the best solution found thus far for keeping down the high cost of household fuel. The English Wholesale Co-operative Society handled about two million tons of coal last year which it bought at wholesale prices and transported in its own coal cars from the mines to the coal depots of its retail societies. Similarly the distribution of motor fuel through co-operative societies is carried on with success in a number of foreign countries.

6. The distribution of milk by consumer's co-operative societies in certain large cities of Europe has met with the well nigh universal approval of the populace. Unreasonable price increases have been prevented and supply of milk of good quality and handled along approved sanitary lines has been assured. The co-operative consumers' societies, in addition to procuring a part of their milk supply from farmers' co-operative milk producing societies, operate dairy farms of their own.

7. It is believed that through the agency of co-operative export associations the market for American farm products could be substantially enlarged in foreign countries.

8. In various foreign countries efforts are being made to bring about a greater degree of decentralization of power and administrative control in the organizations. A study of the possible drawbacks arising out of over-centralization would, it is believed, open the way for more efficient methods in the field of Co-operation.

The next question we must ask is: How long will such an enlightened and progressive department be permitted to survive?

Credit at Cost for the People

The People's Banks or Credit Unions, as they are called in this country, provide a means by which the man with ideas and of the worker with his labor power but who has little else to offer for security. They also supply credit to the farmer and tradesman whose business is too small to interest big banks. That is the reason they have increased so rapidly in the last few years. The need is there. The people are learning how to supply it.

In New York State, up through 1923, 104 credit unions have been organized. They have assets of $8,506,265. They have made loans amounting to $7,584,453. Their membership is largely composed of civil service employees, clerks, etc.

There are 95 credit unions in Massachusetts. Their assets up to October 31, 1924, were $6,297,241. Their loans amounted to $5,515,181. In Massachusetts the members are workers in the industries and public service corporations—mill operators, telephone girls, government employees and small business folk in community groups. In North Carolina, followers of the next largest group of credit unions yet organized, Twenty-five credit unions with assets of $99,652 in 1924, made loans to their members of $99,652. In Tennessee, 104 credit unions have been organized. Twenty-five credit unions with assets of $99,652 in 1924, made loans to their members of $99,652. Their development has been marked during the past year.

The Credit Union Extension Bureau, with headquarters in is rendering pioneer work in seeking to develop favorable legislation in the states where it is lacking. There are credit union laws in Rhode Island, Kentucky, North Carolina, Massachusetts, New York, New Jersey, New Hampshire, Vermont, Indiana, Wisconsin and South Carolina. In Utah, Oregon, Nebraska, Texas and Minnesota there are credit union laws in the preparation of limited types of credit union organization.

In addition to the groups in the three states—New York, Massachusetts and North Carolina—there are scattered credit unions throughout the country, about 300 altogether, with total assets of at least $15,000,000. The members have used their savings to
meet the credit needs of their fellows whose needs and character they know. Over $12,000,000 has been used in loans. Practically no losses (in some districts, a small fraction of one per cent only) have been sustained.

These organizations are the foundation of the co-operative banking movement of this country. If, instead of being isolated groups, as they are, the membership were made up of the same people who are the members of the substantial co-operative consumers' societies, we should then have the combination of capital and business, which someday, we must have a guarantee the strength of our movement.

A co-operative bank in each community of organized consumers, all federated in a central national union, is the combination which gives strength to the strongest of the European societies. It should also give strength to our movement as we develop.

Educational Director for Franklin

SEVERI ALANNE, Executive Secretary of the Northern States Co-operative League, of which the Franklin Co-operative Creamery Association is a member, is to transfer his headquarters from Superior to Minneapolis in January and give the greater part of his time to the educational work at the creamery. He will continue his work with the Northern States League at large and will devote at least three days each week to educational work outside the field, but the bulk of the work up-state and in Wisconsin and Michigan will fall upon an assistant.

This is an important move both for Mr. Alanne and for the Franklin Association. The former has been in Superior for eight years and has long since carried on propaganda and educational work for Co-operation chiefly among the Finnish societies. The formation of the Northern States League was the first effort to get the Finnish and the American societies together. The present move of Mr. Alanne is one indication of how successful that effort will be.

On the other hand, Franklin has been going along for four years with no trained educational director in charge. Mr. Selmen, Mr. Le Lievre, the Educational Committee of the Board of Directors as a whole, the Women's Guild, the Franklin Fellowship—all have contributed greatly to the educational guidance of this mammoth institution. But it has been the dream of several of these people, anxious to see a careful educational program planned and not able to give time to the work themselves, that some day a man would become the American movement might come there and take charge of this work. They wanted someone who was thoroughly saturated with the history and theory of consumers' Co-operation and who was yet perfectly practical; and they believe they could not have found a better man than Severi Alanne.

The co-operators in other parts of the country will watch with much interest the educational work in Minneapolis this coming year. Like all co-operatives, Franklin has had its internal disagreements due to lack of understanding or even of outright selfishness on the part of individuals; will these folks now reduce these sources of friction to the vanishing point and show the rest of us how it is done? The institution as a whole, like Topsy, more or less has "just growed," and its own momentum has carried it pell mell through difficulties and over obstacles that have wrecked many a movement in America. Where it is necessary that books be audited in two different states at the same time, two men will be put into the field. Several large societies have already spoken for the services of the Bureau. During the first year the department will probably be run at a slight deficit, but when there are large numbers of societies in each state using its services of the Bureau. During the first year the department will probably be run at a slight deficit, but when there are large numbers of societies in each state using its services, this deficit will be eliminated.

The following points are well worth the careful consideration of all Directors of co-operative societies:

1. A bonding company will not make good on any losses incurred through theft or carelessness unless the co-operative society keeps good books.

2. An audit conducted by an auditing committee elected or appointed from the membership of a co-operative society is not, in the eyes of the law, an impartial audit.

3. An audit conducted by a private accountant or firm of accountants who are in business for their own profit is not the kind of an audit a co-operative needs. The aims of Co-operation and the aims of private business differ sharply. The accountant for private business interprets profits or operating costs with a view to increasing profits to capital. The accountant for co-operative business interprets these costs from the viewpoint of savings to patrons.

4. There are special problems of organization bookkeeping in a co-operative business that are quite unknown to private business. The accountant who is accustomed to studying the special problems of the co-operative and advising with the directors and manager on these problems is the man who is most valuable to the society. He brings to his work the accumulated experience gained with scores of other co-operatives.

The League has also worked out a bookkeeping system for co-operatives that are not able to keep their own books properly and therefore are not even ready for an audit.
From the League Office

Secretary's Report of the Activities of the Co-operative League for 1923 and 1924

1. During 1923 and 1924 The League has sent out 85,800 pieces of literature and 1,135 books.
2. Published two monthly magazines averaging 8,000 copies per month.
4. Sent out a News Service to 275 papers of the labor and farmer press.
5. Received and answered 5,903 letters asking for advice and information; and sent out 49,415 circular letters on routine work of the co-operative movement, and 1,450 special letters to individuals.
6. Sent speakers to 251 meetings, including two extended trips from the Atlantic to the Pacific.
7. Supplied an organizer, educational director and Guild organizer to four societies for periods of time varying from six weeks to six months.
8. Conducted two evening courses in co-operation embodying educational subjects, store management, administration problems, theory and survey of the movement.
9. Sent one instructor to the Full-Time Co-operative Training School in Minneapolis in the autumn of 1923.
10. Conducted an employment bureau which supplied managers and other workers for co-operative societies.
11. Sent four delegates to the International Co-operative Congress in Belgium, two of whom visited over 100 co-operative institutions in 10 countries and addressed audiences in Russia, Germany, England and France.
12. Sent accredited delegates to Co-operative Congresses in Great Britain, Germany and Belgium.
13. Interviewed in the offices of The League 1,452 visitors from the United States and 11 foreign countries.
14. Organized nine new Women's Guilds and sent special suggestions for socials, entertainments and members' meetings to societies.
15. Distributed widely the new book "Co-operative Democracy" by Dr. War- base and the American edition of Prof. Gide's "Consumers' Co-operative Societies" which was edited by Cedric Long.
16. Aided in the distribution of the following new books by American writers: Bergengren, "Co-operative Banking," and Mrs. Blanc's "Co-operative Movement in Russia." Conducted the sale and distribution of Sonnichsen's "Consumers' Co-operation," and Harris' "Co-operation, the Hope of the Consumer."
17. Wrote 94 special articles for magazines and newspapers.
19. Gave written advice on problems of store management, organization and administration; sent out technical advisors, and supplied accountants and managers wherever needed.
20. Gave legal advice to co-operative societies on incorporation, charters, taxation, and litigation.
21. Investigated and lodged formal complaints with state authorities against fraudulent and unsound enterprises.
22. Conducted the Fourth National Co-operative Congress in New York City, at which 180 societies were represented by 200 delegates, and labor and co-operative organizations which were represented by fraternal delegates.

The following are some points of interest in the development of The Co-operative League and the movement in the United States:

Three hundred and thirty-three societies representing a membership of 50,000 and a turnover of $3,500,000 are affiliated with The League. These constituent member societies are conducting the following kinds of business and services: a sale of groceries, meats, dry goods, clothing, shoes, milk, coal, bread and other baked goods and furniture; and credit and banking, life and fire insurance, housing, recreation, restaurants, laundries, health, schools and telephone services. One of the affiliated societies does an annual business of $3,500,000 and 22 others have an annual turnover of more than $200,000 each.

There seems to be no increase in the number of co-operative societies during the past two years except in the field of agricultural marketing, credit unions and housing. However, there is evident a strengthening of many of the societies already established, and a rapidly growing consciousness of common aim and purpose among groups of societies in certain areas where formerly each society lived an isolated life.

The progress of the Northern States' Co-operative League is encouraging. This district league has not only united scores of societies in the North-Central states for educational work, but has fathered the co-operative training schools which turned out a second group of graduates in the autumn of 1924.

The Educational Department of the Central States Co-operative Wholesale Society has done well in the face of great obstacles in building up an educational federation of 25 societies in Illinois and in getting "The United Consumer" established as a monthly co-operative journal and in inaugurating a co-operative death benefit society—"The Consumers' Mutual Aid Guild."

The six Jewish bakeries of Massachusetts have established a central federation and are now publishing every three months a co-operative journal in Yiddish.

The Franklin Co-operative Creamery, the 63 accredited depository organization in America, continues to develop and is now doing an annual business of three and a half million dollars in the distribution of milk, cream, butter and ice cream.

The Farmers' central organization affiliated with The League during the past two years are, The Nebraska Farmers' Union, The Kansas Farmers' Union, The Iowa Farmers' Union, The Kentucky Farmers' Union and the Washington State Grange.

The Ghent Congress—
A Correction

MUCH of the time of the last Congress of the International Co-operative Alliance at Ghent was consumed by the discussion of the "Russian Problem." The Russians had offered various resolutions for the establishment of relations between the Alliance and the Moscow International. In the October number of Co-operation, in the article reporting this congress, appeared the statement that the British Co-operative Union offered a substitute resolution which was carried—397 votes for and 115 against; and the resolution of the Central Committee was lost. The General Secretary of the Alliance informs us that this is not correct. The resolution of the Central Committee on "Relations with International Federations of Trade Unions" was adopted unanimously after the British Union's proposal, that the report be "referred back" had been defeated by 332 to 222 votes. The proposal of the Russians for the establishment of relations with the Moscow International was defeated by 424 to 179 votes. The British Union's resolution in favor of neutrality was adopted by 397 votes for and 183 against on the last day of the Congress.

New Officers of the League

THE Directors have elected (by ballot through the mails) the following as officers of the League for 1925:

President, JAMES P. WARBAISE.
Vice-President, ALBERT SONNICHSEN.
Secretary, CEDRIC LONG.
Treasurer, ADOLPH WIREKUL.

Index for 1924 Co-operation

The Index for Volume X of Co-operation (Year 1924) can be procured from the office of The League, 102 West 12th Street, New York City.
REPORT OF THE TREASURER
THE CO-OPERATIVE LEAGUE OF AMERICA
STATEMENT OF RECEIPTS AND DISBURSEMENTS FOR THE YEAR ENDING
September 30, 1924

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| From Home Upkeep |
| From Speakers' Fund |
| For Co-operation |
| For Furniture and Fixtures |
| Salaries |
| Postage |
| Stationery and Supplies |
| Printing and Addressing |
| Advertising |
| Telephone and Telegraph |
| Light and Power |
| Miscellaneous General Expenses |
| TOTAL DISBURSEMENTS |
| $1,697.16 |

APFEL & ENGLANDER, Certified Public Accountants.
Managing the Manager

Most co-operative managers serve their societies well. There are many societies in the United States that can thankfully say that they have managers who effectively serve the needs and the will of the members.

But there is such a thing as the dangerous manager. There are two kinds of dangerous managers: the bad and the good. The bad managers wreck societies through their own inefficiency. The good often wreck societies through the inefficiency of the members.

The history of co-operation in this country is strown with failures due to the inefficiency of the manager. It has been one of the most common causes of failure. Now we are beginning to get efficient managers. And with efficient managers a new complication is developing which may prove in the end quite as disastrous. The efficient manager may become "the whole show." And with efficient managers all in one basket, and that basket is in one hand, and that one hand is sooner or later going to let go its grip. Such a society as described above lacks this element of endurance. Its eggs are all in one basket, and that basket is in one hand, and that one hand is sooner or later going to let go its grip.

The one-man society, the society whose success is all in the hands of one person—the manager—is pretty generally doomed. If the manager moves on or is taken ill, or "goes bad," the society is in a "highly successful state." Everybody is happy. And everybody is boasting about "our manager."

Before any decision is made the manager is consulted. After a while no decisions are made except by his consent or approval. He starts everything. He does everything. He carries through everything. Nobody, not even the directors, need to think about the welfare of the society. The manager does it all. With the recognition of the manager's superiority comes the tacit acknowledgment of the inferiority, or at least the mediocrity, of everybody else. The manager at last becomes the beneficent autocrat. The directors and members sing to his tune. A visitor taking a look at such a society thinks he sees a successful organization. But his eyes deceive him. He is wrong. It only looks successful.

A successful co-operative society is one which is not only fulfilling its present mission, but has the power to go on and perpetuate itself.
always as a temporary instrument. The society must be thought of as the permanent thing. That means that the society must build itself into a self-perpetuating mechanism.

The members must each feel their responsibility. They must attend meetings, discuss the problems of the society and demand that any business be done. The directors must direct and not be directed. They should take neither the manager's word nor anybody's word for everything. They must make themselves distinctly responsible for the success of the business.

A successful co-operative society is one which is not dependant upon any individual, but can spare any person and still go on. It contains within its membership the power that makes it survive. Its strength is its people. Its people are its strength.

**Homes and Children First**

Reformers of the present economic system have given their first attention to the factory, the field, and the workshop, as though work were the object and end of life. It is interesting to observe how the homes have thought of reforming society by beginning with the place where people labor.

The Christian Socialists aimed to have "self-governing" work shops. The Socialists plan to capture the government and thus own and administer the industries. The Syndicalists would have the workers get possession of the shops and have industrial representation. The Guild Socialists have written volumes on the reorganization of the industries, and our representative is the National Council of Farmers' Marketing Associations.

Co-operation is the only economic movement that begins with the home. The home and the children are the centers about which it would build its new and free civilization. These are served, then we may turn to the factory and workshop and make them fit places for free people.

**The Things We Value Most**

People take better care of the things they have worked for than of the things that come easily. The beautiful stores now in the hands of the co-operative societies in Leningrad and Moscow were confiscated from the men who created them. They are now in the hands of the co-operators; but it is obvious that they are not cared for or kept up as they formerly were.

The social cooperation of our two countries is, as an individual, a consumer himself. He is fighting one another. And yet each one is his share of the consumer's dollar.

Then we have the banker or manufacturer who complains that he is not getting his share of the consumer's dollar.

And the labor unionist has statistics to show that his share of the consumer's dollar should be much larger.

They represent four classes, all interested in profiting from the consumers, and all fighting one another. And yet each one of these men is, as an individual, a consumer himself.

Can't we get the individuals organized into the one movement that includes them all and then forget the conflicting classes?

C. L.
Co-operative Banking

Co-operative Banking Legislation—Why We Need It

By Smith W. Brookhart
United States Senator from Iowa

Co-operative credit is the foundation stone of the whole co-operative system. No co-operative system can reach a stage of permanent soundness and success unless it has its own co-operative banking and insurance departments, including reserve banks and all under its own control.

Co-operative credit is also the one thing that will federate and unite all co-operative enterprises, whether of producers or of consumers.

Co-operative credit is also the easiest to bring to success of any of the co-operative enterprises. The reason of this is because there is always a market for credit. The product of the credit system always sells itself. If it is loaned safely so it will be repaid, it will be a success from the start.

The labor banks are a noted success, and farmers could organize co-operative banks as successfully as labor. They can all unite in a co-operative reserve system, and then give them such permission. The banking system, and nearly all of these laws leave open some of the basic elements of co-operation. The labor banks now being organized are not co-operative nor do they have co-operative charters. They cannot get such a charter under either national or state laws.

They are forced to organize as profit corporations and operate under co-operative or partially co-operative by-laws. This is unjust.

The farmers and laboring people have the inherent right to organize their savings in a co-operative banking system under their own control, but there is no law anywhere giving them such a permission. The banking system of the United States and of the states are all a gross discrimination against the rights of everybody who believes in co-operation.

If co-operative banks had been authorized by Congress at the time the National Bank Act was passed, I have no doubt that the vast majority of banks in the United States would today be co-operative. The value of such a development would be beyond computation. All of this has been denied the common people of the United States because their banking laws have been dictated by the dominating commercial interests.

Agriculture is the biggest business in the United States, and it fits well into the co-operative banking system. Because of the short time loans and the long time turn-over it does not fit well into the commercial banking system under our laws, both state and national, it is denied the right to have a banking system that would fit the needs of agriculture.

I think the next great economic development in the United States is to arouse both farmers and laboring people to the necessity of a national co-operative banking system.

Banking Practice in Arkansas

H. W. New York you have a statute prohibiting corporations from engaging in the banking business, but in the larger cities of Arkansas, every trust company has its trust officer and they do more practice in the Probate Courts than any lawyer in the city does. They examine abstracts and pass upon titles, write deeds, mortgages, wills and other instruments and upon an assumption of knowledge give legal advice to trusting widows and credulous old men. Whether this advice is right or wrong, it is generally accepted and as a result of it, we see large estates passing through wrong channels and the rightful heirs deprived of their just and lawful inheritances.

Some of these banks and trust companies employ attorneys who never tried a case unless it was a small one. They never lose a case that they hold an agency. A fee is charged for writing the papers and another for taking the acknowledgment, and still another for satisfying the record when payment is made. If he falls behind in the payment of his interest and fails to make a small loan for a short time, they refuse to make the loan. The deed of trust is then foreclosed and the trust company buys the property, often at a price less than the amount of the debt. In the same way against the borrower for the balance, sells the property to another party at an advanced price and charges the purchaser a commission for making their own sale. Thus they act as borrower and lender, principal and agent, buyer and seller, all in the same transaction.

They fix and control the rental and sales values of real estate, raise rent with any increase of wages that a tenant may get, and create an inflation or a depression in values at their will. If a borrower incurs any ill-will, they demand the pound of flesh and close him out and force him into ruin. If a lawyer, in the course of his practice, succeeds in overturning one of their transactions, he is forced to combat their resentment the balance of his life.

Real Estate and Insurance Business

In New Hampshire banks and trust companies are forbidden to engage in the insurance business, and Maine the statute provides that no bank or trust company shall act or do business as administrator or guardian, but in Arkansas they have completely usurped the real estate and insurance business and are driving private salesmen of real estate, private rental agents, and private insurance agencies out of business. No matter what gifts or talent a man may possess in the field of real estate, or insurance, there is no longer any room for success in his business unless he can secure a position with a bank or trust company and such a position is usually an agreement by which he is to divide his commissions with the bank or trust company. Still the banks are not satisfied, and to completely annihilate all private real estate agencies, they secured the introduction of a bill in the last legislature to completely wipe out all competition in the real estate business under the name and guise of a bill to suppress "curb stone real estate agencies."

How Loans Are Made

When they make a loan they take from the borrower a deed of trust made to the company as trustee. They always charge the borrower a heavy commission for making their own sale. They fix the rental and sales values at their will. If a borrower incurs any ill-will, they demand the pound of flesh and close him out and force him into ruin.
the only source and means of credit. Farms have been deserted, the fields have grown up in weeds and bushes, the fences have fallen down and the houses are fallen into a state of decay and ruin. Thousands of families have abandoned their once happy homes and have flocked to the cities and towns in search of some employment from which they can earn the primitive and elemental wants of man, their daily bread. The spirits of the people have been subdued, their hopes blighted, their ambition dwarfed and depressed and their individuality destroyed. They have been made to feel that they are slowly sinking into a state of servile slavery from which there is no hope of redemption. More than two thirds of the homes in my state are either mortgaged or rented and tenancy is increasing. Through their little savings deposits they have been supplying the means of their own oppression.

The Light in the East

There is now a light in the East. Massachusetts, the very state in which the monopoly of the business of banking had its origin, has developed a remedy through the co-operation of the people themselves. We have seen in every state a Superintendent of Co-operative Associations, different and distinct and in no way connected with the banks and the dual system of banking. Banking is just as important and is just as necessary as is a dual system of government. Give us just what has been given the banks and trust companies. Give us a department headed by a man trained and schooled in the art and science of co-operation; make any exactions of us and throw any and all restraints around us that you may make and throw around the commercial banks and trust companies.

Best Statutory Form for Co-operative Banks

By R. Inghals
Author of "Rural Credits"

The progress being made by co-operation in the United States has caused its statutory form to loom up as a very important matter. There are two basic forms of incorporation, each with its varieties. One is the joint stock company. The other is the membership corporation, and originally used only for objects in which the organization and their successors sought no profit for themselves.

A joint stock company is a corporation with a fixed fund and paid in shares, all equal in denomination and in respect to the rights, liabilities, and voting power of the holder. Under the common law creditors of such a company could sue any stockholder for its debts, especially the stockholders resorted to legal tricks to disprove ownership whenever trouble arose. This interfered with financing, and so in maritime countries, where the merchants obtained charters from their governments which relieved the stockholder of direct liability. The strong and wealthy alone could get charters and they usually got monopolies and special privileges, too; and all this enabled them to consolidate their resources, command investment capital easily, seize the best opportunities for business, control the workmen, classes, and make the consumer pay the limit. This went on through the industrial revolution which began in the eighteenth century when steam power supplanted hand power.

Companies ceased to be habitually created by special charter after the enactment of general incorporation laws, which started in the United States in 1811 and in England in 1844. But the old stock company remained as the chief form for business, with stockholders having no legal or moral responsibility personally for its acts, though casting votes and receiving dividends in proportion to the amount of its stock they owned; and this evil fastened capitalism upon the world as it exists today. When these laws were being formulated, if somebody had revived the idea of the old guilds and given it a modern dressing, perhaps industry by now would have been democratized. But the guilds were forgotten. Governments opposed the formation of large associations with joint capital, while politicians were fighting labor organizations instead of favoring them. Business had come to be looked upon solely from the viewpoint of the money invested in it or to be gotten out of it.

Further, business was then largely speculative, so rapidly had colonization of new lands and various sorts of inventions been following each other. Inventors had to be protected from their own credulous cupidity, and business regulated for taxation and other governmental purposes; and for these reasons the joint stock company seemed satisfactory to the early legislators, few of whom knew anything about economics or the possibilities of co-operation.

In spite of the prevalence of the joint stock company in business, banking, and finance, there are great fields, however, from which it has been practically excluded. In the United States building and loan associations, which now have 6,864,144 members and $3,342,530,953 of assets; the fraternal life insurance societies, with $340,465,132 of assets and $8,687,959,447 of savings; there are in the United States 1,600 co-operative retail stores, and over 1,100 co-operative store organizations; there are in every state a Superintendent of Co-operation and Co-operative Associations; there are in every state a Superintendent of Co-operative Associations. There is now a light in the East. Massachusetts, the very state in which the monopoly of the business of banking had its origin, has developed a remedy through the co-operation of the people themselves. We have seen in every state a Superintendent of Co-operative Associations, different and distinct and in no way connected with the banks and the dual system of banking.

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Thoughts on Banking

By C. L.

The story of Dillonvale, Ohio, deserves wider publicity than it gets. The New Co-operative Company not only has a bank of buildings, with seven stores in Dillonvale and neighboring towns, but it does a business of almost $550,000 a year, probably the largest co-operative store business in the country.

The main outlines of this picture are in some respects less interesting than the details. The local bankers and the Railroad Company rent their quarters from the co-operators. A simple fact, but it is significant and illuminating news for our good liberals who claim that all the big co-operative achievements are confined to European countries. For these simple facts call up in us some interesting thoughts.

The bank has made an effort to sell to the co-operators, but the co-operators are hesitating. Why does this banking company want to sell out to the Co-operative? Have the directors lost all sense of the dignity of their position? Or is there no money in banking in the town of Dillonvale and vicinity?

There is as much money in banking in Dillonvale as in other parts of the country. But the Co-operative has so won the loyalty of those farmers and miners that they have put most of their savings directly into their own business in the form of loan capital (to the tune of some $64,000), rather than turn it over to the private money lenders who would loan it to the Co-operative only after they had deducted a fat middleman's fee for themselves. These co-operators are all for cutting out the commission merchants dealing in that most intangible of commodities known as credit. It is not at all surprising that the Directors of the Co-operative hesitate to take over the local bank. So long as the co-operators are already doing their banking directly...
Letters From Abroad

Russia, the Laboratory of Social Experiment

By J. P. WARRASE

We went into Russia from Finland on the first day of August, 1924—my wife, two sons, a daughter and myself. The three young people were of the age about to enter college and were possessed of a considerable knowledge of several languages, and the children had spent many years in foreign schools. The trip was a good experience for them, and they took a great interest in everything they saw. They were always asking questions and wanted to know more about the people and the customs of the country.

The trip was a good one, and we enjoyed ourselves. The people were friendly and welcoming, and the food was excellent. We visited many places, including St. Petersburg, Moscow, and Leningrad. We saw many interesting sights, and we learned a lot about Russia and its people.

The trip was a good experience for us all, and we would like to do it again in the future. We are looking forward to the next trip. We are excited about the possibilities of what we will see and learn. We are looking forward to the next trip. We are excited about the possibilities of what we will see and learn.
visions. There are offices for foreign trade in eleven foreign countries. Centr as imports some twenty-three different articles from acids and agricultural machinery to rosins and typewriters. It exports twenty-five articles, from brittles and butter to timber and wood. A large trading business is done with the British Co-operatives. Its membership is composed of some 17,000 consumers who number some 7,000,000 members. It has many warehouses and twenty-five different manufacturing industries. It conducts a large insurance department and many non-commercial activities. Among the co-operatives are education and propaganda. Its library contains 75,000 volumes. It conducts hotels and boarding houses for its employees; also a forty-bed hospital, with a staff of six specialists and thirty-four assistants; an analytical laboratory; an X-ray laboratory; ambulance stations; a dental clinic; a rest house in the suburbs of Moscow and a sanatorium in the Crimea.

It conducts its warehouses in many locations throughout Russia. In a warehouse at Leningrad we saw stored many thousands of tons of grain and other food commodities. At one time we saw five tank cars of sunflower oil loaded by the Russians much as we use butter—run from the cars into great storage concrete reservoirs.

It is difficult to judge the factories of the local societies and of Centr as by the standards of the west. Industry is different in Russia. Furthermore we must bear in mind that Russian industries have passed through a terrible ordeal. In the Russia of the Czar the workers were badly exploited with 220 workers, and turning out 10,000 tons a month, but was operating full capacity. Then came the collapse of the old regime. Then chaos. Then the Kerensky regime, followed by the Bolshevik government. Then came counter revolution and the revolution. On the walls we read signs which translated read: "Do not give the private traders profit; buy only in co-operatives," "Co-operation is a method of carrying on war against high prices," "Co-operative kopecks protect the farmers' robots," etc.

In Moscow the M S P O sausage factory was established in a plant that had been closed for six years. When we were there it had been running only three months, but was operating full capacity with 220 workers, and turning out 10,000 pounds of sausage a day.

In the M S P O printing plant are 210 workers. The linotype machines and presses are up-to-date. On the wall we see signs which translated read: "Do not give the private traders profit; buy only in co-operatives," "Co-operation is a method of carrying on war against high prices," "Co-operative kopecks protect the farmers' robots," etc.

One of the best plants we saw was the Moscow Society's candy factory. It has 1,500 employees and turns out ten tons of candy daily. The state capital's candy factory with 3,000 workers, before the revolution. The same technical superintendent is still in charge. Before the Revolution, the superintendent got 2,500 rubles a month wages and workers averaged 20 to 30 rubles a month; now he gets 250 rubles a month and workers average 40 to 50 rubles. The cost of living is higher now than then. This factory also makes perfumes and fancy soaps. A sweet cracker factory had been closed for ten years; when we were there it had been running four weeks. But everything was in good shape and the products were fine. The candy and chocolate factory adjacent to it had made 150,000 rubles profit in 1923. Some government factories are losing money, I was told, but the co-operative factories are not.

A Centrass cooperative soap factory at Moscow employs 100 workers. Before the war as a private plant, it produced 360 tons of soap a month; now under the same superintendent it turns out 575 tons a month.

There are many co-operative restaurants. A meal with soup, meat, potatoes and bread, yielding 1,400 calories of nutriment, can be had for 25 kopecks, (13 cents)—children 15 kopecks. Everywhere, everybody said that the industries were improving, and it looked to me as though that is true. They are putting in new machinery and getting experience. But these are small industries have a long way to go. The great majority of factories which we visited would not compare in order is different from the standard in western lands. One of my discoveries in Russia was just this. I never could get used to it. A Russian would open the door and say, "See how nice and clean and systematic and orderly this is!" And to my eyes at least it was not nice, it was not clean, and it was unsystematic and disorderly. At first I thought it was a joke. Then I discovered that the Russians meant it, and I realized that it was a much more serious matter.

This is purely a question of relative values. The surgeon before the opening era looked at his hands and said, "They are clean." Now he has his hands up, and looks at his hands and says, "They are dirty." The surgeon was just as good a man then as he is now. He has not changed; only the standard of what constitutes dirt has changed. We think Queen Elizabeth lived in filth; she thought it was clean and nice.

It is hard for the westerner to understand a system where hundreds of serving people sit by you in and out; and just sit and sit; while cigarette smoke and cigar stumps accumulate in the corners, and the windows are dirty, and the curtains torn,
and the chairs broken. But I do not criticize this. How can I? I do not understand it. What is disorder to some people is temperance to others. The dirt in Russia is not dirt at all; it would only be dirt if it were in Copenhagen, Amsterdam or Basel.

That this is not a policy or a fixed habit is evidenced by the fact that here and there one does see a neat, orderly and clean office; but it is exceptional.

Maybe we are wrong. Perhaps, we are unnecessarily fussy. The Russians may be right. But they have to do business with the dominant western world and face things as the dominant world sees them. This being the case, if Russia, with its great natural resources and man-power, could connect with Germany to furnish punctilious organizers and efficiency engineers, a combination would be effective that would astonish the world. Modern methods require that things shall be in systematic order, that appointments shall be kept on the minute, that business shall be done promptly and with despatch, and that talk and hopes do not take the place of the deed. One can see in Russia every day that it is literally true, that “fine words butter no parsnips.”

There are many questions in which I find myself in disagreement with my Russian friends. I may be wrong in all of them. It is impossible for me to understand how men and women at work at their own business can work under order and efficiency and at the same time smoke the number of cigarettes and drink the quantity of tea that the Russians do. I just do not get it. They tell me, “We have two smoke because we work hard.” That reply only leaves me more confused than before. When I suggest the cigarette and the teaspoon, in place of the hammer and sickle, as the symbol of the Soviet Republic, they seem not to understand me. It is difficult for people of different temper and methods to understand one another.

(to be continued)

News and Comment

Second Co-operative Training School

The Co-operative Training School organized by the Northern States League ran for six weeks from November 3rd to December 15th. Twenty-one students were in attendance and courses were given in Theory, Principles, Methods and History of Consumers’ Co-operation (A. W. Rankin and S. Alanne, Instructors); Organization and Administration of Co-operative Stores (S. Alanne, Instructor); Commercial Arithmetic (S. Alanne, Instructor); Bookkeeping (H. L. Brown and H. V. Nuorri, Instructors); Administration and Management of Co-operative Industries (Edward Solem, Instructor); and Business Correspondence (Louis J. Duncan, Instructor). Half of the time was given to the study of Bookkeeping, the other half being divided equally between the theoretical and the practical parts of the course. Professor Gide’s “Consumers’ Co-operative Societies” was used for a textbook in Theory and History of Co-operation.

Six of the students came from Minneapolis and six more from other parts of Minnesota; two from Wisconsin and one from Michigan. The oldest student was 77 years of age, the youngest 17. Eight of the students are executive born and four others have been naturalized. Forty of the fifteen were union members (mill drivers); five supported the Farmer-Labor Party, two the Workers’ Party and two were members of the Young Workers’ League.

Five had spent some time in the public High Schools and two had High School graduates. Four had previously attended the Second Co-operative Training School and one had attended the School at Minneapolis the year previous. In the two intelligence tests given the students by the instructors, the results ranged all the way from 20 percent to 73 percent. Final marks were given the students on the basis of work done in each subject. The best student averaged 89.5 percent and the poorest 67.3 percent. Eight of the students averaged above 80 percent.

All the students were this year granted scholarships. The Franklin Creamery offered ten scholarships of $100 each, but only six were awarded for. Other scholarships were awarded by the Co-operative Central Exchange or by local societies ranged in value from $20 to $50. Many of the students were lodged at the homes of Franklin employees, and all took their noon meals at the restaurant in the North plant of the Creamery.

Four excursions were planned by and for the students to institutions of interest in the neighborhood. A night lecture course was given during part of the time for the benefit of students, instructors and public, but failed to draw a large attendance. At the close of the School a banquet was arranged for students, instructors, resident alumni and representatives of the Creamery Association, and the Co-operative Students Fellowship, formed in 1923, was reorganized under the name “Co-operative Student Pioneers.”

Despite the small attendance at the School in 1924 and the failure of the Night Lecture Course to attract outsiders, the Second Co-operative Training School marks a real step forward in the progress of Co-operative Education in the United States. These two failures in matters of attendance can be laid directly at the door of the so-called Speakers’ Service Bureau, organized by two individuals in the city of Minneapolis. This Bureau took entire responsibility for getting students from the labor movement locally and for arousing interest generally throughout the Twin Cities. The Bureau failed so completely that it did not get one student, and the Secretary left town before the School opened.

The Training School Movement in the English language is still young in this country. But those who despair of its value may profitably study the articles in the next issue of Co-operation, which shows the results coming from the older school conducted in Finnish.

21924 at the Central Exchange

“WE didn’t gain our aim of “Three-quarter Million Dollar Sales in 1924, but that’s no reason why we should cry, for we made a big gain over 1923,” says Eskel Ronn, Manager of the Wholesale at Superior.

“When we set our aim, possibly we were a trifle too optimistic and were over-en-
during the holidays. The bulk of the goods handled by the Exchange are now ordered in quantities of five or even ten carload shipments. The orders given for next spring's delivery include fifteen carloads of nails and wire fencing.

Many of the standard commodities sold by the Exchange are now packed under its own "Co-operators' Best" labels. This label, among other goods, was last year added to rolled oats and canned fruits and vegetables of all kinds. Flour, bakery goods, etc., have long since been sold by the Exchange under its own co-operative trade-mark. The Exchange believes in doing co-operative work and in "selling co-operatives to co-operatives" in lieu of the名列前茅 with the commodities it handles. A comprehensive price list, giving the names, prices and qualities of all the goods sold by the Exchange, is now prepared and mailed regularly to the hundred or so co-operatives doing business with the central wholesale.

Two salesmen are regularly employed and visit most of the co-operatives in the central district at regular periods.

Failures among the local co-operatives associated with the Exchange are becoming an unknown quantity; none were recorded last year and many of those local stores, which in the past have been on the rocks during the depression period a couple of years ago, are now on a sounder basis than ever before.

Many of the most successful local co-operatives are managed by former students of the training school held annually by the Exchange at its headquarters in Superior. Cases are on record where some of the most promising students, although they never had managed stores before, have taken over the management of stores in stringent circumstances, and the results have been wonderful. One such instance is the farmers' co-operative located at Blue Mills, which a couple of years ago was compelled to make a voluntary settlement on a percentage basis with its creditors in order to avoid going through bankruptcy proceedings. Another recent instance is the little Finnish co-operative store located in the city of Superior. This store also was practically on the rocks a couple of years ago, principally on account of the fact that it had lost several thousand dollars of its funds in the failure of a creamery enterprise, organized by certain over-ambitious persons possessing more promotional ability than good common sense. This little store made a net profit of $2,000 in 1924 and its stock of goods turned over a total of 42 times during the year, which is apparently a record.

Consumers' co-operative stores are now permanent institutions in many localities in the north central states. They have come to stay as the forerunners of a new system of distribution of everyday commodities. In many farming communities the day is fast approaching when private stores will be relegated to the past, whence they will return no more than the stage-coach nor the pony-express of olden days.

A School Co-operative

For several years a co-operative society of school students has carried on successfully in Sofia, Bulgaria. Its object is to supply the members with school materials. It not only provides pencils, books, paper, and other like materials, but supplies athletic goods, runs a canteen where students can get meals. This organization also develops a library and reading rooms, playgrounds and a home in the country for students. The parents of most of the students are members of co-operative societies. The idea of the organization is to give the youth co-operative training of a practical character.

City Co-operative Dairy, Cleveland

THE City Co-operative Dairy, younger brother of the Franklin Co-operative Creamery Association of Minneapolis, held its annual members' meeting on January 15th. Mr. S. M. Solem, manager of the institution for the entire year 1924, rendered a report.

At the beginning of the last year the financial condition of the Dairy was very inadequate; the machinery and equipment were in great need of repair, the delivery wagons and trucks were in poor condition, and the relations between the dairy and the organized dairy workers were strained. The relations between the dairy and the organized milk producers in the rural sections were not as they should be. The store's equipment was in a much disorganized state. In addition, the books and other records gave no accurate information regarding the business.

The righting of these conditions and the elimination of large leaks has been the principal work of Mr. Solem during these twelve months. The delivery equipment is now the best in the city; the inside machinery is much better; the Union has changed some of its officers and the relations between it and the Dairy are of the best. The Dairy is now, for the first time, getting all its milk from the farmers' marketing association (and is the only dairy in the city which can make this boast); the sales force is in good condition, and progress in getting new business, and the financial report shows 1924 as the first year in which substantial losses have not been incurred.

A new Board of Directors elected for 1925 are:

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<th>Name</th>
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<td>Obrunser, H. G.</td>
<td>Transfer &amp; Teaming</td>
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<td>Rohrich, John</td>
<td>Building Mst. Drivers</td>
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<td>Shank, R.</td>
<td>Stores</td>
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<td>Severino, A. V.</td>
<td>Bricklayers</td>
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<td>Young, Fred K.</td>
<td>Trade Union Pres. Lg.</td>
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<td>Doyle, Earl</td>
<td>Engineers</td>
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<td>Harrison</td>
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<td>Mrs. Gulbrinth</td>
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The Springfield Bakery

THE membership of the Royal Arsenal Creamery Association of Woolwich, England, has empowered its General Committee to purchase from the British Government the garden city at Welh Hall. This little city contains 1,034 houses and 212 flats and 90 acres of freehold land.

These houses were built during the war as a part of the Government's war housing program, and the entire venture cost £900,000. The Government sold the property and gave a guarantee of £900,000 to the Royal Arsenal Creamery Association (and is the only dairy in the city which can make this boast); the sales force is in good condition, and progress in getting new business, and the financial report shows 1924 as the first year in which substantial losses have not been incurred.

Jewish Workers Bakery of Springfield

THE Jewish Workers Bakery of Springfield, Massachusetts, is the largest of the group of Jewish bakeries in that state. Organized in 1920, it has grown until it now shares the great bulk of the business in the city with one large competitor, a private concern. For 1924 the gross sales were $103,066.72; the cost of materials, productive labor and plant were $93,621.24, and the selling and administrative expenses were $3,266.09. This left a net gain from operations of $3,015.30. This brings the Reserve Fund to date up to $4,278.46.

The Springfield Bakery, like most of the Jewish bakeries, does the bulk of its business with private retailers and has little direct contact with the customers. The Manager and Directors are now trying to work out a plan for establishing two or three small stores throughout the Jewish sections of the city so that they can handle all the retail trade direct and thus eliminate the necessity for selling either to the private delivery men. Other co-operatives troubled with this problem will watch the experiment with interest.
District Leagues
Conference of Directors and Managers of Illinois

The following is the Program of the Fourth Semi-annual Co-operative Conference of Managers and Directors of the Central States Co-operative Wholesale Society and its Educational Department.

EDUCATIONAL SECTION

Sunday, February 8th—Morning Session—10 A. M.
Organization of Conference. Election of Officers.
Review of First Year's Work and a Look into the Future of the Educational Department—Educational Director A. W. Warinner.
How Can the Educational Department Better Serve its Affiliated Societies?—C. C. Rakow, Fred Backman, Glen Foster, J. Liukku.

Afternoon Session—1:30 P. M.
Co-operative Advertising—L. J. Salch, John Augustine, Jr., Mathew Vitton.
Why is the Membership of Illinois Societies Not Increasing More Rapidly and How Can This Condition Be Overcome?—B. G. Strow, J. W. Shelton and Wm. Koennigkramer.
Why Should We Have a Women's Guild in Every Society and How Can It be Organized?—Hazel B. Warinner, Mrs. Mathew Vitton, Mrs. Grace Hunter, Mrs. Anna Critchley and Mrs. Louis Codemo.
Co-operative Banking and Co-operative Credits—Colston E. Warne, School of Commerce and Administration, University of Chicago.

Dinner Session—Rose Sweet Shop—6 P. M.
E. B. Zembro, Toastmaster.

What Protection at Cost Means to the Workers—President J. H. Walker.
Theatre Party at Gayety Theatre at 8 P. M.

COMMERCIAL SECTION

Monday February 9th—Morning Session—9 A. M.
How Can the Managers Be Induced to Give Business to the Wholesale by Mail—Mathew Vitton, Wm. Lorenz and Fred Bachmann.

A Co-operative Year Book

The Northern States Co-operative League has authorized its secretary, Mr. Alamoe, to begin work on a Year Book which will show the status of the movement in the North Central States. The book will contain historical articles, statements of the present position of the societies, treatment of the problems they are facing and other pertinent subjects.

The Year Book will be 6 x 9 inches in size and will contain at least 96 pages, 64 of which will be reserved for text, 8 for pictures, and the others for advertising. The edition (15,000 copies as a minimum) will involve an expenditure of about $1,800.

The expenses in getting out this book will be met for the most part from advertising space interests. No advertisement will be accepted from business firms in competition with co-operatives working in the same territory. Societies who wish extra text space in the book may purchase such space at $20 per page.

All material for this book must be in other pertinent subjects. Two delegates were sent to the Fourth Co-operative Congress, N. Y. Three managers and Directors' Conferences organized, which have been attended by 123 delegates representing 38 co-operative societies. Four Co-operative Women's Guilds formed.

"We have no place in the American democracy for the Money King, not even for the merchant prince. Industrial democracy must supplement political democracy; industrial liberty, political liberty. Our democracy cannot endure half free and half slave."

The essence of the trust is a combination of the capitalist, by the capitalist, for the people."

L. R. Martin, C. E. Warne and Eldred Picton.
Forecasting Market Conditions and Gauging Your Buying Accordingly—P. C. Murphy.
A Forecast of Business Conditions for 1925—Colston E. Warne, School of Commerce and Administration, University of Chicago.
Increased Dividends for Co-operative Societies Through the Consumers' Mutual Aid Guild—Thos. Cameron, President, Consumers' Mutual Aid Guild.

Twenty-three co-operative associations affiliated. 22,000 pieces of co-operative literature distributed. Publication of The United Consumer, with 5,000 circulation. 1,267 letters asking for advice and information answered. Accounting Bureau is keeping books for ten organizations. Speakers have been furnished for 72 meetings. Two delegates were sent to the Fourth Co-operative Congress, N. Y. Three managers and Directors' Conferences organized, which have been attended by 123 delegates representing 38 co-operative societies. Four Co-operative Women's Guilds formed.

Activities of Educational Department of Central States Wholesale

The report of the Educational Department of the Central States Co-operative Wholesale Society for its work during the past 14 months shows the following activities:

So long as the question of price, profits and dividends are the sole or dominant idea of business corporations, just so long will we have price-fixing (by the government). While price-fixing flourishes we will never have that which is so necessary to the co-operative movement—a standardized market.

Huston Thompson, Chairman, Federal Trade Commission.
CO-OPERATION

Directors' Page

THE Co-operative Auditing Bureau of The League is under way. Mr. Stuart Chase and Mr. Walter Cook, both of the Labor Bureau, Inc., who are doing the work, are auditing the books of the following societies during January and February:

- Consumers' Co-operative Credit Union, New York City.
- Utica Co-operative Society, Utica, N. Y.
- Hebrew Co-operative Bakery, Brockton, Mass.


Consumers' Co-operative Housing Association, New York City.

Finnish Co-operative Trading Association, Brooklyn, N. Y.

It is only a small proportion of all the societies in these northeastern states, but it is a good start. More societies will come in during the course of the year.

E. W., Educational Director for one of the societies, suggests that the story of the Auditing Bureau can be stated more briefly and clearly than we had it last month. Here is his suggestion:

What League Auditor Will Do

1. Go over the books in the interest of the membership; checking every figure, so simple a statement of what the important thing that the League's expert accountant (Mr. Stuart Chase, C. P. A.), can do for every society is the analyzing of costs. Private business pays huge sums to have this done for them. By banding together we can get the same thing more cheaply.

2. They show all transactions involving money; perhaps saving money because of the experience of other co-operatives.

3. Whether you are paying too much for the things you buy;

4. Whether wages cost too much or too little for your amount of business;

5. Whether your inventory is too big, too small, or just right;

6. Whether delivery (when there is one) costs more than it should.

7. If your business is not making money, this is the way to find out why.

8. Make out your tax returns; perhaps saving money because of the experience of other co-operatives.

Note: Just as we need a doctor when we are sick, or a lawyer when we go to court, we must have an expert when it comes to judging a business. The important thing that the League's expert accountant (Mr. Stuart Chase, C. P. A.), can do for every society is the analyzing of costs. Private business pays huge sums to have this done for them. By banding together we can get the same thing more cheaply.

Possibly some of the Directors who are readers of Co-operation think we are giving too much attention to this Auditing Bureau. We warn all such Directors of co-operative societies that we have only just started having its books audited co-operatively.

a. Go over the books in the interest of the members, checking every figure.

b. Certify, as an outside expert that:

- The books have been well kept; and that

- They show all transactions involving money. (Every manager and treasurer who takes responsibility for money has a right to this approval of his work.)

c. Present to the Board and to the members so simple a statement of what the books show that you do not need to be an accountant to understand them. (Also to speak to members' meetings, explaining and answering questions. These reports and charts can be cheaply duplicated to distribute to members.)

d. Tell the Board or Members whether other co-operatives have any better way of doing, or keeping track of, the same kind of business.

e. Analyse the cost of each department; and tell

1. Whether you are paying too much for the things you buy;

2. Whether wages cost too much or too little for your amount of business;

3. Whether your inventory is too big, too small, or just right;

4. Whether delivery (when there is one) costs more than it should. (If a store is not making money, this is the way to find out why.)

5. Make your tax returns; perhaps saving money because of the experience of other co-operatives.

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OUT of this building on the North Side of Minneapolis (and another on the South Side), there yearly flows more than $3,300,000 worth of dairy products to half of the population of the city.
But the Franklin Creamery has many other achievements to its credit: Higher wages to its employees; lower prices for milk; higher prices to the farmers; establishment of the milk drivers union; a lowered infant mortality rate; operation on less than 4½% margin of profit; total sales of almost $9,000,000 in four brief years.
And now the Franklin is pioneering in another field of service to the city—a medical clinic. Instead of giving patronage rebates to customers, they are to open a Nutrition Clinic—a change from the Rochdale to the world-famous Belgian way of serving the people. The story of the plans for this Clinic, with its doctor and nurse and its medical examination and attention to tens of thousands of the children of Minneapolis appears on the next page.
Health Service Supplants Cash Rebate

The Rochdale versus the Belgian plan of Co-operation. That has been the most question at the Franklin Co-operative Creamery for the past two years. Many of the friends of this youthful co-operative have contended that a true co-operative must pay patronage rebates. Many more have insisted that the rebate is the least significant feature of a genuine co-operative society. The matter has finally been decided and the auguration of a Health Service according to the Belgian plan is the answer.

Franklin Nutrition Clinic

Malmishment among school children is generally recognized among the health authorities of the country as the most insidious enemy that confronts the rising generation. Actual disease can be recognized and treated. Organic defects are in the same class. But the undernourished boy or girl is generally characterized by parent and teacher alike merely as "listless," "lazy," "mentally dull," and by schoolmates as "slow," "a poor sport," "no good at games"; and nothing is done to help the sufferer. If that were all it would not be so bad. But it is not. Sooner or later the weakened constitution succumbs to some serious sickness.

And so Franklin is appropriating a sum of money for the establishment of a Nutrition Clinic to serve thousands of the boys and girls of the city. Qualifications for admission to the Clinic Service are:

1. Children of employees, shareholders and consumers.
2. Applicant must be of school age (5 to 14 years).
3. Height-weight index must be 10 per cent below normal.
4. Applicant must not be under the care of a private physician.

According to tentative plans worked out, there will be a clinic established at both the North and the South Branches of the Creamery, each clinic to be open a part of one day each week for the first few months. A board of three, composed of the physician in charge, the social nurse, and a member of the Board of Directors of the Association, will pass upon the qualifications of each applicant for admission. The clinic will take and keep careful records of the nutritional health and the general condition and progress of the patient until he is pronounced normal. A thorough examination will be made of each patient for all defects and diseases caused by other factors than that of diet.

The doctor will devote two mornings a week to the clinic and will prepare such pamphlets and health editorials as will be necessary for the promotion of health education among the employees, shareholders and consumers of the Franklin Creamery. The Nurse will assist the doctor and will make home visits for follow-up work. The special Educational Department will consist of:

1. Lectures on health by various specialists to cover a complete course.
2. Health education of parent and child at the clinic and through the Social Nurse's service in the home.
3. Health education of employees, shareholders and consumers in general through bulletins and health editorials.

This is the first large-scale attempt ever made by a co-operative in the United States to establish as a permanent institution such a social service out of its surplus. For years the great People's Houses of Belgian cities, built upon the economic foundation of the successful co-operative bakeries, and nourishing the social, artistic and cultural life of the workers, have stood forth as an inspiration to the world. Other countries have followed the example of the co-operators of Belgium. Now the United States falls into line.

The Past Year at Franklin

The Co-operative Creamery is four years old and well out of its babyhood. During those four years it has built up the strength and wisdom that justifies this new venture. Here are the sales from the beginning:

1921........................................... $855,063.39
1922........................................... 1,670,693.03
1923........................................... 3,106,993.27
1924........................................... 3,301,591.70

At the end of the first year milk was retailing in Minneapolis at 13 cents a quart. Now it is 11 cents. Then the Franklin had hardly two dozen wagons; now it has 175 regular routes throughout the city. In 1923 the net savings (or "profits") were $179,000. This past year almost $50,000 have been put into the Reserve Fund for the strengthening of the institution, and yet 7½% interest has been returned on one million dollars worth of stock.

The best progress in 1924 was made in the ice cream department where, in spite of the unusually cold summer, sales increased from $118,685 in 1923 to $160,576. Perhaps the more noteworthy than that was the increase by 44 in the number of employees, bringing the total number on the payroll up to 418.

There are now 6,000 stockholders, each of whom has at least $100 invested in this huge co-operative business. The customers number more than 30,000. The President of the private dairy corporation which is competing with Franklin told Mr. Nordby, President of the Co-operative, a few months ago that Franklin had taken away half of his business. Doubtless his estimate was conservative, for the co-operative is now by far the largest distributor in the city.

But these statistics for business and patronage do not begin to tell the story. The Creamery has raised the wage and working standards for all dairy workers in the city. It has increased the efficiency of the industry. It has so improved the quality of milk distributed in Minneapolis that the Franklin has the highest grade of milk to be found in any large city, and the infant mortality rate has definitely been lowered. Meanwhile the city co-operative has established direct connections with the local dairy farmers (Twin City Milk Producers Association) and while cutting out all middlemen, has also given the producers the highest price for their milk to be found anywhere in that part of the country.

The Balance Sheet at the end of 1924 shows:

| ASSETS | \n| Current Assets (Cash, Accounts Receivable, Inv., etc.) | $1,392,755.44 |
| Current Liabilities | 85,173.04 |
| Allowance for Depreciation | 168,446.75 |
| Surplus Reserve to Retire Bonds | 10,000.00 |
| Total Assets | $1,763,650.08 |
| Current Liabilities | 85,173.04 |
| Total | $1,763,650.08 |
| Current Assets exceed Current Liabilities by $125,575.39. |

The Annual Report of the Directors of the Association gives many interesting facts about the business. For instance, it has been found highly profitable to organize several departments for production or repair of equipment. By making their own delivery wagons in their own wagon shops they cut the cost of such wagons from $310 to $240.40. By shoeing their own horses, they cut the cost per shoe from $1.25 to 98 cents. The harness shop is another economical unit of the business. In the garage all
CO-OPERATION

The Nebraska Farmers Stand Fast

The embattled farmers of Nebraska have had their Twelfth State Convention and showed where they stand on Co-operation.

Things have been going badly with the agriculturists everywhere since the government knocked them down four years ago. The Farmers’ Union of Nebraska had 47,000 members before they were deflated. Now they have less than 18,000. They lost 2,700 members in 1924. But the major-ity of them seem to know that they have to stand together to save themselves.

Most farmers think chiefly in terms of their families. Their men are farmers who understand the whole operation. They see the farmer as a producer and a consumer who has the right to control both his production and consumption. They know that the cards have been stacked against them. All they ask is a square deal. With the government playing favorites they think they can take care of themselves. Here is a resolution which shows that they understand the situation:

We do not ask for any special privileges. We are willing to help ourselves. But we claim that agriculture must be placed on an equal footing with other industries of the country by proper legislation. Therefore, we demand a reasonable reduction of tariff rates in order to enable some of the foreign nations to ship some of their manufactured articles in payment of their debts to this country and enable the farmers to buy them at reasonable prices.

It is a cheerful sight to see farmers looking through the holes in our tariff wall. The Nebraska Union farmers are getting so close to the people who are causing their troubles that soon they may see the whites of their eyes. Then look out for the embattled farmers. They may yet be heard round the world.

Customer Owners

“CUSTOMER owners are best for pub-
lic utilities.”

Who made this significant statement? Who could go to the root of an economic question like this unless it were somebody who sees things as they really are? Well, here is the statement: Henry L. Stimson and Arthur T. Hadley both said it in their recent addresses before the New York Republican Club. Both of these gentlemen have been very close to big business and the upholders of things as they are. It is a cheerful sight to see farmers look through the holes in our tariff wall. The Nebraska Union farmers are getting so close to the people who are causing their troubles that soon they may see the whites of their eyes. Then look out for the embattled farmers. They may yet be heard round the world.

Vital Issues

CO-OPERATION

Yet government control and ownership are coming fast. The socialists are praying for it; even the capitalist governments are putting it into operation. Mr. Stimson and Mr. Hadley see this trend of things. Wider distribution of the stocks of corporations into more hands, out among the common people, may stabilize things and may save their skins.

What are some of the differences between government ownership and private ownership? Government ownership tends to lower rates when it is good politics; private companies do so when it is good business. Mistakes of a private company can be controlled; but those of a government become sacred.

But this idea of customer ownership of these gentlemen has its limitations. Finally it defeats its purpose if carried to a conclusion.

When all the stock of the electric trolley railroad of some town is so widely distributed that every passenger in the town who uses the railroad is a stockholder, then the stockholders may have a meeting some day and revise their by-laws or articles of incorporation. They may provide that each stockholder shall have that stock shall be paid a fixed rate of interest, and that service shall be given at cost. That would be good for the road, for the people, for the stockholders, for the corporation, and especially for the people as a whole. Stranger things than this have happened in this world where foolishness seems so natural. People sometimes have lucid intervals and act sanely in their own interests.

And when they have gotten that far with their street railroad and found that running it in the interest of the passengers is a good thing, they may apply the principle to other things, and the idea may spread to other towns.

This very same idea of customer ownership in store-keeping started in Rochdale, and in fifty years it had spread to every town in England. Common sense may be just as spreading as nonsense, if it gets the right start.

Of course, Mr. Stimson and Mr. Hadley would not want their good idea to “go too far”—only just far enough. But a good idea is hard to control. Nobody can tame it; put it in a cage, make it eat out of the hand, and come at the call of the master. Good ideas do not always behave that way.
Suppose this idea should spread to the beef trust, or the bread trust, or the sugar trust! The people in their co-operative societies are capturing these corporations and controlling them steadily in Europe.

An hydro-electric plant in Pennsylvania that had charged exorbitant prices has recently been bought out by the consumers and made co-operative. Suppose the consumer of this corporation were to say, "I will do the work, and I want to own it myself."

'Co-operative' swindles are about put out of business, because, they said, "the people like the word 'Co-operative.'" So the unvarying are still entitled with the advertisements of the "100% Co-operative."

Up in Warren County, New Jersey, an old lady lived near the Sussex County line. She was greatly rejoiced when she heard that they were going to move the county that she would become a county in Warren County.

There are a lot of old ladies biding at advertisements and going so far as actually to move into what they think is a healthier atmosphere, when it is not the atmosphere that is changed, but only the name.

On the other hand if they really want to live in a co-operative house, they can do so. There are plenty of people who writes for us during the next eight or ten months is a leading spirit in some economic, political or social school of thought. We shall hear from a Philosophical Anarchist, a Communist, a Syndicalist, a Socialist, a Single Taxer, a Progressive, a Capitalist, a Pacifist, a religious leader and others. All these articles will appear under the title Why Co-operation Is Not Enough. Harry Kelly speaking as a Philosophical Anarchist, begins the series this month.

We all know what co-operators think of the co-operative movement. Here is our opportunity to learn what others think of it—and of us.

C. L.
Co-operation

The Strength of Co-operation

The strongest factor in the co-operative movement is not the money it saves nor even the experience in the management of their own affairs it gives to the participants. It is the fact that it is based upon voluntary association and mutual help, nor expected assistance from the State. It stands or falls upon moral suasion and can never be inflected upon an unwilling majority or majority consent. The advocacy of temperance and even of total abstinence was a splendid thing, but when it was codified into a law, making a criminal of the man who disregards it, it became with its army of spies, moral policemen and crooks high and low, a thing accursed. Coercion has its roots in inequality, and so long as people submit to authority inequality will continue to exist.

During the war co-operators killed each other as ruthlessly as vegetarians or one hundred percent patriots and no doubt justified themselves by saying that "some day when the moral blush of philanthropy has been established we will stop doing it." Probably some co-operators were conscientious objectors, but the movement as such being purely economic does not concern itself with such things. Neither does it concern itself with art, sex or any one of the multitude of other things that go to make up life; that is why it is not enough.

The Greater Strength of Anarchism

Anarchism can and does concern itself with every phase of life, and anarchists claim that if men and women were free individuals and not subject to laws drawn by capitalist, landlord, church, or even public opinion. They may worship one or many gods, try out collectivism, authoritarian or even communism, credit banks after the theory of Proudhon, single tax, syndicalism or other forms of production and distribution not yet discovered. Experimentation is a law of life and men should be free to try all the different theories of social grouping as well as the thousand and one other problems that life presents. Every anarchist, no matter how individualistic his philosophy may seem, is in the very nature of things a co-operative and if in certain cases he is unable to work in a purely economic movement it is because it seems less important than other things he is interested in.

After all it is very difficult for types that are different to work together. A co-operative creamery in Finland or an apartment house in Brooklyn may not be important enough in the lives of some persons to make them work together with people who vote for Coolidge and support every standpatt politician in the community. It is a sad fact, but a fact nevertheless, that in some of the States where economic co-operation is most advanced the most reactionary laws exist. The co-operative movement is like any other movement that draws its units from every group in society. It has to narrow its activities to the largest group which is invariably the most conservative. The result of this activity is as often as not on a plane that stimulates the acquisitive instinct; therein is its weakest link and the reason, I believe, why what is known as the Co-operative Movement is not sufficient.

Russia and the Conflict Between Co-operation and Stateism

By J. P. Warraase

The organization of the co-operative society in Russia is too intricate a subject to be nonsense of what I am told, and interesting. An important discovery was that sometimes the degree of freedom for anybody. Commerce and property are controlled by the State as much as possible and it was perfectly clear that this is the policy of the Russian Government. But where is there a country in the world in which Co-operation is absolutely free from the State?

One problem I honestly tried to solve. It is the question of the relation of the Co-operative Movement to the State. It was for this that I really went to Russia. On this subject I talked with Mr. Krintchev, the president of Centrosevy and the other organizations, with employees of co-operative societies, with members, with plain working people of different trades, with intellectuals, and with bourgeois. Above all, I saw the Co-operative Movement in action from many points of view. With English, German and French as my command, and with efficient Russian interpreters, I got much how instructive and interesting. An important discovery was that whenever I cut loose and went off alone into a group of workers, or any other kind of people, there was always somebody who spoke and understood German. It proves the most useful language to one who does not speak Russian.

We remember that there was a big and growing Co-operative Movement in Russia before the war. After the fall of the Czarist regime it grew wonderfully. Then at its period of greatest development, in 1918 and 1919, decrees of the Soviet Government made the co-operative officials more independent and in 1921, but they found themselves set at liberty in a world in which there is no liberty for anybody. Commerce and property are controlled by the State as much as possible and it was perfectly clear that this is the policy of the Russian Government. But where is there a country in the world in which Co-operation is absolutely free from the State?

Co-operation and Stateism (Continued)

The critics of present Russian politics, say that Co-operation in Russia is under the control of the State. On the other hand, the high co-operative officials in Russia claim that their movement has complete freedom and autonomy. The facts are that the Government did release the co-operatives from Co-operation to a greater or lesser degree. And there is at least one European country outside of Russia in which the Co-operative Movement is simply an accessory of convenience to the dominant political party. That is Austria. In Belgium, politics is inseparably mixed with Co-operation. In Italy the mixture is so close that the Co-operative Movement rises and falls with the Government.
have as its leaders men who can work with the present Government. Since all of the land and houses were confiscated by the Government, it is natural that, if the Co-operators want to get the use of land or buildings, they must negotiate with the Government; and friends can negotiate better than enemies. This makes it expedient for Russian Co-operation to take the course it does.

Co-operators in Russia have to take a sympathetic attitude toward Communism to make the path of Co-operation smooth. But this does not mean that they are Communists or that they desire to see Communism exalted above Co-operation. By the way, one co-operative official I was informed that the high officials are appointed by the Government; the lower officers and employees are appointed by the society. This means, I take it, that the Government advises the co-operatives as to who would be most acceptable for a high position. The co-operatives are guided by that advice. It would be contrary to the society to go about independently and elect somebody who might be distasteful to the Government.

Only a small percentage of the employees of the co-operative societies are Communists. After visiting a 'factory, store, school or other co-operative plant I have discussed the general problems with the co-operative officials standing about. Finally we have come to the question, "How many of the members of the society are Communists?" Then, "How many of the employees are Communists?" And finally, "How many of the officers are Communists?" and I am told that the society has a dominating government. They have them in place to a certain military organization or takes that military company or regiment under its patronage. Thus Centrosoyus does this, and becomes a basis for the military organizations of which is paid to a regiment by Centrosoyus the name of Centrosoyus is inscribed on the flag of that particular regiment. At the great "War against War" celebration in Leningrad on August 6, 1924, my attention was called to this flag passing the reviewing stand. The Co-operative Movement of Russia pays a large tax to the military. This is by far the largest army in the world; and the Communists say it is their strongest guarantee of peace—just as our militarists say of our army.

At this parade I saw 100,000 people pass. There were fully 300 allegorical floats mounted on automobiles. Banners and leg-
It is not spectacular, it makes little noise, it is slow and steady; but it is accepted as a principle throughout Russia. Among the great mass of Russian workers, the farmers—Co-operation is theoretically more acceptable than any other plan of action and practically it gives them greater satisfaction. Russia is a land of farmers. The working class of Russia are largely farmers. The small minority of industrial workers and theorists of the cities will not be able forever to dictate the form of organization under which these farmers shall live. Political parties come and go. They have their little reign of power and they perish. But Co-operation is eternal.

The student of Russian problems gets the impression that the Co-operative Movement of Russia is that country's most hopeful system of organization. Russia is moving forward and promises some day to become a great Co-operative Democracy. Among its Co-operators are earnest students and conscientious workers toward that end.

The Co-operators of Russia who are developing and protecting this movement are the true builders of the Great Russia. The Co-operatives are the Russian comrades to give them loyal support.

From the League Office

Annual Report of the Audit Committee of THE CO-OPERATIVE LEAGUE

Presented for the Year Ending Dec. 31, 1924.

To the Board of Directors and Members of The Co-operative League:

Your Audit Committee has examined the official records of The League and is presenting a report under four heads.

First, We have examined and classified in some detail the membership list of The League.

Second, We have taken the statement of receipts and disbursements from October 1, 1923, to October 1, 1924, as published in January issue of "Co-operation," and rearranged the items in accordance with certain recommendations we are making.

Third, We have made up a statement of the property, equipment and cash on hand January 1, 1924; a statement which the auditor calls "Present Worth."

Fourth, We present some recommendations.
### CO-OPERATION

#### DONATIONS

- For office space of League: 2,137.50
- Rents from building: 11,450.00
- For special purposes: 2,500.00
- Other donations: 388.00

**Total Donations:** 16,475.50

#### DISBURSEMENTS

**OVERHEAD**

- Salaries — general:
  - Executive Secretary: 2,600.00
  - Office Secretary: 2,080.00
- Office Expenses — general:
  - Stenographic work: 975.00
  - Postage: 364.00
  - Stationery: 171.00
  - Printing: 346.00
  - Telephone: 128.00
- Rent and House Expense:
  - League office space:
    - Light: 61.00
    - Office furniture: 56.00
    - Coal, Repairs, Janitor, etc.: 416.00

**Total Overhead:** 1,920.00

**SELF-SUPPORTING ACTIVITIES**

- Traveling Expenses: 915.67
- Magazines:
  - Co-operation (For salary, see Executive Secretary): 1,312.21
  - Home Co-operator:
    - Salary: 864.00
    - Printing, postage, wrapping: 618.81
- Books and Pamphlets for sale:
  - 2,689.02

**Total Self-Supporting Activities:** 4,089.46

**OTHER ACTIVITIES**

- Office Expenses: 1,930.86
- Rent and House Expense: 733.32
- Special organizer: 3,600.00
- Special speakers: 941.97
- Membership in other Co-operatives: 168.50
- Books and pamphlets for League Library: 260.23
- Advertising: 194.68
- Miscellaneous Expense: 107.01

**Total Other Activities:** 7,736.47

**Loans returned:** 1,382.73

**Total Disbursements:** 28,500.66

### III. Statement of Present Worth

#### ASSETS

- Beginning of year: $1,362.18
- Trust fund: 11,450.00
- For special purposes: 2,500.00
- Other donations: 388.00

**Total Present Worth:** 13,587.50

#### DISBURSEMENTS

- Cash in Bank:
  - Beginning of year: $1,262.18
  - Cash Receipts: 20,735.64

**Total Cash Disbursements:** $21,997.82

**Balance in Bank:** $1,697.16

**Inventory of Books on Hand:** $1,869.63

**Balance, Present Worth:** $2,066.79

### IV. Recommendations

1. That the quarterly statements sent to the Board of Directors and League members should include:
   - (a) Statement of receipts and disbursements classified so as to bring out the three heads of Membership Dues, Income from Self-Supporting Activities, and Donations on the Receipt side; and the Minimum Office Overhead, Expense of Self-Supporting Activities, and Other Activities on the Disbursement side.
   - (b) A statement of Present Worth, showing cash in bank, inventories, and loans outstanding.
   - (c) A detailed report on Societies.
     - (1) Changes in membership during period; new members, expired memberships, withdrawals.
     - (2) Number of member societies (paid up); and number who have been in arrears less than one year (separately).
     - (3) Classification of member societies: according to basis of payment—10c direct, 5c indirect, or $1.00 per year; amount of business, number of members, nationality, kind of business.
   - (d) A full statement of loans outstanding.

2. That a yearly inventory of books, "literature" and periodicals for sale, should be taken at cost price and included in statement of Receipts and Disbursements and of Present Worth.

3. That value of Office space (League House) donated should be incorporated in statement of Receipts and Disbursements.

4. In regard to membership:
   - (a) That member societies of the League be interpreted to include those who have paid dues.
     - (1) Directly, at the specific rates provided in the new constitution, being 10c per member except for insurance, banking, credit and housing societies.
     - (2) Indirectly, through district leagues, likewise at rates provided for in the constitution, being 5c per member for distributive societies.
     - (3) Whose membership in either of these classes is not more than one year in arrears, but members-in-arrears shall be so classified in reports.
   - (b) That societies paying $1.00 or more a year but less than regular dues because their financial condition or state of co-operative education prevents, be treated practically as members for the definite period of two years, but that reports show them separately from full members.

Note.—At a joint meeting of the Audit Committee and the Executive Staff of The League, it was decided that, in view of the annual basis of membership for societies, this report should be made only once a year.
In conclusion your Committee wishes to express its appreciation for the help given by the League staff in obtaining the statistics necessary for the report. The figures have been compiled in the belief that a close co-ordination of the constituent members of the League and their effective financial support of its essential activities depend on their detailed knowledge of the costs of operation and of the number and character of societies already affiliated.

A general union of societies can only come through our working together for our common aim and any effective working together depends upon exact information as to the distance we have gone and the contribution we must make in time and money.

Respectfully submitted,

(Signed) OLAF NILSSON, Secretary.

Note.—The original Report was followed by an Appendix (omitted here for lack of space) which contained:
1. A classification of all 337 societies that ever claimed membership in The League.
2. A classification of 188 societies who either never paid dues amounting to $1, or who allowed their dues to expire before or during 1923.
3. A further classification of all 337 societies according to Amount and Kind of Business, and Nationality.

"What Killed the Co-op?"

A SURVEY covering co-operative failures from 1913 to 1923 records approximately 1,100 societies that have ceased to function during this time. This study was made by A. W. McKay, of the Bureau of Agricultural Economics of the U. S. Department of Agriculture and deals in the main with producers' undertakings. To balance these failures, Mr. McKay reports that "12,500 farmers' organizations in the United States have survived the diseases of infancy, thrown off some severe economic colic and at this moment, for the most part are enjoying excellent health."

The Department of Agriculture made a careful analysis of the co-operative business failures in the state of Michigan and shows the following results for a period of eleven years: "750 organizations were investigated. Of this number 539, or 72% are still active; 72 associations, or 9% are listed as out of business; and information regarding the remaining 140, or 19% is not sufficient to permit their being included either as active or dead." This is a fine weapon with which to fight private enterprise propagandists who aim to make the public believe that co-operation is economically unsound and destined to failure. According to the statement of the Department of Agriculture, the percentage of co-operative failures is no greater than that of private business.

Mr. McKay points to the principal causes of co-operative failures as the following: (1) Insufficient business; (2) Bad management; (3) Directors not directing, and (4) Lack of loyalty among the members. Much has been said in the columns of CO-OPERATION of these four hangmen of co-operative societies, but it is interesting to note Mr. McKay's closing statement: "Co-operatives do not fail because they are co-operatives, but because they are business enterprises subject to business hazards."

There are three classes of co-operative stores in this country: stores, warehouses and museums. Which kind are you running?

A. W. W.
The Finnish K. K. and Communism

In the January issue of CO-OPE-RATION, Dr. Warbasse in his “Letters from Abroad,” writes about his impressions of the Finnish co-operative movement.

In the discussion of the K. K. society, the correspondent mentions that the progressive wing of consumers’ co-operation in Finland, certain statements require correction.

The statement is made that “present not only the officers but the general membership of the K. K. were strongly opposed to communism in Finland, which was held at Wiborg, Finland, in June of 1924.”

Since the time the article was written, several of the officers of the K. K. were strongly opposed to communism, but there undoubtedly were some people among them, who believed that communists could make a better government than the officers of the K. K., as far as political ability is concerned—due to active participation of communist officials in the progressive co-operative movement there. At present the communists have representation even among the county officers of the K. K., which they did not previously have. Eino Pekkala, a jurist and a well-known communist leader, has been elected to the administrative council, the highest executive body of the K. K., and Hannes Uksila, another well-known communist, fresh out of prison where he had recently been elected, is a member of the board of directors of the school. Eino Pekkala, a jurist and a well-known communist leader, has been elected to the administrative council, the highest executive body of the K. K., and Hannes Uksila, another well-known communist, fresh out of prison where he had recently been elected, is a member of the board of directors of the school.

It may be perfectly true that at the time the article was written several of the officers of the K. K. were strongly opposed to communism, but there undoubtedly were some people among them, who believed that communists could make a better government than the officers of the K. K., as far as political ability is concerned—due to active participation of communist officials in the progressive co-operative movement there. At present the communists have representation even among the county officers of the K. K., which they did not previously have. Eino Pekkala, a jurist and a well-known communist leader, has been elected to the administrative council, the highest executive body of the K. K., and Hannes Uksila, another well-known communist, fresh out of prison where he had recently been elected, is a member of the board of directors of the school.

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What was held at Wiborg, Finland, in June of 1924, the delegates from three large workers’ co-operatives (those of Abo, Wasa and Kuopio) with a total membership of 12,564, were communists and therefore, at least half a dozen other delegates, who in important questions of general policy voted with these delegates against the majority of the congress. At this meeting it was also brought out that the circulation of “Kuluttajain Lehti” had decreased by several thousands during 1923 chiefly because, it was claimed, its contents had not satisfied the communist membership of the newspaper.

Undoubtedly all this has contributed to the recent changes in the administration and management of the K. K. as well as the editorial staff of its organ.

The purpose of this correspondence has been to set the record straight with the co-operative officials in Finland, who happen to be communists. Exponents of true neutrality toward the different political beliefs existing among co-operatives will welcome an attempt to be fair-minded and tolerant. Let us always be willing to listen to the other side.

S. ALANNE.

Comment and Explanation

In the February number of CO-OPE-RATION we stated in our article on the Second Co-operative Training School, that the small attendance was due to the failure of the Speakers’ Service Bureau to give the proper publicity to the enterprise as per the agreement.

We have a letter from the Secretary of the Bureau protesting that there was no such agreement between the Director of the School and himself, and that the failure of the School to attract as large a student body as in 1923 was due to other causes.

Mr. Alanne, the Director of the Training School, substantially agrees with the statements made in this magazine, but does agree that in order to secure the necessary publicity work and wishes it understood that Mr. Hedges doubtless did the best he could under the circumstances.

And so, with the statement that the small attendance at the Minneapolis classes must in large measure be laid to the hurried nature of the work necessary and not at all to any wilful neglect of the part of the Speakers’ Service Bureau, we wish to close the matter and assure Mr. Hedges that we should deeply regret any interpretation of our remarks that might seem to reflect on the sincerity of his work in behalf of the School.

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

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The Co-operative League
Address:
ALBERT NOVICHEK, Managing Editor
Willimantic, Conn.

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

Published Monthly by
THE CO-OPERATIVE LEAGUE
167 West 12th Street, New York City
J. P. WARBASSE, Editor

Entered as Second Class matter, December 19, 1917, at the Post Office at New York, N. Y., under the Act of March 3, 1879. Price $1.00 a year.

Vol. XI, No. 4
APRIL, 1925
10 CENTS

PROPERTY of the Finnish Co-operative Trading Association, Brooklyn, N. Y.
First floor right, Butcher Shop and Grocery Store. First floor corner, Retail Bakery. First floor left, Restaurant. Entire second floor, Bakery Plant. Third floor, Offices and Pool Room. Down the street beyond this building may be seen three of the co-operative apartment houses.
Seven Strides Onward Toward the Co-operative Commonwealth

DOES Co-operation succeed in a large American city? New York is the largest city in the world. And in the Bay Ridge section of Brooklyn Borough is a community of co-operative working men and women that is gradually appropriating to itself more and more of the business of the neighborhood, until it is now fairly in a position to boast that it handles different kinds of business under co-operative rules than any other community in the country. The following is the story of the principal types of economic activity in which it is engaged.

FINNISH CO-OPERATIVE TRADING ASSOCIATION

It was during the war that a group of these people decided to begin their co-operative organization. The first two co-operative apartment houses were built in 1916, and at the same time the work started on the organization of the Co-operative Trading Association. In 1918 the large block shown on the preceding page was ready for occupancy, and a bakery plant was installed.

Within these six years the business has grown by leaps and bounds. The land, building and equipment cost the Association $178,593, and they own this free and clear of mortgages. The paid in capital and the general capital now amounts to $108,153, and the surplus built out of earnings for the six years to $34,383 additional. In 1924 the net earnings were more than $13,000 on the business of producing and distributing bread, running a restaurant, butcher shop, grocery store and pool room.

The Bakery

Year by year this bakery business has expanded until the ten trucks are now covering a territory which includes Brooklyn, Manhattan, and an extensive area of Northern New Jersey. Flour is purchased in carload lots from the Co-operative Wholesale in Superior, Wisconsin. Two retail stores, one in the main building and the other in the Harlem section of New York, are selling the bread, cakes, cookies, pastries and rolls direct to the ultimate consumer, while the trucks are delivering both to the individual consumer and to private stores.

The Grocery and Meat Store

The other little store in the main building started purely as a butcher shop, but now carries almost a complete line of groceries as well. Next to the bakery, this is the most prosperous department being operated. The manager here has the purchasing power which greatly helps the restaurant in procuring its raw materials at a low cost.

The Restaurant

Several years ago an independent group rented the room on the first floor, 43rd Street side of the building and opened a restaurant. The central association brought out this business late in 1923 and opened its own restaurant department. 1924 was the first year of operation and showed a loss, but the business is now gaining a little each month. The little restaurant is immaculately neat and clean and the furniture and fixtures are of the best. Food is served both a la carte and on the weekly table-board plan. Many of the members, especially where the mothers of the families as well as the fathers are working, bring in the entire family two or three times a day and use this as their community dining room.

The Pool Room

The pool room was opened on the top floor to provide a place in the co-operative for the young fellows who would otherwise lose themselves in the saloons and questionable gambling resorts of the city. These workers did not intend that it should be said of them that they could not hold the second-generation foreigner to an idealistic economic and social program. That this pool room has been a good investment is scarcely shown by the favorable balance sheet for the department for 1924 (with a gain of $1,359). The value of the investment appears in the continued loyalty of these young fellows to the co-operative institutions which their elders are building and the readiness with which they throw their funds and their energies into the same work just as soon as they attain the wisdom of later adolescence.

THE following is extracted from the Report of the Co-operative League Audit Bureau which made the audit of the books of the Finnish Co-operative Trading Association at the end of 1924.

<table>
<thead>
<tr>
<th>Description</th>
<th>1924 Balance Sheet, January 1, 1925</th>
</tr>
</thead>
<tbody>
<tr>
<td>ASSETS:</td>
<td></td>
</tr>
<tr>
<td>Total Cash</td>
<td>15,782.15</td>
</tr>
<tr>
<td>Accounts and Notes Receivable</td>
<td>3,080.52</td>
</tr>
<tr>
<td>Stocks and Securities</td>
<td>785.00</td>
</tr>
<tr>
<td>Inventories</td>
<td>8,721.25</td>
</tr>
<tr>
<td>Fixed Assets:</td>
<td></td>
</tr>
<tr>
<td>Land</td>
<td>7,050.00</td>
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<tr>
<td>Building</td>
<td>108,510.93</td>
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<tr>
<td>Furnish, and Equipment</td>
<td>63,032.72</td>
</tr>
<tr>
<td>Total cost val.</td>
<td>178,593.51</td>
</tr>
<tr>
<td>Less—Res. depr.</td>
<td>48,130.78</td>
</tr>
<tr>
<td>Net value of fixed assets</td>
<td>130,462.73</td>
</tr>
<tr>
<td>Deferred charges to oper.</td>
<td>1,225.68</td>
</tr>
<tr>
<td>Total Assets</td>
<td>160,057.47</td>
</tr>
<tr>
<td>LIABILITIES:</td>
<td></td>
</tr>
<tr>
<td>Notes Payable</td>
<td>63,653.00</td>
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<tr>
<td>Interest Accrued</td>
<td>10,463.05</td>
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<tr>
<td>Rebates Payable (1923)</td>
<td>7,545.99</td>
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<td>Balance Educational Fund</td>
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<tr>
<td>Total Liabilities</td>
<td>81,174.02</td>
</tr>
<tr>
<td>Net Worth:</td>
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</tr>
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<td>Capital Stock, per L</td>
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</tr>
<tr>
<td>Surplus</td>
<td>34,383.45</td>
</tr>
<tr>
<td>Total Net Worth</td>
<td>78,883.45</td>
</tr>
<tr>
<td>Total Liabilities and Net Worth</td>
<td>160,057.47</td>
</tr>
</tbody>
</table>
THIRTY-TWO families make up the Riverview Co-operative Association. They first organized in 1923, bought a corner plot at 41st Street and Seventh Avenue, and employed one of their own members, Arthur Kuusenoka, as Construction Superintendent. At the completion of the job, the members were perfectly familiar with the entire process of construction and all the materials that went into their home. They had "built their own homes." And by eliminating the huge fees to contractors and second mortgage brokers, they had saved many thousands of dollars.

OTHER COMMUNITY CO-OPERATIVES

Co-operative Housing

Many people consider the co-operative apartment houses built by these same people even more significant than their progress in the field of co-operative production and distribution. Here one may see how co-operative home ownership may be fostered by means of co-operative credit.

The picture above is but one of 15 that might be shown. Nine years ago when "The First Co-operative Homes Association" was organized and two adjoining houses built and occupied by the members the real estate interests in the country had their mortgage from a bank, borrowed other funds from a co-operative banking group in Massachusetts, and moved into large, five-room apartments for which they paid $27,800. And that is the explanation of the fact that there are no wealthy people among them, and none that are really poor.

SUNRAY CO-OPERATIVE GARAGE is just a year old and is one of the newer co-operative experiments. Organized late in 1923, by 26 owners of cars, the enterprise has made a surplus during this first year of $600. At the beginning each member paid in $250, which amounted to $6,500. The other $13,500 necessary to complete the twenty thousand dollars which is the gross cost of the building was raised through Comrade Loans. Each member pays $8 per month for the space and service he receives (private garages across the street and next door charge $12 a month). This is enough to pay the mechanic in charge a monthly salary, cover all operating expenses and fixed charges and return 6% on the members' investment.

WHAT DOES IT ALL MEAN?

"You have money in a good many different co-operatives," one of these men was asked.

"Sure. We don't use banks any more. That's all nonsense."

These men and women are definitely proving that it is all nonsense—provided you have well-informed co-operators to work with and soundly established co-operatives to invest money in.

The average worker in America turns all the money he receives right back into capitalist business institutions. These two thousand workers in the Bay Ridge section of Brooklyn are careful to spend every possible cent of their wages at their co-operative institutions. And what money they save they invest in their own co-operative institutions as well. That is how they come to have title to nearly two million dollars worth of real estate.

Real estate assessments have gone up since then and the members are now paying $32 a month, but they have never had to add anything to that initial $500 except the regular amortization in rental charge. The second mortgages are now entirely cleared. Other workers in the neighborhood are paying to private landlords $70 and $80 for apartments that are not as good.

The "Riverview," shown here is one of the more recent houses. There are 32 apartments of 4 or 5 rooms each, and one for the janitor. Total cost of construction was $170,000. Each member put in $300 per room (which would mean $1,500 for a five-room apartment); a first mortgage of $70,000 was placed with a local bank, and the balance was raised from the well-known method of negotiating "Comrade Loans." These loans are procured from fellow co-operators in the neighborhood who make loans to the housing group at 5% on notes. Every one of the apartment houses built since the first two has solved the second mortgage problem by means of these "Comrade Loans." As there are 104 rooms in the "Riverview," the cash paid in by members was about $31,200, and the amount raised from "Comrade Loans" about $68,800.

One of the members of the group was an experienced builder, so he was made construction superintendent, and worked for a weekly wage. Through buying many of the materials himself and hiring much of his labor by the day, he eliminated large contractors' fees. Every week during the entire process of construction he met with the whole group and they together went over all the details involved in building their home. The excellent quality of materials used, the unusually fine workmanship, and the low cost are all due to this careful oversight of the whole job by the whole membership.

The same man is now in charge of a new co-operative house being started on the next block; the largest of them all, with 45 apartments.
Vital Issues

Killing Miners

DURING the past ten years accidents in coal mines in the United States killed an average of 2,466 men and injured 150,000 a year. Twenty times during the past two years the newspapers have told the story of coal mine explosions. In the eighteen most recent disasters 767 men were killed.

Coal mining need not be a dangerous business. If the stockholders were the people who had to go down into the mines and dig out the coal it would be made safe as going to a movie show. Why is it so dangerous now to miners?

The cause of these explosions is known. The means for preventing them are also known. Why do they continue?

One reason is that it would cost the mine owners some money to use the measures that would prevent the accidents. It is cheaper to let the miners be killed than to use the safety devices. There are too many accidents. Miners are cheap. The stockholders are hungry for profits.

The cost of preventing these disasters is one-fourth of a cent per ton of coal. Let us say this again: one-fourth of a cent per ton of coal. That is what it would add to the cost of production to introduce the devices that would prevent the explosions that killed 767 men in the last two years.

Some say that our law-makers should compel the mine owners to safeguard the lives of their miners. If the users of coal were the owners of the mines the miners would be among the owners and if every owner had only one vote in running the mines, nobody would have any more voice in the industry than the miner himself.

Some day perhaps these things will come to pass. They have at Shillibottle, England. The miners in the Shillibottle coal mine are not subjected to these dangers. This mine belongs to the Co-operative Wholesale Society.

It produces coal for use. It also gives the miners steady work, good stone houses to live in, two weeks vacation with pay—and it saves miners' lives.

Drifting Along with the Farmers

IT has always been a mystery to us just why a group of farmers signed that "Report to the President by the Agricultural Contracting Organization for Submission to the 68th Congress."

The report advocates a protective tariff when what we think the farmers need are markets and a free flow of commerce.

It would "allow co-operatives a freedom to develop without governmental interference or domination," except for the very proper police powers lodged with the Secretary of Agriculture under the Capper-Volstead Act. That a "fostering attitude" on the part of the Government towards co-operatives is "essential" will not be agreed to by everybody. This act permits and authorizes the Government to submit their records to the Government; whereas private business, profit-making corporations, big and little are free from such Government interference with their affairs.

Co-operatives know that competition exists. Their competitors want the facts and figures about co-operatives and they will want them increasingly as the movement grows larger. This plan would make it possible for them to be had. Co-operative societies would be a sort of open book for the inspection of their competitors.

There are lots of good things in this report also. The difficulty is that by the time a program such as this gets into operation, the things that are really good for the farmers are eliminated, quashed, or nullified, and the things that are good for the business of trading in farm produce and lending farmers money are put into operation.

This is an example of what may be one of the good recommendations: "The Conference is in favor of legislation which requires that specific statements be placed on all goods manufactured and made from fabrics purporting to contain wool, shoddy cotton and silk of which they are made."

There is a good idea. But it is in the interest of nobody but the manufacturers. It does not represent class legislation. It has not the ghost of a chance to become a law.

We are interested in these acts which have to do with farmers' productive organizations because any legislation which affects them will sooner or later be translated over to affect consumers' co-operatives. And farmers' selling organizations are organizations of consumers also. In some cases they buy as much as they sell. We are all in the same boat drifting along down stream together. We should all be looking out for snags. What upset one will upset the other.

J. P. W.

Do Large Corporations Govern This Country?

SECRETARY MELLON, of the United States Treasury, says he does not approve of the bill which would compel all government employees to file publicly their corporation affiliations. Apparently Mr. Mellon does not want the public to know how completely some of the departments of our government at Washington are dominated by huge corporations. The following list, according to the National Farmers' Council, gives the mammoth corporations of which Mr. Mellon himself is either President, Vice-President or Director.

Banking: Mellon National Bank, Pittsburgh, Pennsylvania; Mellon Trust Company, Vice-President; Pittsburgh, Union Savings Bank, Vice-President, Pittsburgh, National Bank of Commerce, Director, New York.


We have seen no better argument anywhere for publicity regarding the corporation affiliations of public officers.

We also wonder whether, under government ownership of these particular corporations, we would have a different kind of man in Mr. Mellon's office.

C. L.
Why Co-operation Is Not Enough*

From the Socialist Standpoint

By Daniel W. Hoan, Mayor of Milwaukee

It is by no means an easy task for one who holds so high an opinion of the Co-operative Movement to write upon the subject assigned. I shall, however, state why, as a Socialist, I deem this movement insufficient as a complete solution of our social and economic ills.

I will state at the outset that true co-operation in the socialist economic life is, according to the proposition that the capitalist system is in a state of disintegration. To believe otherwise is to deny the possibility of its being gradually superseded by the Co-operative Commonwealth.

The fact is that all history teaches us that every institution based on principles of greed and selfishness has perished. Take for example, past nations such as Rome, Greece, Assyria, Phoenicia, Babylon, etc. All that survives from these nations are some of their works of art, sculpture, architecture, classical literature, and true principles of religion.

True co-operation is based on ideals of justice, brotherhood, and service. If a civilization can be built on such ideals it will not only survive but be imperishable.

The big problem that looms to the fore-front of the working classes—who must of necessity be the prime movers in the promotion of the new ideals—can work rapidly enough to overtake the collapse of the civilization based on capitalistic industry. The World War may be used to illustrate this point. Few realized that so great a calamity would overtake us.

It came in spite of the Co-operative Movement, the Socialist Movement, the Trade Union Movement, the Church, or any other organized effort in the direction of peace and good-will toward man.

If co-operation is to make sufficiently rapid progress to overcome similar or future catastrophies, working class solidarity must be rapidly advanced. Any movement therefore which has for its end the teaching that progress in the future depends largely upon the solidarity of the working people is not only necessary but merits the commendation of all.

The Trade Union Movement and the Co-operative Movement deal with the economic life of its members, while the Socialist Movement promotes the political welfare of the workers. All three made mistakes and perhaps serious mistakes. All have profited by these mistakes. It has, however, taken years of painful effort to direct these varied schools along the lines of building on firm foundations.

I am not seriously concerned about the mistakes of any of them, except as a means of helping all three to avoid them in the future.

It is undoubtedly true that many Socialists over-emphasize the political activity that the State should undertake. It is likewise true that many Socialists have an exalted opinion of what unionism may accomplish. I also believe there is great danger of the Co-operator thinking that he alone can paddle his own canoe without the assistance of the organizing efforts of the other two movements. I believe that no true friend of social progress should waste one iota of time debating about the uselessness of the efforts of either of these groups, but should wholeheartedly support all three. We would lend our efforts in correcting errors in the policies of any of them.

I believe that the Co-operators should work with the trade unions to show to them the necessity of their members supporting the Co-operative Movement. Likewise they should work with the Socialists and demonstrate to them that they should lend their efforts in that direction. Why not the Trade Unionists and the Socialists support the Co-operative Movement and promote it as rapidly as possible?

I subscribe to the principles of the Socialist party, namely: The collective ownership and democratic management of all monopolistic owned and controlled means of distribution. My interpretation of that proposition is that we should extend the principles of Co-operation as rapidly and as far as it is humanly possible in the affairs of men. I should not want the state or municipality to engage in a single enterprise that can be successfully conducted on the basis of true Co-operation. I have lent my efforts in having the Socialists support the Co-operative Movement. I would even add that I would deeply regret the condition were the Co-operative Movement developed so slowly that it became necessary for a municipality, state, or national government to operate all such monopolistically owned and controlled activities.

I do submit however, that the Co-operative Movement will make the greatest headway in places where a true spirit of comradeship is developed among the workers. I believe that before the Co-operative Movement will make satisfactory progress in this country there must be developed, through the Trade Unions, and through the political activities of the workers, a greater feeling of solidarity. The spirit of individual selfishness can only thus be overcome. What is often forgotten is that the Trade Union Movement in Europe has prepared the soil for the political movement. I believe that both of these have helped in turn to fertilize the efforts of the workers for a healthy development of the Co-operative Movement.

The opponents of Co-operation are altogether too powerful, especially in the United States, to be fought single handed by any one of these movements.

Austria, Co-operation Mixed with Politics

By J. P. W.

The victorious Allies, after the war, split up the Austrian Empire into four countries, all hostile to one another, and left what was once the old Austria a dismembered trunk.

This small relic of a country has its capital city Vienna, with 2,000,000 population—a city which before the war was the capital of a country with 45,000,000 population. Austria now has 6,000,000. The rest of the people are in Hungary, Czechoslovakia and Jugoslavia.

The Austrian Co-operative Union, with its wholesale, once spread out over all of these four countries. After the Allies had divided up the territory of the Union, the
wholesale had to pay duties on its produce when shipped from factories and warehouse houses, which the creation of new national boundaries had so suddenly placed in foreign countries. But the Co-operators adjusted themselves. New unions and wholesale were formed in each country. Dr. C. C. van Aalst, a member of the First National Co-Operative Union in Sweden, said the factory. It now has 240 employees and 70 pairs of shoes a day. The shoes are sold to the Wholesale and to the private trade. The workers get a share of the profits. They do not accept it as individuals, but collect it in a common fund and use it for insurance purposes. They maintain two very nice country homes for recreation, vacation, and convalescence—"Erholungsheim Freundschaft" and "Erholungsheim Zukunft."

This subsidiary organization with which the Wholesale is combined consists of the Wholesale, the Leather Goods Wholesale which deals in underwear and clothing, and another corporation of a partial social character. This combination of the Wholesale carries on several other industries. Among these is a weaving factory, which also once belonged to the Government. It makes cotton and woolen fabrics, and has 220 employees. There is also a clothing factory with 250 employees. All of these factories produce a high grade of goods. The work in these industries is piece work.

This "G W H" has four retail stores in Vienna which sell its products. The Co-operative Wholesale itself conducts ten retail stores in Vienna. These activities are carried on by the Wholesale besides the ordinary functions of a co-operative wholesale which consists in supplying the needs of its cooperatives. The Vienna Co-operative Society has a long history and has been created by the amalgamation of several old societies. It is a truly great organization. It has 167,000 members and supplies one-half of the families of that city. It has 1,700 employees. Among its industries are a bakery, laundry, dairy, coffee roastery, carpenter shops, locksmith shops, blacksmithy, and leather goods. The idea is, perhaps, the largest shoe repairing shop in Europe. It has a combination with the city government for the distribution of coal and water. This is the largest retail coal business in Europe.

The leading officials of the large Vienna society are active members of the Social-Democratic party. As the Trade Union Movement is largely a Social-Democratic party movement, the Co-operative Society is almost exclusively composed of Social-Democratic Trade Unionsists, and the Government of the City of Vienna is in the hands of the Social-Democrats. The Co-operative Society, the Trade unions, and the dominating political party are closely united.

The question that arises in the mind of one studying this situation is: Are these members most interested in Co-operation or in their political party? The co-operative operative, reply that they are equally interested in each and each serves a different purpose.

This answer does not satisfy for the reason that the two are quite different in method and purpose. The test is discovered in education. Naturally a big society has an educational department. The Vienna society has. It issues literature and carries on propaganda. But the Co-operator is astonished to see that most of this is not co-operative propaganda but propaganda in the interest of the Social-Democratic party. It is true that prices in the stores of the Society are high and that a large part of the surplus-savings are used for political party purposes. The party is virtually the trade unions.

The Socialist trade unions of Austria have 1,070,000 members. The Catholic unions have 70,000 members. Practically all government employees are organized in the trade unions. Most of the Army—87 per cent—are active members of the Social-Democratic party. The Army last summer made a demonstration against the minister of war. (Imagine a detachment of the United States Army coming to Washington and making a demonstration against the Secretary of War!)

The people of Austria are moving on toward liberty, and it is perhaps the education carried on by the Social-Democratic party that is doing most to influence them. The Christian Catholic party plays with the capitalists and with the reactionary forces. The rich Jews, I am told, support and spend money to promote the Catholic party.

Trade Unionism in Austria is a real power. Its membership numbers one-fifth of the population—that is an average of nearly one trade unionist to every family. It was the Trade Unions and the Social-Democratic party that started the "Hammerbrot" bakery—two large bakeries and 25 smaller bakeries—perhaps the largest bread-baking business in the world. It was never a cooperative bakery. Recently it has had to sell out and go into capitalists' hands because of its inability to compete with the other big private bakery ("Ankerbrot").

Co-operative housing is one of the good things in Vienna. Most of the new housing is either of a semi-co-operative character or purely municipal housing. Still some true co-operative housing goes on. The Social-Democratic party is theoretically opposed to it. The municipality does not favor appropriations for expansion development of co-operative housing. In 1924 the city appropriated one-sixth of the available funds for co-operative housing and five-sixths for municipal house building. For 1925 the proportion will be one-ninth and eight-ninths. The idea seems to be to get away from Co-operation and towards Socialism.

If one asks city officials or high officials of the Vienna Co-operative Society to be shown co-operative housing, he will be shown municipal political house building. Co-operative housing must hunt up its own funds. Still when one finds it, it is most interesting. There are many true co-operative societies, building their own homes—often with their own hands in their spare time. By contributing 2,000 cases of labor the future tenant is entitled to the share of the savings which have paid for him a home. These homes are owned by the society with long leases.

But in all this business one easily sees a certain dissatisfaction. Young and live officials of the Co-operative Union frankly assert that there is too much politics being mixed with Co-operation. But the control is in the hands of the old Socialists who occupy the important positions, and the young blood is quite solidified. The situation in Vienna, is not unlike that in Moscow—a ruling political party using the co-operative movement to promote political ends.

There is always a reaction against the combination of Political Socialism with Co-operation. In Austria there exists an anti-socialist organization ("Der Algermissche Verband"), with about 90,000 members' societies. It has bakeries, mills, housing and credit banks. Its society in Vienna is the "Erster Wiener Consumentverein," with 40 stores. This is the oldest society in Vienna—though claiming to be neutral, it naturally swings
News and Comment

A New District League for the Eastern States

At a Conference called at Springfield, Mass., on Washington's Birthday, delegates from sixteen co-operatives met and organized a District Co-operative League for the New England States, New York, New Jersey and such other Eastern States as wish to join them. The delegates represented the following societies:

- Hebrew Co-operative Bakery, Brockton, Mass.
- Hebrew Co-operative Bakery, Lawrence, Mass.
- Workingmen's Co-op Bakery, Lynn, Mass.
- Utica Co-operative Society, Utica, N. Y.
- Consumerized Homes, Inc., New York City.
- Consumers' Co-op Housing Association, New York City.
- Consumers' Co-op Services, New York City.
- Co-op Bakers of Brownsville, Brooklyn, N. Y.
- Finnish Co-op Trading Association, Brooklyn, N. Y.
- Stelton Co-operative Association, Stelton, N. J.

In terms of kinds of business represented by these societies (several of them operate several types of business), we find:

- 11 bakeries, 7 grocery stores, 4 restaurants, 2 milk plants, 2 housing groups, 1 coal distributing department, 1 laundry, 1 dry goods and shoe department, 1 furniture department and 1 pool room.

The delegates numbered 23; and there were also many visitors.

Morning Session

Mr. Cedric Long, representing The Cooperative League and Consumers' Co-operative Housing Association, was elected temporary chairman; and W. Niemela, of the United Co-operative Society of Maynard, secretary.

Co-op Buying. Most of the morning was given to a discussion of this subject. In view of the fact that there were more bakeries than any other type of business represented, this discussion centered around flour, yeast and oil. A canvass of those present showed that these commodities were being purchased in considerable quantities by the societies represented.

This discussion proved to all present that before any joint buying could be started it would be necessary to have exact analyses made of the flours now being used by the various bakeries, and a study made of the flour market. It was generally agreed that the situation with regard to yeast and oil was not so difficult. Further agreed that once the joint buying of flour had progressed far, the joint purchase of other commodities, used by the stores, could be taken up gradually.

Finally the general consensus of opinion showed that any permanent program of action demanded a permanent organization. Therefore a motion was passed to the effect that immediately after lunch the Conference should discuss the formation of a permanent organization.

The delegates took lunch together at 1 o'clock at a nearby restaurant.

Afternoon Session

Mr. Otto Endres, President of the Utica Society, was elected chairman; Mr. Niemela remained as secretary.

The story of the formation of a federation in the North Central States and its achievements was presented at some length, so that the delegates might get a picture of the work such a district organization might undertake.

Motion was passed to form a permanent district federation of co-operatives in the East, and the name adopted was Eastern States Co-operative League.

The following points were then discussed briefly:

- Central accounting and auditing.
- As a preventive of disorder;
- As an inductive aid in co-operative business;
- Need for standardization of co-operative records so that comparison and analysis of production and distribution costs can be made.

A Co-operative Year Book or Directory of co-operatives in the East: is it feasible?

Relations of such a District League to the National League.

Executive Committee was appointed as follows:

- Otto Endres, Utica (ex officio).
- W. Niemela, Manager, United Co-operative, Maynard.
- M. Rubinson, Manager, Co-op Bakers of Brownsville.
- A. Wirkkula, Manager, Finnish Trading Association, Brooklyn.
- L. E. Woodcock, Consumers' Co-op Services, New York City.

At a meeting of this Committee after the session Mr. Woodcock was made Secretary, Mr. Niemela, Treasurer, and Mr. Endres, Chairman.

A motion was passed to the effect that every society represented should contribute $5 to an Organizing Fund, and most of the delegates gave $5 to the Treasurer on the spot.

The Conference adjourned at 5 p.m. to partake of a dinner given the delegates by the Jewish Workers' Co-operative Bakery of Springfield. This bakery presented everybody present with a piece of the special birthday cake baked for the occasion.

The various sub-committees are now at work drawing up by-laws, studying the flour market and planning an educational program.

CO-OPERATION

The Finns in Norwood, Mass.

The United Co-operative Society of Norwood, Massachusetts, made a substantial gain in 1924 over the sales of the previous year, with a total business of $109,852.95, of which $2,264.22 was net gain for the period.

The United Co-operative of Norwood does not want to be known as purely a Finnish store, for in reality, all nationalities are patronizing the business and getting the benefits of the co-operative work. It is the aim of the leaders of this society to unite all groups of workers in the city into a powerful co-operative unit. The commodities handled are groceries, meat, milk and dry goods.

This society is one of the few in the East which boasts the ownership of a farm, where its milk is handled and its vehicles and horses housed. The investment in real estate and fixtures comes to almost $20,000. Capital stock and reserves total $10,435.49. The sales for the three departments for the past six months were as follows:

- Grocery .......................... $41,905.13
- Dry Goods .......................... 3,159.06
- Milk .................................. 11,287.77

Total .................................. $55,961.96

Brockton Bakery Regains Lost Ground

The Hebrew Co-operative Bakery of Brockton, Mass., has suffered from most of the mistakes that beset co-operatives. During the first quarter of 1924 alone they lost more than $3,600.00.

But late in the Spring of 1924 they put in charge of books, and later still in charge of the business itself, a young man who worked for the co-operatives in Russia only a few years ago and who knew the methods of control practiced by the stores under that system. Since he took charge, the gains have been steady. In the last eight months the Bakery has won back $464.50 of the money lost earlier.

The statement rendered by the Co-operative Audit Bureau shows net sales for the year of $35,850.23, and an operating loss for the entire year of $3,155.71.

Assets of the Society total $10,485.68. Current liabilities are $9,225.65, and capital (less deficit) is $1,260.03.
The following is an abbreviation of the Statement of Operations of the United Co-operative Society of Maynard, Mass., as compiled by the Audit Bureau of The League, for the period July 1 to December 31, 1924.

**Sales**
- $106,958.09
- $17,722.88
- $93,825.24
- $26,070.83
- $18,703.55
- $2,576.00

**Cost of Raw Material and Merchandise**
- $80,641.61
- 12,807.04
- 28,497.09
- 21,962.16
- 11,615.59

**Gross Gain**
- $19,956.48
- $4,915.84
- $9,328.15
- $4,108.67
- $7,087.76
- $2,576.00

**Expenses**
- $13,739.15
- 4,805.47
- 8,123.74
- 2,935.52
- 5,995.61
- 2,431.28

**Net Gain**
- $6,217.33
- $110.37
- $1,204.41
- $1,173.15
- $1,092.15
- $144.72

**Gross Gain**
- $46,418.50

**Net Operating Gain**
- $4,758.47

**Other Income**
- $567.16

**Total Assets**
- $10,509.29

**Net Worth**
- $11,159.71

The Half Year for United Co-operative, of Maynard

**The Hudson Guild Co-operative Store**

This little co-operative is unique in many ways. With one exception, the entire Board of Directors is made up of women. Two women run the store. The Association is affiliated with both The League and The Workers Education Bureau.

**Profit and Loss Statement**

- **Net Sales**: $121,494.07
- **Cost of Goods Sold**: 75,530.57
- **Gross Gain**: $46,418.50
- **Expenses**: 41,660.13
- **Net Operating Gain**: $4,758.47

The Profit and Loss Statement submitted by the Audit Bureau of The Co-operative Society of Maynard, Mass., as compiled by the Audit Bureau of The League, for the period July 1 to December 31, 1924.

**Sales**
- $106,958.09
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- $6,217.33
- $110.37
- $1,204.41
- $1,173.15
- $1,092.15
- $144.72

**Gross Gain**
- $46,418.50

**Net Operating Gain**
- $4,758.47

**Other Income**
- $567.16

**Total Assets**
- $11,159.71

**Net Worth**
- $25,763.00

In order to keep the earnings for 1924 among the working funds for this year, the Directors decided to give rebates in stock credits rather than cash.
The following members are Fraternal Members of the Northern States' League:

**RECEIPTS**

- Membership Fees from Societies: $1,729.65
- Membership Fees from Fraternal Organizations: 60.00
- Membership Fees from Individuals: 71.00
- Lecture Meeting Fees: 29.54
- Book Sales: 33.90
- Tuition Fees: 300.00

**Total Receipts**: $2,224.09

**DISBURSEMENTS**

- Returned to Co-operative Central Exchange for Ed. Work: $472.20
- Office Salaries and Supplies: 229.42
- Printing and mailing circulars: 73.44
- Fares and Meeting Expenses: 34.20
- Board of Directors’ Meeting Expenses: 33.94
- Co-operative League Dues: 536.10
- Book Purchases: 65.69
- Instruction Fees and Other School Expenses: 80.00
- Miscellaneous Expenses: 27.37

**Total Disbursements**: $2,518.98

**Cash on hand December 31, 1924**: $159.67

**Membership Northern States League**

- Associated Textiles, Inc., Minneapolis, Minn.: 1924
- Croquet Co-operative Society, Croquet, Minn.: 1922
- Farmers’ Co-operative Central Exchange, Superior, Wis.: 1922
- Farmers’ Co-operative Association, Brule, Wis.: 1922
- Franklin Co-operative Creamery Association, Minneapolis: 1922
- Franklin Co-operative Co., Wright, Minn.: 1923
- Spooner Co-operative Association, Spooner, Wis.: 1923
- Union Consumers’ Co-operative Association, Duluth, Minn.: 1922
- Wentworth Farmers’ Co-operative Association, Wentworth, Wis.: 1922
- Workers’ and Farmers’ Co-operative Co., Two Harbors, Minn.: 1923

The following are Fraternal Members of the Northern States’ League:

- Barbers’ Union No. 67, Duluth, Minn.: 1924
- Brotherhood of Locomotive Firemen & Enginemen, No. 819, Duluth: 1924
- Federated Trades & Labor Assembly, Duluth, Minn.: 1923
- Minnesota State Federation of Labor, St. Paul, Minn.: 1922
- Superior Trades & Labor Assembly, Superior, Wis.: 1924
- Wisconsin State Federation of Labor, Milwaukee, Wis.: 1924
- Women’s Guild, Franklin Creamery, Minneapolis: 1924

**Meeting of Executive of Northern States League**

On February 22nd, the Executive Board of the Northern States League held a meeting at Minneapolis. The first thing done was the sending of a telegram of Greetings to the Conference of Eastern States Co-operatives at Springfield, Mass., a telegram which the East erners received just as they were leaving the table at the close of the supper tendered by the Springfield Bakery Society.

The Secretary reported that 99 individual members had been procured for the District League since the first of the year, with 54 subscriptions for Co-operation. He also reported on attendance at two meetings attended of the Board at Two Harbors, with recommendations made for improving the condition of that society and the strained relations resulting. Report on progress with the Year Book showed that several offers of substantial support had come from the societies. The plans for Correspondence Courses had not progressed far, but material was being gathered.

Three societies were still in arrears for dues of 1924.

From The League Office

Quarterly Financial Report of the Secretary

**STATEMENT OF ASSETS AND LIABILITIES OF THE C O - O P E R A T I V E L E A G U E as of January 1, 1925**

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>LIABILITIES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash in Bank: September 31, 1924</td>
<td>$1,497.16</td>
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<tr>
<td>Receipts for Quarter (cash and services)</td>
<td>7,891.10</td>
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<tr>
<td>Disbursements for Quarter (cash and services)</td>
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<tr>
<td>Balance in Bank: December 31, 1924</td>
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<tr>
<td>Bills Receivable: December 31, 1924</td>
<td>158.00</td>
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<tr>
<td>Theoretical inventory books and pamphlets</td>
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<tr>
<td>Furniture and Fixtures</td>
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<td>League Library</td>
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<td><strong>TOTAL ASSETS</strong></td>
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<td></td>
<td><strong>LIABILITIES</strong></td>
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<td>Loan from American Fund</td>
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<tr>
<td>Loan</td>
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<td><strong>TOTAL LIABILITIES</strong></td>
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<tr>
<td><strong>NET WORTH CASH AND PHYSICAL PROPERTY OF LEAGUE</strong></td>
<td><strong>$3,904.74</strong></td>
</tr>
</tbody>
</table>
STATEMENT OF RECEIPTS AND DISBURSEMENTS OF THE
CO-OPERATIVE LEAGUE
for the Quarter Ending December 31, 1924

MEMBERSHIP DUES
Individuals ....................... $ 98.25
Societies .......................... 629.30
$727.55

SELF-SUPPORTING ACTIVITIES
Subscriptions to
CO-OPERATION .................... $312.45
HOME CO-OPERATOR ................ 51.53
Books and Pamphlets .............. 290.98
$555.20

DONATIONS
Office Space ....................... $ 750.00
Rents from Building ............... 1,074.00
Interest on Loans ................. 3,143.00
For Special Purposes ............. 199.43
Other Donations .................. 1,298.00
$6,504.43

Interest and Collections on Foreign Exchange .................. 12.05
$7,819.48

Balance in Bank, December 31, 1924 .................. $1,348.93

OVERHEAD EXPENSES
Salaries, General ................. $ 1,267.98
Office Expenses — General .... $232.50
Postage and Telegraph Expenses . 104.80
Printing .......................... 104.50
Stationery ........................ 96.44
$740.74

Interest on Loans ................. 1,074.00
Interest on Collections on Foreign Exchange .............. 12.05
$8,240.03

SALARY, EDITOR • $180.00

TECHNICAL

6. How to Start and Run a Rochdale Co-operative
Society .................. 10
7. British Co-operative Movement ........... 10
8. Competitive Co-operative Movement in
the United States .............. 10
9. Consumers' Co-operative Societies in
New York State, (Published by
Congress) .................... 10
10. A Baker and What He Baked (Budapest
movement) .................... 10
$39.00

MISCELLANEOUS

16. Model Co-operative Manual ....... 10
17. Pendleton Co-operative Industries .... 10
18. Control of Industry by the People
through the Co-operative Movement .... 10
19. Credit Union and Community
Development .................. 10
20. Credit Union and Cooperative Bank .... 10
21. The Place of Co-operation Among
Other Movements .............. 10
22. Co-operative Movement ('Yiddish) .... 10
23. 'Then the Whole World" (Story of
Henry C. Potter) .............. 25
24. Co-operative Movement (A Yiddish
Edition) ...................... 10
25. Co-Operative Housing .......... 10
26. A B C of Co-operative
Societies ...................... 10
27. Model Lease for Cooperative
Apartment House .............. 10
$35.75

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ALBERT SONNICHSEN, Managing Editor
Willimantic, Conn.

The British Canadian Co-operative Society, Cape Breton, Nova Scotia, is the largest co-operative for the distribution of general merchandise in North America. The Central Store at Sydney Mines, shown above, is now surpassed in volume of sales by the Glace Bay Store. Other branches are located at Florence, Cranberry and North Sydney.
Co-operating Miners of Nova Scotia

IN TIME OF UNEMPLOYMENT

THE conditions in the coal industry of the Cape Breton district of Nova Scotia are a blot upon Canadian civilization.

The industrial life of the people is dominated by a great coal and steel corporation. Twelve thousand miners have been on short time work at poor pay for over a year. Most of these miners trade at the company stores.

On March first the company announced a cut of 10 percent in wages. To compel acceptance of the new wage by the Miners' Union, credit at the company stores was stopped. This meant denying the people food or clothing until they came to terms.

Twelve thousand miners have been on short time work at poor pay for over a year. Most of these miners trade at the company stores.

Conditions among the miners' families were very bad. Money had been sent them from sympathetic organizations everywhere. Finally public sentiment became so strong against the company and the conditions had become so bad that the Government had to give some money to the Red Cross to furnish relief to the miners' families. Money was also received from the Miners' Union of Russia.

But there is another side to this story. There is a good co-operative society in this district—the British Canadian Co-operative Society. This society has enjoyed a successful existence for nearly twenty years. It is affiliated with the English Co-operative Wholesale Society and the Canadian Co-operative Union. It has 2,767 members. Its annual business is nearly $1,500,000. It has $279,000 share and loan capital belonging to its members. It conducts stores at Sydney Mines, Florence, Cranberry, North Sydney and Glace Bay. Its sales for the half year just ended were nearly $700,000 with a net surplus saving of $85,000. The substantiated sum of $42,000 was distributed in cash among 2,767 members, as a 1 percent saving. It outlives the company stores.

The society has made liberal contributions annually for educational work. In 1924 prizes were offered the pupils of the public schools for the best essays on Co-operation. The Town Clerk, in awarding the prizes, highly commended and congratulated the Society for its “interest in the schools and education in general.”

Mr. W. C. Stewart, Secretary-Manager, has been with the institution from its inception. A shrewd and capable business man, enthused by the principles of the Movement, and a co-operator who has shown much self-sacrificing devotion to the cause, Mr. Stewart went directly from the coal mines into the management. Many of his associates in the business today also came out of the coal mines to serve on the Board and then to enter the business. Today the institution is training up its own “boys” for co-operative service; the manager at Branch No. 4 at Glace Bay being one of these.

All the directors are coal miners by trade. But they are most capable supervisors of a huge co-operative business at the same time.

The Society absorbed the Glace Bay Co-operative Society six years ago, while that society was not doing well. Today the child is bigger than the foster parent. It operates grocery, meat, and dry goods departments. The Central Store conducts grocery, meat, dry goods, tailoring and bakery departments.

WOMEN IN THE CO-OPERATIVE

For many years the Women's Guild has been active and has done much to promote the work of the Society as a whole as well as the women members. The Guild co-operates with the Education Committee in providing entertainment and co-operative education for the people. The society has made liberal contributions annually for educational work. In 1924 prizes were offered the pupils of the public schools for the best essays on Co-operation. The Town Clerk, in awarding the prizes, highly commended and congratulated the Society for its “interest in the schools and education in general.”

A SCHOOL FOR MINERS OF THE UNITED STATES

Miners from Illinois, Ohio, Pennsylvania, the Virginias, Kentucky and other sections of this country might well award travelling fellowships to some of their most intelligent trade union members to enable them to go to Nova Scotia and study the co-operative work being done there.

When a co-operative operated by miners can, in the face of dire destitution caused by a lockout, distribute $42,000 as the clear gain from three months' business, the miners throughout the United States should heed the lesson. The miners of Neva Scotia have never seen greater suffering than this Spring. That distribution of $42,000 from “profits” the past year will do more to convert the other miners of the Province to the movement than all the propaganda that could be written by a hundred staff writers in a year.
**Vital Issues**

**Producers and Consumers, Unite!**

The Producers and Consumers Organization held a meeting in New York, the latter part of March. They hope to organize first the consumers of New York City, and then to unite these two into a great consolidated organization. With this organization as a beginning, the movement is to spread throughout the country.

No Co-operators participated in this meeting, yet it is interesting to view it from the standpoint of Co-operation. Here is an organization with an idealistic program, all worked out on paper, and a group of earnest people conscious of the deficiencies of the present distributive system, and many of them anxious to do something to remedy it.

A public meeting is held with an array of prominent speakers. From the addresses and discussions one would scarcely be conscious of the fact that there is such a thing as a Co-operative Movement. They quite ignore the Co-operative Movement and its methods.

A Co-operator in the audience continually asked himself the questions: "Is it possible that these folks do not know that fifty million people are organized and efficiently doing the thing that these folks are saying they mean to start an experiment with a method which has been repeatedly tried and has always failed—when the Co-operators have constantly starting productive societies, and in no instance was any obstacle put in its way by their representatives. The Co-operative Productive Societies in Great Britain were in no way responsible for the blocking of a matter of fact have rendered every possible assistance."

Mr. T. W. Mercer, of the Co-operative Union, upon being appealed to by us for information, advised us as follows:

"The Co-operative Productive Societies affiliated with the Co-operative Union were certainly not opposed to the main provisions of the bill introduced by Mr. Barnes. Indeed the bill was promoted on behalf of the Co-operative Union by its joint Parliamentary Committee, of which Mr. Weirley is a member, as representing the Productive Societies. The fact that he was, therefore, a sponsor of the bill is itself evidence that his society opposed it."

Upon communicating with our original British informant, who is an official of the British Co-operative Union, we received back the assurance that the facts are essentially as originally stated. He further says:

"The proposal in the new act was to limit interest on capital to 5 per cent. Objection was taken on believing Societies that such a step would cut across their fundamental principles."

Somewhere in England presumably is a somebody who believes that somebody presumably is wrong. We turn our face toward the East for light.

Our British friends may not be aware of the fact that we have a deep interest in this problem and for a very practical reason. In the United States there is a misundertaken propaganda carried on by an organization which urges upon our people the establishment of producers’ profit-sharing “co-operative” industries in preference to consumers’ societies. This organization has gone so far as to advise the working people to use their savings to start productive factories in preference to consumers’ societies. British trade unions have been called upon to help promote this propaganda in America. As a result, our working people are constantly starting productive societies called “co-operative.” Their subsequent career brings discredit upon the Co-operative Movement in this country. We have now piled up a disastrous history of these experiments in production. They invariably fail completely, or, if they survive, they become bankruptcies with no kindling either to Co-operation or to Labor. They start in the field of Trade Unions, but their higher ideals are to win an inholding court or in capitalism, but they are never a part of our Co-operative Movement.

This makes it necessary for us to point out a moral whenever we find an object lesson that may serve to instruct our people as to what is unwise or unsound in the conduct of producers’ “co-operative” industries.

Many societies in Great Britain, we learn, have followed the same two courses as this country, but they have added a third possibility. This latter is that the consumers’ societies buy their shares and exercise a measure of control or buy them out completely and take them over. In this connection we again quote Mr. T. W. Mercer:

"Although the Producers’ Societies naturally think first of the workers’ interests, and only secondly of the consumers’ needs, they have in late years engaged in a remarkable change. Whereas most of the capital was formerly found by the workers themselves, who as a result almost monopolized the management, in recent years Consumers’ Societies have invested large sums in the Productive Societies, and have in consequence secured a larger share in the administration."

We take it that this is a hopeful sign. These British industries have been held up to American workers as examples of employment control. Our pleasure in the fact is that they are not controlled by the workers in the industry. They have ceased to be examples of the “self-governing work shop.” They are moving on to revolution, to be caught up and carried into the great onward current of the Consumers’ Co-operative Movement.

The purchasing power of the consumers dominates and controls the industrial, commercial, and political life of the world. Organize that purchasing power cooperatively and most of the evils to which humanity is heir will automatically disappear.
Letters from Abroad

Co-operation in Italy

By J. P. Warraspe

WHEN the traveler entering Italy from the East steps out of the train at Trieste, the first word he sees is "Co-operation." He on the red caps of the porters at the railroad station. In the Italian cities the porters are organized into co-operative syndicates. The tips they receive are not pocketed by the porters. They drop them in a box worn by the manager across the front of his belt. They are collected at the end of the day, and periodically divided amongst the members of the syndicate. The porters do not fight with each other to grab your luggage from you. One old fellow at first took mine. Finding it too heavy he called a young husky porter to his assistance; and they did the job together. Why not? Why not work together when they share the rewards together?

As one goes about through Trieste he sees "Co-operativa" everywhere—the signs on the doors of the Credit Institute. The state employees, such as railroad workers and telephone and telegraph employees, or people in some other branch of the civil service, obtain loans to finance their housing societies from the National Credit Institute. The loaning institution retains title to the property; the tenants pay a little more than the actual rental costs; and in the course of twenty-five years the houses become the property of the tenants. This, of course, is not strictly co-operative. Strict provisions are made, however, for the sale of the house or of the shares. They can be sold only to the society, or to the workers and small shop-keepers occupying the property, or for speculative profit. Nevertheless, private ownership is possible. The advantage of this is that the resources of this vast loaning institution makes it possible to get houses built and provide homes for people. They told us that after the tenants had occupied them for twenty-five years without any opportunity for speculative profit, the houses would ultimately be the fate of the tenants.

Wandering down to the section called the "Giudecca" Quarter where the gondoliers and watermen live, we chanced upon a real co-operative housing society. They own a block of apartments for thirty-two families. Flower boxes blossomed at the windows and balconies, although the occupants were pitifully poor. The top floor, tastefully furnished. Laundry facilities are free; but baths cost two and a half lira—one-half the price of a room's rent for a whole day!

The joy of living in Venice, this wonderful city of the sea, with its streets of water—not a horse, not a wagon, not an automobile—lies. The answer is, they do not come from Venice. The next time you are among Italians ask them where they come from. See if you can find one from Venice. No, Venice is too alluring. The Venetian in America is a rare Italian.

From Venice we went on to the ancient city of Verona. There are many old things there, such as the Colosseum, built by the Romans two thousand years ago. Its arena was used for a revival of Wagner's opera "Parsifal." Travellers always make a pilgrimage to the grave of the fair Juliet, loved by Romeo to this day. But there is little new in Verona, especially of co-operative interest.

The National Co-operative Credit Institute has an office there and is financing the building of many attractive villas for state employees. The Union Co-operative, the distributive society of Verona, has several modern thriving stores.

Fascist posters everywhere in Italy proclaim the dominance of the "Black Shirts."

Milan was once the seat of great co-operative activity. This prosperous city was also the radical center of Italy. The trade unions and the Socialists were in control.

Much remains in Milan that suggests the former importance of the co-operative movement. It is now only a skeleton. The structure is filled with something new and different. The control of the co-operative movement was once in the hands of the Socialists. After the war the movement was expanding in all fields. Then the Fascists came. Now the forms of the societies remain much the same, but the spirit has been driven out. The offices of the Socialists in the co-operative societies have been taken by the Fascists.

I believe that the Fascists are at heart opposed to the fundamental aims of co-operation although they protest that they are heartily in sympathy with it. These societies that are still running are pure business undertakings. In order to gain control of the Fascists, they have voted in 600 new members, young Black Shirt enthusiasts who know nothing about cooperation. This put the Fascists in the majority, and the administration thus became dominated by them.

Municipal undertakings are very much confused with what they call "co-operative" in Italy at present. For instance, there is an active food distribution known as the "Azienda Consorziale dei Consumi." This was formed just before the war. It was jointly organized by co-operative societies and the city officials of Milan to regulate prices as a joint purchasing agency for the co-ops and the institutions of the city. At present fifteen of its directors are appointed by the city officials and five by the co-operative societies. Control is in the hands of the Fascist political offi-
CO-OPERATION

The fine co-operative spirit is best seen in organizations known as the “Co-operative Tramvieri Milanesi” (The Milan Street Railway Workers’ Co-operative) started in 1911. It now has 2,000 members and does a business of twelve million lira a year. There are eight stores, a bakery, a sausage factory, and several wine shops, as well as a large “complex” for seven hundred families of its members. These fine buildings on the outskirts of the city are built with outside stairways to each apartment, with roof gardens and balconies. There are three playgrounds in the courtyard. At one side of the court is a meeting hall with a stage, scenery, and a grand piano. Pictures of Beethoven, Wagner and Shubert are on the walls. During the afternoons the hall is used for a music school for the children. At night singing societies hold their rehearsals and concerts here. Frequently the young people of the local Anthony Vergnanini, a man who has given the best of his life to the Co-operative Movement, has seen the destruction and disintegration of his organization. The Co-operative wholesale had to close its doors. The League survives but its membership has been reduced from 8,000 societies to 2,000 societies. There is little active work for it to do today. Many of its prominent associates have been murdered. Each day his friends fear the assassination of his person. When he learns of their anxiety he smiles and says: “The blow will fall on this white head. Because in the old days Mussolini and I were Socialist comrades and friends working together.” Mussolini has said that Vergnanini will be spared. But there is little joy in being spared to see the Movement, that one has loved so dearly and worked for so long, stricken down. There is naught to do but to be patient and wait.

We had little time to visit co-operative stores in Genoa. We were told that there are about twenty consumers’ stores there, “doing fairly well.” Naples is almost as good, but its membership has been reduced from 8,000 societies to 2,000 societies. There is naught to do but to be patient and wait.

Despite the filth outside and the flies and the disintegration of the slum district, within the courtyard is peace and tranquility. Three times a week the library is open. There are five national co-operative bodies in Italy. The Co-operative League, the Catholic Federation, the Fascist Union, the Credit Institute, and the Casa Populari. The movement is split by political and religious antagonism.

Recently an American socialist said:

Henry Ford is such a man. The Editor puts the question to his readers for comment.

The Editor of the Co-operative News, of Australia, repeats the suggestion made to him by one of his readers, “that we ask Henry Ford to manage the Co-operative Movement for us.” The argument is, that in order to prevent friction and factionalism which curses so many co-operative societies and causes actual inefficiency in the conduct of their business, an outstanding type of leader and executive is needed and Italian co-operators should have gone into politics and captured the government, then the co-operatives would not do the things they now do. But that is precisely what they did do and that caused the trouble. The Movement was closely allied with the Socialist Party. Then the Socialist government made the co-operative movement its pet. Everything was apparently all right.

Then a new government came into power—not by election but by force—just as the Communists came in Russia. The Fascists overthrew every constitutional principle and trampled under foot the political liberties which Italy had taken a thousand years to build up. All this while the League of Nations looked on and gave its blessings. And the United States promptly recognized this bloody Italian government—a dictatorship every bit as much as Russia, which is still unrecognized! In a year the League of Nations was discredited, however, under this dictatorship, not because they were co-operatives, but because their leaders and members were active promoters of a political party which happened to be opposite to the party in control of the government.

The destruction of Italian Co-operation was a result of its close alliance with a political movement. This lesson has been learned by the co-operatives of most countries. Political and religious neutrality is coming to be accepted as an essential of Co-operation. Belgium, Austria, and Russia all remain to learn the lesson. Italy is learning in the burning fire of experience.
“Co-operation” Can Help in Class Struggle

The Co-operative Movement can be used to the advantage of the workers in their struggle, provided it is organized and led on the basis of the fundamental class struggle. Co-operation between the workers—struggle between the workers and the bourgeoisie; this is the formula for a successful Co-operative Movement.

Unfortunately the Co-operative Movement is largely dominated by middle-class ideas. These exercise a confounding and pernicious influence over the workers. They set up the false goal, the reformist Utopia of “Co-operation” between the workers on the one hand and sections of the bourgeoisie upon the other hand. This co-operation of classes is the very worst poison for the labor movement in all its phases. It must be combated everywhere by all means, and particularly in the Co-operative Movement it is strongest.

The co-operatives can become instruments of working class emancipation only to the extent that the philosophy of class collaboration is driven out and destroyed, and the Co-operative Movement drawn into the whole class struggle.

CO-OPERATION

Why Co-operation is Not Enough*

From the Communist Point of View

By Earl L. Browder

The reason that “Co-operation” (in the sense of the Consumers’ Co-operative Movement) is not enough to solve the problems of the working class, is that we are living under capitalism, which under the forms of parliamentary democracy imposes a dictatorship of the capitalist class upon the toiling masses. Until this dictatorship of the bourgeoisie is broken, and the power of the working class made supreme, the working class must concentrate its main attention upon crystallizing its class leadership and mobilizing its class forces, for the struggle against capitalism.

“Co-operation” Can Help in Class Struggle

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*This is the third in a series of articles under this title, written by people outside the Co-operative Movement. The first was from the point of view of the Anarchist and was written by Harry Kelly; the second from the point of view of the Socialist and was written by Mayor Daniel Hoan of Milwaukee.

Task of Revolutionary Workers in Co-operative Movement

What should revolutionary workers do when they face a workers’ Co-operative Movement which is dominated by these harmful ideas of class collaboration which poison the minds of the workers? Should they refuse to participate or should they enter the Co-operative Movement?

The answer is that revolutionary workers should always take part in every activity which engages large numbers of workers. And it is precisely there where the bourgeois ideas are the strongest in the revolutionary workers will find their most fruitful work to be done—in combating these wrong ideas.

All revolutionary workers should join the workers’ Co-operative Movement, engage earnestly in its work, and energetically advocate the following program:

1. The co-operative must always consider itself an organ of the working class in its struggle against capitalism.
2. Draw the co-operatives into close contact and united actions with the trade unions.
3. The co-operatives cannot be neutral in the political struggle, but must always support the working class political struggles against the bourgeoisie.
4. The co-operatives should assist in mobilizing the masses in direct struggle for control of markets, prices, etc.
5. The co-operatives must support the political and industrial struggles of the workers morally and financially, and must take an especially active part in the relief of class-war victims.
6. The co-operatives must continuously renew their controlling bodies from the ranks of the workers in the shops and factories and prevent at all costs the development of a controlling bureaucracy.
7. A continual ideological struggle must be carried on against the current “business morality” of the bourgeoisie which constantly comes in with the technical experts who serve the co-operatives. The co-operatives, while they must use the technique of capitalist business, must reject at all costs capitalist ideas, becoming always more and more united with the working class struggles against capitalism and its instruments of suppression and exploitation.

Co-operation is therefore not enough, and its current philosophy is positively harmful. But when it is imbued with the ideas of the class struggle, and when it accepts the Communist reconstruction of society as the common goal of all workers, then it may become a valuable and powerful instrument in the arsenal of the working class.

It is the task of revolutionary workers to enter earnestly into the Co-operative Movement with this program always before them as the guide to their practical activities.

The Farmers’ Store of Neligh

By L. S. Herron

Omaha, Nebraska

For six years in succession the Farmers Union co-operative store at Neligh, Neb., has paid dividends, varying from 4% to 6%—with 16% in one exceptional year besides paying 8% interest on share capital and making additions to surplus and reserves. Invisible dividends, the savings to the community through the lowering of prices for farm and household supplies, while not definitely measurable, have been very large.

This store was opened November 1, 1918. Its original stock consisted of groceries, and a small line of dry goods, work clothing, and shoes. From the outset it has handled the farmers’ cream and eggs. The business is now of almost department-store proportions, and in addition to the original lines it carries hardware, harness, coal, salt, oils and greases, binder twine, wire, fence posts, and handles farm implements on orders. This Farmers Union store is the largest and best-equipped in this good sized county-seat town.

The first year the store operated, the association paid a patronage dividend of 16%. The next year the patronage dividend was 4%. In the third year, dividends on merchandise sales and the cream business were separated, and 4% was paid on merchandise transactions and 2 cents a pound on butterfat. In the fourth and fifth years, merchandise dividends were 5%, and butterfat dividends 3 cents a pound. For the sixth and latest year, ending October 31, 1924, the merchandise dividend has 6%, and the butterfat dividend 3 cents.

When the Association started in business the paid-up share capital was $5,080.00. This has increased to $10,050.00, chiefly by patrons leaving their patronage dividends in the business and taking shares for them. The surplus fund now amounts to $1,164.00, and the reserve for depreciation to $2,348.90. Inventories have been taken very conservatively, so that none of this excellent showing is due to inflated inventories.

Unlike so many co-operative associations these days, the Neligh Association has not one cent of borrowed money and has no accounts payable. Instead, at the close of the latest fiscal year, it had $5,387.50 of clean, cold cash in the bank. Cash discounts amounting to $291.62 were earned in the year because of this excellent financial condition. Sales totaled $115,386.51, an increase of more than $10,000.00 over the previous year. The cost of operation was 15% of sales, a figure considerably lower than the average shown by the Harvard Bureau of Business Research.

Alvin E. Graybiel, an experienced young merchant, but without previous experience in co-operation, has been manager since the store was opened, and much of this success is attributable to his ability, industry, and strict integrity. While Mr. Graybiel has not usurped authority, the success of the Neligh Association has been largely due to his ability and personality. The part that the members have taken in the administration of the business would not satisfy a thorough-going co-operator.
News and Comment

The Cafeterias in New York

BELOW is the statement of Income and Disbursements of the four cafeterias belonging to Consumers' Co-operative Services, New York City, for 1924. Figures for the laundry branch of the society's business are not included.

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<td>$117.62</td>
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On January 1, 1925

WE HAD $89,260

The Lay of O. C. C.

(To the tune of "The Wearing of the Green")

Good friends, give your attention
And we will sing a lay,
About Our Cafeteria—
Co-operatively.

Five years ago we started;
How strong we are today;
We've grown and we are growing still—
Co-operatively.

We give folks better things to eat,
And in a better way;
As good as Mother ever made—
Co-operatively.

We've fed them food and fellowship,
Small profits laid away.
We opened Fifty-four down town—
Co-operatively.

We taught them down at Fifty-four
The Twenty-fifth Street way,
And then in Thames Street opened up—
Co-operatively.

Then, with success and surplus,
We saw we'd come to stay,
And took to taking washing in—
Co-operatively.

Still fame and fortune beckon,
To heights no man can say,
And now we serve at Nassau Street—
Co-operatively.

You wanted cakes and puddings
And took to taking washing in,
We opened Fifty-four downtown—
Co-operatively.

How strong we are today,
We moved across the way,
And took you all along with us—
We see we'd come to stay,
And took to taking washing in—
Co-operatively.

And now you've heard our story,
We've this much more to say:
We're happy folks because we work—
We're happy folks because we work—
Co-operatively.

Commonwealth Mutual Savings Bank

THE first genuine co-operative savings bank to be established in this country is now thirteen years old and deposits have topped the million mark, with $1,044,928. The expenses of operating this business for the past year came to only $7,975.

In making his annual report to the members, Secretary Whitnall says:

... Let us congratulate ourselves as being not only the first Labor Bank, but as yet the only Labor Bank. Some difference of opinion may exist as to what really constitutes a Labor Bank. I have a printed report of a bank recently established by a labor union, in which report they claim to have earned 14 per cent. Those so-called earnings are set forth as denoting success of that particular Labor Bank. We must admit that it is a capitalistic venture, with the avowed purpose of exploiting the borrowers, can claim success if they wind up at the end of statement time with 14 cents profit on every dollar they owned. And if people who organized and managed the bank are laborers, it may be considered proper to call it a Labor Bank.

"But... let us peep under the surface a moment and see, if we can, how labor is affected. This 14 per cent goes to the stockholders, who are a very small minority in the labor field; the extra cent on savings goes to a larger group of depositors who are, nevertheless, a very small percentage of the country's labor. But where do the 14 cents and the one or two extra cents come from? The bank has loaned money to the grocer, the butcher, the coal miners, the building contractor, the landlord of apartments, etc., who in turn have added the 15 or 16 cents to the cost of everything that labor must have or suffer for... labor always 'pays the freight,' and the mismanagement of a Bank devoted to the welfare of labor should endeavor to reduce the freight rate—that is the fundamental idea in co-operation."

Fast Climbing at Cloquet

THE year 1924 has been the most prosperous in the history of the Cloquet Co-operative Society, Cloquet, Minnesota. Sales increased almost 40 per cent over those of 1923, and the financial condition of the entire institution was greatly strengthened.

Late in 1923 the Cloquet Co-operative Society and the Knife Falls Co-operative Association amalgamated. 1924 is the first entire year of business under the consolidated plan, and sales leaped from $265,767 to $366,067, while the net worth grew from $44,766 to $57,171. The amalgamated business has given the manager much greater buying power than either of the old stores had individually.

During the year the society handled the

Directors and managers are pretty generally familiar with the regular form of statement of Assets and Liabilities. But such statements are pure and unadulterated Greek to 95 per cent of the membership of most co-operatives. That is the reason why this society sets up its statement in graphic form, as shown at the right. The original of this visual statement of Assets and Liabilities is in colors, which, for obvious reasons cannot be reproduced here. The Association had 1784 shareholders on January first of this year. By the end of March this membership had increased to nearly 1900. The cafeteria business of this society has been a success from the very beginning, back in 1920. The laundry department, taken over two years ago from another group to save it from failure, is a much more difficult problem. The Directors and Managers know that almost every co-operative laundry in the United States has failed, except one or two organized by the farmers; and they are determined that this one will be a success. But economical laundry operation demands much and expensive machinery; and such machinery demands much capital. Even more important, the technical management of such a business is most difficult in any event; and a co-operative cannot be satisfied with the ordinary standards of commercial work. Hence the many changes of washers, ironers, even managers that this society has seen during the past 24 months.

"Our Co-operative Cafeteria" in New York has so many talented employees, of eleven nationalities, that they can give an entertainment of great variety as well as perform the routine services for the members. At a recent members' meeting held in the 26th Street house, a lecture was given, then an entertainment, and finally "eats" and a dance. The following is one of the topical songs sung on the occasion by the employees:

Co-operatively.

We taught them down at Fifty-four
The Twenty-fifth Street way,
And then in Thames Street opened up—
Co-operatively.

We saw we'd come to stay,
And took to taking washing in—
Co-operatively.

And now you've heard our story,
We've this much more to say:
We're happy folks because we work—
We're happy folks because we work—
Co-operatively.

Commonwealth Mutual Savings Bank

THE first genuine co-operative savings bank to be established in this country is now thirteen years old and deposits have topped the million mark, with $1,044,928. The expenses of operating this business for the past year came to only $7,975.

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During the year the society handled the
following merchandise in carload lots: 57 cars feed and flour; 28 cars hay; 3 cars salt; 2 cars farm machinery; 1 car each of roofing, nails and seeds, making a total of 93 carloads. In addition to all this is the large quantity of groceries, meats, furniture, hardware and building materials handled by the Co-op. The following table shows the volume of sales for the past seven years.

<table>
<thead>
<tr>
<th>Year</th>
<th>Net Sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>1918</td>
<td>$108,163.12</td>
</tr>
<tr>
<td>1919</td>
<td>$104,233.17</td>
</tr>
<tr>
<td>1920</td>
<td>$183,155.23</td>
</tr>
<tr>
<td>1921</td>
<td>$169,197.67</td>
</tr>
<tr>
<td>1922</td>
<td>$211,471.82</td>
</tr>
<tr>
<td>1923</td>
<td>$265,767.43</td>
</tr>
<tr>
<td>1924</td>
<td>$366,667.35</td>
</tr>
</tbody>
</table>

Total $1,502,002.85

During these years, when over one and one-half million dollars of sales have been made, gross profits have amounted to $96,000, of which almost half has been returned to customers.

These workers and farmers now own a huge business of their own, and they run it for service instead of for profit. There is not a better example of successful Co-operation in the North Central States.

At Indian Orchard, Mass., The Indian Orchard and Ludlow Co-operative Association, whose membership is almost entirely of French Canadian extraction, is one of the most successful business organizations among the New England Co-operative Operators. For over twenty years ago, the society has had the same manager continuously, with the exception of three years. The membership is still only 340. After four years of operation, they bought their own building and have operated from it for service instead of for profit. There is only $5,000; but the Reserve Fund is $12,000 in spite of the fact that large purchase rebates have been paid almost every year since the beginning.

In 1924 the total sales were $130,000, or about $5 for each of the 33 people who are members of the society. The rents paid by the dealer to the packer or wholesaler, 1 cent for wrappings, twine and containers; and a little over 2 cents for miscellaneous expenses, which included heat, light, tool sharpening and other expenses.

The margin between the cost price and selling price in retailing meat was found to be from 22 to 27 per cent. One-man stores with the largest sales showed the highest margins. The largest store which had a margin of 22 to 27 per cent of sales, the low figures being made possible by lower expenses due primarily to greater labor efficiency and low rent per centages, because rent was distributed over a large volume of sales.

The most common expense of operating a retail meat store was found to be from 18 to 22 per cent for sales. Wages constituted about two-thirds of total expense. Largest profits were made by stores which had a total expense of 20 per cent and below; as expenses increased beyond this point profits went down.

Rent among stores varied more widely than any other item of expense. The average figure for all stores was 1 per cent of sales, which was about the average for two-man stores. One-man stores on the average had to pay about one per cent more than two-man stores, while larger stores averaged 1.25 per cent of sales.

Out of the 143 stores reporting from the three cities, 42 showed a loss for the period reported, and 101 made a profit. Two out of every seven stores were unsuccessful. The profits of the 101 stores varied from practically nothing to over 17 per cent of sales in some of the more successful stores.

Too many clerks is an important reason why many dealers were not successful, the department found. A high wage bill results in high expenses which demand a higher price to dealer. High prices in turn make it difficult to attract trade. Some other causes which contributed to losses were poor purchasing, handling a better grade of meat than the trade demands with resultant difficulty of getting the necessary price, inability to secure sufficient volume of trade, antagonistic personality and wasteful trimming.

Certain conclusions are drawn from these general figures.

A large store can operate on a gross margin as narrow as 21 per cent, while the one-man store needs at least 24 per cent to 26 per cent. When margins exceed 27 per cent competition reduces business that the increase in price brings no advantage.

The small store cannot begin to compete with the big store on keeping gross profit down.

The advantages of the large store over the smaller are almost entirely due to the better use of employees’ time in the large stores.

The small store can meet this situation by employing part-time help.

High rent locations for meat shops do not pay for themselves.

The location in the midst of other food stores is more profitable than the location in an isolated section, even though the latter is on a busy car-line.

Window display is more profitable than advertising and promotion in the newspapers and throughout the neighborhood.
District Leagues

Conference of Stores in Minnesota

On June 21st and 22nd, a Conference is to be held in the Auditorium of the Franklin Co-operative Creamery Association, North Plant, 2104 Washington Ave., N. A discussion of problems of common interest will take place there.

The letter calling this Conference points out some vivid contrasts. It says, in part: "While 40% of the co-operative stores of the state are smaller than $25,000 in value, there are now 37 of them, and they have been holding regular meetings during the last three years, BECAUSE THEY DID NOT CO-OPERATE, but preferred to fight their battles alone, not a single one of the thirty odd Minnesota stores which are affiliated with the Co-operative Wholesale Federation of Superior, Wis., have gone out of business during the same period. On the contrary, all except two of them were on a paying basis in 1924, most of them being very prosperous."

The manager and at least one Board Member is requested to be present at this conference. One of the chief points to be discussed is the question of pooling of the purchasing power of the stores in the North and Central parts of the state, where they are most numerous.

The letter is being mailed to 139 co-operative stores.

The Women's Guilds in Illinois

The first time in this country, delegates from various Women's Guilds have met for a conference. During the Semi-Annual Managers' and Directors' Conference held in Illinois in February, a special session was devoted to the subject of educating among the women, and twelve women were present, representing the Women's Guilds at Bloomington, Kincaid, Schram City, Gillispie, and East St. Louis.

Reports were presented from each co-operative outlining the work being done by the respective Guilds. Gillispie delegate reported that they had been organized in June, 1924, by Mrs. Chee, of the Cooperative League, and had been holding regular meetings ever since. There are now 68 members paying regular dues.

The Bloomington Guild is the oldest women's co-operative organization in the State and now has a membership of 50.

The Kincaid Guild was also organized last June by Mrs. Chee and has continued to grow until its membership is now 75. They have met regularly from the beginning and they specialize in children's entertainments.

The Schram City Guild, also organized by Mrs. Chee, has held regular meetings and has devoted most of its attention to a discussion of Co-operation, using the United Consumer's Day as a textbook.

Mrs. Warinner reported for the Educational Department of the Wholesale that there are now seven Guilds in the state, and told of the work being done for them and in behalf of other groups not yet organized through the columns of the monthly paper and correspondence and visits to the towns.

Co-operators' Day

The International Institution Co-Operators' Day is slowly taking hold in all the countries of Europe, and a few of the co-operatives in the United States have celebrated the event and made it the occasion for winning new members and strengthening the loyalty of the old.

The first Saturday in July this year comes on the 4th. This provides an unusual opportunity for the local co-operative societies to combine with their celebration of the national Independence Day another celebration of International Day, as symbolized by the Co-operative Movement.

For suggestions on ways of celebrating the event, local societies should write to the Co-operative League office.

Competition in this Machine Age

We use rye that grows in Minnesota. This rye is shipped to Buffalo and from there to Sweden. In Sweden it is made up into hrad-tack and then it is shipped back to New York and finally it goes back to Superior where it is sold in competition with our bread. And this they are able to do because they had machinery in Sweden with which to do it. In order to compete with Sweden we must get that machinery.

E. Ronn

New Books

The Animals' Co-op and Oswald and Oliver, by L. R. Brightwell, F.Z.S., Co-operative Wholesale Society, Manchester, England, 1924; 52 pages.

A year ago we reviewed this book in the columns. "The Animals' Co-op and Oswald and Oliver" is a children's book of "funnies" in colors. The new edition is twice the size of the first edition and adds to its list of stories the attempt of the animals to run their own co-operative store—a new excursion of the animals around the world in their ship the "Walloping Window Blind." When one of them falls overboard off Africa and gets chased by a shark the others throw over leaflets explaining the new co-op branch to be started for fish, and the sharks become so engrossed in the news that their prey escapes. The wild animals of Borneo made Oswald eat prickly pears for the fun of seeing the faces he made and they took the co-op leaflets to stuff mattresses and line dressers.

In the United States they did so much sampling at a chewing gum factory that they carried their jaws in bandages for a few days. And so the story goes, the only way to get it all is to get the book.


This book is to help in the understanding of American economic life with reference to consumption. It is of special value to teachers of economics and business for initial co-operative organization.

The publication also includes the minutes of the Conference of Co-operative Wholesale Managers at which a National Co-operative Wholesale Federation was formed.

The bound volume of Co-operation for 1924, Volume X, is now being distributed also. The cost is $1.55 per copy.

A careful research of an academic character. There will be many seasoned co-operators who will not agree with the author that the wholesale societies should carry on education.

The pamphlet "Junior Co-operators and Their Organization" is another highly creditable piece of work by the same author.

New League Publications

The Proceedings of the Fourth Co-operative Congress which was held in New York City in November, is now published and being distributed at $1 per copy. Bound in paper and containing 196 pages, it gives in full the reports of all Committees, and most of the discussion on such subjects as Store Management, Auditing, Taxation and Legislation, Salvaging Sinking Co-operatives, Co-operative and Labor Banking, Best Types of Business for Initial Co-operative Organizations, etc.

There are several speeches given at the public sessions of the Congress, included in the book. Among these are the speeches by J. Austin Thompson, Chairman of the Federal Trade Commission; Leroy Peterson, cashier of the Alamanz Bank of New York; Gertrude Mathews Shelby, expert in Co-operative Credit and Banking; Albert S. Goss, Master of the Washington State Grange; Ekel Ronn, Manager of the Co-operative Central Exchange; Clarence Stein, noted architect and Chairman of the New York State Regional Planning Commission; C. B. Whitmore, Secretary of the Commonwealth Mutual Savings Bank of Milwaukee; George Keen, General Secretary of the Canadian Co-operative Union; Agnes D. Willard, of the Staff of The League, and others too numerous to mention.

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Lack of Knowledge Spells Opposition

Recently I met an excellent illustration of the lack of information which delays cooperative progress in this country. While visiting in Lansing, Iowa, I called on the Lansing Equity Association, a small group of farmers and neighbors who have done excellent work. It is sponsored by the LEA, which is in turn sponsored by the cooperative League of the U. S. A. I found two bright and seemingly very efficient young men who had recently assumed management of the store. In the course of our conversation I alluded to the necessity of cooperation among the various societies and the attainment of standardization of business methods and accounting recommended by the Cooperative League of the U. S. A., and suggested their Co-operative Association might consider having its store checked by the National Cooperative Audit Bureau. It was a surprise to me when I learned that the Saturday Evening Post opposed their methods and my informant seemed to believe they were failures.

The sooner alleged cooperators learn that the prominent daily papers, magazines, so-called educators, universities and schools realize at heart oppose true co-operative service, the sooner will true co-operation spread in this country.

L. S. HIBERN.

Conditions in Hungary

I read your magazine Co-operation with profit and interest. Some of the articles are very useful to us in our country. The article in the February number on the Russian Co-operative Movement we have translated into Hungarian and published in our weekly co-operative newspaper.

The economic conditions in Hungary and especially in Budapest since the Sanatvaros-Ambulans Government has been in power are worse than ever. Trade is dull. Great masses of working people are unemployed. Pauperism and misery among the people grows in horrid dimensions.

The stoppage of trade, the disorganization of business, and the misery are due to the actions of the League of Nations and to protect you and the American people from such hard times as we now have.

Your fellow co-operator,

GERA HALATZI,
Executive Secretary,
Central Union of Hungarian Co-operative Societies.

February 23, 1925.
TRAINING FOR THE SERVICE OF CO-OPERATORS

THE Co-operative Movement of the whole world trains its own executives and leaders. We can no longer depend upon the world of profit-making business to supply our executives. The American Movement is one of the most recent to organize co-operative training schools.

In this country several different attempts have been made to inaugurate this kind of co-operative education. For several years the Co-operative League conducted series of lecture courses at the League House on the subject of co-operation, management, and bookkeeping. Similar courses have been given since then in labor colleges with varying degrees of success. This year the Northern States Co-operative League is starting a correspondence course in Co-operative Principles, Organization and Administration.

CO-OPERATIVE SCHOOLS UNDER CO-OPERATIVE CONTROL

The first genuine attempt on the part of the Co-operative Movement itself to promote a full-time training school for co-operative executives was inaugurated by the Co-operative Central Exchange in 1918 at Superior, Wisconsin, and conducted in the Finnish language. The course was conducted for only two or three weeks and was devoted almost entirely to instruction in bookkeeping. The students were of the Finnish nationality. Four of the students were women and two of these women were store managers. Eight of the students were from Franklin Creamery and two of these young men, a few months after the close of the school, were promoted to positions of Route Foreman in the two plants of the Franklin Creamery Association.

THE FINNISH SCHOOLS CONTINUE

On October 15, 1923, the sixth school in the Finnish language opened at Superior with 34 students. The co-operative restaurant conducted by the men and women this year reduced the weekly cost of meals to $4.72 each. Every week a special debate was planned upon topics vital to the Labor and Co-operative Movements. At the end of the period the students gave a concert which 250 or 300 of the working people of Superior and vicinity attended and a considerable sum of money was raised. The cost of operating this school was $867 and the income from tuition fees was $660.

SECOND SCHOOL IN ENGLISH

On November 3, 1924, fifteen students gathered at Minneapolis for the opening of the second training school conducted by the Northern States League. The courses continued for six weeks. In addition to those given in the previous year, a short course in commercial arithmetic was conducted by S. Alanne and another in business correspondence by Louis J. Duncan. The Franklin Co-operative Creamery Association offered the scholarships of $100 each, but found only six of their members who accepted the offer and attended the school. The youngest student in attendance was seventeen years old and the oldest seventy-seven. Four excursions were planned so that students could visit large industries in Minneapolis.

Immediately preceding the English school in Minneapolis, the Central Exchange conducted its seventh Finnish school at Superior with 35 students in attendance.

WHAT DOES IT ALL MEAN?

It means several things. Most important of all is the fact that the Co-operative Movement in the United States is seriously grappling with the problem of training its own managers, bookkeepers, directors, clerks, and technical experts of various kinds. The manager of the Exchange is authority for the statement that they have found almost no managers trained under the old business system, no matter how good co-operators they may seem to be, who will stand up, year after year, as co-operative managers and remain both loyal and efficient; whereas on the other hand the products of the training schools are gradually pushing their stores to the forefront of the Movement.

Again, it means that co-operative failures are being eliminated in the territory where these schools are supplying the necessary leadership for the societies. Whereas there were dozens of co-operative failures during the past year among the isolated

CO-OPERATION

FIRST TRAINING SCHOOL IN ENGLISH

Late in 1922 several of the co-operative societies in Minnesota, Wisconsin and Michigan organized the Northern States Co-operative League. This League organized a training school in 1923 to be conducted in the English language. Twenty-two students were in attendance from September 4th to October 10th. The class hours continued for seven hours each day in the auditorium of the Franklin Creamery Association. The instructors were C. Ward Clarke and H. V. Nurmi, bookkeeping; S. Alanne, theory, practice and history of co-operation; Cedric Long, organization and administration of co-operative stores; and Edward Solem, administration and management of co-operative industries. The desks, chairs and blackboards were manufactured in the carpentry shop of the Creamery. The students found lodgings in the homes of the Franklin employees and took their meals at the employees’ restaurant in the basement of the creamery building. One or two evenings each week were devoted to public speaking and debates between the students. At the end of the period, a “Co-operative Students Fellowship” was organized, composed of instructors and students at the school. The whole enterprise cost the Northern States League $1,000.

It is interesting to note that the majority of the students in the English School were of the Finnish nationality. Four of the students were women and two of these women were store managers. Eight of the students were from Franklin Creamery and two of these young men, a few months after the close of the school, were promoted to positions of Route Foreman in the two plants of the Franklin Creamery Association.

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CO-OPERATION
store societies which have consistently refused to affiliate with the larger movement, the Northern States League and the Exchange report there have been no failures whatever among their members.

It means that genuine co-operators who want the best of education and training in co-operative theory and practice, can now get it. And that most of them can graduate from the schools directly or indirectly into the co-operative movement if they are fairly competent.

In 1924 the directors of the Finnish schools reported that thirty-five of the graduates of these schools are managing substantial co-operative stores and that fully as many are working with the Movement in other capacities. The Finnish Training Schools have graduated 180 men and women, most of them competent to assume responsible positions of leadership in the Movement of the people to control their own economic activities. The English schools at Minneapolis have graduated 37, more than half of whom are working in some kind of co-operative business.

The co-operative societies of the Eastern part of the country and the group of societies in Illinois are both greatly in need of such training schools as these. The Northern States Co-operative Movement has blazed the trail and made it easier for others to follow.

### Vital Issues

**Government Ownership or What?**

The statement is often made that Government ownership in the United States would lower costs, and that means that it would lower rates.

Examination of the facts does not show this to be the case. Government ownership lowers profits but not rates. It does privilege the capitalists of their winnings, but it does not give them to the consumers in the form of lower prices. It seems to eat up the profits in inefficiency, bureaucracy, graft and high labor costs. But labor does not get higher wages.

A government tends to lower rates where it is good politics; a profit-making corporation does it where it is good business. One does it in the interest of votes; the other does it in the interest of dividends. The mistakes of a profit corporation can be controlled by the courts, by commissions, or by other agencies of authority created by the people; but the mistakes of a government are not so easily controlled. It is the high authority and standard of virtue.

In the days of Thomas Jefferson there was one office holder, public official, or government employee to every 1,000 of the adult population in the United States. At the time of the Civil War it was one to every 100. When Grover Cleveland was president it was one to 20. Today it is one to 10. Tomorrow each citizen may be carrying an office holder upon his back. The burden upon the citizen is becoming oppressive. It means taxes and high cost of living; and there is no end in sight. But what is more, it means centralized power and suppression of the individual.

All of this officialdom, bureaucracy and help are not for constructive purposes. They are used largely for coercive purposes. Suppression of the liberties of the people is what we are paying our good money for. Our taxes do not pay so much for something creative as they do to prevent us from doing things. We are spending money, not so much for grass plots but to make people keep off the grass. We are spending money not for winning prizes, but for preparing for new wars and paying for the follies of old ones. We are not teaching people to be temperate nor how to take the profits out of alcohol; we are spending millions to prevent people from drinking. So much coercive law is attempted that the country has become a seething sea of corruption. Inspectors to enforce the law require inspectors now to watch the watchers. Soon inspectors may want to get away from political graft and away from business for profits they will have to do things for themselves. This, of course, is difficult, because most people are indolent. They are willing to forget the graft and they are willing to pay for the profits rather than best themselves and lay their own hands to the job.

But the job will never be well done till they do it. And they can.

Are the members of a mutual voluntary association, conducted for the service of the members, such as a co-operative society or a social club, not as intelligent and efficient in their actions as the citizens of the political state?

Why interpose between the people and the things they need either profit-making business or the complex and corrupting political government? Why should not the people apply direct action and do things for themselves?

To overcome their apathy, to arouse the consumers out of their indifference to these facts, to awaken them to a realization of their self-interest, to show them that they really can do things for themselves as did their ancestors before there were governments or capitalists to do things for them, to show them actually how to do the things for themselves—these are the tasks of the future. These are the duties that lie upon those who would bring a better civilization upon the earth.

J. P. W.
And the interesting part of it all is the resolution adopted by the one thousand delegates in attendance, to the effect that if any member of the executive committee runs for political office he shall at once resign.

Our readers already know about the progressive nature of the Franklin Co-operative Creamery Association of Minneapolis. The Twin City Milk Producers Association is the organization of farmers who supply the Franklin with their milk. The two co-operators, producers' and consumers', meet one another at the city line and are responsible for the complete elimination of profit interests in the handling of milk served to 30,000 families of Minneapolis. Each Association has a membership in excess of 6,000. The Producers' Association handled approximately 250 million pounds of milk in 1924, and its total sales came to more than seven million dollars.

Letters from Abroad

Co-operative Medical Service in Brussels

By J. P. WARBASSE

If there is any one service that needs to be taken out of the field of profit-making and conducted in the interest of the people, it is medical service. The sick need to be freed from the hazards of competitive medical practice, health protection lifted out of the market place, and life no longer made a matter of hanger and trade.

The doctors are organized. Medical societies are trade unions. The doctors are not aware of this latter fact. They are so used to being deceived by orators, parsons and other soft voiced gentry, calling them "ministering angels" and making them believe that their lives are one continuous and joyous round of midnight climbs up tenement house stairs to succor the impecunious, that the working of the clinic is very different. Each member has a book giving the various departments of medical service with the names of the doctors and their hours. The departments are General Medicine; Diseases of the Respiratory Passages; Mental Hygiene and Nervous Afections; Diseases of the Nose, Throat and Ears; Diseases of the Eyes; Teeth; Artificial Teeth; Anti-venereal Service, Siphilis; Diseases of the Skin; Diseases of Children; Diseases of Women; Surgery; Preventive Medicine and Hygiene; Blood Examinations; and Pharmacy. Also a list of approved midwives and pharmacies and their addresses, divided in districts, is given.

This medical service, like all similar mutual undertakings, is an experiment. It is only a beginning. 

The ideal co-operative medical service lifts the doctor out of the whole field of competitive profit practice. Some of these
days, in the future, it is to be hoped, this society will grow, employ doctors as full-time servants of the people. It will also then lay most stress upon prevention of disease rather than cure.

It should be noted that a co-operative society like that of the Co-operative Movement, can tend to keep the healthy members well. These should be full-time sanitarians. Their salaries should fluctuate with the sickness prevented and cured.

Why Co-operation is Not Enough*

From the Viewpoint of the Social Evolutionist

By Sidney A. Reeve

There are these three outstanding features of the Co-operative Movement which limit its usefulness:

1. It is growing at not one-twentieth, barely one-hundredth of the rate at which its opponent, Commercialism, is expanding.

2. Every dollar which is now ostensibly saves to the ultimate consumer is immediately re-absorbed by this monopolist, a hundredfold greater expansion of Commercialism.

3. Even if imaginatively we might hope to elevate the rate of growth of the Co-operative Movement to such a degree that Item 1 would be no longer true, and Item 2 less true than now; the only possible result would be the prompt collapse of Commercialism in the face of this hire of Co-operatives, leaving at least 500,000,000 persons floundering amidst complete paralysis of production and exchange, unemployment measured by the tens of millions in America alone, and ultimately widespread anarchy.

The sheer assumption that the ultimate consumer possesses the power of bettering his position—by the mere exercise of his own economic sovereignty which, theoretically, is enshrined in each person as consumer—is an assumption supported neither by past history nor by current political economy.

(From a letter written by Mr. Reeve before he wrote the following article.)

LET it be understood, at the start, that the writer has no slightest fault to find with the technique of the Co-operative Movement. Why, then, is the co-operative movement not enough?

The problem of life consists: First, in avoiding a collapse of social stability, which would bring with it another of those wholesale tragedies which have blotted the pages of past history; and secondly, to acquire a faith far higher and deeper than economic efficiencies, so that we may be supported when our economic plans fail. Our efficiency is extreme. It now amounts to a waste of about 80 per cent of our entire current funds. It is pouring at least $125,000,000 daily into the ditch.

What of it? We are carrying this vast load easily. The productive forces are modern machine processes that, in spite of this enormous waste, are still producing more life-support, of every sort, per capita, than ever before.

The fundamental law of social evolution has always been that EVERY UNUSUAL ACCUMULATION OF WEALTH LEADS INTO SOCIAL CATACLYSM, and conversely, that EVERY SOCIAL CATACLYSM HAS BEEN PRECEDED BY AN UNUSUAL ACCUMULATION OF WEALTH. How may this inevitable social cataclysm be avoided, or at least reduced to its minimum?

This brings us to the second facet of the social problem, namely: The need for a social faith higher and deeper than any nicely calculated plans for constructive steps, to be taken at the behest of deliberate will. Every social cult or program, every university-course in sociology, every treatise or text-book, every editorial, every political platform, every public movement, even—as well as the articles already printed under the same title as this one—every one of these varied expressions of opinion as to social problems agree in one respect, and in one only, namely: They all assume that, of course, human events are dictated by the deliberate will of man.

Yet never in the past, nor down to the present moment, has history actually been made in that way. History has never once justified the belief that man's will guided his social events. His individual acts guides, but not his social ones.

One too quick an objector to this doctrine exclaimed: "I look at the Woolworth Tower, or the Ford car. Were not these events predetermined by the human will?" Yes; but these are not social events. They are merely individual acts—the raw material, undigested as yet, for future social events.

The Woolworth Tower and the ten million Ford cars do indeed foreshadow a gigantic step forward in social evolution—a complete overthrow of our world-en-circling economic system, and its replacement by a novel civilization, only the vaguest outline of which we are now able to imagine. Yet, intended or unintended, this overthrow and replacement, none are further from than men like Woolworth or Ford. They do not even foresee any such a thing, let alone desire it.

Nothing other than what it wants. Not a group now publicly active is now having its own way—not even the commercialists.

For these desire an indefinite continuation of our present commercialistic expansion. Yet with their daily acts an enslavelment is world-revolution—not a revolt, begun by the lower classes, but a revolution—started, as all revolutions have been started, by the upper classes, and spread throughout the land.

The capitalists are all grinding (at imaginary filing mills) just as much as the socialists, or the communists, or the orthodox middle classes. Whether one be rich or poor, whether commercialist, socialist or co-operationist—one is equally condemnatory of the social structure as it now stands and moves. All are equally certain that if it were not for the folly, malice or greed of some other class, everything would be all right; but, things being as they are, everything is all wrong.

Indeed, there is no better proof of this cosmic law than social evolution itself—rather than leads, events—that the fact that it is our professional leaders of social thought, whether in university or editorial chair, who are the slowest to perceive new truth as to social evolution. The greater the intellectuality the less likely is it to have been written by some other class, everything would be all right; but, things being as they are, everything is all wrong.

For the proof of this great basic Cosmic Law of Social Evolution there is ample evidence for but one instance. Take for that instance, the evolution of Democracy out of royal Absolutism—one of the most striking of all the steps in social evolution which have made us modern men.

Does anyone imagine that this great transition from Absolutism to Democracy was attained through the willful, gradual conversion of individuals to a voluntary decision to replace royal Absolutism with Democracy? Does anyone suppose that Absolutism gradually crumbled?—"disintegrated," as Mayor Hoan says of modern Commercialism.

Far from it. Royal Absolutism, like modern Commercialism, grew and grew and grew, both in power and prestige until the very instant of its collapse—this overthrow and replacement, none are further from than men like Woolworth or Ford. It was not desired by the nobility, who were already a part of the government. Nor was it desired by the Burghers, whose daily acts, in the pursuit of profits, had subconsciously and involuntarily forced the event. Least of all was it desired by the people, who had the most to gain by it.

To prove these statements, beyond a shadow of a doubt, would require volumes. Without stopping for so much as a glance at the cross outline of the viewpoint of the social-evolutionist, the application of these laws to the immediate future is this:

The Economic Democracy which now seems, as the next great step forward in social evolution, is plainly going to be something akin to socialism, it is true—something akin to communism, something akin to co-operation. But it will be more of these. It will be something foreseen by no prophet now before the people.

Nor will it come gradually and voluntarily. Up to the very crack of its doom, Commercialism, like the other Absolutisms of the past, will continue to expand, and to rule us more and more despotically.
Up to the last moment, freedom of speech and act, rather than expanding to coerce the event, will dwindle.

Only finally, just as liberty has ceased to be visible at all, will the whole structure of Commercialism collapse, not at the behest of the will of the radicals, but automatically, at the behest of the acts of those who least desire or intend that it shall collapse.

Then will follow five years or so of anarchy, of increasing poverty, culminating in wholesale, murder—not so much from direct violence as from famine of food, of fuel, of shelter, of clothing, of medicines. Throughout all this the small beginnings of co-operation already made will serve helpfully, it may be, to keep the people barely alive. Hence they are important. But they will not dominate. They will not grow voluntarily and deliberately into the new form of Social Democracy. That, so far as one can see, will come from quite a different direction.

After the five years or so of anarchy have brought world-wide exhaustion, then will arrive the ideal military dictator who has always enacted the closing scene of each of these oft-repeated social dramas. This military dictator will be burdened with no superfluous social ideals. But he will be equipped, instead, with a full supply of a far more important requisite for social existence and stability, namely: Unlimited power to enforce unity of action.

Thus, and thus only, will this military dictator be able to establish the Economic Democracy of the future, amidst an era seething with a myriad of conflicting and therefore impotent social theories. Thus will the new be established, not voluntarily, but in a form feared by the majority and hated by all.

Slowly and gradually thereafter, if history is to repeat itself, will this unwelcome Economic Democracy prove its excellence. Only finally, a generation or a century after the fact has become irrecoverable, will conscious sentiment recognize that excellence, and begin to extoll the foresight, courage and patriotism of that ancestry which will then be said to have established it voluntarily.

No, a co-operative program, however flawless technically, is not enough. One needs beyond its simple program gigantic faith also. A faith in the wisdom and beneficence of those inexorable forces of mass-relativity (if one happens to possess a scientific or agnostic mind), or of the supreme intelligence (if one happens to be an ethical culturist), or of a loving God (if one happens to be a Christian theist)—a gigantic faith in those irresistible, unchangeable forces which, under whatever name, history reveals as propelling and guiding the course of events along an orbit which man never controls, never approves and never foresees.

Here, then, lies the gist of this entire lesson.

Constructive social evolution, on the one hand, lies wholly outside the domain of human mentality. The mind of man possesses no power over it. Its progress depends not at all upon man's mentality.

Man contributes to it, it is true, its raw material: Individual acts. But these, reacting chemically upon each other, result in something as remote therefrom, in appearance, as the roar of exploding gunpowder is remote from silent, dark, inert charcoal, wood or earth.

Destructive social events, on the other hand, are wholly the fruition of man's mentality—of a mentality which is always obstructive. It is only as the mind of man has resisted the irresistible, set up his own precarious goals of desirability—it is only as these erroneous mental actions have arisen, that tragedy has ensued.

For the ultimate issue of each situation (so far as constructive development has been able to see) has always been good. Never has the course of events proceeded, where unresisted, except for the greatest good of the greatest number.

Hence becomes plain, as the lesson from cold-blooded history, the true function of human mentality. It is to KEEP OUT OF THE WAY. It is to protect man, during social evolution, as it protects him while crossing the street.

It is, in the first place, to observe accurately that which has already occurred and that which is now occurring (if this itself is a gargantuan task. The next great task of the mind, after accurate observations, is the transmission of this observation to others. For this task, all of the ablest appliances of modern invention and science will be available to the widow having her furniture taken away. The furniture is also insured, under this plan, and wider good—yet always against the continual, suicidal, tragic resistance of his fixed attitudes of mind. It is this faith which every co-operationist much needs, to uphold him when he sees pet theory, co-operation, in spite of its successful supply of cabagars, failing as a Deliberate Social Remedy before his eyes.

News and Comment

Co-operative Furniture on the Installation Plan

There are few workers' homes in America that have not been furnished via the "installation plan." Weekly or monthly payments are habitual yoke. All is well as long as the payments are regularly made, but let unemployment, sickness, or some other cause prevent one or two payments and the home is immediately threatened. The collector comes around to inform you that unless money is forthcoming by such such a date, the furniture will find its way back to the warehouse.

The case is that England are no longer going to be beaten by the houses that sell them furniture on the installment plan and then take both the money and the furniture away from them when they lapse on a payment.

The co-operative Insurance Society, which is the joint insurance department of the English and Scottish Co-operative Wholesale, has made agreement with the co-operative societies whereby the latter insure themselves and their members against such lapses. A co-operator no longer needs to seek a furniture dealer who will give him the best possible terms. His own co-operative society is now able to furnish his home and to give him a sense of ownership and security which was undreamed of before.

When fellow Co-operator Smith, who is buying a dining room set on the installment plan from his co-operative store, dies before the payments have all been made, the furniture automatically goes to his wife and no further payments are required. The insurance taken by the local society with the Co-operative Insurance Society, protects the society from losing money in this contingency should be available to the widow having her furniture taken away. The furniture is also insured, under this plan, and wider good—yet always against the continual, suicidal, tragic resistance of his fixed attitudes of mind. It is this faith which every co-operationist much needs, to uphold him when he sees pet theory, co-operation, in spite of its successful supply of cabagars, failing as a Deliberate Social Remedy before his eyes.

International Co-operative Day promises to eclipse its two predecessors in extent, variety, enthusiasm and the spirit of international fraternity. Here, in the United States, it takes on a double meaning. It not only reminds us of a few points us of the way to an economic salvation such as was far removed from the purposes of the forefathers of 1776.

The Co-operative Movement comprises today approximately fifteen million members in thirty-one countries. These are united in the International Co-operative Alliance for the purpose of establishing the Co-operative Commonwealth. They are inspired by the common watchword "Each for all and all for each." And it is for the purpose of broadcasting this principle that July 4th is designated as "Co-operative Day."

The International Co-operative Alliance sends us the following message:

"The International Co-operative Day will this year inaugurate the International Co-operative Flag, which represents the rainbow—universal emblem of promise."

Co-operative Medical Service in Canada

In August of last year a group of co-operators of the McCafferty District got together to discuss ways and means of furnishing medical service to their farmer-members at reasonable rates. The need for such service among farmers need hardly be emphasized. The prohibitive rates charged by physicians often causes neglect with dire consequences; or else if they indulge themselves in the luxury of being treated when sick, the burden of charges must necessarily be shouldered just at the time when it can with most difficulty be borne.

And so urgent necessity gave birth to this little undertaking, one of the pioneers in this type of co-operation. For the payment of $1.25 a month each member is assured medical service for himself and all members of his family under twenty-one. This includes general medical treatment and minor surgery. In cases where the physician is called to the home of a patient the only additional charge is that of transportation. Even hot and cold water in the kitchen is often lacking. Bathrooms are unusual. It is high time that an effort to give the development of medical service to the patients, nurses, and a non-subscriber call at the same time, private practice but whenever a subscriber

The doctor receives a regular monthly re-

payment, the only additional charge is that of trans-

portation. Physicians of all countries.

The co-operators of Switzerland and

As international co-operative summer

school has been conducted at Basel, Swit-

zeland, in 1922, this last was at Ghent, Bel-

gium, in 1924. This year the school will

be at Elsinor, Denmark, July 25th to

August 8th, on the premises of the Inter-

tnational People's High School. Lectures

will be given on Co-operation in Denmark,

Norway, Sweden, Finland, Great Britain,

and on various phases and aspects of the

Co-operative Movement.

The Co-operative Wholesales raises the question.

The following incident, related by the Edu-

cational Department of the

C. W. S., just a year ago and they feel

that the increased educational activities

that have come as a result of their affilia-

tion have played a large part in bringing

about their present progress.

A Women's Guild has been a very consider-

able social program of the people of Great

Britain.

WHAT does Co-operative Loyalty mean?

A few weeks ago the mines closed down

for the summer. The store owed several

hundred dollars to a private wholesale and

to the Co-operative wholesale. The mem-

bers held a meeting, decided to give up

the co-operative store, allowed the private

wholesaler to bring in his truck and haul

away such merchandise as he needed to pay

debts owing him, and then the stockholders

went into the store and carried home what

was left. Finally notified the Co-

operative Wholesale of the closing out—after

everything had been taken except the

fixtures!

Such are the rewards of help given by

a co-operative wholesale to a struggling

little society—sometimes. Happily, it does

not happen that way often.

London Progress

The London Co-operative Society of

England no longer needs any introduction,

it has made its bow to the public long ago.

However, when it prints the following notice

in its organ The Deseret, we have to sit

up and take notice all over again and

realize that "it can be done."

"Ten thousand new members in nine

weeks; quarter of a million increase of sales

in six months."

Our vast country has just begun to

be inoculated with the Co-operative serum.

The scientist such a vast unexplored re-

gion would spell romance for the rest of his

days. We have been, and become scien-

tists. We are experimenting with Roch-

dale Co-operation and the deeper we get

into its work the greater becomes our field.

The "Womens" Electrical Association was

formed.

The "Womens" Electrical Association was

inoculated with the Co-operative serum.

The deeper we get interested in corporate conduct and corporate

profits."
Figures were submitted which showed that since 1918 public utilities and co-operative enterprises have added to their rolls at least 3,500,000 stockholders of whom 500,000 were employees in the enterprises, 1,000,000 were their customers, and 2,000,000 of the stockholders were from the general public. It was also pointed out that there had been an increase of at least 2-300,000 bond holders since 1918 in the public utilities. In that same period 28,000,000 new savings accounts have been opened and the savings deposits have been nearly doubled.

1912 to 1924 the popular ownership of the Bell Telephone Company had increased from 50,000 shareholders to 345,000. No one shareholder owns more than 3% of stock in this organization.

What does this customer or popular ownership of the great corporations in the United States suggest?

Perhaps the administrators of these enterprises see this tendency as an antidote to government ownership. This may well be the case. What will small investors think? Do they conceive of the idea of ultimate democratic control and administration of the industries for service? This is very much to be questioned.

At least one by-product of the situation may be desirable. We may find that the savings of the people are diverted into legitimate investments rather than being lost in the spurious stock-swindling games which is such a disgrace to the United States. It is calculated that $500,000,000 annually are lost with stock swindling and other "gold bricks."

Co-operators may watch with interest the development of popular ownership. It is only possible in America where unemployment is relatively absent and where wages are relatively high. In Europe today there is much more necessity for the workers of the middle class either to save to this extent, or to invest their savings in any such manner.

A Visitor from Germany

The League office has had the pleasure of a visit from Herr Hans Bauer, manager of the Governmental Labor Council, member of the Board of Directors of the German Co-operative Movement, and member of the Governmental Labor Council.

Herr Bauer brings most encouraging news from the German Co-operative Movement. It is steadily growing and expanding into new fields.

The working people, who before the war were looking to political action to solve their problems, are now turning to Co-operation. Before the war 25 per cent of the members of the Munich society were Socialists; now there are 10 per cent.

This society in Munich, which had 38,000 members at the beginning of the war, now has 60,000 members. It has 84 stores, a farm where meat for their packing house is raised, the largest bakery in the city, and a flour mill. This mill is electric and automatic. So much of the work is done by machinery, that only nine employees are engaged in this mill which produces ten carloads of flour daily.

Herr Bauer visited a number of our co-operative enterprises. He rather surprised one of our co-operative bakeries by stating that their Munich bakery produces thirty times more bread and employs only twice as many bakers. The explanation is efficiency and automatic machinery.

Herr Bauer is here especially to study meat packing at the Chicago meat yards.

Women in the Japanese Co-operative Movement

Mrs. Kyoko Ohtani, President of the Women's Guild of the Co-operative Movement of Japan, has issued a manifesto to the women of her country. The following are extracts from her manifesto:

"We all realize, with much apprehension, that Japan today is on the verge of an economic crisis. Production may be forever developed, but it is of no use unless there be a radical change of mind on our part regarding consumption. Confronting the present national crisis, we feel how important it is for us women, especially housewives, to do what we can to realize economic stability."

"The feeling that we are one in Co-operation," the president writes to the International Women's Office, "women of the middleclass either to save to this extent, or to invest their savings in any such manner."

Co-operative Tea, Coffee and Publicity

The Central States Cooperative Wholesale Society has added a new line of co-operative products. This tea is produced, cured, packed and shipped by the English and Scottish Co-operative Wholesale Societies. In other words, it is never touched by the hand of private profit from the time it is grown until it is purchased by the ultimate consumer.

Recently the Central States C. W. S. has printed up in stiff cardboard, 8½ by 11 inches in size, advertisements in two colors of this Co-operative Brand Tea, with a picture of the package. Down in the corner is a picture of a teapot and cup full of steaming tea.

Another card in two colors advertises the Cooperative's Best Coffee packed by the Central States C. W. S., bearing a picture of the pound can in the center. A third card shows the two pine trees(green) in the circle, with a background of gold; and below this is the explanation of the label and advice to the reader that whenever he sees it, he give the organization or the product bearing the emblem his full support.

This is all good publicity, suitable for display in store windows, hall lodge rooms, anywhere where workers and farmers gather.

Increasing Sales Over the Phone

MOST co-operative stores have a delivery service. The long as its service must be maintained, it should be put to its maximum efficiency. More business could be handled from these same trucks and right on the same streets the truck is now travelling over, if the customers could be won over. Will a better use of the telephone win us those extra customers?

Today our stores are spending a great deal of time and money on two evils—they are sending out a truck to solicit orders, a fearful waste of money; or they are waiting for the customers to come in or phone into the store for orders to be delivered—a direct invitation to our competitors to get busy and step in ahead of us and win these customers away.

We should use the telephone more often and more aggressively.

1. The phone will increase the volume of sales. One typical store increased daily average of sales from $69 to $300 by this method.

2. The phone will increase the sales radius. Provided the stops are not too far apart, there is no reason why the radius of co-operative influence should not be greatly widened. It costs no more to phone five miles than one mile.

3. The phone will increase the value per sale. The following table is a result of a study of hundreds of stores:

<table>
<thead>
<tr>
<th></th>
<th>Percent of Total Sales</th>
<th>Percent of Total Expenses</th>
<th>No. of Phone Orders</th>
<th>Value per Sale</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash Carry</td>
<td>22</td>
<td>13</td>
<td>2.9</td>
<td>$.81</td>
</tr>
<tr>
<td>Credit Carry</td>
<td>10</td>
<td>6</td>
<td>3.5</td>
<td>1.10</td>
</tr>
<tr>
<td>Counter Del.</td>
<td>12</td>
<td>12</td>
<td>5.1</td>
<td>1.62</td>
</tr>
<tr>
<td>Phone Del.</td>
<td>51</td>
<td>69</td>
<td>5.7</td>
<td>1.90</td>
</tr>
</tbody>
</table>

4. The phone will increase Sales Efficiency of Employees.

a. Three phone orders can be taken in the time necessary for one counter order.

b. The counter order costs three times as much as the phone order (in labor expense).

c. Because of larger value of the phone order, the average cash and carry order costs 6½ times as much to get down on paper than the phone order; credit and carry order costs 4½ times as much; and counter delivery order costs 3 times as much.

5. The phone order business will increase steady operation of store. An even distribution of the load of work in the store can be worked out.

6. The phone will permit a cheaper rent cost. The store which depends rather largely on telephone orders does not need the expensive, high-rent, "Main-Street" location. It can take a cheaper location. But of course the woman who does not go shopping, must be guaranteed that she is being given goods of a quality equal to what she could pick out herself.
District Leagues

Annual Meeting of the Co-operative Central Exchange

THIS year 30 co-operatives, represented by 46 delegates, participated in the Seventh Annual Meeting of the Co-operative Central Exchange held on March 31st and April 1st in Superior, Wisconsin. As is the custom, the meeting was preceded by a two-day's conference of co-operative managers and directors. Altogether one hundred persons registered for these meetings. This is almost twice as many as ever gathered at the Exchange meetings.

The affiliated membership of the C. C. E. at the present time consists of 36 stores and 24 buying clubs, making a total of 60 affiliated organizations. The sales for the year were most encouraging—$613,214.56. This is an increase of $109,037.55 over the sales for 1923. The net gain amounted to $59,372.91.

Manager Eskel Ronn submitted the following figures: Sale of Co-operators' Best Flour 10,888 barrels; rye flour 4,127 barrels and feeds 4,930 tons. These flour and feed sales made a total of 243 carloads. Sales of coffee under the Co-operators' Best grade amounted to 167,017 pounds for the year.

Following figures: Sale of Co-operators' Best flour amounted to 243 carloads. Sales of coffee under the Co-operators' Best grade amounted to 167,017 pounds for the year.

Welcome news comes from the Auditing Department of the Exchange. This Department employed three persons who made 58 audits in 1924. Perhaps this accounts for Eskel Ronn's statement; "All our affiliated stores have strengthened their position all and but two have a surplus to show for their business.

Mrs. George Halonen, formerly on the editorial staff of the Finnish daily Tytori, was elected to the position of educational director of the Exchange.

The managers' and directors' conference, held two days previous to the Exchange Meeting, presented resolutions to the meeting. The most significant of these stressed the importance of co-operative educational work, as to increase the demand among consumers for commodities carrying the co-operative label; educating consumers to buy "cash" so as to gradually abolish the credit system; and generally spreading the Co-operative gospel, with the hope of gaining new members.

The record of the growth of the Co-operative Central Exchange from a few score dollars in 1918 to more than half a million dollars in 1925 reads almost like an Arabian Night. But back of the glitter of the dollar sign are the bent backs of tireless workers imbued with the spirit of co-operation, forging ahead and paving the way for the Co-operative Commonwealth.

Book Reviews

When is a Co-Operative House Not a Co-operative?

By Fred Dunn

A MID the plethora of schemes, suggestions and sales talk that have been made in recent years as a means of alleviating the housing problems of our big cities, none has taken so firm a footing as the idea of co-operative apartments. This is so much so that the National Association of Real Estate Boards has published a handbook de luxe ("Standardized Methods for Co-operative Apartment Building") for the use of real estate men contemplating running co-operative apartments.

This hand book, elaborately prepared, selling for a modest $20 per copy, tells how to organize the group, how to sell the apartments, form of lease, and all the necessary new angles that the ordinary hard-boiled realtor would have to get to launch successfully a co-operative enterprise.

To old timers in the co-operative move- ment this book is not an eye opener, as all that is said therein and a lot more that is conveniently omitted has been tested, experienced and thoroughly gone into long before the Real Estate Boards ever thought of co-operative housing as a business venture. But the fact of the publication of this book is evidence of the truth of the statement often made by the co-operative spokesmen, that of all the enterprises that can be entered into by co-operative groups, housing is probably the simplest and the one farthest removed from the usual control by stock vote. A genuine co-operative, organized for service and not for profit, is democratically controlled, there being one vote to each member regardless of the amount of stock held and no voting by proxy. In the matter of selling, too, there is no provision for control of the selling price of the stock, which can be sold on the open market at any price that buyers will offer; speculation again.

Elimination of speculation must be the keynote of co-operative housing groups; otherwise there is no advantage from the point of view of general welfare. Co-operative apartments that are proclaimed so far and wide as 100% co-operative, organized and run under the plan of, and according to the "Standardized Methods for Co-operative Apartment Buildings" as laid down by the National Real Estate Board, are not in any sense of the word co-operative.

They may be owned and controlled by the tenants—except where they are controlled by the preferred stockholders, and the tenants are allowed to instruct the ashman and the janitor—but they lack the essential elements of co-operation as a factor for social good. As a good investment having a speculative possibility they may be sound and profitable, but real co-operation is an ideal having no speculative possi- bility—only an interest in the future of society; an ideal based upon the principles of self-help, put into practice through the soundest business methods. The Real Estate Board has attempted to take many leaves out of the co-operator's book, in addition to the one noted them for the general use of speculators in making profits.

Every bill-board along Park Avenue in
New York City announces 100% co-operative apartments for sale, and if their form of organization is successful, then the Standard Oil Company and the Pennsylvania Railroad Company are co-operative, too. The advertising columns of the daily press teem with announcements of this and that development as a co-operative enterprise, when close investigation reveals them simply as real estate promotion schemes. There are comparatively few really co-operative projects in New York City and that few there are command no billboards or advertising columns, for there is no profit for publicity in this form of organization.

To those who are interested in co-operative housing we would not recommend this book. Rather we would point out that the Co-operative League of America will supply information and literature to any group interested in seriously tackling the housing problem by co-operative effort.


It is a great satisfaction to find that the wealthy manufacturer of safety razors is giving thought to the solution of the economic problem of the world. Mr. Gillette 과의 The Story of the modern co-operative movement. He knows it is defective and he wants to see it removed. His plan is a people’s corporation, the people to own the stock of the present useful corporations and make them their own. This is a thoughtful book. The plan is admirable. The only difficulty that we can see in it is that it will not work. The reason it will not work is because the people would not be satisfied to put their money into a proposition which has an idealistic and remote end and which does not provide the immediate possibilities of the present useful capital in being on gambling and it wants quick returns. This book is full of good sound quotable statements.

"Development and Present Status of Farmers’ Co-operative Business Organizations," Bulletin No. 1302 of the United States Department of Agriculture, is the most comprehensive digest of the farmers’ marketing and purchasing movement yet compiled. The 76 pages are crowded with statistics, the vast majority of them pertaining to the co-operative marketing movement. There is a table of societies which are purchasing fuel for their members. Such societies number 24701. If we had a really cohesive movement in this country we should now be operating our own coal mines.

The Bureau of Agricultural Economics has just published two little monograph folders, which are called "Preliminary Reports," to assist owners and managers of retail meat shops in preparing and keeping books and making up financial statements. The book of good sound quotable statements. One is called "Records of Cash Receipts and Disbursements for Small Retail Meat Shops," and the other "Preparation of Profit and Loss Statements for Retail Meat Shops." 


Mr. Twigg prepared this as the research thesis for the Co-operative Union’s Jubilee Research Scholarship. It is a painstaking research into co-operative education in Great Britain. The author begins with Robert Owen and shows that he borrowed the ideas of education of the Swiss reformer, Pestalozzi. The Rochdale Pioneers’ interest in education is cited as the first example of a store society setting up a committee for the purpose of education. This pamphlet is rich in statistical facts.


The author, with idealism, vision and enthusiasm, shows how a well-planned city should be developed. The absence of plan, rhyme, or reason in American cities is pictured.

Ghent Congress Report

The Report of the Proceedings of the 11th Congress of the International Co-operative Alliance, held at Ghent, Belgium, 1924, has been published by the Alliance. Orders from members of the Co-operative League of America. The price is $1.50. This is an accurate and historic record.

One-page Leaflets

(One cent each; 50 cents per 100; $2.50 per 500; $4.00 per 1000.)

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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.

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The Farmers Union Co-operative Association of Clarkson, Nebraska,—a typical store and grain elevator of the Farmers Union State Exchange. This co-op has grain, lumber and coal for sale.
THE FARMERS UNION STATE EXCHANGE

The Farmers Union State Exchange of Omaha, Nebr., is a cooperative merchandising institution that supplies goods to co-operative stores, cooperative grain elevator associations, and other local co-operative associations handling merchandise, and also directly to farmers on individual orders and through the buying agents of Farmers Union locals. It also operates a "chain" of nine branch stores.

Sales of the Exchange in 1924, exclusive of the retail sales of the branch stores, totalled $1,347,605.00. Of this total, about 55% consisted of sales to stores and other incorporated associations; about 30% of sales to individuals and buying agents of Farmers Union locals, and about 10% of goods sent to branch stores.

The Exchange handles a long list of merchandise, including groceries, work clothing, binder twine, farm implements, feeds, seeds, produce, oil, fencing, fence posts, barns, salt, and coal. Groceries lead in volume, measured in dollars, representing about 25% of the total. Binder twine constitutes about 16% of the total; seeds and feeds about 16%; and farm implements about 10%.

About one-third of the merchandise supplied by the Exchange last year was shipped in carload lots. Such shipments usually go directly from mine or factory to their destination. Coal is always handled this way, most of the salt, and a great deal of the twine. Often the farmers take the goods directly from the car, thus still further reducing handling costs.

The heavy losses suffered by the Exchange in the severe agricultural depression following the slump of 1920, which ate up about half of the share capital, ceased nearly two years ago, and good profits, or surplus savings, are now being shown. The net profit for the year 1924 was $20,647.02, and for the first quarter of this year $9,615.51.

By agreement among the shareholders, the deficit has been wiped off the books by reducing the face value of the shares from $25.00 to $12.50. This leaves a share capital of $344,362.50. In addition, the institution at the end of the first quarter this year had a surplus of $15,865.00. With no debts except current bills, the Exchange is in a strong financial position. Current assets amount to $318,135.02, and current liabilities to only $50,410.00.

HISTORY

To understand the Farmers Union State Exchange, it is necessary to know something of its history. This institution was founded in 1914 by the Farmers Educational and Co-operative State Union of Nebraska (called Farmers Union for short), which is a division of the Farmers Educational and Co-operative Union of America. It was set up as an unincorporated department of the state organization, in charge of the state secretary, to serve as a buying agency for Farmers Union locals. There were no co-operative stores in the state then.

The Exchange operated entirely on a brokerage basis at first. As the business grew, however, it was found necessary to carry some goods in stock. Funds were supplied from the Farmers Union treasury for this purpose, a building was leased, and a manager employed. At the beginning of 1917, the funds supplied by the Farmers Union, together with the surplus accumulated from profits, amounted to about $20,000. Additional capital was obtained by borrowing from the bank.

PHENOMENAL GROWTH OF STORES

About this time, the members of the Farmers Union in Nebraska, without any particular encouragement from the leaders of the organization, began to organize co-operative stores—organized them so rapidly that the state office could not keep track of all the new ones. Evidently, the members desired the convenience of local stores of goods. These stores immediately began to do most of their buying from private wholesale houses. Nevertheless, the business of the Exchange continued to grow.

In April, 1917, the Exchange was incorporated, to give it a better commercial standing. The ownership still remained in the Farmers Union of Nebraska, the shares being held in trust by the members of the board of directors. This arrangement continued until 1919, when the state convention of the Farmers Union voted to reorganize the Exchange as a co-operative association, the shares to be held by individual members of the Farmers Union.

At that time, there was no law in Nebraska permitting one co-operative association to hold shares in another. Consequently, the plan of reorganization adopted by the convention contained no provision for linking up the co-operative stores and other local associations to the wholesale. Shares were sold only to individual members of the Farmers Union, therefore, in the share-selling campaign. Soon after the state convention in 1919, however, the Nebraska legislature enacted a law, drafted by the Farmers Union, permitting one co-operative to hold shares in another. When the shareholders of the new Exchange met on June 30, 1919, to effect the reorganization, they took advantage of this law by providing for association shareholders. Under this provision, 29 co-operative associations have become shareholders in the Exchange—out of a present total of about 175 stores and 250 elevator associations in the state organized by Farmers Union members.

The foregoing shows that the Exchange is not on a strictly Rochdale basis, and explains why. It should be understood, however, that the shareholders in the local associations and in the Exchange are largely the same persons, so that the system, disjointed as it may appear, is, after all, a big family affair.

Furthermore, the difficulty of assuring democratic control usually experienced in wide-area co-operatives having individual members is very largely obviated by holding the annual meeting of the shareholders of the Exchange in the same week with the state convention of the Farmers Union, and allowing shareholders to represent other shareholders in the same Farmers Union local or co-operative association.

DUAL WORKING BASIS

The Exchange was founded to supply goods to members of the Farmers Union. In many localities in the state, the members have not organized co-operative stores. In other localities, their stores have failed. These members desire to buy direct from the Exchange. True to its purpose, the Exchange sells to them. Association managers object to this direct selling, although price lists are not sent into the territory of associations that buy liberally from the Exchange.

While opposing direct selling by the Exchange, many managers of local associations do not themselves support the Exchange well. Perhaps not more than 10% of the goods purchased by the co-operative associations in the state come from the Exchange. The rest of their business is scattered among private wholesale houses. Nevertheless, the business with the associations is increasing, and, as the above figures show, now constitutes more than half of the total.

Members of the Farmers Union are not agreed upon the advisability of having co-operative stores. Many of them believe that ordering goods through the Farmers
Union locals is the better plan. The popularity of this method has been very much restored by the hard times through which farmers have been passing. It does make a greater saving, of course, but at the loss of convenience. Other members would like to see all of the co-operative buying done through incorporated associations, and these linked up with the Exchange through the ownership of stores, in true Rochdale fashion.

Members of the Farmers Union in Nebraska will tell you they are not sure where the Exchange is going, but that its sound financial condition and increasing business shows it is on the way. It is so organized that it can continue on the present dual basis, with individual shareholders, or it can be worked over gradually to a federation of the local associations by taking up the individual shares and placing them with the associations.

The branch stores were established by the Exchange chiefly to make an assured outlet for goods and improve the buying power of the institution through increased volume. No new links have been added to the "chain" for more than a year, and if the independent co-operative stores would support the Exchange fully, no more links would be added.

RAVAGES OF DEFLATION

As previously mentioned, the Exchange has been through a tight squeeze. When the deflation struck in 1920, it was heavily stocked with high-priced merchandise. Losses on these goods were enormous. Sales fell from $2,794,022.69 in 1919, the year before the slump, to $1,148,069.56 in 1922, in the trough of depression. The decline was mostly in prices, for the volume of goods moved was about the same.

In February, 1922, the board of directors put one of their own number in charge. As manager, Mr. C. McCarthy of York County, a lifelong farmer. By rigorous reduction of expenses, and by closing out the surplus goods and paying debts, the Exchange has been brought, under his management, to its present strong position.

When, by good management and loyal support the Exchange was restored to a profit-making basis, it was confronted with the Nebraska law prohibiting the payment of dividends by a corporation having a deficit on its books. Accordingly, the shareholders voted last January to wipe out the deficit, in the manner already described. It is expected that a share dividend will be paid this year, and as soon as possible the institution will be put on a patronage-dividend basis, so that new shareholders may be brought in automatically, and the association kept renewed.

ACTIVITIES

The Farmers Union of Nebraska has furnished the impetus for the organization of numerous enterprises besides the Exchange, including the local co-operative stores, the elevator associations, live stock shipping associations, cream and produce stations, creameries, three live stock commissions, a terminal market grain selling agency, and a property insurance company. For all of these co-operatives, the Farmers Union is the educational organization—sort of a co-operative protective and propaganda agency.

The official organ of the Farmers Union and all its co-operative activities in Nebraska is the Nebraska Union Farmer.

HOW SUPPORTED

The Farmers Union is supported by dues from individual members—except for the savings on the business of non-member patrons of the live stock commissions, which are turned into the Farmers Union treasury. If support of the educational work by individuals, instead of by the associations, appears to be the better plan, remember again that the members of the Farmers Union and the shareholders and patrons of the associations are largely the same people.

Barnacles on the Ship of State

VITAL ISSUES

WE sometimes have to smile at the antics of the politicians. This is because we think that political government is a very expensive and complicated burden for the people to have saddled upon them. We see that the natural tendency of any political body that constitutes itself into a government is to keep blowing itself up until it no longer can stand the strain and then it finally bursts.

We have noted from time to time that only one thing holds an office or department or bureau or a breed of maggot in the warmth of the festered of politics. Or, if we would speak in nicer terms, we would say that they are as fecund in breeding jobs as rabbits are in propagating their kind.

We cite these things now and then to point a moral or adorn a tale, because we have a sort of idea that we know a more common sense way to do business. But this time we will just tell the story.

The new $50,000 "Commission to Inquire into Agriculture" has found that there is overlapping and duplication of work among the existing government bureaus. So what does it recommend? (Dear reader, please take this seriously because you are a loyal taxpayer.) The Commission has to do something: for its $50,000, so it recommends the establishment of a new bureau. It recommends a new "inter-departmental" to study this matter and to promote inter-departmental co-ordination. (That string of words alone ought to be worth $50,000 to the farmers of this country. They could at least make it up into fence pannels.)

The fact is there are already in Washington two such bureaus in operation, according to the Chicago Daily News. One is the "Bureau of Efficiency," the duty of which is to investigate "duplication of work." In the last fiscal year this bureau made ninety-one inquiries into such duplications. There is also the "Bureau of the Budget," which has as one of its duties "to co-ordinate the work of all the other bureaus."

This "Bureau of the Budget" is a regular rabbit warmer. It has a chief co-ordinator, a deputy chief co-ordinator, and half a dozen assistant chief co-ordinators. It has also a whole batch of "co-ordinating boards." Then throughout the country it has "area co-ordinators," all nice rabbits running around in the clover.

This ought to tickle those farmers who want Uncle Sam to do things for them. Their "Commission to Inquire into Agriculture" is going to give them another bureau. And men must leave the plow and the forge to take these positions. The government calls for more men. Who would walk when he can get on a taxpayer's back and ride?

J. P. W.

The Menace of Birth Control

THE propaganda to give everybody easy access to methods of preventing conception has made great headway. The method has been studied, practical methods have been discovered, and now it is possible for intelligent people to practice sexual intercourse without causing the birth of even one of the many billions of children who are available. For all of these co-operatives, the Farmers Union is the educational organization—sort of a co-operative protective and propaganda agency.

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sible men and women since the prevention of conception has become popularized.

It is not necessary to show that the morons, the moral imbeciles, the stupid, the drunken, the socially irresponsible, and the lecherous are least touched by this propaganda. It is a matter of simple mathematics.

If the means for preventing conception were free to all; if the laws were repealed, making it no longer illegal to give this information; if the birth control propaganda could have its fondest wish realized; if the biggest billboards on the house tops should publish in flaming letters all of the information on the prevention of pregnancy; if the medications and instruments of contraception grew on trees in the groves and by the wayside, the result would be a greater decrease in the children of the intelli-
gent in proportion to the children of the unintelligent. The people to make the most successful use of these measures would be those who possess intelligence and moral restraint.

There would be some people of low intelli-
gence who would use these preventative
tives and some who would not. The major-
ity represents the neutral zone. But the one class of people who would not use them would be the lowest grade of intelligence and the lowest grade of moral control. These would propagate the largest propor-
tion of their kind.

Here is a force let loose upon society which, with the certainty of mathematical calculation, is bent upon suppression of the fit and propagation of the unfit. Its vicious results in a few generations may be obvious to all. Even within this generation it is beginning to show. We are breeding the human race towards its own destruction. This is one of the matters concerning which it is too late to do anything in the field of expediency.

But there is much to do in the social and economic field. We can build a system in which people can live in better harmony. We can build a system which will discover and bring out experts, managers, directors, and technicians for the service of all the people. The building of a co-operative commonwealth, in which the greatest re-
wards of society will be for the socially useful and efficient, offers a hope that fit parents will be more disposed to breed chil-
dren, and that the offspring of the intelli-
gent will survive in greater proportion than the offspring of the unintelligent.

By all means let us have birth control. Let the people who want children have them. Any man, but there is the rub! People who want children aren't having them. They cannot afford to get married. They cannot afford to have children. Out of 400,000 homes in Philadelphia, one in every five is childless.

But this is not the only side of the story. We have no statistics of the millions of un-
marrried men and women, hungry for love and for offspring, who never have either.

The biological side of the problem is largely taken care of by the natural forces that have bred the human race up from the amoeba. But the artificial economic system, which has divided society into those who have and those who have not, blocks the natural progress of biologic life.

Let us get economic balance and justice and security. And then we may hope to get children—and children with loving parents.

J. P. W.

Forward From the Land

The last available figures in the United States (1922) show that out of $22,500,-
000 paid by the consumers for farm products, the farmers got $7,500,000,000, the middlemen got $14,500,000,000, and the railroads got $500,000,000.

The people who speculated in farm pro-
duce got about twice as much money out of it as the farmers who raised it. Much of this $14,500,000,000 which went to the middlemen was profit. Much of the $7,-
500,000,000 that went to the farmers was loss, because it cost the farmers more than it was worth. The farmers were deeper in debt in 1923 than they were in 1922.

Why should boys stay on the farms? There is an easier living to be made buy-
ing and selling farm products than there is in sweating fourteen hours a day to raise them.

Old “Back-to-the-land” gets knocked out every time he steps into the ring with young “Forward-to-the-city.”

J. P. W.

Trade Unions of the World

THERE were at the beginning of 1924 a total of 36,439,320 organized workers in the trade unions of the world. That is a mighty army of labor. These figures are from the Year Book of the International Federation of Trade Unions for 1925. Less than half of these workers—16,490,121—are connected with the International Federation; and 3,245,889 are affiliated with the Communist Inter-
national. These latter are mostly in Russia.

Of the countries reported, Austria has the largest percentage of trade unionists. With 6,000,000 population, it has 1,140,-
000 members of trade unions. There the unions are a big factor in industrial and political affairs. Practically all municipal and government employees are organized. The First of May celebration in Vienna this year took place at the City Hall and was participated in by over 900,000 people.

The Mayor of Vienna was once a tailor and carries his union card. Incidentally, I know of no mayor of any American city of as high a degree of culture as the tailor mayor of Vienna.

In certain other countries Trade Unions are strong. Like Austria, come Germany, England, Australia, Czechoslovakia and Belgium, in the order named.

It is natural that there should be a high percentage in Australia. That country was a British penal colony a hundred years ago, and its British population consisted largely of Trade Unionists who had been deported. These were men who talked unionism when it was illegal to organize. And later they went the meanest, most out on strike when they wanted the laws—say, the labor laws—changed, and they took the consequences. Now their children and grandchildren in that far-away land hark back to the old traditions and organize.

But countries such as China, Japan, India, Argentina, Brazil, South Africa, Portugal, Peru, and the United States are poor in Trade Unions. In some of these coun-
tries, the Trade Unions are less than one to a hundred of the population. Still the backward countries are coming on, and some day they may have a trade union movement like the rest.

These 36,000,000 odd workers are a mighty force for good in the world. If the most conservative business man could know the state of society that would exist without the organization of labor he would be in favor of Trade Unions. A great army of workers are doing something for society the value of which few people appreciate. Without Trade Unionism the world would drop back into a benighted condition, in which the workers could live and labor in their own degradation and pauperage, which would be as demoralizing for the rich as for the poor.

It is a sad fact that the world does not yet understand the meaning of the 36,-
000,000 souls. And how much less does it understand the meaning of the 50,000,-
000 members of the united co-operative societies federated in the International Co-
operative Alliance in thirty-one countries of the world.

Here are two mighty forces—the one providing better conditions and rewards for labor, and the other enhancing the purchasing power of the wages, training the people for social work, and changing the motive of industry to that of service. A hundred years ago they were nothing. What may another century bring forth?

Telling the Farmers What They Already Know

THERE are so many of the talk that fills the air is from the lungs of the politicians. The scattering shotgun is bound to hit something sometimes. So the ever-talking politicians are bound to say something sometimes.

The new Secretary of Agriculture in Mr. Coolidge’s cabinet has made a state-
ment to the farmers. He says, “Too few people stop to consider that legislation can not accomplish everything.”

Of course this is the fault of the polit-
cicians themselves. The reason for it is that the political medicine man are always beating their tom-toms and crying out that if the voters will only elect them they will “right the great wrong and restore justice to the p-e-e-p-o-l.” The honorable Secre-
tary claims: “There is no magic power in legislation as a panacea for agricultural difficulties.”
Good stuff. But the reason the brave Secretary says this is because the farmers already know it. In the good old days of his predecessors, the farmers had not found out the shallowness of political promises and the shallowness of political hopes.

Then the august Secretary goes on to say that, "Laws can help farmers make the most of their opportunities. They can help farmers to help themselves."

Well, we sort of have an idea that the laws help the other fellow to help himself to the wealth that the farmer creates about as much as they help the farmer. Some farmers believe they help the other fellow a little more than they help him.

At any rate, so far as helping one's self goes, the law is neutral and has nothing to do with the case. This is the lesson the farmers have to learn.

In the meantime the politicians will probably keep on telling the farmers the things that the farmers have found out for themselves. They have to do something to earn their money.

J. P. W.

Letters from Abroad

Hungary, the Land of Memories and Hopes

By J. P. Warbasse

The Co-operative Movement in Hungary owes more to the Count Alexander Karolyi than to any other man. He was one of the richest men in Hungary, as a large landowner, as well as a man of education and of fine culture. He studied thoroughly in political science and economics. He also developed as large a grasp of politics as his uncle. I can say that he was one of the most famous political leaders of the country. But Co-operation in Hungary, as in other countries of Central Europe, has had to be bucked down in the maelstrom of conflict and political action. Karolyi worked to replace the monarchy by a republican form of government. He was a pacifist and opposed Hungary's entry into the war. He advocated the dividing up of the large estates and giving them over to the peasants. For these reasons he gained the enmity of the reactionary government. After a few months of the Republic, Bela Kuhn with the Communists, overthrew his government.

They too were quickly overthrown. Then a reactionary government under the dictatorship of Admiral Horthy was set up with the help of the Allies. Horthy is still there.

Michael Karolyi is a real republican; too much so for Horthy and the aristocracy. Last winter he was at first denied admission to the United States, and then was only given permission to come here to visit his sick wife under the most humiliating exaction of silence and agreements not to speak or write on any political subject.

Yet Hungary is struggling along trying to build up a Co-operative Movement under a government dominated by the old monarchist regime and the privileged promoters of business, while Karolyi, one of the best friends of Co-operation, is in exile, his property confiscated, and a military dictator in control. 'Thanks to the powers that be.'

The Wholesale Purchase and Sale Society, the Hungarian Workers' Co-operative Society, the Distributive Society, the Union of Hungarian Women's Societies, the "Diligentia" Savings Bank. These are the industrial workers' societies—naturally strongest in the city.

The Budapest distributive society has over 100,000 members. Its two large warehouses serve the members in 66 grocery stores, 36 meat shops, and a large restaurant. It employs 1096 persons. Each store acts as a branch of the bank and receives deposits.

These workers' societies in Budapest are composed almost entirely of Trade Unionists, and most Trade Unionists are Socialists. Politics, however, is not allowed in the Co-operatives. Each store has a local organization, just the same as a society. At least one woman is on the board of directors.

Horthy government. Farmers the world over are naturally conservative.

Hangya, the Co-operative Wholesale Society of the Federation of Hungarian Farmers, is a big business. It prospered before the war and its success continues. The total membership of its societies in 1914 was 190,000, in 1924 the membership was over 900,000. It has 1945 affiliated societies. Excepción of 50 industrial workmen's societies, nearly all the other members of Hangya are farmers' societies.

Its largest member society is Hatzartas in Budapest, which has 77 retail stores which supply 20 per cent of the inhabitants. Hatzartas has 40,000 members. It has a slaughter house, a large shoe repairing business, and a bee hive factory. It distributes milk, owns vegetable and fruit gardens and has a factory for preserving fruit.

The wholesale of Hangya has two flour mills; a soap factory, employing 100 workers; a candy factory; a chemical factory; a brush factory; a rope factory; a primitively employed factory and a distillery. It receives products from its factories and fishing stations which it operates as far away as Sweden and Norway.

The selling department of Hangya markets the produce of its members. It also has a central bank.

All of these departments are really separate corporations with interlocking directorates, ownership and control. The various attached organizations are the Distributive Co-operative Wholesale and Productive Society, the Co-operative Trading Company, and the Central Co-operative Credit Society.

I flew from Vienna to Budapest one beautiful day last October. By air one goes in two hours; by rail it takes six hours. One of the fascinating recollections of the trip was the sight of the clearly outlined dark shadow of the airplane speeding along on the top of the pure white clouds above which we were flying. While far below occasionally through openings in the clouds one could catch a glimpse of the fertile fields, the green forests, and the winding Danube.

Three days of visiting co-operatives revealed the fact that Hungary has a great Co-operative Movement, and peculiarly adapted to adjusting itself to the changing conditions which the fortunes and misfortunes of the political whirligig brings about.

One sees Hangya adapting itself to the policies of the reactionary government. For instance, in its brush factory it employs 500 prisoners, contract labor, for which it pays about twelve cents a day per man. If it did not employ this labor they say, "some other business would.

The warehouse covers 8,000 square meters of ground. To go through it is a treat. It is like a great museum, having on its shelves almost every conceivable thing that human beings use or wear. Everything clean, neat, systematically arranged and in order. Goods are seen moving on trucks to the railroad cars on the sidewalks. At one side new goods coming in; at the other side goods going out. A restaurant for the workers at the warehouse serves a good meal with meat, for 2,000 kronen (2¼ cents).

In Budapest there are also the General Distributive Society, the Union of Hungarian Workers' Co-operative Society, the Wholesale Purchase and Sale Society, and the "Diligentia" Savings Bank. These are the industrial workers' societies naturally strongest in the city.

The Budapest distributive society has over 100,000 members. Its two large warehouses serve the members in 66 grocery stores, 36 meat shops, and a large restaurant. It employs 1096 persons. Each store acts as a branch of the bank and receives deposits.

These workers' societies in Budapest are composed almost entirely of Trade Unionists, and most Trade Unionists are Socialists. Politics, however, is not allowed in the Co-operatives. Each store has a local organization, just the same as a society. At least one woman is on the board of directors. The board meets monthly. Members' meetings are held four times a year. The educational department has two lectures in the field all the time. Some of their lantern slides show photographs of the dirty private stores and the clean neat co-operative stores.

The Budapest society pays a 5 per cent savings return. At present money deposited in the bank is given 20 per cent interest.

Bread, even in the "coop" is comparatively expensive. A 2 kilo (4 2/5 lbs.) loaf sells for 11,600 Kronen (14 cents). A 1 kilo (2 1/5 lbs.) loaf of brown bread is 5,800 Kronen (7 cents). That would be
at the rate of about 3 3/4 cents for 1 lb. loaf of white bread. Mutton costs 2,700 Kronen (3 3/4 cents) a kilo (2 lbs.). A bottle of good wine costs 1,000 Kronen (2 cents) for 1 liter (1 quart). This is hard to believe; but it is true—good wine, one cent a pint. I have seen women coming barefooted into these stores to make their purchases. The people are very poor. In many families there is only one pair of shoes. When the husband wears them, the wife goes barefooted. A skilled worker in Budapest gets 8,000 to 9,000 Kronen (10 cents) an hour wages.

This is Hungary, the land of many races. There is enough of the East to make the people temperamental and light-hearted. Their wonderful music they have with them always. If any people find a way out, the Hungarians will.

Why Co-operation is Not Enough
By Benjamin C. Marsh
Managing Director, Farmers' National Council
From the Single Tax Standpoint

About twenty years ago, I asked the manager of the British Wholesale Society, in his London office, who was getting most of the benefit of the marvellous co-operative work which they were doing at that time and which has been increased so phenomenally since. He smiled in a rather whimsical way and said, "The landlords are getting a good share of it." That had been my own observation for at least seven years before, and I asked him to go into some detail which he did. I admit that both the tendency and the ability of the landowner to absorb into his own pocket the advantages of co-operation are not quite as manifest and complete in the case of consumers' Co-operation as of producers'. Nevertheless, the principle is and the effects are apparent.

Of course, this is not any criticism of either consumers' or producers' Co-operation, merely proof that such Co-operation has not been itself sufficient and we can only apply the scriptural injunction: "This ought ye to have done and not to have left the other undone."

All we have done in the way of consumers' and producers' Co-operation is along right lines, but what is the object? In the case of consumers' Co-operation the object is to enable the consumer to get more goods for a lower price, that is, for a smaller proportion of his total income, whether that income be large or small. In the case of producers' co-operation, the purpose is to enable the producer to get a higher price for his products, that is, to have more money. In both cases under our present system of taxing improvements and taxing land values lightly the owner of land can secure more of the income of the consumer left to him after purchasing his goods co-operatively and he does so.

In the case of the farmers' co-operatives under our present tax system, it is an open question whether Co-operation has been a permanent benefit to the producers. It has succeeded in increasing the prices which the producers received, although it has not increased output. It has resulted in an orgy of speculation in farm lands which is about the worst thing that can happen to farmers.

To make either consumer or producer Co-operation most advantageous, or even largely advantageous to the Co-operators, we must exempt improvements and labor products entirely from taxation, abolish taxes on consumption generally and convey into the public treasury most of the site value of land, particularly urban land. Otherwise Co-operation is necessarily precarious, although it may succeed for a time. It has succeeded in increasing the prices which the producers received, although it has not increased output. It has resulted in an orgy of speculation in farm lands which is about the worst thing that can happen to farmers. The producer has a limited conception of the value of association, an incomplete knowledge of the tendencies toward monopoly and what it means, the power of the money power, the bureaucratic tendency towards the accumulation of office and the abuse of power.

A farm publication Western Farmer, carries a full page ad of the Canadian Pacific Railway urging American farmers to "stop paying the penalty of farming high priced land," and cites as one of the incentives to our boosted farmers to come to Canada: "Taxes are low and there are no taxes on livestock, buildings, improvements, implements or personal effects." This statement is highly significant. It's true and is a great advantage to Canadian farmers. Consumers Co-operation will be benefitted similarly by such a condition.

News and Comment

Receivership for So-called "Co-operative" Bank

One of the greatest blows to the banking aspirations of organized labor in recent years was the announcement in the press of May 5th of the closing of the doors of the Producers & Consumers Bank of Philadelphia and the appointment of a receiver on the petition of creditors. There were 7,500 depositors who had almost one half million in the bank. If the figures given in the newspapers are correct, the institution is still solvent. It was reported that 130 labor organizations were behind the bank, and the majority of the Board of Trustees were labor representatives.

Reports by some of the trustees indicate that clients of the bank (apparently with the banks sanction) had borrowed heavily in order to speculate with land near the proposed Sesqui Centennial Exposition.

Of course, this is not any criticism of the banks. Not all of the banks are so bad. They are doing a mighty good job of making money. But the trusts are not. "Co-operation" has been the latest creation of the banksters, and its failure has come as a surprise to the public. As a matter of fact, we have all put ourselves on record as predicting its collapse. The worst of it is that others will follow in due time.

A Radical Labor Leader on Co-operation

The British Labor Movement is now conducting negotiations with the representatives of the Russian workers (of the Red Trade Union International) with a view to establishing unity within the international labor movement. Mr. Fred Bramley, Secretary of the British Trades Union Congress, is one of these militant labor leaders. His recent pamphlet on the Cooperative Movement therefore has particular interest, not only for trade unionists in general, but for that militant left wing which is inclined to belittle the efforts of co-operatives. Extracts from his remarks are as follows:

"The trade unionist who is not a co-operator has a limited conception of the value of association, an incomplete knowl-
THE conservative government of England, last year, appointed the Royal Commission on Food Prices. The first report of this Commission is on the subject of bread and it is interesting to note that even a royal commission under the supervision of a conservative British government has endorsed, however guardedly, the co-operative methods of baking and distributing bread. The following are quotations from the report:

"The attitude of co-operative societies to price-fixing is interesting. Witnesses from these societies have informed us that they are frequently approached by the local master bakers with suggestions that the price of bread should be raised. It appears to be the case that co-operative societies do very often, owing to their refusal to act with the local master bakers, keep down the prices not only for their own members but for their rival's customers."

The average cost of labor for all bakeries is 6 shillings 3 pence; Co-operative societies average 5 shillings 3 1/2 pence, the difference being probably due to the fact that their production is rather on a larger scale and certain economies in labor are practicable, which the smaller private bakers cannot effect.

"Although we are not at liberty to give separately the figures for the co-operative industrial societies, it may be stated that their margins of profits were higher than those disclosed by the local master bakers, deep down the prices not only for their own members but for their rival's customers."

Commenting on the difficulties sometimes experienced between workingmen as co-operators and workingmen as employees in adjusting differences, he shows that, in any event, the workingman in almost every district has the opportunity to direct the policy and decide the destiny of any co-operative society. No man or woman has ever grown rich on co-operative farms.

British Government Report on Co-operative Railways

THE position of the English and Scottish co-operative wholesale societies is different from that of the rest of the trade as the objects of the societies are to insure supplies to the co-operative mills at the cheapest price.
How They Did It

John L. McLaughlin, manager of the Pittsfield Co-operative Coal Company, tells this one:

Some of the folks in Springfield, Mass., decided they wanted to start a co-operative coal company. Under the energetic leadership of a man who already had some equipment and experience, they raised several thousand dollars and started business. A year ago, when Mr. McLaughlin visited the city, they were already doing very well.

This year he went back to Springfield again and found the same leader in charge, and looking very brisk and prosperous. He was not only manager but president as well. Careful inquiries as to the condition of the business convinced Mr. McLaughlin that this was a most successful co-operative.—Until he asked how the profits were distributed.

**Oh, we thought it all over and tried all kinds of ways. But we have finally decided that the best way to distribute profits is to divide them among the Directors.**

An Enterprising Credit Union

The First Credit Union of Houston, Texas, is one of the few credit unions in the country that provides checking account privileges for its members. Each check is stamped with the words “Cleared through the People’s State Bank,” which is the depository for the credit union. The Clearing House then handles these checks along with the checks of the People’s State Bank. The credit union daily sends an officer to the People’s Bank with a check to cover the value of the good checks cleared. The bad checks are returned. The credit union itself, not being incorporated, is not a member of the Clearing House.

The Hamburg Co-operative Society

We have just received the last report of the society “Produktion” in Hamburg, Germany. This is not the largest society in that country, nor the oldest, but it is one of the strongest. In 1879, it had one store. Now it has 270 stores. There are 143 for groceries, 58 for meat, 56 for bakery products, besides coal and wood yards, a furniture store, hardware stores, and clothing stores. It has 130,000 members, and 3,400 employees. It supplies most of the population of the city with the necessities of life. Its coal yards are served by the society’s own boats. Its coffee roaster puts up by machinery 14,000 packages of coffee a day. Its meat packing plant handles weekly 1,000 hogs, 300 cows, 200 sheep, and 300 calves. The two bakeries of the society have a total of 68 ovens. They turn out 30,000 loaves of bread, 1,000 pounds of cake, and 36,000 rolls daily.

The society has also a flour and feed mill, a chemical products factory, a chemical research laboratory, a furniture factory, an automobile work-shop, a tin shop, a smith shop, a locksmith shop, a blacksmith shop, a sail factory, safe factory, a brick factory that turns out 4,000,000 bricks a year, and an electric power plant. Its transport department includes 85 wagons, 61 horses, 35 automobiles, 3 tug boats, and 30 barges.

Within the city the society owns 137 apartment houses accommodating 1263 families. These are model apartments with three, four and four rooms with kitchen and bath. Most of them are provided with balconies or loggias. Within each block of houses is a playground or athletic ground for the children. On the seashore near Hamburg, the society has a beautiful vacation home where 100 children are taken care of for a month at a time, thus averaging over 1,000 children a year.

A farm of 1600 acres supplies rye, buckwheat, barley, oats, beets, and potatoes, and animals for the packing plant. The 200 acres of meadow lands pasture the cattle which produce milk for the society’s creamery.

More and more are the large cities of Europe developing these great co-operative societies which carry on every sort of business necessary for the health, comfort, and freedom of the people.

A Few Questions to the Directors of Your Co-operative

How about your wage item? And your administration expenses? And rent?

Do you know how your gross profit compares with that of last year?

The League Auditor will tell you.

What should you allow for depreciation?

Have you made a net loss or net gain since last closing of books?

How much interest can you pay on stock?

How much should you pay?

What should you put into the reserve fund? Why?

What patronage rebate can you pay?

The Auditor makes a good counsellor and adviser on these subjects.

Who and What is the League Auditor?

He is an expert accountant, specializing in co-operative problems.

He has studied hundreds of other businesses like yours.

He is impartial. He is neither for nor against your manager, your bookkeeper, nor your Board. He is looking only for the facts.

What He Will Do?

He will check every dollar taken in and every dollar spent.

He will explain in detail all his findings to the Board.

He will suggest possible improvements in bookkeeping methods, and where necessary help to install a new system.

He will (when requested) attend shareholder meetings and give them an understanding of their own business.

He will make out your income tax.

He will compare your figures with those of other co-operatives.

Do You Need a Good Co-operative Worker?

DOUBTFULL you do! The majority of co-operatives could improve their working force. The question should have been: “Do You Want a Good Co-operative Worker?”

The League office now has the names of several competent men and women of the calibre that the Movement needs. And they want positions with co-operative businesses. Among them are:

G. A.—In a very large measure he is responsible for bringing the Co-operative Society to its present substantial position. He was manager there for many years. Something over a year ago he went with a Co-operative Wholesale to help with a special campaign they were putting on. The Wholesale has been unable to maintain this special line of business and must dispense with Mr. A’s services. He is a most competent manager, speaks German fluently, and is what is known as a practical rather than a theoretical Co-operationist. His devotion to the Movement is beyond question. He is a descendant of the old stock of Socialist miners that have been so influential in shaping the progress of the United Mine Workers of America during the last two or three decades.

E. O.—For several years she was a textile operator in Minneapolis. In the summers of 1921 and 1922 she studied at Summer School for Workers and managed most successfully the little co-operative store organized among the students. In 1923 she entered Brookwood Labor College and this month has just completed two years of intensive study, the foremost workers’ college in America. Immediately upon go-
ing to Brookwood she agitated for the formation of a co-operative store at the College and in spite of considerable opposition got the organized and has conducted it most successfully for the past two years. This summer she is returning to take charge of the store at the Summer School for Workmen, but in August will be ready to launch out into some form of labor or co-operative work. Miss O., a native of Sweden, has an excellent command of English, both oral and written, very well, is a girl of unusual executive ability and is the type of person who will make untold sacrifices for the cause of Co-operation. Capable of managing a co-operative business, small at first, later a large one.

E. C.—Born and educated in Germany, he came to this country as a young man, and was active for several years in the German Socialist movement. His father was a high grade accountant and auditor in Germany, and the son is a good bookkeeper. During the years of the war and immediately thereafter he was on the Board of Directors of a Co-operative Society in Brooklyn, N. Y., until the political quarrel got one organized and has conducted it most successfully for the past two years. During the past two or three years he has been in private business but now returns to Co-operation. He has a good understanding of general business principles and a good knowledge of how to return to Co-operation. Has a good understanding of accounting principles and an understanding of general business principles.

This summer she is returning to take charge of the store at the Summer School for Workmen. She has a deep knowledge of the store business and can handle the accounting work. She is also a good bookkeeper and auditor. She has a good understanding of accounting principles and an understanding of general business principles.

Heavy cardboard posters, 8½ x 11 inches, bearing in three colors a large reproduction of the League Emblem, with a statement beneath it showing what it means. These can be hung or posted in prominent places in the store, union hall, lodge room, etc. Ten cents each. May be procured from the Educational Department of the Central States Co-operative Association, 111 W. Lake St., Chicago, Ill., or from the office of The League, New York.

Neither of the above can be sold to societies not affiliated with The League or with one of the District Leagues.

**Buttons and Cards with League Emblem**

Buttons bearing the League emblem (two pine trees in a circle) made up in three colors may now be procured from The League office at the rate of $3.00 per hundred, plus postage. Co-operative Societies can buy these in quantities and by selling them to members and customers at 10 cents each can raise money for educational work.

These can be hung or posted in prominent places in the store, union hall, lodge room, etc. Ten cents each. May be procured from the Educational Department of the Central States Co-operative Association, 111 W. Lake St., Chicago, Ill., or from the office of The League, New York.

**Social Aspects of Farmers’ Co-operative Marketing**


Mr. Landis has made this study for the Department of Retrenchment and Education of the Federal Council of the Churches of Christ in America. The United States Department of Agriculture, various state agricultural colleges and other organizations are completely covering the field of co-operative marketing organization with statistical studies, technical advice and other material in voluminous quantities.

Mr. Landis has a more original kind of work in this little pamphlet. After a brief history of the development of co-operative marketing in this country he attempts to show the differences between the co-operative organization among farmers, which is purely for commercial purposes, and the co-operative which has social and economic purposes.
CO-OPERATION

1913 1923

Retaillers' margin ................. 20.55 22.22
Bakers' margin ................... 37.25 35.93
Materials other than flour ...... 7.05 13.88
Transportation ................... 3.08 3.21
Milling margin ................... 7.76 5.31
 Freight charges .................. 1.93 1.70
Elevator margin .................. 0.07 0.05
Wheat growers' margin ....... 21.41 16.37

100. 100.

This shows that costs for baking, milling, freighting, insurance, and like expenses are relatively less now than in 1913; while costs of selling at retail, procuring other ingredients than flour, transportation, elevator margin are relatively higher than ten years ago.

The Editor of Baking Technology contributes the following remarks to the discussion:

"In the old days flour was 80% of the cost of bread; today it is only 20%. The rest goes into the quality insurance, enriching ingredients. As for the hand bakers, the war dispersed the visible resident supply. Machinery men rejoiced as they sold one machine to another—and this brought upon us suddenly the present machine era."

This editor tells of the formation of large corporations for producing and distributing bread, and of the organization of an Institute of Baking to teach employees "how to behave in a modern plant while machinery bakes the bread." Bread in the large cities is now baked with the help of Mr. Steinmetz (the inventor) and some forty or fifty kinds of push buttons.

What the Consumer Should Know About Eggs

The Department of Farms and Markets of the State of New York has just published a 68-page pamphlet which gives the consumer just about every conceivable kind of information he could want on the subject of eggs; what they are, where they come from, how they are transported, who handles them, what they cost and how they can be used. The booklet even contains eleven pages of recipes for dishes.

Copies of this pamphlet may be obtained free of charge, either from the League office or from the Department of Farms and Markets of the State of New York, 15 Park Row, New York City.
I

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 Cooperation 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
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
Office, Warehouse and Plant:
Winter Street and Ogden Avenue
SUPERIOR, WIS.

Co-operative Central Exchange

THERE 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

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

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In no part of the world is Co-operation further developed, or more successfully practiced than in Scotland. If you wish to keep informed, read
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Scotland

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 Co-operation; and Co-operation Abroad.
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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
10 CENTS PER ANNUM

THE HOME CO-OPERATOR
A four-page magazine for use in co-operative societies.
Issued monthly, in bundles, $1 per 100
Published by
The Co-operative League

THE PRODUCER

THE PRODUCER

CO-OPERATIVE BAKERY
"Red Star," a Co-operative brand of flour for the bakery and wholesale warehouse, Superior, Wisconsin. This organization expects to distribute one million dollars worth of baked goods, groceries, and general merchandise to the co-operatives of the North Central States in 1925.

One of the large ovens of the bakery at the Co-operating Central Exchange. Bread, pastry, cakes and hard-tack are produced here for co-operative stores all through Minnesota, Wisconsin and Michigan, and as far away as Illinois and even New England.
Co-operative Baking of the Daily Loaf

Co-OPERATION started in Great Britain with the grocery store. In Germany the cooperative bank inaugurated the movement. In Belgium it was the bakery that first caught the imagination of the early co-operation, and it is this spirit which dominates the Belgian movement today. But wherever it flourishes now—Scotland, Austria, Finland, Belgium, or here in our own Brooklyn, Springfield, Fitchburg, Utica, Superior—the bakery cooperatives somehow seem to attract many of the most idealistic members of the movement. Does the buying and the distribution of the community break up or develop a better co-operative spirit than other kinds of business? For instance, in Massachusetts there are six such bakeries among the Jewish people. Management of many of them has not been of the best. There is no uniformity in bookkeeping methods, no co-operative buying of flour between them. Many of our efficiency experts might say that their business methods were, on an average, below the scale of third-rate private bakeries. Perhaps. But why, then, do they continue to exist and grow year after year? It is because of the co-operative spirit that animates so many of the directors, employees and members. Each year the financial statement of any one of them, whether they have made money or lost money, shows that contributions have been made to some labor union in distress, some workers' philanthropic society, some worthy cause that aroused the sympathy and interest of the leaders. They rarely pay any purchase rebates to members, and often agree to dispense with interest on share capital. The individual's claim upon the surplus of the society is always subordinated to the claim of the group or the community. Our American "divi-hunters" can learn a very valuable lesson here. During the big textile strike of 1921, the Jewish bakeries, several of them, were not in bad financial condition, together contributed 170,000 loaves of bread to the strikers' kitchens in the textile towns of Rhode Island, Massachusetts and New Hampshire, and contributed in large measure to the successful outcome of that fight. Yet, these strikers were perfect strangers to their Jewish co-operators; in fact, they were of alien nationalities and races—Portuguese, Italian, Russian, French, Syrian, Polish and Slav.

In Massachusetts there are also two strong co-operative bakeries among the Finns. But in Fitchburg and Maynard the bakery business is but one item of several. Under the same management are grocery stores, restaurants, dry goods and furniture departments, milk and coal distribution. The Finnish co-operatives are the only such from their Jewish comrades in the following respects: (1) They diversify their business activities more rapidly; (2) they get a better share of the trade of Americans and other groups; (3) they turn most of their "profits" back into the business rather than to outside causes and therefore grow more rapidly; (4) they have not been so subject to political factionalism as the Jews. The two groups are alike in their willingness to relinquish the individual purchase dividend; in their devotion to the Co-operative cause; in their readiness to support every effort to promote federation and co-operative unity among the societies.

The one other co-operative bakery in New England is that organized years ago among the Italians of Lawrence and now so large that it keeps two bakery plants busy. This group, too, is possessed of that militant co-operative spirit which leads the members to give up all claim to both interest on share capital and purchase rebates, and to make great sacrifices during times of strike or other crisis. Unfortunately, these co-operators have not yet given much support either to the national movement or to the efforts toward an Eastern States Federation.

Almost half of all the co-operative bakeries of the country are located in Massachusetts—nine of them. And most of the others are in other Eastern States. In Greater New York the Jewish people have three—all larger than the Massachusetts bakeries. And most of the others are in other Eastern States. In Greater New York the Jewish people have three—all larger than the Massachusetts bakeries. The one other co-operative bakery in New England is that organized years ago among the Italians of Lawrence and now so large that it keeps two bakery plants busy. This group, too, is possessed of that militant co-operative spirit which leads the members to give up all claim to both interest on share capital and purchase rebates, and to make great sacrifices during times of strike or other crisis. Unfortunately, these co-operators have not yet given much support either to the national movement or to the efforts toward an Eastern States Federation.

Almost half of all the co-operative bakeries of the country are located in Massachusetts—nine of them. And most of the others are in other Eastern States. In Greater New York the Jewish people have three—all larger than the Massachusetts bakeries. The other bakery co-ops are scattered. Although the American Society at Utica and the Jewish Society at Syracuse, N. Y., are near one another, they have not yet found a way to work together. The bakery owned by Jewish farmers and boarders in Sullivan County, a New York State vacation land, is quite isolated. The Jewish bakery at Cleveland has no neighbors of the same line of business. The Soo Co-ops, Co-operative Services and the Mercantile Association in Northern Michigan has an electric baking plant that cannot be beaten anywhere in the country and its sales easily outstrip those of all the private bakeries in the territory. Perhaps the seven stores belonging to the society are mostly largely responsible for the popularity of the bread, pies and cakes. At Superior, Wisconsin, the bakery turns out fresh bread for local consumption and also produces the Finnish hard tack which is boxed and sent to many parts of the country.

Far away from all the others is located at Los Angeles the most westerly of the Jewish co-operatives. Although these people have suffered some severe losses, have had disagreements among the members, have not seen their society grow as rapidly as they hoped, yet they stick to the fight year after year, upholding the banner of Co-operation in America's most cosmopolitan and jingoistic city.

There are not more than two or three other co-operative bakeries in the United States. A brief statement of the size of these bakeries follows. We use round numbers only and do not guarantee absolute accuracy.

<table>
<thead>
<tr>
<th>CO-OPERATIVE BAKERIES</th>
<th>MEMBERSHIP</th>
<th>PAID-IN CAPITAL</th>
<th>ANNUAL SALES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hebrew Co-operative Bakery, Brockton, Mass.</td>
<td>300</td>
<td>$2,000</td>
<td>$36,000</td>
</tr>
<tr>
<td>Hebrew Co-operative Bakery, Lawrence, Mass.</td>
<td>200</td>
<td>1,000</td>
<td>28,000</td>
</tr>
<tr>
<td>Workmen's Co-op Bakery, Lynn, Mass.</td>
<td>300</td>
<td>5,500</td>
<td>50,000</td>
</tr>
<tr>
<td>Labor Co-operative Co-op Bakery, New Bedford, Mass.</td>
<td>200</td>
<td>4,700</td>
<td>25,000</td>
</tr>
<tr>
<td>Jewish Workers Co-op Bakery, Springfield, Mass.</td>
<td>325</td>
<td>6,000</td>
<td>103,000</td>
</tr>
<tr>
<td>United Co-operative Society, Fitchburg, Mass.</td>
<td>220</td>
<td>2,770</td>
<td>65,000</td>
</tr>
<tr>
<td>United Co-operative Society, Maynard, Mass.</td>
<td>620</td>
<td>22,400</td>
<td>35,600</td>
</tr>
<tr>
<td>Workers Co-op Union, Lawrence, Mass.</td>
<td>(1)</td>
<td>3,200</td>
<td>48,000</td>
</tr>
<tr>
<td>Co-op Bakers of Brownsville and East New York, N. Y.</td>
<td>2,000</td>
<td>10,000</td>
<td>227,000</td>
</tr>
<tr>
<td>Purity Co-op Society, Paterson, N. J.</td>
<td>2,000</td>
<td>8,000</td>
<td>220,000</td>
</tr>
<tr>
<td>Co-op of Newark, N. J.</td>
<td>1,500</td>
<td>7,000</td>
<td>140,000</td>
</tr>
<tr>
<td>Finnish Co-op Trading Ass'n., Brooklyn, N. Y.</td>
<td>1,800</td>
<td>44,500</td>
<td>180,000</td>
</tr>
<tr>
<td>Consumers' Co-op Service, New York City</td>
<td>1,900</td>
<td>30,000</td>
<td>(?)</td>
</tr>
<tr>
<td>Purity Co-op Bakery, Syracuse, N. Y.</td>
<td>300</td>
<td>4,000</td>
<td>50,000</td>
</tr>
<tr>
<td>Utica Co-operative Society, Utica, N. Y.</td>
<td>350</td>
<td>30,000</td>
<td>(b)122,000</td>
</tr>
<tr>
<td>Woodridge Farmers Co-op Bakery, Woodridge, N. Y.</td>
<td>80</td>
<td>6,500</td>
<td>40,000</td>
</tr>
<tr>
<td>Cleveland Co-operative Association, Cleveland, Oh.</td>
<td>1,000</td>
<td>(?)</td>
<td>60,000</td>
</tr>
<tr>
<td>Soo Co-op Mercantile Association, Sault Ste Marie, Mich.</td>
<td>(a)</td>
<td>700</td>
<td>150,000</td>
</tr>
<tr>
<td>Co-op Central Exchange, Superior, Wis.</td>
<td>(b)</td>
<td>24,000</td>
<td>60,000</td>
</tr>
<tr>
<td>Co-operative Consumers' League, Los Angeles, Cal.</td>
<td>700</td>
<td>3,500</td>
<td>50,000</td>
</tr>
</tbody>
</table>

(a) Membership is composed of 40 retail societies.
(b) This figure includes grocery sales.
Vital Issues

Present Co-operative Banking Laws

Laws authorizing the formation of co-operative banks in the form of "credit unions" now exist in eighteen states. In addition, Pennsylvania has a law authorizing the formation of co-operative banks; the general co-operative law of Montana permits co-operative societies to borrow or lend money; the general co-operative law of Arkansas permits them to do banking; and the 1923 law of Minnesota permits the legislature to provide for credit associations for purposes of promoting the production and marketing of farm products. Up until 1923 there were only twelve states with credit union laws. The addition of ten new states to this list during the past two years is noteworthy of progress. Much credit for this work belongs to the Credit Union National Extension Bureau.

The number of people necessary to organize a credit union varies in several states. In some states the minimum number is five; in Rhode Island at five; Virginia, eight; South Carolina, Texas, Utah and New Jersey, ten; Nebraska at least fifteen; and Kentucky specifies no number.

Credit unions generally have the usual corporate powers. This includes the power to acquire property and to invest or borrow money. Usually investments are limited to the same character as those of savings banks.

All of the laws specify that the number of directors of the credit union shall be not less than five. Some states specifically provide for a committee and some also for a supervisory committee. Some states permit directors to receive pay; others stipulate against it.

Thirteen states require a regular annual meeting of the members. The Co-operative principle of one man one vote is provided for in the laws of fourteen states. Proxy voting is prohibited in thirteen states.

The funds of credit unions are derived from share capital, deposits and fees. Usually the share capital is unlimited. The value of the share is set at $5 by three states; at not to exceed $10 by seven states; and not to exceed $25 by the laws of four states.

Of the eleven laws which specify the source from which deposits may be received, five states permit credit unions to receive deposits from members only; the others allow also deposits from non-members.

Some laws empower credit unions to make loans for "provident purposes." Other states specify for productive purposes, or for remedial purposes. Most states permit loans to members only.

Eleven states regulate the rate of interest to be charged in loans made by the credit union. This varies from "the legal rate" up. In Texas it may not exceed 5 per cent. per year; in South Carolina 7 per cent.; in Indiana 8 per cent.; and in Utah 12 per cent. In three states the rate may not exceed 1 per cent. per month; and in Virginia 1½ per cent. per month.

Seventeen states require that a certain percentage of the earnings shall be placed in the reserves.

There is a valuable report on this subject in the Monthly Labor Review of February, from which most of the following facts are taken. These laws are all calculated to promote the development of credit unions and they should have that effect. The fact is that there are laws but the people do not know about them. The popularizing of the idea needs to be promoted.

It would seem that most of these laws impose too much restriction upon the credit unions. Why should these little people's banks have more restrictions than the big profit-making banks?

There naturally also arises the question as to the need of so much law. In many of the European countries the co-operative banks do not even incorporate. The individual members assume the liability. That means that the business much more closely than they would if they were incorporated. At any rate this simple method is getting results.

J. P. W.

Capitalists Out-Maneuver the Workers

Labor in this country, comparatively weak though it is, has made considerable trouble for big investors. Where the unions have been strong they have frequently been victorious in a hand to hand grapple with our huge corporations. The national brokerage houses won the Adamson Law and have many a lesser victory to their credit. The clothing workers have a whole series of smashing victories to their account. Miners, carpenters, machinists—all have won important engagements in their long battle with the financial interests and have seriously interfered with the free flow of profits to stockholders.

But this is also true of the poorly organized industries. The huge strikes of textile workers, steel workers and others have often seriously crippled some of America's most powerful corporations. The warfare between capitalist corporations and its employees is recognized pretty generally for the serious matter it is. Labor is increasingly conscious of its power. And capitalism is equally conscious of Labor's power and is afraid of it.

But the workers are not as shrewd as the capitalists. The former believe that the protection of their jobs and their wages mean security. And an increasing number of sagacious business men know that this is not true. Hence the flunk movement.

"The workers may be well protected at the point of production," these wise men are saying. "They may be able to keep up their wages. But they are powerless to protect themselves at the point of consumption." Let them keep their wage schedules. We may have to forego the huge profits we once made in manufacturing, but we can earn as big profits or bigger in retail business. If we cannot beat down wages, we can at least bestir the value of wages at the store, the bank, the recreation parks, the tenement houses."

And so we find huge corporations which formerly concentrated exclusively on production now engaged in retail distribution: munition manufacturers, oil refiners, shoe, clothing and hat makers, publishers, candy manufacturers, bakeries corporations, tobacco trusts and even the farmers living along the state highways.

"If we must pay high wages to our employees, let us at least get these wages back again over the retail counter. If we can't control the making of wages, let us control the spending of wages." This is the reasoning behind much of the movement toward chain stores for the selling of groceries, hardware, drugs, cigars, shirts.

How long will the workers continue to be smug and complacent with their little labor union power? When will they learn to think as highly of protecting the wages they have earned as they now think of protecting their jobs? How long will it be before they are as conscious of their economic position as consumers as they now are of their positions as producers? Unfortunately, even the leaders of the labor and radical movements generally continue still to emphasize only the producer function and the producers' organization. While such men as Green, Hillquit, Foster, Nearing and others continue to talk as though exploitation were all at the point of production, we cannot expect much greater intelligence from the rank and file.

Do the A. & P. Stores Make Money?

Total sales for A. & P. Tea Company in 1924 were $352,093,342, an increase of fifty millions over those for the previous year. There are now 12,000 stores in the A. & P. chain.

The common stock of the company is listed at one and a quarter million dollars and the preferred stock at twelve and a half million dollars.

As the profits for the year, according to estimates of Dow, Jones & Co., were approximately $10,762,000, the disposal of these profits figure out in this way:

Dividends on Preferred Stock at 6% ..... $ 750,000

Dividends on Common Stock at 8% ..... 1,000,000

To Surplus Account ..... 9,012,065

In other words, if, after paying off the preferred stockholders, the common stockholders divided the remaining profits, they would realize 800 per cent. on their original investment. Pretty good for one year's business!

Unfortunately, the present A. & P. stores do not sell at cost price.

On the other hand, if these profits were distributed according to the Rochdale plan,
that is on purchases, the return would be less than 3 per cent. We prefer the co-operative to the capitalistic method of distribution of profits.

C. L.

Warren S. Stone

In the death of Warren Stone, Grand Chief of the Brotherhood of Locomotive Engineers and universally recognized as the leading influence in the development of labor banking, the League loses a member of its Board of Directors.

Mr. Stone was always closer to the world of labor banking and union organization than to the consumers-co-operative movement. Yet his interest in the latter was genuine and his brotherhood has for many years espoused the movement. We can thank the activity of the journals and the officers of the B. L. E. and the B. L. F. and E. during these past ten years for the scores of railroaders' co-operatives which exist in all parts of the country.

Only the future can tell the value of the labor banks to the co-operative movement. But we of the present can vouch for the service Mr. Stone has given it.

The vacancy on the Board is automatically filled from the list of alternates. Matt Tenhunen, one of the leaders among the Finns of the North Central States, takes the empty chair.

Why Co-operation is Not Enough*

By T. N. Carver, Professor of Economics at Harvard

From the Capitalist Viewpoint

For certain classes of enterprises the co-operative form of organization is best. For most enterprises requiring large sums of capital, the regular joint stock corporation is much better. In a situation where the main difficulty is not to get enough capital but to hold the loyalty of patrons, the co-operative form is better. It is never very difficult, for example, to get sufficient capital to equip a creamery large enough to serve a rural community. The real difficulty is to hold the loyalty of the patrons and thus hold the business. The co-operative form of organization seems to serve this purpose better than any other. Where, however, the really difficult problem is how to get enough capital and secure expert management, this method is seldom successful.

To begin with, it is neither ethical nor just to expect some men to put in the savings of many years hard work alongside the small savings of other people and give the others an equal voice in the management. Reason and ethics require that there should be some correlation between the contribution one makes and the influence he wields in such an organization. Any violation of this principle will repel those who are in a position to make substantial contributions, with the result that sufficient capital simply cannot be secured. The joint stock form of organization safeguards this point. They who make larger contributions of the essential element, when that happens to be capital, are given a larger voice in the management. They are not asked to make their large contributions and then give people who have made small contributions a chance to mismanage what has been accumulated and invested.

Both co-operation and the joint stock corporation are voluntary organizations and are, of course, to be widely differentiated from all coercive organizations such as communism and socialism. Voluntary organizations make no attempt to collect capital by force in the form of taxation. Communists and socialists sometimes deceive themselves by thinking that public ownership is a kind of co-operation, and that, under it, the workers will feel that they are working for themselves. If that were true, they should expect the workers on our streets to feel that they are working for themselves and to show great zeal and industry; we should expect the workers in the city hall or in the government offices in Washington, to show zeal and enthusiasm for their work. As a matter of fact, all such people show less zeal and enthusiasm than those who work for private employers, any where there is a logical reason why they should.

A very important distinction and one that needs to be widely understood, is that between popular ownership and government ownership. You can have as much under the joint stock form of organization as under any other. Where the shares are sold to large numbers of small investors, you have popular ownership. The property is then in the hands of the real owners who have bought and paid for it as they buy and pay for their clothes and their furniture; and not in the hands of politicians who have contributed nothing. A very good illustration of this point is found in the experience of the Oneida community. This community was formerly a communist society of the most ideal sort, having been founded by a religious group who were known as perfectionists and who believed that, for them, the Kingdom of God had already arrived. It continued as a communist society for about thirty years and then changed to a New York State joint stock corporation with a capital of $600,000. The business of the community has grown to such a magnitude that only a fraction of the work is now done by actual members of the religious group. However, popular ownership is maintained by selling common stock to employees. Each year then stockholders have taken similar action, the number of shares varying according to circumstances. Last year the amount voted was 5,000 shares. Practically all these shares were subscribed for by July 1st. (From a letter to the writer by S. R. Leonard, Vice-President of the Oneida Community, Limited.) All common stock is sold outright, without any strings at all.

Here was a communist society that was actually succeeding. Its business was growing and prospering. Yet its members decided that the joint stock form of organization fitted their plans better, and apparently fulfilled their ideals as well as communism. It is mentioned as an illustration of the writer's belief that this form of ownership supplies the American laborer with all he needs if he seriously desires to share in the ownership of the plant in which he works.

At the present time, in this country, we are making more progress toward popular ownership than is being made anywhere in popular ownership. The millions are investing in the shares of corporations, sometimes in the shares of the corporations that employ them. This diffusion of ownership is giving the working men, to a large extent, the ownership of the tools with which they work. There is no reason why it should not be carried further. The joint stock form of organization fits in perfectly with that idea, and it is being acted upon by millions of workers. It comes more nearly being genuinely co-operative than any plan now in operation.

Most that goes under the name of co-operation is only quasi-co-operative. For example, the employees of a co-operative shoe factory in England do not own the factory in which they work. The English system is not ownership by workers but ownership by patrons. If the workers in a shoe factory will buy the shares in the corporation that employs them, we shall then have ownership by the producers, an arrangement much nearer to genuine co-operation.

Capitalist Attitude Toward Co-operation

"It is only as to marketing that we find the capitalists of Canada enthusiastic for co-operation. They are strongly opposed to farmers owning their own manufacturing, banking and distribution. They realize that the more the farmer makes in income by co-operative marketing, the more they will get away from him in profits charged upon the merchandise he is bound to buy. The more the farmer earns, the more wasteful will the distributive service become under the competitive system."—Canadian Co-opera-
The Consumers' Co-operative Movement in Illinois

Abstract of a Dissertation
By COLSTON E. WARNE

During the period 1915-1920, alert observers were witnessing the rapid and widespread growth of the consumers' co-operative movement in Illinois. To many it appeared that this movement, which abroad had taken a half-century to mature, was in Illinois to blossom in a day. Within the six years (1915-1920) two hundred and sixty-five co-operative societies were formed, the development not only extending to every large city in Illinois but also establishing itself in many smaller towns. The co-operative plan for the joint satisfaction of economic needs attracted industrial workers, miners, and farmers alike. By 1922, however, most of the energy of the movement had spent itself. The depression of 1920-1921 had swept away many of the societies and had dampened the co-operative enthusiasm. Consequently, a widespread feeling developed that co-operation in Illinois had failed.

A survey of Illinois co-operative development shows it to have been to date a 'widespread growth of the consumers' co-operative movement in Illinois. To many observers, it appeared that this movement, which abroad had taken a half-century to mature, was in Illinois to blossom in a day. Within the six years (1915-1920), two hundred and sixty-five co-operative societies were formed, the development not only extending to every large city in Illinois but also establishing itself in many smaller towns. The co-operative plan for the joint satisfaction of economic needs attracted industrial workers, miners, and farmers alike. By 1922, however, most of the energy of the movement had spent itself. The depression of 1920-1921 had swept away many of the societies and had dampened the co-operative enthusiasm. Consequently, a widespread feeling developed that co-operation in Illinois had failed.

A table follows, showing the periods of development in the several Illinois movements:

Periods of Development in the Illinois Co-operative Movement—(Continued)

<table>
<thead>
<tr>
<th>MOVEMENT</th>
<th>BEGINNING</th>
<th>ENDING</th>
<th>PERIODS</th>
<th>TOTAL ENTERPRISES</th>
<th>INVESTMENT</th>
<th>CHARACTERS OF PERIOD</th>
<th>PRINCIPAL REASONS FOR DECLINE</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. The Patrons of Husbandry (the Granges)</td>
<td>1872</td>
<td>1880</td>
<td>1876</td>
<td>About 50</td>
<td></td>
<td>1. Agricultural depression.</td>
<td>1. Lack of federalization.</td>
</tr>
<tr>
<td>B. Sovereigns of Industry (Westward expansion of an Eastern movement)</td>
<td>1875</td>
<td>1879</td>
<td>1876</td>
<td>6</td>
<td></td>
<td>1. Industrial depression.</td>
<td>1. Use of ineffective co-operative plans.</td>
</tr>
<tr>
<td>C. Knights of Labor</td>
<td>1884</td>
<td>1888</td>
<td>1887</td>
<td></td>
<td></td>
<td>1. Industrial depression with declining margins.</td>
<td>1. Competition of the Farm Bureau for support.</td>
</tr>
</tbody>
</table>

1. Slackened business.
2. Defective planning.
3. Loss of effective leadership.
4. Organization on class lines.
5. Defective organization of stores launched.
6. Split on political views.
7. Undercapitalization.
8. Defective leadership.
9. Organization on class lines.
10. Severe competition with other mail order houses.
11. Expense wage scale.
12. Poor administration.
13. Decay of the parent organization.
14. Loss of effective leadership.
15. Lack of federalized effort of stores launched.
### Periods of Development in the Illinois Co-operative Movement—(Continued)

<table>
<thead>
<tr>
<th>MOVEMENT</th>
<th>BEGINNING</th>
<th>ENDING</th>
<th>PEAK OF ACTIVITY</th>
<th>TOTAL INVESTMENT</th>
<th>CHARACTERISTICS OF PERIOD</th>
<th>PRINCIPAL REASONS FOR DECLINE</th>
</tr>
</thead>
</table>
| K. The Gleaners.        | 1914      | 1921   | 1915             | 50,000            | As above.                | 1. Over-estimation of benefits to be derived.  
|                          |           |        | (1902)           |                   |                          | 2. Cost-plus prices.  
|                          |           |        |                  |                   |                          | 3. Inefficient control. |
| L. Consumers' Supply Co., (Keokuk, Iowa). | 1914      | 1915   | 1915(0)          | 20,000            | As above.                | 1. Over-centralization.  
|                          |           |        |                  |                   |                          | 2. Exaggerated promises.  
| M. The Rochdale Unionist Movement (influence centering in the Illinois State Cooperative Society—later the Central States Cooperative Society). | 1913(0) (1902) | 1921   | 81               | 550,000           | As above.                | 1. Failure to federate effectively.  
|                          |           |        |                  |                   |                          | 2. Loss of leadership to the centralized miners' movement.  
|                          |           |        |                  |                   |                          | 3. Poor business administration.  
|                          |           |        |                  |                   |                          | 4. Severe competition especially of Chain Stores. |
| N. The Illinois Farmers' Movement of Pontiac. | 1916(0)     | 1919   | 5                | 123,000           | As above.                | 1. Movement was only a dreamer's vision.  
|                          |           |        |                  |                   |                          | 2. Lack of good business administration.  
|                          |           |        |                  |                   |                          | 3. Severe competition.  
| O. Harrison Parker Promotions (The National Society of Fruit and Vegetable and the Cooperative Society of Illinois). | 1917      | 1921   | 228              | 28,576,089        | As above.                | 1. Fraudulent character of the enterprise.  
|                          |           |        |                  |                   |                          | 2. Lack of administrative control of over-extended holdings.  
|                          |           |        |                  |                   |                          | 3. Activity of bankruptcy lawyers.  
| P. The Corn Belt Farmers' Movement. | 1918      | 1921   | 1920             | 110,000           | As above.                | 1. Over-expansion.  
|                          |           |        |                  |                   |                          | 2. Launched ineffectively by outsiders.  
|                          |           |        |                  |                   |                          | 3. Poor business administration.  
| Q. The National Consumers' Movement of Chicago. | 1919(0)    | 1921   | 1920             | 200,000           | As above.                | 1. High promotion cost.  
|                          |           |        |                  |                   |                          | 2. Draining of funds by the national wholesale.  
|                          |           |        |                  |                   |                          | 3. Opposition of co-operative leaders and of spurious co-operatives.  
|                          |           |        |                  |                   |                          | 4. Failure of adequate local support.  
| R. The American Rochdale Movement. (This is largely a miners' movement, centralized in character). | 1915      | 1923(0) | 1920             | 69                | 468,666        | As above.                | 1. Unsound plan of operation.  
|                          |           |        |                  |                   |                          | 2. Inefficient central control of retail branches.  
| S. The Farmers' Equity Movement. | 1919      | 1922(0) | 9                | 30,000            | As above.                | 1. Severe competition.  
| T. Co-operative Service Corporation Promotions (Farmers in Western Illinois). | 1922      | 1923   | 2                | 24,800            | 1. Slightly increasing price level from 1922 to 1923.  
|                          |           |        |                  |                   |                          | 2. Excessive purchase price of original stock of goods.  
|                          |           |        |                  |                   |                          | 2. Exaggerated promises of promoters.  |

(a) No data available.  
(b) The Edwardsville store is still operating but not as a true co-operative.  
(c) The League ceased to operate directly in Illinois by 1908.  
(d) Mostly in other middle-western states.  
(e) The Galesburg branches are still co-operatives, but the national character of the movement ended in 1912.  
(f) The Laharpe Store is still operating, but is a profit-seeking venture.  
(g) Many more were opened in Iowa.  
(h) Federal men had been served as early as 1902, but the revival and state-wide movement dates from 1913.  
(i) The organization is now about to dissolve.  
(j) Grew out of the National Co-operative Association (Wholesale) activities, (organized at Springfield Co-operative Convention, 1918).  
(k) The movement, in 1923, again operated on the Rochdale basis.  
(l) The decline has been but slight.
Mr. I. Horowitz. Now Benjamin Levine, a man less than forty years of age, had cancer of the stomach—a most unusual disease for a man his age. Early this year he was taken sick and examination at a hospital showed he had stomach cancer. May his good work inspire some younger man to master the technique of co-operative management as completely as he had mastered it.

**Co-operative Electrofication of Rural Czecho-Slovakia**

Co-operative electric societies have rapidly developed in Czecho-Slovakia. Reports of the statistical office of the Republic show that from 401 societies in December, 1921, they had increased to 600 in December, 1923. And their number has been much increased since. A recent publication of the Minister of Agriculture estimates that the electrification of the country has been effected entirely, thanks to the co-operative movement.

Because of the large amount of service these societies have given to agriculture in Czecho-Slovakia, they have received special subsidies recently from the Minister of Czecho-Slovakia.

**Co-operative Furniture Insurance**

The membership of the Workmen's Circle Furniture Fire Insurance Society continues to climb. At the end of 1924, it had reached $43,730, and the insurance value of policies held by them had grown to $39,707,100. This Society is now 53 years old—one of the oldest in the United States.

Receipts for the year came to more than $149,000 and disbursements to more than $165,000. This large volume of business is being handled so efficiently that the remarkably low rate of 1% per year on $1,000 of insurance has been maintained for several years. No old-line insurance company in the country can begin to approach such a figure.

**Greystone, Rhode Island**

The Greystone and District Co-operative Association supplies most of the work at the mills in Greystone and vicinity. In the last half of 1924 the sales from grocery, meat, shoes, and coal departments and miscellaneous income totalled $34,822 on which a gross profit of only $4,072 was made. Expenses exceeded this amount so the net loss was $2,739.88.

The textile workers who are members of the association are almost all English and Scotch. As the mill corporations own most of the property in town, the co-operative has to rent part of a handsome building in the centre of the village belonging to the textile companies.

Mr. Soloway, the manager, is a member of the Executive Board of the new Eastern States Co-operative League, and a member of that Board's sub-committee on Joint Buying.

**Miners' Store in Illinois**

The semi-annual report of the Hillsboro Co-operative Association shows the following:

<table>
<thead>
<tr>
<th>RESOURCES</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Inventory at cost</td>
<td>$2,802.21</td>
</tr>
<tr>
<td>Fixtures</td>
<td>$566.64</td>
</tr>
<tr>
<td>Cash in bank</td>
<td>3,981.46</td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>2,708.59</td>
</tr>
<tr>
<td>Cash in till</td>
<td>101.84</td>
</tr>
<tr>
<td>Interest due on money in bank</td>
<td>37.50</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$10,198.24</strong></td>
</tr>
</tbody>
</table>

The $1,713.69 profits were divided as follows:

8% to members on purchases. $1,276.48
Interest on share capital. 30.00
Net profits. 1,713.69

**Jewish Bakery at Worcester, Mass.**

The Workmen's Circle Co-operative Bakery of Worcester is the second largest of the Jewish bakeries in the Bay State. In 1924, the total sales were $64,368.99. For the first time in many years the business was run at a loss, due to the absence of the manager for two or three months because of sickness. Net loss was $1,238.95. A contributing cause for this loss was the fact that this bakery sold bread more cheaply than any other bakery in the East; and continued to hold to this price even after the price of flour had risen and all other bakers had raised prices.

Although paid in capital of the society is only $2,770, the surplus is $4,892.61, or nearly twice as much. This shows how uniformly successful the business has been until 1924.

From the standpoint of financial strength we doubt if there is a co-operative society in the country that can begin to compare with the Hillsboro Society. There is no better example of the possibilities of Co-operation; no more convincing argument for the pessimist who says that co-operative stores cannot succeed in profit-mad America.

With reserves of twice the amount of their share capital and ten times as great as their loan capital, a cash bank balance in excess of the total physical inventory and a net saving to pay back to their members in six months amounting to over one-half of their combined share and loan capital,
they serve as a model which every co-operative enterprise in the country should strive to copy and as the greatest possible challenge to private profit-making business.—United Consumer.

How They Get Co-operative Life Insurance

The report at the end of 1924 for the New Era Association shows a membership of 39,144 policyholders who are insured for $41,011,500. During the 26 years of its existence the Association has paid back in death claims just short of $4,500,000. More than 50 death claims are paid per month.

This co-operative has more than $125,000 invested in securities of one kind or another, and total assets of $171,268. The monthly income ranges from $40,000 to $50,000, and monthly operating expenses from five to six thousand.

The rates for insurance in this Association are from one-half to two-thirds the rates in the big capitalist companies.

The Mutual Aid Guild, associated with the Central States Co-operative Wholesale Society is another co-operative life insuring society which, although hardly a year old yet, is making substantial progress from month to month.

Minnesota Farmers Ship Wheat to British C. W. S.

The front page of the Cooperators’ Herald, of Fargo, N. D., for November-December is a picture of a train of freight cars pulling out of the St. Paul Terminal Elevator of the Equity Co-operative Exchange. The freight is being shipped to Liverpool, England, and is consigned direct to the Co-operative Wholesale Society.

Here are the farmers, co-operatively organizing, storing, and marketing their product direct to the organized consumers of Great Britain.

Co-operation at Blairsville, Pa.

The Blairsville Co-operative Association is composed for the most part of railroad men. For a couple of years they lost money, but are now coming back a little each year and will soon clear up their deficit.

The sales for 1924 totalled $37,237.10, and the overhead expenses were $4,720.36 (12.6%). This left them a net saving of $1,631.50 (4.9%). However, they are not paying any rebates until the previous deficit is wiped out.

For a couple of years they lost money, and will soon clear up their deficit, but are now coming back a little each year.

The earnings of this business do not look large to the well-managed store which is also handling meats and other commodities besides groceries. This store is handling groceries alone and finds the competition of the chain stores pretty severe. The fact that it can do so well as this without the support of a meat department speaks volumes for the management. The above figures show how carefully the overhead is kept down to bare essentials. There is not a neater appearing co-operative store in Pennsylvania.

United Co-operative of Gardner

GARDNER, M. A., is the home of a good little co-operative of Finnish people. Originally they had grocery, meat, restaurant and dry goods departments; but more than a year ago they began to close out the dry-goods and restaurant business, and last year they sold out the restaurant. These two departments account for the loss in 1924. Now they are operating only the two grocery and meat stores and doing much better.

Sales for 1924 were $67,564.75. Without figuring adequate depreciation, the net gain for the year was $658.86, but in reality there was a slight loss. The new building on West Street was completed in February and the main store is now occupying the beautiful new $19,000 premises belonging to the society.

The Past Year at Dennison

THE Dennison and Uhrichsville Co-operative Company, Ohio, reports total sales for 1924 of $25,383, which shows this little store to be growing. The net savings for the year were a little more than $1,000, which enabled them to retire a debt of $4,000 and still have about $5 left, exclusive of the $324.56 increase of inventory during the year.

Farmers’ Co-operative Union, Victoria, Kansas.

This co-operative began business in 1917 and earned more than $1,000 the first four months. The rate of earnings has never fallen off since then, so that in 1924, with total earnings of almost $8,000, the association brings the total of earnings since organization up to $41,000,000, which $20,758 has been distributed in rebates and $1,605 as interest on members’ investment.

Milford, N. H.

The Milford Co-operative Society, Milford, N. H., can run a good membership meeting as well as a successful store business. Recently they filled the Red Men’s Hall to capacity when they combined a business meeting with an entertainment, educational talk by a representative of The League, and refreshments. It was the first occasion of the kind attempted there, and proved a very auspicious beginning to a series of such meetings.

The Milford Society has one of the smallest stores in the country, from a point of view of floor space; yet the weekly business runs from $2,000 to $2,200. That means a pretty crowded store most of the time, and a tremendous turnover of groceries and meats. Again, at the end of the semi-annual period closing March 31st, they paid a 10 per cent. purchase rebate. And now they are buying a lot where they can erect their own building.

Union Supply and Fuel Company

The fluctuating fortunes of miners’ communities in the United States need no comment, but the fact that a co-operative has weathered the storm for ten years and is able to report profits in the face of all odds is worthy of commendation. This is the story of the S. T. Monton Co-operative.

It is now ten years in existence and during the past seven years of Rochdale methods it has been able to show a net profit of $31,146.62.

For the last half of 1924 the gross sales were $59,697.87, the cost of merchandise, labor, rent, etc., was $57,828.11. This left a gain of $1,869.76, of which $1,548.40 was returned to members as savings return and $184.00 as interest on shares.

The story of the organization of their co-operative coal distribution is one previously told in these pages.

District Leagues

State Department of Agriculture spoke. Mr. Thoreson (manager at Wheaton), then showed samples of work clothes that might be purchased co-operatively. Finally it was decided that a temporary organization be effected for joint buying and a board of directors of nine was elected (all from different towns).

In the afternoon H. V. Nurni led a discussion on auditing and accounting. It was also decided that a Managers’ and Directors’ conference be called in the near future. The delegates contributed $5 each to an organizing fund. The Conference then adjourned.

At a meeting of the Board, Mr. Oleson (Storden), was elected president; Mr. Thoreson (Wheaton) vice-president; Mr. Alanne, secretary and Mr. Fler (Franklin Creamery), treasurer. An Executive Com-
mittee was appointed and the name adopted was "Minnesota Co-operators' Syndicate."

Home Educational Meetings in Minneapolis

DURING the Spring, the Educational Committee of the Franklin Creamery held many meetings in various parts of the city. Sixteen of these meetings were held in all, and nine speakers presented to their audiences the meaning and importance of Co-operation. The average attendance was 25.

One of the last of the meetings was that on the lawn of Dr. George Young, where the Franklin Band gave a concert. Both this concert and the speeches of Co-operators Alanne and Nordby were broadcasted by radio.

The last meeting, at the Franklin Auditorium, featured three speakers, several musical numbers and several moving picture films, including the new Franklin film.

These meetings will be resumed in the autumn.

Fourth Annual Convention of the Northern States League

The Fourth Convention of the most active of District Leagues was held at Cloquet, Minn., on June 28th and 29th. This city is the home of one of the foremost societies in the territory and a most suitable place for the gathering. Report of the proceedings will appear in the September number of Co-operation.

List of Co-operative Managers

December 31, 1924

(Finnish)

Wisconsin

Eekel Roin, Mgr., Co-operative Central Exchange, Superior.
**Aaro Kaipainen, Mgr., People's Co-operative Society, Superior.
*Oscar E. Wilson, Mgr., Wentworth Farmers' Co-operative Association, Wentworth.
**Arvid Salo, Mgr., Maple Farmers' Co-operative Association, Superior.
**Arvid Wendela, Mgr., Farmers' and Consumers' Co-operative Association, Brule.
**Chas. Tuura, Mgr., Farmers' Co-operative Merc. Association, Iron River.
**Emil Heino, Mgr., Iron Belt Co-operative Association, Iron Belt.
**Kaarlo Lindewell, Mgr., Farmers' Industrial Association, Cloquet.
**Maurice Reuschen, Mgr., Brantwood Co-operative Supply Co., Brantwood.
(America-Estonic)

Minnesota

*U. S. Sahlin, Mgr., Union Consumers' Co-operative Society, Duluth.
*Peter Kukkonen, Mgr., Cloquet Co-operative Society, Cloquet.
**Mike Siemala, Jr., Mgr., Wawina Co-operative Store, Fellow.
Alex Kasal, Mgr., Farmers' Co-operative Trading Co., East Lake.
Severi Peltman, Mgr., Lawler Farmers' Co-operative Association, Lawler.

*Oust Aalula, Mgr., Farmers' Co-operative Association, St. Paul.
*G. A. Korpi, Mgr., Crosby Workers' Co-operative Society, Crosby.
Edward A. Aho, Mgr., Sebeka Co-operative Association, Sebeka.
*Jacob Vainionpaa, Mgr., Ely Co-op. Store, Ely.
**Evert Kikkinen, Mgr., Farmers' Co-operative Society, Little Swede.
**Avril F. Moger, Mgr., Consumers' Co-operative Co., Hibbing.
**Wm. E. Lauri, Mgr., Toivola Co-operative Association, Toivola.
*Edward Nevanen, Mgr., Cherry Farmers' Co-operative Association, Iron.
Aro Rustka, Mgr., Virginia Work People's Trading Co., Virginia.
Lauri Pasti, Mgr., International Work People's Co-operative Association, Gilchrist.
Chas. Pekuri, Mgr., Embarrass Farmers' Co-operative Association, Embarrass.
**C. Nyman, Mgr., Farmers' Store Association, Brimson.
Wm. Abela, Mgr., Finnish Supply Co., Tama.
Hjalmar Mattson, Mgr., Lake County Farmers' Co-operative Co., Finland.
Emil Ojennus, Mgr., Cook Co-operative Association, Cook.
Hjalmar Daniels, Mgr., Orr Farmers' Co-operative Trading Co. Orr.

Michigan

**(Miss) Ellen C. Peterson, Mgr., Farmers' Co-operative Association, Herman.
**Elmer Salo (South Range), Mgr., Farmers' Co-operative Association, South Range.
*Wm. E. Niemi, Mgr., Eben Farmers' Co-operative Association, Eben.
*August Omtvedt, Mgr., Workers' and Farmers' Co-operative Store, Eben Junction.
*Hjalmar Seilo (Munising), Mgr., Farmers' Co-operative Association, Munising.
*(Miss) Ellen C. Peterson, Mgr., Farmers' Co-operative Association, Republic.
*Carl A. Jacobson, Mgr., Farmers' Co-operative Produce Association, Moose Lake, Minn.
*W. H. Bergstrom, Mgr., Farmers' Co-operative Association, Sand Point, Minn.
Andrew Ostrand, Mgr., Crystal Falls Co-operative Store, Crystal Falls, Mich.
David Fryer, Mgr., Wigo Farmers' Co-operative Store, Wigo.

Branch Store Managers

Cloquet Co-operative Society, Cloquet, Minn. Branch store at Cloquet, (former Knifes Falls Co-operative Association Store). Manager: Herman Kohtala.
Farmers' Co-operative Trading Co., Hancock, Mich. Branch stores at South Range and Calumet. Managers: *Elmer Salo (South Range); A. Juvik (Calumet).

List of Co-operative Associations

December 31, 1924

(Finnish)

Wisconsin

*August Omvedt, Mgr., Workers' and Farmers' Co-operative Co., Two Harbors, Minn.
*Hjalmar Seilo (Munising), Mgr., Farmers' Co-operative Produce Association, Hermantown, Minn.
Carl A. Jacobson, Mgr., Farmers' Co-operative Produce Association, Moose Lake, Minn.
*H. H. Bergstrom, Mgr., Farmers' Co-operative Association, Sand Point, Minn.
Andrew Ostrand, Mgr., Crystal Falls Co-operative Store, Crystal Falls, Mich.
David Fryer, Mgr., Wigo Farmers' Co-operative Store, Wigo.
League Office.

inches in height and is being sold in this country to co-operative Congress at Ghent, plaster of the handsome original—which stood at the This statue is a replica in new subscriptions from one society will win this Statue. Why not make that Society YOURS?

The Executive Staff of The League will present one of these statutes to the co-operative society which sends in before December 31st, 1925, the largest number of new subscriptions to CO-OPERATION. (District Leagues, wholesales or other federations of retail co-operatives not eligible for the prize). Renewals of old subscriptions will not be counted.

Members of the Educational Committee, Women's Guild, Board of Directors: Isn't it worth quite an effort? Perhaps ten or twelve operators; (49) The Way Out; (58) Making Co-operation succeed in America; (61) Co-operation brings disarmament.

W OULDN'T this statue look good standing atop the desk in the Board meeting room or in a convenient corner of the store? With a table beside it for literature, etc.?

It is a miniature copy of the huge Co-operative Statue made by Leon Sarteel of Belgium, and is being ordered direct from Ghent. It symbolizes a co-operative world upheld by the artisan, the farmer, the housewife, etc.

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THE WEST END CREDIT UNION, BOSTON

Credit Unions are not all such small affairs. This one owns the building in which it is housed and has more than 1,200 members. Total assets are in excess of $200,000, and outstanding loans are almost as high. And still there are several other credit unions in Massachusetts that are much larger.
The Credit Union Niche

By ROY F. BERGENREN, Executive Director

Credit Union National Extension Bureau

SIXTEEN years ago Massachusetts enacted a law to authorize the organization of credit unions, the first general law of that sort in the United States. Prior to this enactment there had been a credit union development initiated by Desjardins in the Province of Quebec in 1900 and over half a century of credit union development in various parts of Europe.

At the present time there are credit union laws in twenty-two states as follows: Massachusetts, New Hampshire, Rhode Island, New York, New Jersey, Virginia, West Virginia, North and South Carolina, Mississippi, Louisiana, Tennessee, Kentucky, Texas, Nebraska, Utah, Indiana, Wisconsin, Minnesota, Iowa, Michigan and Illinois. By Special Act of the Maine legislature a credit union of telephone workers operates in that state. Typical credit unions can be organized in accordance with the provisions of all of these laws with the exception of the Utah and Nebraska laws which are defective and in need of amendment. Most of these enactments are of recent origin; the laws in Minnesota, Iowa, West Virginia, Illinois and Michigan were passed this current year (1925) and, as this is being written, a credit union bill is pending before the legislature of the State of Georgia.

There are one or more credit unions organized and operating successfully in Massachusetts, New Hampshire, Maine, Rhode Island, New York, New Jersey, Virginia, North and South Carolina, Mississippi, Louisiana, Kentucky, Texas, Indiana, Wisconsin and Minnesota; credit unions are in process of organization in Iowa and Illinois and groups are waiting ready to organize in West Virginia and Michigan as soon as the recently enacted laws in these states become effective.

The machinery is available for any one living in any of these states who desires practical assistance in the matter of organizing and operating a credit union. The Credit Union National Extension Bureau, 5 Park Square, Boston, Massachusetts, is financed by Edward A. Filene of Boston as a disinterested third party. The work of the Bureau includes: (1) Furthering credit union legislation; (2) organizing the initial credit union experiments within a given state after a law has been enacted and (3) organizing a state league of credit unions to carry on the broader state development after the initial number of credit unions have been organized to demonstrate the value of the law locally applied. The Bureau is available to assist anyone interested in any phase of this program—and without charge direct or indirect for any service the Bureau may render. Whether you live in Ittabena, Mississippi or Mauquoketa, Iowa, the Bureau is completely at your service.

This experimental development has been purposely various; there are as many kinds of successful credit unions in operation as the variety of the famous pickle maker, who didn’t stop until he had fifty-seven varieties; there are successful credit unions of various kinds of successful credit unions in operation as the variety of the famous pickle maker, keta, Iowa—the Bureau is completely at your service!

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interested in evolution proves it. When the Massachusetts credit union law was enacted it was probably not contemplated that credit unions would take real estate mortgage loans. But times change. Credit unions discovered that when their Mr. A. wanted to buy a home for $5,000 and could get a savings bank or building and loan association mortgage for $5,200 and had a thousand of his own to put in—that a new species of loans had evolved—who would loan him the eight hundred dollars needed, take a second mortgage calling for a bonus and a high interest rate. Credit unions are beginning to supplement the fine work of the savings banks and building and loan associations by caring for these second mortgages at legitimate rates of interest. No one questions that this is a useful and fine credit union function—but it illustrates that credit union service must develop to meet new credit problems as they arise. The general principle however, still applies—that the credit union cares for the credit problem of folks whose credit requirements are overlooked in the general banking system.

Already another great problem is attracting credit union attention. I have seen many wild guesses as to the millions (generally estimated however as billions) of dollars literally thrown away each year in "wild-cat speculation." This enormous total is not all the loss of wage workers and small farmers for very appreciable "investments" of this character are made by business men who ought to know better—but enough of it represents the hard-won savings of the sort of folks who belong to credit unions to make it a matter of grave credit union concern. If I have small savings and no one is much interested to direct me so that I will get, by their investment, the maximum return commensurate with a fair degree of safety, how welcome is the siren song of the get-rich-quick promoter! When loss results—not only has disaster come to the investor but faith in all investment has been destroyed in the process; furthermore, legitimate investment loses whenever an illegitimate investment is made. Here, then, is a Goliath—a veritable giant—who threatens the peace, security and economic opportunity of the individual of small means. Who is more qualified to play the part of an effective David than the credit union—experienced already in the savings and investment loses whenever an illegitimate investment is made.

In this connection I like to think of the Board of Directors of the Credit Union League—twenty credit union managers—sobered individually and collectively by the responsibility which attaches to the control and management of money. The credit unions will train men and women in the co-operative management of money. This possibly is our niche.

Co-operation and the Working Class

A YOUTHFUL friend says that, "the co-operative movement must be a movement of the lower class, for the working class, and controlled by the working class." It looks as though all young people with a passion for a better society have to go through this stage of belief. In the course of time they begin to ask themselves the question, who is the working class? Pretty soon they begin to doubt that there is any such thing. And if they are able to identify a working class at all then they begin to ask themselves the question, what special virtue is there in this class that should make it solely competent to organize and to control the Co-operative Movement? It is a fact that in every country the Co-operative Movement is composed largely of working people, it is of especial benefit to the working people, and it is largely controlled by the working people. But we should be sure that we understand the reason for this. The reason is that the great majority of people are working people. Looking over the world we see that they are doing most of the good things and also most of the foolish things. As Mr. Dooley said, "Who build the jails?" "The workers." "Who occupy them?" "The workers," and we may add: Who elect the politicians who make wars? The workers. Who go to the wars and get themselves wounded or killed? The workers. In all countries the establishment of co-operative societies, with a membership largely of working people, but which were started by wealthy nobleman. The prominent moving spirits of the societies in Finland have been not only workers but also a college professor and a prominent lawyer. The biggest society in New York is sometimes called "bourgeois." In all countries the establishing and the administration of co-operative societies has been and continues to be the work of a happy and harmonious mixture of working people with bourgeoisie and intellectuals.

One of the most highly civilized countries in the world is Sweden. The working people have improved their condition in the past twenty years that a "class conscious revolutionist" said, "If the workers of the world could see what can be done by the orderly methods of evolution in Sweden they would lose their left wings." The Stockholm Co-operative Society has stores and members in the poorest section of the city; now it is moving toward the best section of the city where its fine stores can be seen stocked with the best kind of goods.<ref>165</ref> And the so-called bourgeoisie are joining the society. Why should they not? This happens everywhere among successful co-operative societies.

And in these very societies members who were once poor working people can be seen moving toward the class of the bourgeoisie, and people from the families of affluence can be seen moving into the ranks of labor. They are all victims of the uncertainties of the prevalent system. Co-operation never turns its back upon them. It excludes none. It goes on increasing its membership and all parts of the world. But that does not change the real situation. The fundamental injustice remains as long as any dog is being harmed. What we want to see is the two dogs run off together and tackle a wolf that is after the pups of both.

In most countries now are to be seen striking examples of successful co-operative societies, with a membership largely of working people, but which were started by the bourgeoisie or "middle class." The big bourgeoisie is in America in a wealthy nobleman. The prominent moving spirits of the societies in Finland have been not only workers but also a college professor and a prominent lawyer. The biggest society in New York is sometimes called "bourgeois." In all countries the establishing and the administration of co-operative societies has been and continues to be the work of a happy and harmonious mixture of working people with bourgeoisie and intellectuals.
and leisure out of the inequalities of the profit system, who are turning these advantages to the promotion of co-operation. They are working with the workers.

Does it matter in what class they were born, or whether they are exploited or not, or what may be their property, their religion or their superstitions, if they are honestly devoting themselves to the elimination of economic injustice and to the development of co-operative ideals? This is the test.

J. P. W.

Co-operating to Exploit the Consumer

There is a fairly widespread suspicion among people of this country that the farmers' marketing organizations are huge concerns whose purpose it is to exploit the consumers. Of course an active campaign of education is kept up by the farm leaders and it is all to the good. But that old suspicion remains current.

And apparently there is ground for it. Twice in recent months we have come across announcements to the effect that a plan is afoot whereby dealers in fruits and vegetables are to "co-operate with two and employees. This is because they are members of the great American body of consumers, and that in the long run it is unprofitable for them to enter into league with the gang of professional exploiters of consumers' needs.

C. L.

A Co-operative Principle Being Recognized by the Government

We hear that many of the railroads are in a bad way. In fact, one of the largest in the northwestern states recently got into the hands of a receiver. What is behind it all and what are the proposed cures?

The stockholders say that Government operation during the war is the culprit. Many liberals blame the "railroad trusts" for stock-watering, poor management and other wicked manipulations. Radicals are often content to lay the whole burden upon the shoulders of Capitalism itself. But meanwhile it is interesting to note the present status of the railroads.

In the first place, they are no longer big money-makers and some are big money-losers. If the present "Peter Plan" is adopted by the Government, no railroad can possibly make more than 5½% for its stockholders. And this means that the most sacred privilege of Capitalism, rights to all the profits available, has been abrogated. Instead, stockholders will be very much on a par with bondholders. In other words, the principle of a sharp limit to the dividends that can be earned will apply to railroads as it now applies to all co-operatives.

Is modern capitalism going to have its wings clipped and become an ordinary "friend of the worker"? By no means. Instead, it will become a "friend of the consumer" and with every advantage to the promotion of co-operation.

In most countries the majority of members of co-operative consumers' societies are trade unionists. In the strong co-operative countries this is especially the case. There the majority of the members of trade unions.

But no matter how close this relation is, no matter how similar the point of view—there has always been and there always will be a conflict of interest between employers and employees. This is because they are working in the field of barter and trade, not industry. One buys and the other sells, and each wants to drive a good bargain.

The arbitration machinery for making this commerce with labor run smoothly is as well eulogized in the Co-operative Movement as in any field where labor is hired—perhaps better. Still sometimes things do not go smoothly. In England we sometimes see labor refusing to do as much for the co-operative societies as it is willing to do for profit-making employers for the same wages. But that old suspicion remains current.

The reason for this is that the trade unionists of Holland have had more socialist propaganda than co-operative propaganda and they think and act in terms of Socialism rather than capitalistic.

C. L.

Contributed Articles

Letters From Abroad

By JAMES P. WARBASSE

Trade Union Sidelights

I HAVE been thinking lately about the trade unions and their relation to the Co-operative Movement. It is not altogether a simple matter. But the more one looks into the question the more obvious it becomes that the Co-operative Movement cannot be a part of any other movement.

Co-operation really has its roots in Trade Unionism. When the organized workers found that they could increase their wages, they found that at the same time that increase of wages caused increase of prices; and that means increased cost of living. Then they turned to Co-operation to get control of prices, of the costs of distribution.

A long time has passed since then. The Co-operative Movement has grown. In most of the European countries it is larger than the Trade Union Movement. Co-operative societies have become large employers of labor. As employers, they desire their employees to organize. They recognize the fact that Labor must always organize to protect itself from its employers. They are quite universally sympathetic to labor's rights and needs. Many compel their employees to be organized; most encourage it; and all permit it.

In most countries the majority of members of co-operative consumers' societies are trade unionists. In the strong co-operative countries this is especially the case. There the majority of the members of trade unions.

But no matter how much this is overcome by the Co-operative Movement. There are conflicts of theoretical interests such as between the relative merits of voluntary Co-operation and compulsory State Socialism. In Holland at the present time a bill is before parliament which proposes that the government shall provide all social insurance. This bill will prevent the organization of such co-operative medical service as the "Volharding" at The Hague. Co-operative societies such as this, which take care of the health of the members, provide medical service and pay insurance to families in cases of death, would no longer be possible should this bill become a law.

The bill is distinctly opposed to the Co-operative Movement. It would block co-operative social work. The trade unions of Holland are sponsoring this bill. It is a fight between free co-operation and Statism.

The trade unions are on the side of Statism and against Co-operation. The reason for this is that the trade unionists of Holland have had more socialist propaganda than co-operative propaganda, and they think and act in terms of Socialism rather than capitalistic.

This is frequently the case throughout Europe. Despite the growth of Co-operation the workers, on the whole, have more interest for Socialism than for Co-operation.

Socialist propaganda is easier; it asks nothing of the worker but his vote. Co-operation asks for his money, his services and his patronage. He has to do something if he would be a co-operator.

Then we find also the peculiar anomaly of trade unions sabotaging Co-operation.
In England at the present time it is difficult for co-operative societies to build houses. One reason is the high cost of labor. And, curiously, one reason why the cost of labor is high is because there is so much unemployment. Just now the bricklayers' unions restrict their members to laying 300 bricks a day, so as to compel employment of more bricklayers. I am told that a good bricklayer can lay something over 3,000 bricks a day. These figures may be not quite correct, but they are approximate from memory.

When trade unions impose such restrictions, no other reaction follows. Unskilled labor is called in to lay the bricks.

In Vienna the true co-operative housing societies are giving a demonstration of amateur housebuilding. The members of the society do the work. People who have never laid bricks before are laying many hundreds of bricks a day. They hire a good brick mason as teacher and supervisor. He works with them, goes with them to the site and puts up their own houses. One can see the bricklayers, the teachers, the professors, the students, and the housebuilders working side by side laying bricks in different areas. Each member of the cooperative society puts in 2,000 hours of work. That amount of labor is his capital. It earns for him the ownership of enough shares in the society to entitle him to a house.

The work of people building their own houses has gone smoothly except for the obstacles put in their way by the trade unions. The unions have objected to this sort of non-union labor. It was really not non-union labor, because most of these workers belonged to some union or other of their own particular occupation. But Labor claims that they are working outside of their legitimate trade.

In all of this business, there is something to be said for the unions, even for their sabotage. They are business organizations formed to get good prices for labor. They have the same right to object to people building their own houses as the retail grocers' association has to people raising potatoes and eggs in their own back yards. The bricklayers' right to lay only 300 bricks as the private merchant has to give short weight. There is a natural conflict of interests between the server and the served, whenever people are working to get as much money as they can for their services.

One thing, however, comes to my mind. I know of no instances of co-operative societies in any way trying to limit the freedom of action of trade unions to do what they want. I have never heard of a cooperative society sabotaging a trade union. Co-operative societies seem to believe in freedom, to practice freedom, and to desire that others should have freedom. And in this they have acted generously toward the trade unions, and toward everybody.

Why Co-operation is Not Enough

From the Viewpoint of the Syndicalist

By ROGER N. BALDWIN

The consumers' co-operative movement is not enough to secure the transition to a society controlled by the workers because it has in it no dynamic force. And dynamic force, with power to enlist fighting loyalties, is essential to the transition to a society in which the control of property from one owning class to another. Transfer of property is the essence of a revolution, and only on the basis of its revolutionary significance can cooperation be justly judged. Otherwise it is a mere reform within the capitalist system.

No theoretical argument need be brought forward to prove the inadequacy of the co-operative movement to affect a revolutionary change. The mere fact that it is not anywhere the creative power around which the workers' class action centers is enough to prove it. In Russia, Hungary, England, Italy, Mexico, Argentina, where the workers have already achieved power—it is not.

The first answer to that argument is, again, that it is as producers, not as consumers, that the workers act. It is as producers that they think and figure. The days in shop, mill, factory, the money in the pay envelope, are the one standard, in 2,000,000 purchases and prices. The men work and fight and struggle for more wages and control. The women do the buying. They may slave at home as hard as the men at machines, but their role as purchasers is insignificant as a social force. Social change never has and never will center about the purchasing power of the consumers' interest.

The answer to the arguments of the advocates of the consumers' co-operatives requires the further point that producers' co-operation has an even more important significance. Its significance lies in the fact that again it enlists the daily interest of men and women who come together to create by their labor and skill the products by which we live. It is to them the chief concern of their lives—as our daily work is to all of us. However hum-drum and routine it is, it demands of us the greatest portion of our working hours, and the essential conditions and control are directly interest to us. If we ourselves control the processes, if the conditions are ours collectively to make, if such profit as there is, is the group's as a whole to use in the industry—our income distinct for democratic control and such personal freedom as any group achieves, are on the way to being satisfied.

Of course in a capitalist world, producers' co-operatives competing with private concerns are at a terrific disadvantage. They cannot consume the creative power of the workers, they cannot consume the social skill; they must buck the system; they have no resources to turn to in time of crisis. But as in Russia today with the "industrial trusts," they offer creative group control of industry, with the trade union as its heart.

The argument that producers' co-operatives degenerate into mere profit-making concerns, and that that profit to succeed at all, ignores the plain fact that it is a group profit, not a private profit for individuals. Accurately speaking, it is not a profit, but a "surplus"; and that surplus is essential to the survival of any industry, however controlled. And under a system where producers' co-operatives might be the chief factor in production, then one could check the others' profits by the very necessity of contractual agreements for the purchase of output and supplies. All would tend to the same margin of profit and the same standard of living, and no consequences with only those slight variations attaching to greater or less efficiency. As in Russia today, the profit will be used either to reduce prices, or extend the industry, or to slightly increase wages.

I refer at such length to producers' co-operation because it seems to me far more significant of the tendencies in the labor movement today than consumers' co-operatives. It is allied to all forms of greater control by the workers on their jobs, to the dynamics of action by the trade unions, to the necessity of running industry when capitalism no longer can run it. Consumers' co-operation is all to the good on the way to a workers' society, for every form of workers' control of industry is good. And it will have an enduring function in the distribution of products in a workers' society. But it is not the main line toward revolutionary change, nor is it the essential factor in the actual reorganization of society by the workers. It is a factor—a passive factor, supplementing on the field of distribution what the workers achieve on the field of production. No, consumers' co-operation is not enough for revolutionists.
The Consumers’ Co-operative Movement in Illinois

By Colston E. Warne

(Continued from last month)

FROM the preceding table, (published in August Co-operation) it will be noted that up to 1890 the record was almost purely one of success, in view of the high mortality rate among retail concerns. The Consumers’ Co-operative Wholesale Society which was started in 1893 and operated on a non-Rochdale basis, (c) Eleven of the twenty-two railwaymen’s cooperative societies were already in existence—a fair record for seven years. (d) Workers’ cooperative societies in other occupational groups were hardest hit. Out of seventy-two stores organized, only thirteen are still in existence. (e) Consumers’ co-operation among farmers has generally failed. Of the forty-eight stores organized (1912-1924), only twenty-six remain in operation. The life of an Illinois co-operative has been a constant struggle with difficulties of one sort or another—often all at once, for the most part, has had to be fought by the local group. Democratic control has been imperfect and often ineffective; factional fights have frequently arisen; and federation has proved difficult to attain. Many stores have been organized with insufficient working capital, and all have tended to 10.65 net profit on their capital too thin. Moreover, the investments of the Co-operative investors have not been such as to stimulate investment. An allied weakness has been the inadequate of reserve funds set aside out of past earnings. Over-enthusiastic co-operators have been too prone to distribute the earnings in purchase dividends. Over-extension of credit has also been a frequent occurrence. Furthermore, members have frequently deserted their societies in time of need and have withdrawn their capital. Then, too, the accounting and auditing has not been of the best. Occasionally, managers have been dishonest or incompetent and, not infrequently, have tended to usurp control of the organization. Unfortunately, personal animosities and prejudices have been common among leaders of the movements. The dangers of personal aggrandizement have also been a troublesome problem.

The attendance at gatherings of workers in Illinois, before 1920, was not one man—one vote rule of Rochdale co-operation was closely adhered to. Social and educational activities were but little developed, especially among the farmers. Membership in co-operative societies tended, during the year 1923, to remain stationary although some workers’ societies showed substantial increases. Depression was at that time so widespread, especially among those operating in coal mining regions, that little headway could be made.

The existing Rochdale co-operatives were, for the most part, on a national or small scale operation. The number totalled only six in the years of depression, indicating a strength not possessed by private retail enterprises. Of the thirty-two stores, accurately reporting earnings for 1922, only five lost money during that year. For the remainder, earnings (on sales) varied from 0.74 per cent. to 10.2 per cent., the average being 5.68 per cent. Computed on share capital, the range of earnings fell between 9 per cent. and 235 per cent. Furthermore, co-operative costs appear to be less than fifteen per cent. (average 14.77 per cent.; commissariat 7.05 per cent.) Co-operative costs compare favorably with the estimates for private stores made at Harvard University (common—18.9 per cent.) and by W. Shaw and Company (average—19.91 per cent.).

On the basis of the present data, it appears that co-operatives have in some measure justified their claims to superiority. With the limitations of the data, the following conclusions may be drawn:

(1) Co-operative retail businesses on a cost basis which compares favorably with private stores (no adequate basis for judgment exists in the case of chain stores) ; (2) surplus is much larger than that of similar stores; (3) Co-operative Wholesale Society branches in the process of reorganization on the Rochdale basis. Almost all of the Illinois co-operatives sold groceries. Nearly half of the societies also carried stocks of dry goods, shoes, meats, hardware, and miners’ tools. Coal was handled by ten societies. Current market prices were generally charged, any surplus being returned to the stores. Credit was usually granted by the manager (at the discretion of the manager) to both members and non-members. Very little advertising, however, was done. The societies also paid to effective store management.

Co-operative auditing and accounting was found to be very definite. Although elaborate accounting equipment had often been purchased, societies were in practice making little use of it. Annual audits were common among farmers’ societies, while, in the workers’ organizations, quarterly audits predominated. Among workers, the tendency to hold meetings quarterly, while the farmers preferred to meet annually. The attendance at gatherings of workers included, on the average, one-third of the members; while, among farmers, nearly two-thirds of the members were on hand. The enthusiasm of co-operative organizers. Many of these men have had in mind a better order of things—a changed society. The remuneration of leaders of the movement has, indeed, chiefly been in the form of prestige and the satisfaction ofrendering what they have felt to be a social service. Likewise, members of the societies have not always been selfish “dividend chasers.” The propaganda spirit has been conspicuous present. The fact has been that an increasing number of members have come to seek a more satisfying economic order. Thirteen have met together to settle common problems and have thus taken the first step toward community organization.

What, then, was the status of the co-operative movement in Illinois as it was observed in the summer of 1923?

There were at that time in Illinois eighty-seven co-operative societies, of which number thirty-eight were started by miners. Farmers were responsible for twenty-six, railwaymen for nine, while the remaining fourteen had been started by various occupational groups. Eighteen of these were the Co-operative Wholesale Society branches in the process of reorganization on the Rochdale basis. Almost all of the Illinois co-operatives sold groceries. Nearly half of the societies also carried stocks of dry goods, shoes, meats, hardware, and miners’ tools. Coal was handled by ten societies. Current market prices were generally charged, any surplus being returned to the stores. Credit was usually granted by the manager (at the discretion of the manager) to both members and non-members. Very little advertising, however, was done. The societies also paid to effective store management.

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terially bittened the financial habits of workers; (11) tended to eliminate the cost of "shopping around"; and (12) encouraged truth in accounting statements, operations in business dealings.

On the other hand, the competition has: (1) tended to increase the duplication of marketing facilities; (2) followed, rather than led, in the adoption of new lines of merchandise; (3) refused to lessen materially the grip of the credit system upon workers; (4) failed to secure the necessary capital to allow expansion into further lines of activity; and (5) acquired the reputation of being unsuccessful, thus limiting its growth.

As for the possibility of future co-operative development, the evidence is conflicting. Among the more outstanding factors which augur favorably are: the strength of existing organizations; the growth of federation in the movements; the cyclical nature of co-operative enthusiasm which is, at present, at a low ebb; the experience in business with which the past has afforded; the greater prominence of the specialized manager; the low costs of the co-operative; and, finally, the elimination of the spurious form of the Raiffeisen system. It has been more to eliminate the usurer and done more to eliminate the usurer and "shopping around," than to make new channels of buying available. There is little in the present Illinois co-operative situation to justify the idealistic expectation that co-operation will blossom in a day.

The Farmer Must Finance Himself
In the countries of Europe where farming has reached its greatest success, the farmers have learned to finance themselves. No remedy will ultimately meet the farmers' situation until the latter places this key-stone in the arch of co-operation. Our federal farm loan system has been of service to the farmer who has borrowed in sums of $1,000 or more, but it has not, up to the present time, reached those who seek small loans as does the method in Europe under the Raiffeisen plan.

To Generalize perhaps the greatest credit for having devised the scheme by which farmers can do their own financing. It is grounded on the idea that each farmer in the organization shall be subject to unlimited liability for the debts of the whole. The result is that each member becomes necessary to the other in charge and great caution is exercised in making loans. It keeps down the number of members in an association and also eliminates farm holdings of large dimensions, since their owners do not care to assume unlimited liability. The effect of this plan is to put a premium on small farms which are intensively cultivated, rather than large acreage carelessly farmed. Moreover, it keeps the farmers' money in his own locality to a very great extent, and through the unity of all the local organizations into one great central organization, gives powerful independent financial strength to the farmer, making him to a great degree free of semi-religious speculative financing from the city.

Most of the farmer organizations of Europe have adopted a more or less modified form of the Raiffeisen system. It has done more to eliminate the usurer and financial control than any other one thing in the farmer's world. C. HUSTON THOMPSON.

Co-operators to Study Co-operation
A new plan for carrying a knowledge of Co-operation to the consumers has been devised by the Illinois Co-operative Societies. At the Fifth Semi-annual Conference of Managers and Directors, held at Bloomington, July 26th and 27th, it was decided to organize study classes in a number of localities where there are co-operative societies for the purpose of conducting a six-weeks course in the study of Co-operation during the coming winter. Some of the subjects to be taught are: "The Theory and Principles of Consumers' Co-operation and It's Economic Background"; "History of Consumers' Co-operation in Europe and America"; "Co-operation and the Political and Social Union Movements"; "Co-operative Activities—What We Can Do With Co-operation Here and Now"; "Co-operative Capital and Credits"; "Co-operation or Chaos—The Co-operative Democracy of the Future."

All of these subjects are to be handled by teachers who are recognized authorities on the subject and if this experiment works out successfully it is planned to make the classes a permanent institution, conducting a series of them each year. The expense to the local societies will be nominal and it is planned to charge a nominal tuition fee to the students. Those sponsoring the movement are confident that the net results of this experiment in co-operative education will be greater than can be obtained in any other way by a similar outlay in time, energy and money.

Great Progress for Nebraska Wholesaling
There are a few Co-operative Wholesales in the United States, and there are fewer yet that can begin to compete with the success achieved during the past year or two by the Farmers' Union State Exchange of Nebraska, which was featured in the July number of Co-operation.

Report for the end of the first half year of 1925 shows total sales of $887,686, which is an increase of about 15 per cent. over the sales for the first half of 1924. And the net gain for the period was $28,605. That is a fat surplus for 26 weeks of operation—more than $1,000 a week average.

After paying 4 per cent, to shareholders, and setting aside nearly $6,000 into Reserve funds, the net surplus remaining added to the surplus left over from previous period, is $27,224.

Perhaps some good co-operators are puzzled by the size of this business. In the first place it must be remembered that the Exchange has individual members as well as stores affiliated, and it does quite a business with individuals and groups of individuals. In the second place, it handles very large quantities of farm machinery, binder twine, feed, coal and other bulky and expensive products.

Possibly the size of the business handled is better illustrated in terms of bulk or weight. In June alone the weight of the goods sold was 833 tons. If we add to this the weight of the goods shipped direct from the mills to destination, we have nearly 1,250 tons and if this experiment works out successfully it is planned to make the classes a permanent institution, conducting a series of them each year. The expense to the local societies will be nominal and it is planned to charge a nominal tuition fee to the students. Those sponsoring the movement are confident that the net results of this experiment in co-operative education will be greater than can be obtained in any other way by a similar outlay in time, energy and money.

Yes, the Exchange in Nebraska is setting a pretty fast pace for co-operative wholesaling in this country.

Consumers' Co-operative Services
The Annual Report of Consumers' Co-operative Services, published in the bulletin of 22 pages, is the most comprehensive document of its kind that has come to the League office in many a long month. The first 19 pages describe for the benefit of the shareholders the operations of the business, some of the technical difficulties encountered, the expansion program of the organization, etc.

The financial report, contained within the last three pages of the bulletin, draws attention to the financial conditions at the end of the past fiscal
Another District League

T HE history of Co-operation in Illinois, as told by C. E. Warner, appears in last month's magazine and elsewhere in this issue. The most desirable climax to the story that we could possibly wish for, occurred at the Fifth Conference of Managers and Directors which took place at Bloomington late in July, when fifty delegates assembled to discuss seriously the whole background of Co-operative Activity in the State and to formulate plans for the future. Societies from all sections of the state sent delegates.

The unanimous sentiment of all present was that during all these years of futile effort to establish a Co-operative Wholesale, they had been placing the cart before the horse, for they had put education after sale, they had been placing the cart before the horse, for they had placed education after. The opinions in which all concurred can be crystallized as follows:

1. That the characteristic American "stunt" of placing all emphasis upon dividends, low prices, mammoth merchandising programs, had completely shut out any comprehensive educational work, with the result that the membership of the societies was just as ignorant of co-operative principles now as it was at the beginning.

2. That the emphasis upon penny economics had led the people of the co-operative communities to get a wholly erroneous idea of Co-operation, and had defeated its own end, for it educated these people to hunt for bargains wherever they were to be found, whether inside or outside the co-operative. Loyalty of members and efficiency of directors and managers is a fundamental first necessity of Co-operation.

3. That financing of co-operation by means of trade union funds is essentially paternalistic and that it pauperizes the spirit of the movement. Furthermore, it puts into positions of responsibility in the movement men who essentially represent trade unionism and who are not technically competent to direct the business activities of co-operatives.

4. That the co-operative movement in the state can progress no further until it makes a direct right-about-face, assumes its own responsibilities, finances itself, relies on its own initiative and develops its own leaders. The decrease in the number of societies in the state from 200 to only 75 may be in part attributed to this trade union control of a large part of the co-operative movement.

A Resolutions Committee, appointed by the Chairman, Dr. G. L. Kennedy, of Villa Grove, then brought in the following resolution: "The Conference elected to carry out this resolution composed of L. J. Salch, Bloomington; J. Liakku, Waugaman; E. B. Zombo, Bloomington; T. P. Testa, Taylor Springs; G. L. Kennedy, Villa Grove. Considerable discussion was given to the organization of Credit Unions, the discussion being led by a representative of the National Credit Union Extension Bureau. It is likely that Bloomington will begin the organization of a Credit Union immediately.

It was also decided to form a Co-operative Publishing Society for the purpose of "owning and operating a printing and publishing business on a cooperative basis and in accordance with Rochdale principles."

A discussion of the Mutual Aid Guild showed that the delegates place large confidence in this organization as direct help, not only to the new district league's operating and financial problems, but for the value it will have in bringing people together to enjoy the benefits of Co-operation, to discuss its possibilities and so to become active participants in the larger co-operative activities.

It was generally agreed that joint buying could be promoted to advantage and that certain goods packed under co-operative labels could perhaps be profitably handled.

The Conference was a marked success in all respects. At the close of the first day's business, members of the Bloomington Societies met the delegates with twenty automobiles and took them for an hour's ride which terminated at Miller Park Wholesale, and substitute in its stead a joint buying organization, between the societies and under the direction of the educational organization, and be it further resolved, we elect a committee composed of five representatives of co-operative societies and instruct them to work out a practical plan for the organization of a District League and to take up with the Board of Directors and membership of the Central States Co-operative Wholesale Society and to perfect the organization of a District League as soon as their efforts in this direction justify them in doing so.

J. C. Allen, E. B. Zombo, T. P. Testa, 
Resolutions Committee."

The plans for the Third Co-operative Training School, conducted by the Northern States Co-operative League, are now about completed. The school opens on October 5th and runs until November 28th. The first two weeks will be devoted to preparatory work.

This year the students will be examined in advance for their knowledge of English and Arithmetic, as in previous years there have been one or two who were deficient in these subjects and who held back the rest of the class.

History and Theory of Co-operation, Cooperative Accounting and Book-keeping, Store Management and Administration of Co-operative Industries are to be some of the subjects taught. The instructors will probably be: Professor Rankin of the University of Minnesota; V. S. Almene, Secretary of the Northern States League; H. V. Nurni, Accountant for the Central Exchange; either Mr. Brown or Mr. Clark, of the staff of the Franklin Creamery and Edw. C. Solem, former manager of the Franklin Creamery and the Cleveland Co-operative Dairy.

The tuition will be $25 for the eight weeks course; $20 for the six weeks main course. But many scholarships will be offered. The Franklin Creamery has already agreed to grant five scholarships of $50 each, to be awarded to employees of the Creamery. A competition will be held among 25 or 30 of the most promising of these employees and the five winners will be awarded the scholarships. While they attend the school they will receive three quarters of their regular wages, but they will be expected to repay one-third of this sum to the Association within the next six months following the school term.

In this way, these five students will have an income for the support of their families where the Women's Guild served a banquet.

At a conference between the Ways and Means Committee and the Directors of the Wholesale on August 23rd, the latter voted to turn over all the activities of the Wholesale Society to the newly formed District League.
municate at once with V. S. Alanne, Secretary, Northern States Co-operative League, 2108 Washington Ave., North, Minneapolis, Minn.

From the League Office

Replica of Sarteel Statue

The world-famous co-operative statue exhibited by Leon Sarteel at the International Co-operative Congress last year (photograph of which appeared on the cover of Co-operation for November) is now being reproduced in miniature, 18 inches high. The office of The League has completed arrangements with the sculptor whereby copies of this statue in the smaller size can be shipped to us in quantities. After allowing for original cost, packing and shipping charges, these can be sold for $15 each. A few individuals and a few societies have already placed an order with The League and the order has been sent to Belgium. Others who desire the statue should communicate with the League office before September 10th.

The statue is that of a Co-operative World upheld by the artisan, the housewife, the farmer; and is universally acclaimed as the most beautiful symbolization of the ideal of Co-operation yet produced by the artists.

Transparencies of League Symbol

A few co-operative societies have indicated an interest in procuring a translucent or transparent window sign of The League emblem, the two pine trees in a circle. Through arrangements with a firm manufacturing these, the office of The League can procure them in large quantities and sell them to its affiliated societies at 15 cents each (including postage).

The emblem will be in two colors, green and gold, and eight inches in diameter. They can be easily transferred from the paper on which they come, to glass, and thus become a transparency. They may also be procured in negative form to be used on the sides of wagons or other smooth surfaces. They withstand all ordinary washing and usually last a year or longer. They are as handsome as signs carefully painted by hand.

Orders should be sent to the office of The League immediately.

Those Subscription Getters

The magazine Co-operation has a good many friends throughout this country and abroad. But 98 per cent. of these good folks express their friendship with words of praise and with assurances of "moral support.

We appreciate such backing tremendously. It helps us keep at the job month after month of looking for news items, typing the articles, making up the dummy, calling down the printer, etc., etc. But, unfortunately, moral support pays no printer's bills and buys no stamps at the United States postoffice.

That is why we are most enthusiastically appreciative of the moral supporters who express their sentiments in terms of dollars and cents and new subscribers.

The officers of the Northern States Co-operative League have sent in 74 new subscriptions since January 1st. Some of these subscriptions have been procured by salesmen of the Central Exchange, some by the auditors, some by members of the Board of Directors of the Northern States League, some by mere loyal co-operators from the rank and file membership, many by the hustling secretary, V. S. Alanne. A goodly number of the new subscriptions were procured during the drive for individual memberships in the Northern States League, when such membership was offered in combination with subscription to Co-operation at a price of $1.75.

No, we do not feel that we are undignified in asking our readers to give substance to their "moral support" as the Northern States Leaguers are doing it. All of us have friends who are interested in the cause. Let's test these friends the next time they rave about their enthusiasm for the movement by asking for an actual demonstration. Hand them a subscription blank.

<table>
<thead>
<tr>
<th>Statement of Receipts and Disbursements of the Co-operative League Quarter Ending June 30, 1925</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance in Bank, April 1, 1925 ........................ $ 724.16</td>
</tr>
<tr>
<td>Balance on Hand, June 30, 1925 ......................... $ 4,553.50</td>
</tr>
<tr>
<td>Cash and Physical Property of League .................... $ 5,052.06</td>
</tr>
</tbody>
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<table>
<thead>
<tr>
<th>RECEIPTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Material Items</td>
</tr>
<tr>
<td>Sales Home Co-operator</td>
</tr>
<tr>
<td>Books and Pamphlets</td>
</tr>
<tr>
<td>Audits Office</td>
</tr>
<tr>
<td>Theoretical Inventory</td>
</tr>
<tr>
<td>Legal and miscellaneous</td>
</tr>
<tr>
<td>Foreign Subscriptions</td>
</tr>
<tr>
<td>Total Receipts</td>
</tr>
</tbody>
</table>

<p>| TOTAL CASH PLUS RECEIPTS | $8,165.87 |
|--------------------------|</p>
<table>
<thead>
<tr>
<th>EXPENDITURES</th>
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</thead>
<tbody>
<tr>
<td>Salaries—General</td>
</tr>
<tr>
<td>Office Expenses</td>
</tr>
<tr>
<td>Rent and House Expenses</td>
</tr>
<tr>
<td>Total Expenses</td>
</tr>
<tr>
<td>Total Net Worth</td>
</tr>
<tr>
<td>LIABILITIES</td>
</tr>
<tr>
<td>---------------</td>
</tr>
<tr>
<td>Loan from American Fund</td>
</tr>
<tr>
<td>Loan from other sources</td>
</tr>
<tr>
<td>Total Liabilities</td>
</tr>
<tr>
<td>Total Assets</td>
</tr>
<tr>
<td>nett Worth Cash and Physical Property of League</td>
</tr>
</tbody>
</table>
**CO-OPERATIVE SOCIETIES!!**

**Try to Win This Beautiful Statue**

W**OULDN'T this statue look good standing atop the desk in the Board meeting room or in a convenient corner of the store? With a table beside it for literature, etc.? It is a miniature copy of the huge Co-operative Statue made by Leon Sarteel of Belgium, and is being ordered direct from Ghent. It symbolizes a co-operative world upheld by the artisan, the farmer, the housewife, etc.

The Executive Staff of The League will present one of these statues to the co-operative society which sends in before December 31st, 1925, the largest number of new subscriptions to CO-OPERATION. (District Leagues, wholesales or other federations of retail co-operatives not eligible for the prize). Renewals of old subscriptions will not be counted.

**IN CASE OF A TIE, BOTH WINNERS WILL RECEIVE THE PRIZE**

Members of the Educational Committee, Women's Guild, Board of Directors: Isn't it worth quite an effort? Perhaps ten or twelve new subscriptions from one society will win this Statue. Why not make that Society YOURS?

---

**HISTORICAL**

<table>
<thead>
<tr>
<th>Book Title</th>
<th>Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>Story of Cooperation</td>
<td>$0.10</td>
</tr>
<tr>
<td>British Co-operative Movement</td>
<td>$0.50</td>
</tr>
<tr>
<td>Consumers' Co-operative Societies</td>
<td>$1.00</td>
</tr>
<tr>
<td>Happy Co-operative Housewife</td>
<td>$0.90</td>
</tr>
<tr>
<td>Cooperative Ideals of Education</td>
<td>$0.50</td>
</tr>
<tr>
<td>Cooperative Collection of Educational Literature</td>
<td>$0.25</td>
</tr>
<tr>
<td>How to Start a Co-operative Wholesale</td>
<td>$0.50</td>
</tr>
<tr>
<td>How to Start and Run a Rochdale Co-operative</td>
<td>$0.50</td>
</tr>
<tr>
<td>System of Store Records and Accounts</td>
<td>$0.50</td>
</tr>
<tr>
<td>A Model Constitution and By-Laws for a Co-operative Society</td>
<td>$0.50</td>
</tr>
<tr>
<td>Cooperative Education</td>
<td>$0.50</td>
</tr>
<tr>
<td>How to Start a Co-operative Wholesale</td>
<td>$0.50</td>
</tr>
<tr>
<td>Why Cooperative Stores Fail</td>
<td>$0.25</td>
</tr>
<tr>
<td>Cooperative Store Management</td>
<td>$0.50</td>
</tr>
<tr>
<td>How to Start and Run a Women's Guild</td>
<td>$0.50</td>
</tr>
<tr>
<td>How to Organize a District Co-operative League</td>
<td>$0.50</td>
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<tr>
<td>Cooperative League by William H. Robinson</td>
<td>$0.50</td>
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<tr>
<td>Application blanks for Membership in Co-operative Society</td>
<td>$0.50</td>
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<tr>
<td>Cooperative Housing</td>
<td>$0.65</td>
</tr>
<tr>
<td>A R C of Co-operative Housing</td>
<td>$0.10</td>
</tr>
<tr>
<td>Cooperative League</td>
<td>$0.10</td>
</tr>
<tr>
<td>Consumer</td>
<td>$0.10</td>
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**MISCELLANEOUS**

<table>
<thead>
<tr>
<th>Book Title</th>
<th>Price</th>
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<tbody>
<tr>
<td>Model Co-op State Law</td>
<td>$0.10</td>
</tr>
<tr>
<td>Producers' Co-operative Industries</td>
<td>$0.10</td>
</tr>
<tr>
<td>Control of Industry by the People</td>
<td>$0.10</td>
</tr>
<tr>
<td>Credit Union and Co-operative Store</td>
<td>$0.10</td>
</tr>
<tr>
<td>Credit Union and Co-operative Bank</td>
<td>$0.05</td>
</tr>
<tr>
<td>The Place of Cooperation Among Other Movements</td>
<td>$0.25</td>
</tr>
<tr>
<td>Cooperative Marketing</td>
<td>$0.50</td>
</tr>
<tr>
<td>Cooperative Industrial Union</td>
<td>$0.10</td>
</tr>
<tr>
<td>When the Whistle Blew: Story of Factory Girl</td>
<td>$0.06</td>
</tr>
<tr>
<td>Social Aspects of Factory Cooperative Marketing</td>
<td>$0.25</td>
</tr>
<tr>
<td>Co-op House for Europe's Homeless</td>
<td>$0.10</td>
</tr>
<tr>
<td>Red Flag of the People</td>
<td>$0.05</td>
</tr>
<tr>
<td>Credit at Cost for the People</td>
<td>$0.05</td>
</tr>
<tr>
<td>Better World to Live In</td>
<td>$0.25</td>
</tr>
<tr>
<td>Government That Begins at Home</td>
<td>$0.50</td>
</tr>
<tr>
<td>How to Cooperate</td>
<td>$0.10</td>
</tr>
<tr>
<td>Cooperative in pioneer lodges in every section</td>
<td>$0.25</td>
</tr>
<tr>
<td>The Successful Cooperatives of Juarez</td>
<td>$0.10</td>
</tr>
<tr>
<td>Cooperative Movement in Europe</td>
<td>$0.25</td>
</tr>
<tr>
<td>Business Efficiency in a Co-operative Enterprise</td>
<td>$0.10</td>
</tr>
<tr>
<td>Smith, Green and Gold</td>
<td>$0.10</td>
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</tbody>
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**ONE-PAGE LEAFLETS**

<table>
<thead>
<tr>
<th>Title</th>
<th>Price</th>
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</thead>
<tbody>
<tr>
<td>How can you make your Co-operative stronger?</td>
<td>$0.50 per 100</td>
</tr>
<tr>
<td>Cooperative in America</td>
<td>$0.50 per 100</td>
</tr>
<tr>
<td>Cooperative in Great Britain and Ireland</td>
<td>$0.50 per 100</td>
</tr>
</tbody>
</table>

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**HOMECOOPERATIVE**

Monthly Subscription (in sets): $3.00

**INTERNATIONAL CO-OPERATIVE BULLETIN**

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

- Berggren, Roy F.: Cooperative Banking, A Credit Union Book
- Brightwell, R. L.: Animal "Co-op" Book—For Children
- Faber, Harold: Co-operation in Danish Agriculture
- Panagrossi, J. A.: Wholesale Co-operation in Scotland
- Gerhard, H.: Co-operation in Finland (1916, 1919)
- Gide, C.: Consumers' Co-operative Societies, 1921
- Hall, Prof., Fred: Handbook for Members of Co-operative Concerns
- Hardy, Edward F.: Co-operation in Denmark
- Hoeve, Fred C.: Denmark, a Co-operative Commonwealth
- Johnson, R. B.: Co-operative Marketing of Farm Products
- Madan, J. P.: The Story Retold
- Nicholson, Jos: Our Story
- Potter, E.: Co-operative Movement in Great Britain
- Redler, Percy: The Story of the Co. E. W.
- Redler, Percy: The Consumers' Co-operative Movement in the United States
- Smith-Gordon & Stenhouse: Rural Reconstruction in Ireland
- Smith-Gordon & O'Brien: Co-operation in Denmark
- Smith-Gordon & O'Brien: Co-operation in Great Britain
- Sonnichsen, Albert: Consumers' Co-operative Book
- Stern, H.: Co-operative Marketing
- Webb, B. and S.: The Consumers' Co-operative Movement
- Wahlstrom, J. F.: Co-operative Democracy
- Welds, R. and S.: Co-operative Movement
- Wollf, Leonard: Co-operation and the Future of Industry
- Wollf, L.: Socialism and Co-operation
- Co-operation in Great Britain and Ireland
- "The Co-operative Consumer and "Co-operation", (1912), (1916), (1917), (1920), (1922), (1926)
- Transactions of Second American Co-operative Congress
- Transactions of Third American Co-operative Congress
- The People's Year Book
- Transactions of Fourth American Co-operative Congress
- (Ten cents postage should be added for books which cost more than $3.00, and five cents for the smaller books.)
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We are organized to enable Co-operative Societies to do collectively what they cannot do individually.
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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 largest business in the town of Farmington, Illinois, is co-operative business. This means a good deal in a place with more than 2,500 population. That the miner members of this Society are good co-operators is well established by the story appearing on the following two pages.
The Farmington Co-operative

"CO-OPERATION" has become synonymous with many words such as "struggle," "sacrifice," "loyalty," and a few others. But wherever these meanings entwined themselves about the co-operative structure and had the tenacity to "hold on," the results always justified all the ingredients that were put into it.

The story of the Farmington Co-operative Society of Illinois is one of continued battle. Organized in the fall of 1914 it was many years before it could stand on its own feet. It started with a subscribed capital stock of $757. An additional thousand dollars was borrowed from two local unions of the United Mine Workers of America. A store was hired in the business section of the community and dry goods, shoes, and other articles of apparel filled its shelves and windows. The first four quarterly audits were made, and they showed losses. The losses were $363.54; $199.61; $412.42 and $279.94 for each succeeding quarter. By this time the store was moved to a less pretentious location and the losses for the fourth quarter dwindled down to $7.49.

The store was now left with but sixteen members, the rest having traded out their shares capital and leaving the business with $87, the $1,000 borrowed money and all the stock to pay for. But these sixteen were genuine co-operators and many are the times they had to dig down into their pockets to meet pressing bills, pay the manager's salary and keep the business going. All the merchandise had to be paid for C.O.D. as the store was in bad standing at the clearing house, and this provoked constant abuse from persons who asked the attempt of this handful to run a "co-operative" store; but in the words of Neil Thompson, the Secretary-Treasurer and a member of this loyal little group: "Some of the same ones that laughed at us then now owe us $300, a debt that we had to dig out of our pockets to meet pressing bills, pay the manager's salary and keep the business going. All the merchandise had to be paid for C.O.D. as the store was in bad standing at the clearing house, and this provoked constant abuse from persons who asked the attempt of this handful to run a "co-operative" store; but in the words of Neil Thompson, the Secretary-Treasurer and a member of this loyal little group: "Some of the same ones that laughed at us then now owe us $300, a debt created when they carried them through a coal strike and times of depression. At that time one of the local papers sounded our death knell by running an item to the effect that we had moved out of the business part of the town and that we would soon die a natural death. But we are still successfully running our own building, clear of debt, and we are otherwise free of financial burdens. Yet that same paper never mentions this part of the story."

The few that remained in the society formed themselves into a committee and visited all the local unions in the town. They addressed meetings calling upon the union men to join them, but especially did they make a plea for patronage. Again quoting Thompson: "They did not give us much consideration at first. Every time we showed our faces, someone would shoot, 'Here come after more money!' But after we got the floor we told them: we just wanted their patronage, for patronage is the mainstay of co-operative business. Patronize your own store, we told them. It matters not how much stock and lean money you have. If your members trade in John Smith's, next door, it is John Smith who is going to succeed. You can't make your own store a success if you starve it of your patronage."

"Talking about starving your own store reminds me of a store that was starved out of business in another part of Illinois. W. H. Scariff ran across a fellow who expressed a view that is altogether too common."

"'I'll trade with the co-op just as long as it can meet the other fellow's prices and no longer.'"

"Mr. Scariff took up the argument. 'Now,' said he, 'let us look at this from a different angle. You keep cows.'"

"'Sure I do.'"

"'You also grow feed for them.'"

"'Why of course.'"

"'And when the feed becomes high-priced you sell your feed and starve your cows.'"

"'Not on your life. What sense would there be to that?'"

"'Just as much sense as there is in what you were saying about trading at your own store. Your store is your own and you feed it with your patronage. If you withdraw your patronage from your store you can't milk it for dividends, and very likely all you will get out of it will be the hide.'"

The Farmington Co-operative Society is situated in the heart of a mining district. The story of the Farmington Co-operative Society is one of continued battle. Organized in the fall of 1914 it was many years before it could stand on its own feet. It started with a subscribed capital stock of $757. An additional thousand dollars was borrowed from two local unions of the United Mine Workers of America. A store was hired in the business section of the community and dry goods, shoes, and other articles of apparel filled its shelves and windows. The first four quarterly audits were made, and they showed losses. The losses were $363.54; $199.61; $412.42 and $279.94 for each succeeding quarter. By this time the store was moved to a less pretentious location and the losses for the fourth quarter dwindled down to $7.49.

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your patronage from your store you can't milk it for dividends, and very likely all you will get out of it will be the hide.'"

The Farmington Co-operative Society is situated in the heart of a mining district. During the recent strike it helped its members over a period of five and a half months. Last year with all the mines closed except one and with a chain store right next door it was still able to hold its own.

This Society handles groceries, meat, dry goods, and house furnishings for its members. The volume of business naturally fluctuates with the waves of good and bad times in the mining industry. Annual sales have gone as high as $233,503 in 1923.

The first of July, 1925, marked the end of the forty-first quarterly period in the life of this Co-operative Society; and when compared to those first few months of business back in the days before the war, this last quarterly report, though not the best in its history, shows why the members are proud of their Society.

Income from Groceries, Dry Goods and General Merchandise... $30,345.76
Cost of goods sold... 28,989.23
Gross profit... $ 1,356.53
Expenses... 3,222.57
Net gain for three months... $3,224.96
The gross gain is 21.2 per cent. of sales and expenses just one-half as much, or 10.6 per cent. There is the secret of their success: Good management backed up by careful supervision on the part of the directors. Had the inventory of goods been a little smaller and the turnover of stock at a higher rate than 4J4 times per annum, the net gain would doubtless have been still higher.

The statement of assets shows total resources of $53,386.35, 25 per cent. of which, unfortunately, are in accounts receivable. Inventories amount to $19,262, and furniture, fixtures and real estate to $12,394.

The chief liabilities are:
Members' Share Capital... $18,546.61
Members' Loan Capital... 7,367.52
Reserve Fund... 19,400.25
Net Gain for 3 Months... 5,224.96
All four of these items look mighty good to anyone interested in ascertaining the financial standing of a co-operative. That Reserve Fund, in particular, shows that these co-operators are no mere "dividend chasers," eager to squeeze every cent possible out of their business. They have a vision of big achievements down the years that lie ahead.

And they have good reason for planning for the future. For these sturdy English and Scotch miners have already found out that what their co-operative may mean to them in times of stress and strain. Previous to the summer of 1924 they had built up reserves of almost $30,000. Then came a total shut-down of the mines and a complete stoppage of wages for all the miners. But their families never had to forego at least one square meal a day, as they did in so many other mining towns of Illinois, for these co-operators had "money in the bank." By the end of the summer the members had eaten up $18,000 of those reserves of their society. Yet the business was not crippled in the least; as a matter of fact, it was able to pay a patronage rebate of 10 per cent. for the last quarter of the year. And the figures given above show that those reserves are being built up again to take care of similar contingencies in the future.

Here is an example of the kind of "unemployment insurance" that the workers can provide for themselves. True, the workers of America generally are not doing it yet. But they will learn. They will learn. Hard times will make a severe teacher. And the story of Farmington will be their inspiration.
CO-OPERATION

Vital Issues

Who Are Co-operators?

We can divide all our co-operatives in the United States into two great classes. The small and militant minority are thinking in terms of revolutionizing the economic order, and their co-operative work is turning toward that goal. The large and more apathetic majority are mere social reformers, uplifters, seekers after bargains for themselves and their little circle of acquaintances.

Throughout the world-wide co-operative movement we can find the same cleavage. Many of those stout fighters of early Rochdale days had a revolutionary idea and a revolutionary intent in starting their little societies. Today we hear the small fighting minority of English co-operatives bewailing the fact that the great Wholesale Society is putting on an ordinary commercial prize contest to promote its soap sales—appealing to the sordidness and the selfishness of its members. These friends tell us that the British movement is becoming a mere device to cheapen the cost of living. The co-operative society which set out to destroy the profit system is promoting the profit inoperative society which set out to destroy.

What is the co-operative movement in these United States? And who are the co-operators? Are we chiefly interested in the revolution of the economic order—educational, religious, political, cultural possibilities and purposes of our societies? In our educational work, our advertising, our display posters, our membership meetings, our drives for more shareholders—we are appealing to the selfish individualist, offering him something for nothing, showing him how to get ahead of his neighbor? Or are we emphasizing the bigger goal we aim at, pointing out the evils of the Profit System, talking about a co-operative world where commercial success does not depend upon a poverty class in society, nor upon international warfare? There is the test. The latter is the militant, aggressive co-operator. The former is still a victim of the ideas given him by practically all the institutions of the social order—educational, religious, political, cultural.

From the files where all the co-operatives in the country are catalogued we can draw out a card at random and immediately classify the group named there.

The X—Co-operative Association. We know them. The members are bargain hunters, the manager is a mere promoter, working for a good salary; the Educational Committee devotes its time and energies to bring More and Bigger and Better Bargain Hunters to the Bargain Store. No co-operative affiliation outside their own town. The one or two genuine idealists among their early membership have been ostracized. Fools in their ignorance, they are working against Co-operation. “Here is the Y—Co-operative Company. The directors understand the economic system they are living under and they understand Co-operation. They send delegates to every co-operative conference that is called within their section of the country. They are active promoters of a District League. The Educational Committee maintains a good library, and distributes co-operative papers each month to the membership. The manager explains to the customers the difference between private brands and co-operative brands of groceries, and lets them know why the co-operative is out to beat every private store in town.”

Gradually we find developing in these States strong district leagues, well written co-operative journals, effective and militant accounting bureaux, co-operative wholesaling upon foundations that are unshakable. In every case it is the co-operator with the revolutionary purpose and the clear understanding who is pushing these movements. The more reformers are simply drifting along; as they have drifted along for years; pointing one or another of the new movements when some immediate advantage is to be gained and then dropping away again.

The League is working with both groups. We know that the great battle for a glorious future for Co-operation in America is to be carried on by the small group of militants, and our faith is pinned upon them. At the same time we shall work just as zealously with the other crowd, the mere plodders, the bargain-seeking co-operators, and continue the efforts to arouse them to an understanding of the larger meaning of Co-operation. For we need recruits to the militant minority. We need a continual addition of men to the ranks that are alive, half of it sick and without pep.

To which kind of a co-operative society do you belong?

First Attempt at Compulsory Co-operation

That most excellent little co-operative journal, The Co-operative News, of Australia, in its July issue, devotes five pages to a study and analysis of “Queensland’s Daring Experiment” in compulsory membership for co-operative marketing associations.

In 1922 the legislature of Queensland passed a law which specified that, if the majority of the producers of a given commodity desire to concentrate the marketing of the product through one channel, the minority shall become members of the organization and help finance and support it. The chief argument in favor of the plan is that this is the only method of preventing a small group of individualistic farmers from disrupting the market; it makes them come into the common organization and carry their share of the expenses which so often fall entirely upon the few faithful and militant pioneers. Usually a 75 per cent vote in favor of compulsory membership is necessary.

The Marketing Act also provides for associations with voluntary membership where the producers are unable to procure the necessary votes to organize the entire product. There are many other interesting features to this act, which it is not our purpose to discuss here.

In other respects, this Compulsory Marketing law is orthodox. There is a rule limiting voting privileges to one vote per member; there is a rule sharply restricting interest on capital, etc.

To date the chief products so organized are pineapples and bananas (Queensland’s two main fruit crops), eggs, cheese, arrowroot, butter, pigs, maize, peanuts and canary seed. With the exception of maize and pigs, the organization is state-wide in its control.

A poll of the farmers who have tried out this scheme shows they are overwhelmingly in favor of it. To the objection voiced by some that the consumer will suffer under such a scheme for the monopolistic control of goods by the producers, the farmers counter that under the present anarchy in the marketing of these products, with wide fluctuation between glut and scarcity of supply, the only gainer is the middleman, and that this plan eliminates the chief gambler; second, that artificial boosting of prices by the farmers to an unreasonable extent will automatically react against the farmers, either because the consumers will rebel, or because the industry will attract to it a larger number of producers than the market warrants.

This is a most interesting experiment. We shall be greatly surprised if a similar effort is not made in the United States in the near future. We are confident, in course of time, that the farmers in some of the Central or Western States are strong enough politically to force such a piece of legislation through. In Queensland, Australia, one-half of the expense during the first two years and one-half of the expense during the following three years is to be paid for by the State bearing the entire expense of organization during the first two years and one-half of the expense during the following three years.

In the field of consumers’ co-operation this kind of legislation is unthinkable. It is not only contrary to all the principles of Rochdale Co-operation, but it would never work. In the field of marketing, where profit is the first consideration of the producers, it may function successfully.

And it is our suggestion that, when the farmers completely control the prices of their products through such a scheme as this, and prices are raised unreasonably, the consumers’ co-operatives will step in and protect their membership. It is only a matter of time before the farmers will start their own farms, let the “Producers’ Ring” charge the high prices demanded, and then rebate the excess profit to the consumer membership.

C. L.
A Little Journey Into Switzerland
By James P. Warbase

"You can go to the top of any high mountain in Switzerland and see the whole country," a Swiss once said to me.

He was wrong. At the most, all that one could see would be a half of the country. Switzerland as a matter of fact, is a big country; but it is heaped together. Instead of being spread out flat, like most countries, it is crowded together in folds and fissures and thus made into a compact mass. If Switzerland were ironed out flat, and all of its mountains and valleys converted into plains like one of the middle western states of the United States, it would crowd the other European countries off the map. Europe would not be big enough to hold it. Europe would not be big enough to hold it. It is a land of ups and downs. The people scarcely know how to walk on the land. The only horizontal surfaces are the lakes. Even the bottoms of its lakes are wedge-shaped, penetrating far down toward the depths of the earth.

Little Switzerland is a huge country. If you do not believe it, start out some morning to walk from Vals to Spligen or from Avers to Castasegna. According to the map, it is a nice Sunday morning stroll. Try it some Sunday and see where you are by the end of the week.

Switzerland is a free country—"the first republic." It has resisted military conquest for a thousand years. Every military nation of Europe has had designs upon Switzerland. The Swiss have laughed at them and sent them home. Even Sweden and Russia have been defeated; all their soldiers have been dispatched; the dead have all been buried.

One Saturday morning in August I set out with my youngest two infants—Eric and Vera—with our knapsacks on our backs to explore a bit of Switzerland. We found that Switzerland besides being composed of high mountains and deep valleys, is covered with co-operative societies. Wherether there is a group of more than fifty or a hundred houses, there is a co-operative society. Every city has a good big society. Every small town has a society with pretty nearly as many members as there are families. From a hilltop I once counted the houses in a village in St. Gallen. There were 368. Then I came down into the village, looked for a building with the word "Konsum" over the door, walked in and said to the manager, "You have about 368 members?" and was not surprised when he replied, "No, we have 374 members; we took in new members at the meeting last week."

The first town we came to was Rorschach, with 11,000 inhabitants. The co-operative society has 2,100 members. In most of the towns we visited the number of members of the co-operative society could be found by dividing the number of inhabitants by five.

We had more time at Chur than in any other town. Chur has 15,000 inhabitants. The Co-operative Consumers' Society has 2,500 members. It is not very old for Chur; its church was built over a thousand years ago. The "Konsum" Society has ten stores. They are neat and lovely—like everything in Switzerland. The women look lovely and cheerful. The society has 73 employees—33 men and 40 women. The central office employs 6, the grocery stores 21, weighing rooms 6, store rooms 9, bakery 5, cooper shop 2, slaughter and meat house 10, shoe-making and repairing shop 7, manufacturing department 3, and household goods. The total business last year was 1,297,000 (Fry 2,397,000). Each member receives by mail free of charge a copy of the four-page co-operative paper, every two weeks.

The bakery, in 1924, produced 500 tons of bread and cakes. The coal department supplied 54 carloads of coal.

This organization, like most of the societies in Switzerland, is a member of the Swiss Co-operative Union, which is composed of 520 societies with a total membership of 360,000. A large proportion of the members enjoy the advantages of its insurance department. From Chur, which is a fair sample of Swiss co-operative, we went down into the Engadin. Co-operation is everywhere. St. Moritz is too spoiled by foreign tourists to have much to show, but it is there.

At Sils-Maria we forgot about Co-operation entirely and wandered up the Fexthal. Snow covered mountains surrounded us on every side.

At Curtins, the cold winds of the Fex glacier swept down upon us. Then we climbed the Churah. By the time we got up to the Mont Hufte it was snowing freely. A thunderstorm was going on. Then we climbed on up to the top—2,700 meters (8,900 feet). At the summit we found ourselves in a blinding blizzard. We lay down flat on the summit covered over with our rain mantles, for half an hour and let the storm rage. The snow always seemed to come from below upwards! Then we went down. It was a good day's work. Edelweis splendy on the lower slopes. Flowers of indescribable variety and beauty in the valleys. Supper in a little house at the edge of the forest with a lovely family—the grandmother and four Swiss cherubs. Then on down to Sils Maria for the night.

About the Silser Sea there is little Co-operation. Bola is too small. Maloja, where Huxley lived seventy-five years ago, has only a dozen houses. The Ber-Geller Thal has no towns. The people raise their own food and make their own clothes. The houses have not been rebuilt for two hundred years. Only a swim in the Bittabergsee, surrounded by snow-covered mountains, was good.

Then on to Silvaplana with a budding co-operative, for Co-operation at Alp Flix, Muhlen, Tinzenhorn, and found it not. But Savognin, with fifty houses, yielded up a "Konsumverein."

Hunting Co-operation in the Swiss mountains is a better sport than hunting the wild gemseck which leaps from crag to crag. Co-operation is human; and it seems to be going somewhere.

Why Co-operation is Not Enough*
From the Religious Viewpoint
By Benson Y. Landis

A FEW things by way of introduction:
(a) Since it is impossible to write from the point of view of "the church," I shall write from the point of view of one whose duty it has been to study and interpret economic co-operation for religious leaders. I shall record here the views of some of these men and women.

(b) I should also state at the outset that I regard co-operation as an effective technique for influencing behavior, and I know that in many instances co-operative societies have produced remarkably vital, social and spiritual as well as economic results.

Nevertheless, I am correctly classified by the editor of CO-OPERATION as one who believes that "co-operation is insufficient," and give the following reasons for holding to this view:

(1) The first reason is sociological. Some of us cannot see how one organization—even with a host of adjuncts and subsidiaries as some co-operative societies have —can be enough. With division of labor and specialization so evident, some of us feel that even if the whole elaborate plan of consumers' co-operation, as it is conceived by some of the idealists in the movement, could be carried out, mankind would still organize itself into a variety of other organizations for the satisfaction of wishes, ideals, etc.

The religious prophet, for instance, frequently builds up an organization around himself and it looks as though he would do it forever.

(2) We are a bit skeptical of the claims as to social results which the leaders of economic movements, including the co-operatives, frequently make. When a careful student of consumers' co-operation tells us

*This is the eighth in a series of articles under this title, written by people outside the Co-operative Movement. Previous articles were from the viewpoints of the Anarchist, the Socialist, the Communist, the Social Evolutionist, the Single Taxer, the Capitalist, the Syndicalist.
CO-OPERATION

that the majority of the members of con-
sumers co-operatives in England are "divvy-
hunters" and when a large majority of the
managers of farmers' marketing associations
with whom we communicate state their be-
lief that their organizations are for "busi-
ness only" and that the profits of their
members, we are not impressed by
the vision of these co-operators of service
to society. E. C. Lindeman, after studying
various farmers' marketing enter-
tprises, concludes that these economic
devices do not produce social effects un-
less their leaders in addition to carrying on
economic activities either stimulate or pro-
mote some social activities. Dr. Edward
T. Devine states that serious study leads
us to the conclusion that desires for differ-
ent standards of living are the propelling
forces which make for higher wages, and rejects
the all-too-commonly accepted view that
more money for the family's spending will
produce a higher standard of living.

(3) Does not the spiritual development of
man imply as well as co-operation? I should be
the last person to question the social value of,
let us say, a group of people co-operating in a
democratic way for the distribution and even-
tially the production of what they think are
certainly the necessities of life. There
are certainly possibilities for the promotion of
better human relations in intensive co-operative action. The history of
co-operation affords many ex-
amples of brotherhood that are inspiring
and beautiful. I think co-operation has pro-
vided some people with "beloved communities." But
we must contend that even in the co-operative
commonwealth, if it is built, there will be
need for the non-conforming individual
who will challenge certain social standards
and force changes. Does not every self-
respecting individual find his views in con-
flict with those of prominent political, educa-
tional or religious leaders? Certainly
many of us would think ourselves spirit-
ually dead if we agreed with some of them.

Does it not suggest to you this: a group of
individuals co-operatively engaged in per-
foming economic services, may also engage
in non-economic activities. Both types of
activities might be carried on in such a way
as to promote better human relations and
make for genuine spiritual development.

Many of the co-operative leaders are com-
mited to such a program. But we must
realize that though the co-operative move-
ment may do things, no one can be sure
that it will. Then, too, there is a limit
on the non-economic activities which one
society can carry on. Though the economic
processes are ordered in equity for all, there
are other human contacts which make for
break the human spirit, and for them it
appears we shall always need varieties of
leaders, organizations and programs.

Land Co-operation

By BOLTON HALL

"First things first," said old John Swin-
ton; but "small things most" seems to be
the motto of most co-operators. Man is
a land animal, on the land (or on the sea),
which is only land covered with water)
man lives; and he dies when deprived of
it or of its products. It is the principal
source of every kind of "goods."

This alone should be enough to turn
reformers towards Co-operation in land.

But further, the gross profit in groceries
selling, is calculated at 40 per cent.; I
understand and the net profit about 3 per
cent. The saving can be only a part of
the gross profit. But the gross profit on
land sales is calculated on the basis of
25 cent, up to 150 per cent. or more.

Co-operation in land is furthermore
the simplest and least expensive to operate of
all forms, and it saves the rent of land paid
directly or indirectly by the individual. This
is the largest item in the family budget, and
is the item for which the family gets no
return.

Such co-operation does not necessarily
involve its best form, although this word
is already made flesh and dwells among us
at "Free Acres" in New Jersey.

Free Acres is co-operative but it has
nothing to sell, even to its own members.
It is a settlement six miles west of Summit,
which is controlled as far as possible on
single-tax principles. It shows their prac-
ticability and allows greater personal and
political freedom than under the conven-
tional forms of government. The Associa-
tion owns the land and leases it in per-
teity to those who come; none is sold.

No purchase price is paid by the resi-
dents. The annual rent of the bare land,
fixed by their own elected assessor pays all
taxes, both on the lease holders' land and
on their dwellings; and the balance is paid
out for surveys, roads, waterworks, etc., by
their own elected treasurer. The present
rental is about four to fourteen dollars per
quarter acre annually, which, as you see,
wife to them.

A large "community" provides for athletic
sports, tennis, archery, swings, swimming
pool, etc. The old farmhouse is used as
a clubhouse and for dances, public meetings
and economic, social, literary and educa-
tional discussions. Performances are given
in the open-air theatre, and the general
spirit is fellowship, helpfulness and liber-
ality. It is not restricted to single-taxers,
and includes wage earners, business and
college people, artists, actors and writers.

About half of the sixty houses are summer
houses.

It comprises seventy acres in the Ber-
nersville Hills, of some 500 feet elevation;
and is two miles from Berkeley Heights
Station, Lackawanna Railroad; about an
hour's ride from New York City, or forty
minutes from the Jersey shore. It is worth
seeing. Twenty trains daily.

Land co-operation is possible. It can be
started by simply assembling a group, pre-
ferably one hundred, who put up ten dollars
apiece, which goes as pay to the organizer.
They then hold a meeting and appoint a
committee to find a piece of land. (It
should not be more than thirty miles from
a center of population, nor to cost
more than one hundred and fifty dollars
an acre. When this selection is approved,
the balance of the membership fee, one
dollar per acre of land sales, will be
assessed.
The money is applied to the pur-
chase of the land, and it is divided in units
of one-quarter of an acre or more. The
comparative prices of the lots are fixed by
the assessing committee.

If a gambling element is desired, the
lots can be distributed by lot. Some of the
lots will naturally be worth much more
than others; and the "lucky" ones will get
something for nothing. (Wherever one
gets something for nothing, another must
get nothing for something)."

Land co-operation is a fact dearer to us than the closing of a
hundred private shops by means of simple
taxation pressure and with the aid of our
political power alone. This is the reason
why we take up at present so seriously the
question of the co-operative movement.
This question is also to be given the central
place on the work of our Congress. It is
necessary to give all attention to this move-
ment, and it is necessary to supply it with
workers. If in 1922 in the opinion of
Lenin, the central question was that of man
power for our industries, then in 1923 it is the question of men for the Co-opera-
tive Movement."

The author of this article will be glad
to give practical particulars of the ways of
working out such an undertaking to any
inquirer.

Words of Wisdom from the President
of the International Co-operative
Alliance

"IN Holland (at the beginning) we
experienced the same curious fact as every-
where else (except Great Britain): the
working men were influenced more for
Productive than for Distributive Co-
operation. The cry, "The work for the
workers' has, even now, not lost its
witchery." "Dr. Kerdyk (pioneer advocate of
Co-operation), who had studied Co-operation
in Great Britain, warned the workers
in his propaganda speeches, not to begin
with Co-operative Production, but to try first to learn how to co-operate
in Distributive Societies and to go in for pro-
duction later. But alas! the idea of being
able to break with the hated wage system
and the hope of becoming their own masters
had a magical effect upon the working men.

Everywhere Productive Societies sprang
up. Co-operative Savings Banks were less
fortunate and Distributive Societies had
not laid claim to the love of the women."
Thirtieth Anniversary of the International Co-operative Alliance

The 19th of August, 1925, marked the end of the thirtieth year of life of the I. C. A., an autonomous organization for the realization of the creation of a Co-operative Commonwealth. Messages of greeting were received at the office of the general secretary in London from former officials and from several men and women who had been active in forming the organization in 1886 to 1895.

It was at the International Co-operative Congress at London in 1895 that George Jacob Holyoake put the definite motion to form the Alliance. Representatives were present from nine European countries, Australia, Argentina and the United States. In the early days of the Alliance, individuals as well as societies or unions could hold membership, and producers' co-operatives were most active. The Christian Socialists were among the prime movers. It was several years before the consumers' co-operatives pushed their way to the front. The early statement of aims declared that the Alliance was formed to promote "profit sharing". It was to be larger and more radical social goal was officially recognized.

In 1913, just before the war, the I. C. A. counted a membership of 24 countries, 55 unions, 3,871 individual societies, and twenty million co-operators. In 1924 the membership had increased to include 46 unions in 30 countries, 74,830 individual societies, and seventy million co-operators. Today it counts 34 countries and fifty million co-operators.

This is the one international organization that maintains its membership intact throughout the entire war.

Professor Gide, veteran co-operator of France, states succinctly the place and purpose of Co-operation and the International Co-operative Alliance for all the workers.

"Co-operation must be our star. The People's Mutual, was started in 1914 with 11,141 policies. It now has 110,730 policies and the amount of insurance is more than one hundred and twenty million crowns. The surplus is 490,596 crowns. This society is organized strictly for life insurance and it is to serve the members of the consumers' co-operatives.

The second—The Mutual Co-operative Insurance Society, was started in 1918 with 6,238 policies to an amount of 12,216,000 crowns. The policies now amount to 683,129,700 crowns, and its surplus for the past year came to 464,680 crowns. This society handles the following kinds of business: Fire (buildings and stocks of goods), water pipe damage, glass, burglary, machine, fidelity, automobile, liability, accident, life annuities (limited to awards of damages).

Both societies were helped at the beginning by the Co-operative Wholesale Society, which provided the guarantee capital at the start. Control of each is vested in a Body of Representatives of 21 members elected from the policyholders (who are the shareholders). The management is in the hands of a Board of Directors in each case, which is elected by the Executive Committee of the C. W. S. (thus making the Insurance Societies strictly under the control of the Wholesale). No member of the Body of Representatives may be an employee of or Director of the Insurance Society, and every member must be a shareholder in the insurance society to whom Governing Body he is elected.

The growing funds of these great associations are devoted to the support of the consumers' co-operatives. Loans on easy terms are made on the properties of the societies, the collateral for these loans being mortgages.

This interesting information comes to us from the League office from Dr. Karl Sandberg, one of the staunch co-operators of this country. It provides that each employee, male and female, shall pay into the Superannuation Fund 35 cents a week and the society shall pay in an equal amount. Employees under 21 years of age are required to pay only 18 cents a week until the age of 21 is reached. Employees will retire automatically at the age of 65. The amount of superannuation pension paid to the retired employee shall be $5.00 a week during the lifetime of the pensioner.

The rate of interest is 4 per cent, convertible half yearly. Families of employees dying before pension age shall secure return of contributions plus compound interest at 4 per cent, whilst any contribution made by the society on behalf shall remain in the fund together with interest. In the event of employees leaving the service of the society there shall be returned to them their own contributions plus compound interest at 4 per cent.

In the case of death before having received the whole of his or her contributions in superannuation, the balance of such person's contributions (plus 4 per cent, compound interest) on his or her credit shall be paid to his or her legal representatives.

The cost of administration of the fund shall be borne by the society. Membership in the fund is compulsory and a part of the conditions of employment.

What is the Place of the Wage Worker in the Consumers' Co-operative Movement

Much of the success of a distributive insurance depends upon the excellent and sympathetic conduct of the employees. How can the societies hold the loyalty and interest of their workers? These questions are in the back of the minds of every store manager and every board of directors.

Professor Charles Gide, in a recent article in the Revue des Etudes Co-operatives, discusses various measures which are being employed to produce better relations between the wage workers and the society which they serve. As he says: "This is a vital question for the future of the co-operative movement." Some of the methods he suggests are as follows:

Participation in the profits: On this point of view there are many contradictory theories for the reason that the aim of the consumers' co-operative movement is to
abolish all profits. If this were possible, how could one divide the profits with the workers? At the present time, however, whether we call them profits or not, the division of the surplus amongst the employees as among the owners, the consumers has often been tried. Professor Gide says that experience shows that division of profits with employees is usually abandoned.

Another solution which has been practiced is the Union of Consumers' Co-operative Societies. It has 70,000 members and 400 or 500 shops in Paris and the suburbs is as follows: The employees, as well as the managers, are paid, in place of a fixed salary, a percentage on the amount of the sales which they have made during the year. This is really the bonus system which we find in America but without the security of any fixed salary at all. Professor Gide says that this puts the manager and employees on the same scale as the little competing merchant on the same street. They both seek to lure in the customers and sell them as much as possible. They risk nothing, having any capital at stake, and they have every inducement to increase the sales. But they also risk losing their own business under their administration has not been very successful. Professor Gide does not think that this solution is in the spirit of the co-operative movement. It has too much the character of the individual competitive merchant.

Such measures as these, which have been attempted in order to increase the attachment of the salaried worker to the co-operative movement have failed, it would seem, largely because they have not used the same methods as those of competitive business. They seek to make personal gain the motive for service. This cannot bring the best results. To secure the sympathetic cooperation of the salaried worker it is necessary to bring about a psychological change in his relation to his job. His attitude must be different toward a co-operative society in his relation to his job. His attitude must be different toward a co-operative society. The worker must be made aware that he is no longer engaged for his own private gain nor for the private gain of others but that he is working in an enterprise which is laying the foundation for a new social order in which all who work by hand or brain shall benefit alike.

Professor Gide points out the futility of the old socialist idea of the abolition of the wage worker through the "emancipation of the working class." He shows where this has been more nearly approached in theory and in fact—that is in Soviet Russia—all the people who benefit by the new social order must become wage workers. It is only through the membership in the trade union, the syndicate, that they can be secure. In the syndicate there are fourteen degrees of wage workers. Their wages range from 30 to 50 gold rubles per month. Professor Gide ends by saying: "The worker will only cease to be a wage worker when he no longer looks upon himself as such. That is when he, with his fellows, are all working together for the common good.

Co-operation Wins Another Round in the Fight with Private Business

The story of the warfare between vast corporations and the co-operatives of Europe is an old one and always interesting. In most cases, Co-operation comes out the winner. The latest phase of the struggle has taken place in Sweden. A few years ago the Swedish Co-operative Union and Wholesale started to mill its own flour at its two mills "Three Crowns" and "Three Lions." But the private millers are highly organized in the Millers' Trust, and they controlled more than 90 per cent. of the flour output.

From the very beginning, the Co-operative quoted lower prices than the Millers' Trust, and thus kept the latter within reasonable bounds. Last December the Trust raised the price 2½ crowns per sack and expected the Co-operative to follow suit. But Co-operation sometimes does the unexpected, and the Kooperativa Forbundet adhered to its prices of November during the entire winter. At the end of three months the Millers' Trust acknowledged defeat and brought the price back to original quotations.

This is the first defeat administered to this powerful combine, and it was the organized co-operative which accomplished the feat. The Socialists in Parliament have long tried to bring this Trust under control, but without avail.

Waukegan Society to Conduct School for Employees

The Co-operative Trading Company, of Waukegan, has decided that its twenty-six employees need a more thorough understanding of the history, theory and principles of Consumers' Co-operation and have appropriated $500 for the purpose of conducting a two-weeks school for them during the coming Fall. According to their tentative plans the school will be in charge of Severi Alanne, Educational Director of the Northern States Co-operative League and A. W. Wartman, Educational Director of the Central States Co-operative Wholesale Society.

Would You Rather Be a Capitalist or a Co-operator?

Some folks think that all business, capitalist or co-operative, is pretty much the same, except that in the first case the ownership is held by rich men, and in the second, the ownership is held by workers or farmers. This is a chief difference; not by a long way. Here it is:

The British Canadian Co-operative Society, owned and run by 2,800 coal miners in Nova Scotia, has the following record:

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<th>Year</th>
<th>Interest Paid on Capital</th>
<th>Purchase Dividend to Members</th>
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<td>$55.69</td>
<td>$653.98</td>
</tr>
<tr>
<td>1918</td>
<td>$112.06</td>
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<tr>
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<td>$304.64</td>
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<td>18,322.55</td>
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<td>1924</td>
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</tr>
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</tr>
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<td>1928</td>
<td>$5,802.73</td>
<td>81,053.12</td>
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<td>1929</td>
<td>$7,651.44</td>
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<td>$8,722.72</td>
<td>145,515.25</td>
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<td>1931</td>
<td>$12,094.87</td>
<td>166,708.49</td>
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<tr>
<td>1932</td>
<td>$12,150.66</td>
<td>144,782.87</td>
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<tr>
<td>1933</td>
<td>$12,291.64</td>
<td>141,040.94</td>
</tr>
<tr>
<td>1934</td>
<td>$12,391.64</td>
<td>153,425.33</td>
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Total $84,484.31 $1,167,386.87

Credit Union Progress

One of the most militant and progressive little credit unions in New York is the Consumers Co-operative Credit Union. Unlike many of the larger and wealthier credit unions, it always joins in any general co-operative activity promoted by the larger movement. One of the most loyal members of The Co-operative League, a subscriber of the League Auditing Service, ready to aid co-operative banking, a participant in all kinds of co-operative conferences, it is better known among all classes of co-operators than almost any other institution of its kind.

The semi-annual audit shows assets of $11,697, an increase of about 50 per cent. Share capital is $5,787 and deposits are $5,116. The income for the half year was $455.62. After payment of all expenses, a surplus of $139 was left.
Plodding Ahead at Cherry Valley

Cherry Valley, Pa., is a small coal town west of Pittsburgh. There is plenty of competition for the co-operative, and there is slackness of work in the mines and all the other discouragements which beset the soft coal operators. But the Cherry Valley Real Estate and Retail Co-operative Association still pushes ahead year after year.

The report for the end of the first half of 1925 shows that there are 40 stockholders, 12 of them out of town and the others residents. They have $3,703 invested.

The sales for the six months totalled $19,928.20, on which a net gain was made of $1,364.87. This is mighty fine business for such a small society. The total assets are $12,363.98, nearly half of which is in the building owned by the society.

The Cherry Valley Association is one of the many which invested money in the ill-fated Tri-State Wholesale at Pittsburgh. Almost all the other retail stores were dropped down to bankruptcy when the wholesale failed, but these miners fought for their own property and finally succeeded in getting something out of the wreck. It is out of that "something" that the present successful business is built.

Report from the Co-operative Colony in Brooklyn

The Co-operative Colony of Finns in Brooklyn, N. Y., is already well known throughout the country. In addition to a dozen co-operative apartment houses, a co-operative garage and other minor institutions, these people run a large co-operative bakery, restaurant, meat and grocery store and recreation hall. The financial report of the Association which owns these last four types of business shows that the business done for the first half of 1925 amounts to $175,000, while the total assets of this five-year-old co-operative are $154,000.

These two thousand people have more than $2,000,000 worth of real estate under the ownership of all their co-operative societies, and other vast resources in addition. Which goes to show that the workers, even a small group of them, if they are in earnest not wanting to patronize profit-making business, can accumulate their own business institutions rapidly.

Co-operation at Villa Grove

The railroaders and their friends in this little Illinois town keep plowing ahead as though they didn't know the meaning of the word "retrogression." For the first half of 1925 their sales were $67,000 and the net gain was only $3,040. For a town which cannot boast more than 2,000 population, this is going pretty well, and none of the private business interests can begin to touch it. In addition to meat and grocery business, the Society handles coal and ice. The manager is always able to report a stock turnover of more than 20 times per annum.

Here, too, is one of the staunchest little fighting co-operatives in its State. These people not only pay dues to the District League in Illinois and receive the organ of that League, The United Consumer, but they pay dues to the national League and take the Associate Magazine for all their members as well. There are no other co-operatives in the country that quite duplicate this record of co-operative loyalty to the larger movement.

Utica Bakery and Store

For the first six months of 1925, sales of the Utica (N. Y.) Co-operative Society were $63,840, of which $13,242 was gross profit and net profit $2,763.

Total assets are $70,580 of which $42,969 is in land and buildings and $26,653 in machinery and fixtures. The paid in capital is $29,158.

Karl Aroen, the manager, took office about a month before the closing of the books. In July he made some drastic changes in bookkeeping methods, reorganized the delivery system in part, and in general has made possible greater economies in the future. The Business Committee, a sub-committee of the Board, meets with him regularly.

The Fins at Norwood

The semi-annual sales at Norwood, Mass., were $57,968, of which $42,937 was in the grocery department, 12,386 in the milk department, and 3,045 in dry goods. There was a slight loss in dry goods, but because of a high net gain for the six months was $1,272.82.

Total assets are now $33,287, nearly half of which are in real estate. The paid in capital is $3,925, and the reserve fund is $2,428.

Cloquet, Minnesota

The Cloquet Co-operative Society is not only one of the largest in the North Central States; it is one of the most militant as well, and enthusiastically supports both the Wholesale and the District League.

The report compiled for the first six months of 1925 shows total sales of $193,000, and a Net Gain of nearly $6,500. Total assets are $86,000, and paid-in capital $40,000.

This large institution is the result of the merger of two co-operatives in the town of Cloquet two years ago. It is only eight or ten years since practically the entire city was wiped out by forest fires, so the development of this co-operative is a fairly recent achievement.

How Much Does Delivery Cost You?

Most managers don't know. And the directors don't know either. Yet there are a few places where money can be lost faster.

Some managers try to figure mileage cost per truck. In fact one man tried giving prizes to the driver who reported the lowest operating cost per mile each month. But didn't do any good. The drivers began to neglect the nearby customers and go after the distant ones. The longer the run they could make without stopping, the lower the mileage cost. So they took turns at two houses close together, but left one for the return trip, or never went to it at all. In other words, they neglected the grocery business and concentrated this record of co-operative loyalty to the larger movement.

Delivery costs should be figured, not on a mileage basis, but on the basis of per dollars worth of goods delivered. When the drivers begin to compete to see who can deliver the largest orders on the largest number of orders on the lowest operating cost, then efficiency develops. Instead of trying for distance records, each driver tries to develop his own territory. He does not leave his engine running during the long stops. He walks some of the shorter distances. The difference can be illustrated as follows:

1. Depreciation at 20 per cent. or 25 per cent.
2. Interest on investment in the car.
3. Cost of garage space (even though we own the garage we should figure this in).
4. Repairs.
5. Insurance.
6. Accounting or legal costs.
7. Taxes and licenses.
8. Additional wages to the driver, before we actually have delivery costs.

And to these must be added the wages of the driver, before we actually have delivery costs.
Farmers Mutual Life Insurance in the United States

By VICTOR N. VALGREN

THE University of Chicago Press does a genuine service to the farmers of the country and to the Cooperative Movement by publishing this book on cooperative fire insurance. The author is well qualified by experience to treat his subject in a thorough manner, and the information he gives is most valuable and most interesting.

The first eight chapters are given over to a survey of the mutual fire insurance movement in this country. In 1921 there were almost 2,000 of them, ten of them more than eighty years old and two more than ninety years old. Many provide for loss by lightning, tornado, windstorm, hail and prairie or forest fire as well as by ordinary fires starting within the house. Some operate in only a single township, some in one county, some throughout many counties or a whole state. The cost of protection ranges all the way from 16 cents per $100 of insurance to 69 cents. Most of them are incorporated; membership ranges all the way from 25 to 32,000. Most of them operate on the one-member-one-vote principle, though 217 allow some form of plural voting. Almost all of them procure their funds by the assessment method rather than the advance premium. The solicitation of new business is done in half the societies by officers only, rather than by outside paid agents, and most of them pay a flat fee for new members rather than commission. Directors are usually paid, when at all, on a per share basis, and employed officers are salaried.

One of the most interesting chapters is that showing the growing prevalence of preventive methods fostered by the societies. Inspectors are hired to visit buildings regularly, report dangerous conditions and carry on education for clean floors, elimination of rubbish, carefully insulated wiring, fireproof shingling, careful disposal of hot ashes, matches, etc. Societies are cutting their assessment rate very materially by such methods. For instance, it is found that from twenty to thirty per cent, savings can be effected in the loss of livestock from lightning when fence wires are carefully grounded.

The local companies are rapidly joining together for mutual assistance. There are now 21 State Associations of Mutuals and a National Association. Furthermore, there are many reinsurance societies which take up part of the risks of the locals and so distribute more evenly the losses which sometimes fall much more heavily on one territory than on another. Another interesting chapter is that on the economic significance of these Insurance Mutuals.

The last three chapters present a Suggested State Mutual Insurance Law; some plans for organization and management, with business forms; and suggested systems of records.

Mr. Valgren is to be commended for his thorough work. We need the same kind of textbook in other fields of cooperative business.

Operating Expenses in Retail Grocery Stores

The study of 545 grocery stores by the Bureau of Business Research of Harvard University in 1924 is the most comprehensive one yet brought out by this school. All the previous forms for studying the subject are used, and several new ones. For instance, a very interesting statement is given graphically showing total salaries and wages of store employees in proportion to sales per employee. Of course it is the employee who has big sales whose wage-cost is lowest.

Another interesting comparison is between salaries per employee and rate of stock-turn. The store having the slowest turnover of stock finds its wage percentage highest. Equally interesting are the tables showing relation of delivery expense to volume of sales, or rent according to stock-turn.

Another good analysis is that of delivery expenses. Total of such expense (exclusive of wages) is 1.2 per cent, on an average. The largest part of this half, is care of horses and fuel and tires for cars. Half as important is depreciation of delivery equipment; and repairs are almost as expensive as depreciation. Rent of stable or garage, insurance, taxes, etc., are the smallest items.

Much attention is given to the value of meat departments in stores. It was found that where meat was a very minor item of sales, or where the department entirely outmatched the grocery department in volume of sales, there was little to be gained. But where they were well matched results were good. Another interesting study is that of the relative success of stores specializing on a cash business, and those granting considerable credit. Results show that the stores which specialise on one or the other were better than the stores which try to follow both policies.

One of the most interesting studies occurs toward the close of the book, where all stores that lost money are lumped together and a study made of their operating expenses. The same is done for all those that made a very small profit, and again for those that made a substantial profit.

Every store manager should have a bookshelf containing a few books of this character and he should study them long and often.

Educational Program—Session 1924-1925; Co-operative Printing Society

The Educational Program of The Co-operative Union, prepared by the Central Educational Committee, contains full syllabuses of instruction, covering all of the departments of co-operative education, to the extent of 160 pages. The book gives in structural form, the results of course examinations, diplomas, prizes, scholarships, the co-operative college, summer courses, correspondence classes, junior schools, international schools, week-end schools, the organization of choirs and orchestras, plays and drama, women's guilds and many other subjects. Many British societies have full-time paid educational secretaries.

No country has worked out such practical and comprehensive instructions as these. No country has carried the organization of co-operative education as far as Great Britain has. This book should be in the hands of co-operative educators. It should also serve, if not as a model, at least as an example to all other countries, of what can be done in this field. The British are leading the way. Education in Great Britain falls far short of what it should be, but no country can claim that it does better.

Fifty-Sixth Annual Co-operative Congress, Edited by A. Whitehead

This is the report of the Congress of the Co-operative Union at Nottingham. The volume contains also the co-operative statistics for the year 1923. The annual congressional reports issued by the important national co-operative unions in different parts of the world are building up the literature to which economists, sociologists and historians will some day turn for information on the development of the new society.
CO-OPERATIVE SOCIETIES!!

Try to Win This Beautiful Statue

WOULDN’T this statue look good standing atop the desk in the Board meeting room or in a convenient corner of the store? With a table beside it for literature, etc.?

It is a miniature copy of the huge Co-operative Statue made by Leon Surtee of Belgium, and is being ordered direct from Ghent. It symbolizes a co-operative world upheld by the artisan, the farmer, the housewife, etc.

The Executive Staff of The League will present one of these statues to the co-operative society which sends in before December 31st, 1925, the largest number of new subscriptions from one society. Why not make that Society YOURS?

IN CASE OF A TIE, BOTH WINNERS WILL RECEIVE THE PRIZE.

Members of the Educational Committee, Women’s Guild, Board of Directors: Isn’t it worth quite an effort? Perhaps ten or twelve new subscriptions from one society will win this Statue. Why not make that Society YOURS?

SECOND PRIZE

A Copy of CO-OPERATIVE DEMOCRACY

BY J. P. WARRASSE
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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Enclosed find $......

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The Canadian Co-operator
Brampton, 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 100
Published by The Co-operative League

J. P. WARNAK, Editor

Entered as Second Class matter, December 19, 1917, at the Post Office at New York, N. Y., under the Act of
March 3, 1879, Price $1.00 a year.

Vol. XI, No. 11 NOVEMBER, 1925 10 CENTS

CONSUMERS' CO-OPERATIVE SERVICES, New York City, has four restaurants and a laundry. More than 3,000 meals are served each day at the four cafeterias. There are 120 employees exclusive of the laundry workers. This is a corner of one of the rooms in the 25th Street Branch.
Co-operative Restaurants

Co-operation as expressed in eating establishments or restaurants seems to present an appeal especially to Finns and Scandinavians. Alert and interested in affairs as they are, it seems that they particularly have a tendency to congregate together to enjoy the civilized pastime and stimulation of conversation and social intercourse at meal-times. With their background of independence and freedom brought with them from the homeland it is but to be expected that when they find themselves forming a group which continuously meets to dine they will organize the gains to be derived from having a place of their own, managed by themselves, for themselves. Lack of friction with a proprietor, no profiteering, large portions, wholesome food, intelligent cooking, and attractive preparation are but a few of the advantages that accrue from such a co-operative place of eating. Besides these direct purposes, Finns and Scandinavians have so much understanding of the truth about economic motives they will not submit to the usual exploitation that profit business would have us believe is essential to the stimulation of enterprise, efficiency and economy.

Here lies the reason for the fact that of the fourteen or fifteen co-operative restaurants or boarding houses outside of New York City, the large majority have memberships composed mostly of Finns, and two of Swedes. Statistics concerning most of these are lacking, but none of them are of very large proportions. Many probably exist in conjunction with a co-operative society whose major business is some other activity. Such, for example, is the restaurant of the United Co-operative Society of Maynard, Massachusetts, with a gross annual income of about eighteen thousand dollars. This society is a group of Finns who work in the worsted mills of the American Woolen Company, one of America's largest trusts.

The Finnish Co-operative Trading Association in Brooklyn, New York, is a rather large organization that runs a fine meat market, a bakery, and a pool parlor in addition to a restaurant. This Society in a recently built-up section of Brooklyn has a total membership of over 1,800 people. The restaurant is the youngest of its ventures, having been inaugurated in January of last year and the business in its experimental stage, was not financially solvent and could not have survived had it not had the backing of the organization of which it is a unit. At present it is a complete success from every angle, including the financial. Its gross income is in excess of $70,000, derived from serving about 500 meals a day to about 300 persons. This restaurant is peculiar in that it gives no patronage dividends. When the management discovers that it is taking in too much money, the prices are lowered or the quality of food is improved, or the size of portions increased. While the other activities of the Association conduct their sales in the usual manner of co-operatives, the restaurant places its emphasis on quality and service and adjusts its prices accordingly. This restaurant, as is the whole organization, is a decided success, with a membership that is highly enthusiastic.

Close to the building of the Finnish Co-operative Trading Association is the Brooklyn Workers' Cooperative Home, whose 160 members formerly belonged to the aforementioned Association. Differences of opinion on many questions caused this group to seek a separate place to eat and discuss. The establishment is in the nature of a cafeteria with a business of approximately $96,000 a year, serving 700 meals a day. This restaurant is part of no other co-operative undertaking and has no plans for expansion or extension, the members being content with maintaining their own eating place on a sound basis. The association is a cooperative one in which its restaurant is situated, and it maintains in it an apartment for its women employees.

In the Harlem section of Manhattan, there is a large and prosperous Finnish Progressive Society in whose imposing building beside an auditorium, gymnasium and other features, is operated a restaurant on a co-operative basis. There is reason to believe that it will not be long before this society is reorganized definitely as a co-operative association rather than as a social club.

The most ambitious co-operative plans are those of the well-known Consumers' Co-operative Services of New York City. This organization has not, as have most other co-operative ventures of this kind, a definite group to draw upon, but rather it makes its appeal to the general public that works and lives in New York City. It offers good quality, large portions, low prices with patronage dividends, a personal or home-like atmosphere, the best possible treatment of labor, and ideals which search for a better form of industrial organization. Proceeding cautiously, to gain experience, to build up a strong reserve, and to withstand the natural competition the membership of the co-operative has in five years become 2,000; the annual total business—eleven meals weekly and not counting its laundry business—is over $400,000, and there is a reserve fund of practically $50,000. This organization was founded and is managed by persons whose primary interest in the venture is the successful demonstration of the working soundness of consumers' co-operation, and while they do operate one other venture and are planning more, restaurants were their starting point, their first approach to the public, and still remain their basis.

The four restaurants, known as "Our Cafeterias," are located in four different business sections of Manhattan. There has been a distinct effort to avoid the usual, untactful trappings of the commercial restaurant. Frank, cheerful simplicity and worth are the keynote in the decorations of the establishments, in the conduct of the employees, as well as in the preparation of the dishes. Labor is employed in no case for more than sixty-eight hours a week, an unusually short period for New York restaurants, and making competition all the more difficult. Managing officials are trained in the service of the co-operative itself and officers for new branches or to replace losses are appointed from the existing force. Well educated women are employed at a hundred dollars a month for training as candidates for promotion. The labor question has so far been ably handled, for rather than seeking to get as much from it as possible the workers seem to be as interested in the enterprise as the members.

At the present time no decision has been reached as to whether the line of growth shall be in the direction of eating-places, that is more units of the same type, serving more members in the same manner as now, or whether expansion shall be toward diversity of undertaking whereby the association could serve its existing membership more fully. But whatever the future growth of the Consumers' Co-operative Services it will have demonstrated that at least in our large centers of population there
is a demand for and response to experiments in co-operative supplying of meals. Who knows but that this rather inconspicuous activity may prove the entering wedge for large-scale co-operation in the foremost city of the United States?

The following is a partial list of co-operative restaurants and boarding houses in the United States:

- United Co-operative Society, Maynard, Mass. (a) — Finnish
- Co-operative Restaurant, Fitchburg, Mass. — Finnish
- Co-operative Boarding House, Gardner, Mass. — Finnish
- Co-operative Boarding House, Beverly, Mass. — Finnish
- Consumers' Co-operative Services, New York City — American
- Finnish Co-operative Trading Co., Brooklyn, N. Y. (a) — Finnish
- Brooklyn Workers Co-operative Home, Brooklyn, N. Y. — Finnish
- Co-operative Restaurant, Rockford, Illinois — Swedish
- Ipperwash Co-operative Cafe, Chicago, Ill. — Swedish
- Co-operative Boarding House, Waukegan, Ill. — Finnish
- Workers' Club, Allouez, Wis.
- Tarmo Boarding Co., Superior, Wis.
- Co-operative Toivo Co., Detroit, Mich.
- Kunto Club House, Bovey, Minn.
- Tolverilla Company, Duluth, Minn.
- Rentola Company, Duluth, Minn.
- Tarmo Trading Association, Eetceth, Minn.

Vital Issues

An A Press Owned by the Readers

Most newspapers are owned by stockholders who have put money in the paper for the purpose of getting dividends on their investment. The stockholders elect a board of directors; the directors appoint an editor, a business manager, and other officers, and await results in dividends. A successful paper is one that pays. To pay, it must have readers who buy papers. The more papers sold, the bigger the income from advertising. The business manager wants the sort of editorials and news that will sell the most papers, to give the best financial showing from income from advertisers. The editor and stockholders want the same.

There are some variations from this general type of paper. There is the paper controlled by a political party or some special business interests, or some sect for purposes of propaganda. A few papers are run by the editor as vehicles to carry his opinions to the public. Here and there are papers owned by individuals or a small company of well-meaning people who want to give the public a good newspaper.

There is an idea abroad that the papers publish what the people want. This is only half true. The papers create wants in the people, and then sell them a lot of things they do not want along with the things they do want.

The result is that our lovely forests are cut down, to make wood pulp, to make paper, to print tons of unwanted stuff. And the people do not get the news. The European does not know about the Riff during the war. The American did not know about the Germans in 1918. The citizens of Philadelphia do not know about the coal mines of their state when a strike is on. The people of American cities get precious little unfavorable news concerning big advertisers.

The readers are of interest to the papers because they can be induced to supply the pennies and nickels to make the papers go. But suppose that the papers were owned by the readers. That means that the papers would be conducted in the interest of the readers. How different would be the result? Suppose that the 100,000 readers of a paper each put in $10 and were the owners of a $1,000,000 paper. With one vote for each member, with no intention to make profits, but with the purpose of giving the members impartial news and expression from propaganda, with the idea of serving the readers as readers, and not stockholders, we should have a co-operative press.

The question as to whether such a thing is practical or not can be answered by the fact that the people in practically every other field are organizing themselves as consumers into co-operative societies to supply their needs. That they can do it in the field of journalism is testified to by the fact that they are already doing it.

In at least thirty countries co-operative societies are publishing papers in the interest of the co-operative movement. The editors and stockholders want the same. Some of these publications are monthly and weekly and have to do largely with co-operative news and discussions and with general culture. If the people can run big business and small papers for themselves, perhaps, they can run big newspapers. It remains to be seen. First they must try it, and the doubters given a chance to say that they cannot do it. Then the "old and experienced" practical newspaper men must explain how foolish the idea is. These will all help promote the idea. But it must come.

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Just the plain uncomplicated readers, organized as consumers of news, owning and controlling the press, are in a position to get news in their own interest.

Monopoly in Bread and Milk — Need for Protection

During the past few weeks the newspapers have been filled with the story of the great consolidation in the bakery field. Three great combines are to form a supercombine which will control 162 bread factories in cities clear across the country from the Atlantic to the Pacific. Annual sales will reach $100,000,000.

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J. P. W.
bakeries and dairies. The men and women behind them are the pioneers who may show the rest of us how to combat these new combine. Will we heed their advice and follow their example? Or will we wait until it is too late?

Promotion Methods Used on the Children

An interesting story of the propaganda used among the children of the Boston Public Schools to wean the pennies away from ragged pockets and grimey fists appears in the Boston Post. P. Lockwood, secretary of the New England Dairy and Food Council before the American Institute of Co-operation in August.

Mr. Lockwood told how the council ran its campaign to sell milk to the children. He explained that it had "actually been necessary to sell the children on milk consumption because many of them wanted to spend their pennies for candy and chewing gum and even more were reluctant to withhold their money from the school savings fund."

"We have to show these school children the value of milk. It is a real selling proposition which has been put up to us," says Mr. Lockwood. Then, after quoting some figures on increased sales, "You can see that we are really getting milk into the homes through the school children. Sell them and you have sold the city."

Milk happens to be a healthy food. So is it not the increased consumption of milk due to the new effort? It is the method used to put it across. Never a word about educating the children. Never a word about promoting higher health standards. No; it is purely a matter of pouring a valuable commodity into hundreds of thousands of juvenile stomachs and extracting from hundreds of thousands of juvenile pockets the hard won pennies. The tactics are the same as methods of production improve, and that surplus value should accrue to the producers in industry. This is one of the main tenets of both Socialism and Syndicalism.

The Co-operative Movement, on the other hand, though it agrees that capitalists and the workers want to do it. We are a united people on this score. Let any movement raise its head to strike a blow at privilege, and the rich and poor will be seen standing side by side to smash it. Every election bears testimony to this national solidarity. This is one reason why Co-operation has a hard time here: the poor prefer capitalism.

This is a country of low general averages, but of outstanding examples of superiority. The general culture is low. The average citizen is stupid and narrow-minded. Yet I believe we have more intelligent and efficient people than any country.

Our cities are dirty; their politics are rotten, the general architecture is horrible, yet we have individual examples of business buildings which for beauty and majesty challenge the monuments of architecture of the world. Where is there a cathedral that surpasses the beauty of the Woolworth building?

Our vaunted mechanical genius is a joke. Compared with Germany, our airplane development is childish. Our army of mechanics and craftsmen cannot put on a door knob that will stay on, or build a door that does not leak, or build a car that will not squeak. Our best automobiles are imported from Europe. Still we have more mechanics and engineers who are contriving new and superior devices than any country.

We have the largest area of rich, varied and fertile farm lands, served by railroads. Yet the farmers are leaving the farms and agriculture is slowly decaying.

Building is going on in every city and town. We are busy making houses. But the people are rapidly losing their homes, and becoming a nation of tenants, living in somebody else's house.

In every field in the United States are these contradictions, these high lights and low lights. Despair and hope, beauty and ugliness, light and shadow pursue one another, and the end result is exactly what it means.

And that is just the interesting thing: this country seems to be in the hands of chance forces, leading it, who can say where?

Most people are satisfied to let it go unchallenged. Those who would direct its current into channels of sweetness and light are committed to one serious error: they assume that the people are being deceived and led into channels of sweetness and light are committed to one serious error: they assume that the people are being deceived and led astray and betrayed by bad politicians, by bad leaders, by bad capitalists, by bad masters of the forces of production and distribution. The idea is prevalent that we must take these bad people from their high places of influence and set "the people" in their place.

But is it not a fact that these bad leaders and masters are there in high places because the people put them or keep them there? If we would talk of badness, is it not the badness of the people that we should talk about? Do not the people accept the leadership that has stepped into the places? Do not the people complacently maintain the
overloads in their places? Have not the
people got what they elect?

The answer to these questions comes
when a crisis arises or the people become in
dignant, or the leadership fails to serve.
Then the people have their chance, and they
can take that chance to reinitiate the
same sort of leadership as of yore.

When the English people cut off their
king's head, their thoughts did not turn to
liberty or a better system; they merely felt
lost and proceeded to seek another king.

So it is with the U. S. A. An hetero
genous mass of a hundred and ten million
people are all seeking the wherewithal
to buy happiness. In America the great idea
is to purchase happiness. But in order to
purchase it, one must get money. So money
is the suit, and the pursuit of money is
the occupation. This is a deadly, soul-destro
ey occupation. But it is not the worst.

The worst thing that is happiness is sold
as a commodity, not for the purpose of mak
ing the purchaser happy, but for the purpose
of making profit for the seller. And that
means that a spurious article is sold to
the people whenever the fraud can be made to
succeed.

One set of forces drives people to make
money by giving the least value possible in
exchange for it. Another set of forces sets
people getting the money away from those
who have it by offering them a poor imita
tion of happiness for their money.

A man wants a home. He has piled
off on him a hall bedroom, or a flimsy house,
or a slum tenement. It belongs to some
body else; he is a squatter.

He wants love and life, and a prostitute
is sold him. He wants food; he eats in
a restaurant or at a soda fountain stuff that
is not served to nourish him but to make
profit for the vendor.

He wants clothes; he buys shoddy. He
wants news; he buys fiction. He dies, and
instead of his dead body being disposed of
in an economic, scientific and sensible way,
the undertaker plays upon the sorrowing
sentiment of a bereaved family and sells
an imitation silver-plated jewel box to con
vict a dead body, a lively stable full of old
plumes, a string of long-faced employees who have failed in
the insurance business.

But there is a bright side to the picture.
This great country, with its incredible
resources, its wonderful climate, its varied
lands, its natural forces yet unused, its
fabulous wealth, offers opportunities beyond
the hopes of unbridled optimism. Already
the people are organizing or learning how
to organize to make wholesome use of these
resources. Understanding grows as the expe
rience is teaching its lessons. And those
of us whose blood has been here for hun
dreds of years may join with those who have
come later in being to work together to
build a society dedicated to beauty and
justice.

Why Co-operation is Not Enough
From the Viewpoint of the Pacifist
By EMILY GREENE BALCH

It is safe to assume, in principle, that no
one remedy is "enough" for the needs of
the world. Co-operation itself, immense
as is its importance, needs to be accompanied
by other movements if our civilization, torn
by greed and stupidity, is to be saved from
destruction through war.

The co-operative movement, in striking
at the roots of competition gone mad, does
indeed strike at the roots of wars. Its full
development should eventually mean the
end of economic imperialism with all that
it implies, and even today it has already
woven strands of mutual understanding
and common purpose across political
frontiers.

But because it is fundamental, it is slow.
A complete co-operative system will not
replace the present economic system within
any period that we can clearly foresee. The
"next war" which is being calmly prepared
for may come at any moment and is likely
to come, if not prevented, when a new gen
eration is on the scene say in thirty years.

It is not enough to work for fire-proof
construction. We must prevent the tinder
box in which we now live from catching
fire.

Pacifists—I am using the word to mean
all those whose prime consideration is how
to do away with war—like co-operators,
realize that the basic necessity is a new
culture, a new understanding of what life is for, a new
scale of values in which profit ceases to be
a mainspring of human action and good
will is stronger than self-seeking.

But pacifists are also concerned with im
moral and intellectual orientation, a new
understanding of what is life for, a new
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of the world for peace which is the more difficult to fill in that it is so largely a question of a state of mind. This is the problem of security so greatly occupying the international issue at present.

It is not only that there is a general fear of the possibility of a "bad man" among nations out to enforce its lawless will regardless of treaties, court or League of Nations. The sense of insecurity is naturally most intense where there is the ever present consciousness that a neighbor is smarting from a sense of injustice. Where the injustice complained of is real—as is too often the fact—the "party of the other part" is generally entirely unwilling to have the case reopened and considered on its merits and decides itself and its friends with protestations of its own desire to preserve peace—that is peace and the existing state of things with which it is satisfied and its neighbor dissatisfied.

Things look as though the nations were going to fall back on the old system of alliances but of alliances with a difference—a vast difference, indeed, if Germany and France, the classic pair of enemies, can find a "formula" under which France will feel safe and consent to disarm.

If this is an immediate solution it is still an incomplete one. It would still remain necessary to have a far more universal and far more stable arrangement under which all countries renounced the right to enforce their own wills by their own strong arm and to act as judge and executioner, each in its own case as far as success in the ordeal of battle might make practicable. Only when all nations have effectively bound themselves to this renunciation of war and to act as judge and executioner, each in its own case as far as success in the ordeal of battle might make practicable, only when all nations have effectively bound themselves to this renunciation of war and would be blown to dust and nothingness.

Only in a world organization which has reached this point will the co-operative movement be free to pursue its great task of leavening the lump of our competitive civilization free from the possibility of an explosion in which Co-operation, like everything else worth having, would be blown to dust and nothingness.

Where Farmers are Consumers

It is interesting to note that the farmers of Europe are becoming increasingly conscious of themselves as consumers and are organizing accordingly. The International Labor Office has recently compiled some interesting figures for several of the countries of North, Central and Eastern Europe.

In the Bulgarian movement we find:

- 164,282 farmers
- 68,000 tradesmen and manufacturers
- 14,700 industrial and domestic workers
- 56,765 officials and employees
- 94,557 miscellaneous

In Japan the membership of 140,000 is divided:

- 67.5% farmers
- 15.5% workers
- 17% miscellaneous

A large Polish Co-operative Union with 280,000 members has:

- 37% farmers
- 11.7% tradesmen and manufacturers
- 11% workers
- 40.7% others

Rumanian reports:

- 646,332 farmers
- 35,600 manufacturers and traders
- 10,000 teachers and ecclesiastics
- 25,559 others

In Lithuania the membership of 140,000 is divided:

- 67.5% farmers
- 15.5% workers
- 17% miscellaneous

In Finland in 1922 had 334,600 co-operators of whom:

- 40.4% were farmers
- 9% were agricultural workers
- 32.5% were industrial workers
- 18.5% were officials, tradesmen and miscellaneous

In Latvia gives a total of 88,065, of whom 6,877 are women:

- 36.2% are farmers and farm workers
- 27.8% are intellectual workers
- 10.4% are industrial workers
- 25.6% are tradesmen, manufacturers and others

But the growth of the consumers movement among farmers is even more illuminating. In Sweden the number of farmers in the movement has increased almost 600% since 1910, while the number of industrial workers has increased only a little more than 300%.

In Germany the number of farmers has jumped more than 500% and that of industrial workers only 400%. The largest increase here, however, is among liberal professions and state employees who increased their number of co-operators since 1910 by more than 800%. The number of women members has grown from 133,816 to 614,101.

In most countries the number of industrial workers entering the co-operatives is growing every year. But the farmers, who a couple of decades ago knew little about the movement are now flocking in very rapidly and in many countries outnumbering the industrial laborers. And meanwhile the officials, soldiers, professional classes and small tradesmen are also signing up in ever-enlarging numbers.

Big Gains for British Movement

The report of the British Co-operative Union recently published shows that the societies of England, Scotland, Ireland and Wales did a much larger business in 1924 than ever before. There are now 1,445 societies united in the Union. Three of these societies, those in London, Leeds and Woolwich, have more than 100,000 members apiece.

The aggregate membership for all the societies is 4,752,636. This is an increase of nearly 350,000 since the end of 1923. As most of these people are heads of families, it means that at least 45,000,000 British are now in the co-operative movement.

The sales for all the societies was nearly $1,300,000,000, an increase of more than $100,000,000 over the previous year. These figures are truly stupendous, and should confound those folks who say that the co-operative movement is not making any dent in capitalism. The Union points out, in its report, that Gladstone's greatest days as Chancellor of the Exchequer, never handled such large sums.

The capital investment of the co-operators totalled just short of $460,000,000. Their patronage rebates came to $107,000,000.

207,111 workers are now employed by these co-operators, the larger half of them in the distributive work, the smaller half in producing for the wholesales and for the local societies.

Thus grows apace the massive economic power of poor people, when they band together for mutual service.

Co-operation Gaining in Norway

The Fifteenth Congress of the Norwegian Co-operative Societies held late in June was represented by 278 delegates from 140 societies. The most important matter before the Congress was the decision to build a new margarine factory in Oslo which is to be a centre around which is to be a centre around which are to be built future co-operative undertakings.

The Congress also decided to arrange co-operative courses for educating co-operators and co-operative employees.

The Wholesale Society in its annual report gave as its total turnover $1,580,161, which is an increase of 31.8% over 1923. The net surplus amounted to $20,251, the share capital to $1,071,187 and the reserve to $90,911 crowns. The Union comprises 432 distributing and purchase societies with a total membership of 100,836. It owns tobacco, margarine, and soap factories and two coffee-roasting establishments. It has 264 employees, 99 of whom are employed in the productive establishments. The general expenses for the Union for 1924 were 4.5% of the turnover.

The Banking Department has 64 local branches with total deposits of $4,714,187 crowns for 1924. Its Insurance Society in 1924 issued 8,437 policies to an amount of $88,296,045 crowns.
News and Comment

A Unique Co-operative Pension Plan

The Brotherhood of the Commonwealth, headquartered in New York, is one of the most interesting and significant enterprises of its kind to be found anywhere in the world. It is a practical plan for the "socialization of capital," and it is surprising that the Socialists have not given it more attention. The Brotherhood is now 22 years old and has several thousand members.

The members are put into birth-year classes; the year of their birth determines their class year, thus placing all on an equal footing. As members of the class drop out by death, final disappearance, or through non-payment of dues for three consecutive years, their principal, or basis, is apportioned among the surviving participating members of the class, in proportion to the total amount of dues, or shares, standing to the credit of each. As time goes on the survivors in a class get an increasing income, in cash dividends, until ultimately the sole survivor of his or her year class must be a last survivor in every class—receives the whole income of the entire class fund annually as long as he or she lives.

When the last survivor of a class dies that class is closed. The earnings of that class fund will increase the annual income of all the participating members in the Brotherhood.

The unique point about the Benefit System is, that ultimately every one leaves his or her net dues or shares as an inheritance for the benefit of his fellow members. Practically the members make their wills as to their dues or shares in each other's favor; in this way an endowment of savings is built up, and as the years go on members will enjoy the income of dues left in the fund by departed members.

Another feature of the plan is that when a member passes away the earnings on the amount paid by him will be paid to his wife, father, or sister, as designated, provided he or she is not more than twenty years younger and is also a member of the Brotherhood.

Here is an example: A class of 1,000 members paying $5.00 per year for an average of 20 years, would produce this result:

- Annual dues or shares of one member: $5.00
- 20 years' dues or shares of one member: $100.00
- 20 years' dues or shares of one thousand members: $100,000
- 80 per cent of this invested at 5% annual earning of class fund would be: $4,000.00

This is to be distributed each year to all surviving members of a class.

- Last living member of a class will receive: $4,000.00
- Last 2 living members of a class will receive: $2,000.00
- Last 4 living members of a class will receive: $1,000.00
- Last 8 living members of a class will receive: $500.00
- Last 16 living members of a class will receive: $250.00
- Last 32 living members of a class will receive: $125.00

Increasing each year of membership.

Your income starts the first year of your membership.

The initiation fee is $5.00. Annual dues are $5.00 regardless of age.

Every dollar paid in as dues purchases one share. You can purchase as many shares as you wish but not less than five shares each year.

On these shares you get yearly earnings or dividends as long as you live.

You may vary your payments each year, that is, you may pay $5.00 one year; $10.00 or $100.00 the next year and then return to $5.00 again.

You also have the choice of decreasing your yearly payments by applying your income to the payments of your dues until your income equals your dues.

When your income becomes larger than your yearly dues, you will eventually draw out more money yearly than you have ever paid in.

The money you put in as dues creates a perpetual investment for you.

Because of our inheritance feature, some members in the older classes are now receiving as high as 40% net on every dollar they have paid in as dues or shares. A few are receiving several hundred per cent.

Whenever a member of your class passes away or lapses, you inherit your proportionate part of his shares.

You also get earnings on the shares you inherit as long as you live. This is the important feature of our plan.

Some member must be the last survivor in your class and you have an unequal chance of being that survivor who will receive the entire income.

When you reach the age of seventy your class is closed to new members.

The shares are not transferable. They become more valuable than Gold Edge Securities through their increasing earning power.

The Brotherhood of the Commonwealth includes under the "Benevolent Orders Law" of New York State, by Chapter 297 of the Laws of 1910.

The financial officers are bonded by a reliable insurance company.

Great Co-operative Picnic

When the Northern Minnesota Managers' Conference called a picnic for the middle of August, to be held in Gilbert, Minn., the Committee in charge did not realize what it was getting in for. Fully 5,000 people turned out, hundreds of automobiles were parked within a radius of half a mile of the picnic grounds, and the festivities were pronounced more than a success. Many of the parties came all the way from Canada.

There were several speakers, including George Halonen, Educational Director of the Co-operative Central Exchange; Eskel Ronn, Manager of the Exchange; and one of the Editors of the Finnish I. W. W. paper. The music was provided by the combined bands of several of the co-operative societies in the district; and the combined singing societies "made the welkin ring" in good old-fashioned style. In the evening a play was staged by the co-operators.

The picnic planned by the local society for its own members and friends is always a valuable aid to building up the co-operative movement. But the real picture, and together the cooperators of different towns and cities and unites them in a common program of instrumental music and song arouses these men and women and children to a consciousness of the wider co-operative world outside their own community, a world of folks struggling for the same goal and following along the same road to that goal. The first kind of picnic helps build a co-operative society. The second helps build a co-operative movement.

Illinois has staged such co-operative meetings successfully. So have certain districts in Canada. The co-operators of Northern Minnesota are to be congratulated on this initial effort and its success.

Another Strong Credit Union

One of the staunchest supporters of the larger co-operative movement throughout the country to be found anywhere among the credit unions (so often very conservative and self-satisfied little organizations) is the Workers' Credit Union of Fitchburg, Mass. Latest reports sent to the Co-operative League indicate a most healthful condition for this society.

Total assets are nearly $600,000, while the combined capital and deposits are more than half a million, and almost all of this large amount is kept working in the form of loans to members. The annual income from interest charges are in excess of $25,000. There are 1,310 members and two employees.

Consumers' Co-op Housing Association

The average co-operative society has an annual turnover that is ten or fifteen times its capitalization. But with housing it is quite the reverse. That is why it is difficult to get a co-operative housing society started.
District

Eastern States League Gets Under Way

On Sunday, October 11th, in New York, the Executive Board of the Eastern States League held its first formal meeting and declared that enough societies had officially adopted the by-laws to warrant the formal inauguration of the E. S. League. The following societies which have already acted and any others which sign up before December 31st, are charter members.


The report of the Joint Buying Committee was highly encouraging. A. Wirkkula reported that the eight societies which had replied to his questionnaire use an average of 85,000 barrels of flour and 5,100 lbs. of yeast every four months in their bakeries. He showed that Utica Bakery had saved $76 cents per barrel on a purchase of 250 barrels made through the Joint Buying Committee. The delegate from Maynard, Mass., reported a savings of $8 per month.

The semi-annual report of the Consumers' Co-operative Housing Association of New York is an illustration.

Though this organization has barely 30 members, has been in business only a year, and its members have actually occupied apartments less than nine months, the total assets are $229,519, most of them in land and buildings. The paid in capital is so far only $47,200, but this increases each month as members pay (in with their rents) a specified sum toward retirement of three mortgages.

The annual income from monthly (rental) payments is about $25,000, which goes to operating expenses, taxes, retirement of mortgages, interest payments, depreciation, etc. This sum decreases each year as investment of the members becomes larger and mortgages are retired. Twenty-eight of the 34 apartments are already taken by members; the others are rented temporarily to outsiders.

The United of Maynard

At Maynard, Mass., the United Co-operative Society had six months sales aggregating $157,158. More than half of this business was done in the grocery store. The milk department showed sales of nearly $32,000, and the coal department nearly $20,000. The restaurant business of $13,645 was done at a slight loss. Net gain for all departments for the six months was $8,549.79.

The paid in capital is now $25,260; the loan capital $20,100, and the Reserve Fund $16,691. Total assets are $101,688.

The United of Fitchburg

At Fitchburg, Mass., this Co-operative Society had six months sales aggregating $157,158. More than half of this business was done in the grocery store. The milk department showed sales of nearly $32,000, and the coal department nearly $20,000. The restaurant business of $13,645 was done at a slight loss. Net gain for all departments for the six months was $8,549.79.

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CO-OPERATION

Proceedings of Academy of Political Science

Popular Ownership of Property

This little book contains the 25 addresses at the annual meeting of the Academy on the subject of stock distribution by large corporations among their employees, their customers, and the general public. We are shown stupendous figures to illustrate how the demand for goods and how the last analysis all industry depends upon the

Happily, while these men were congratulating themselves and the unwise on the fact that "ownership of American utilities has passed from 21st Street to Main Street, there were two or three men present ready to ask some embarrassing questions. George Soul wanted to know why, if so many business men wanted to give employees a more complete control of industry, they didn't deal with the labor unions built by employees. Donald Richberg told the gathering he thought the whole movement was a "great silent revolution."

The Correspondence File

The Editor, Co-operation:

Dear Sir:

In a recent article in Co-operation, you begin by saying that somebody has said "a Scotchman dearly loves his word." Why do you get that stuff about the Scotchman? Who said it? When? The Scotchman dearly loves his whisky? He very dearly loves his "bawbees" (the coin); but when it comes to lords, the backbones of the Scotch are—at least—as stiff as any to be found in Europe. Certainly it has never been said since Burns wrote his immortal song, "O for a man a' that"—even when he is a lord.

To speak of lords or of monarchs as if the workers in Europe were still their loyal subjects, or as if the modern manager is to mislead the American workers into the complacent belief that they are as far ahead of the others, a people apart, not facing the same problems. If lords and monarchs still continue to exist, it is because of the intelligent section of the workers realize fully that the job before them is not to be the easy one of overthrowing a cloud of dust, the foolish remnant of an outworn feudalism, but the stern task of finding actual up-to-date capitalism and of building up in its stead a new economic system to replace it.

T. H. Bell

Distribute Xmas Gifts to Your Patrons

The League offers three suggestions for Christmas presents to be distributed by cooperatives to their customers at Christmas:

1. A calendar, just published by The League, 11 x 7 inches, in THE CORRESPONDENCE FILE, about 40 cents for the price of $2.50 from your Co-operative League, 167 West 12th Street, New York City. The picture that covers the larger part of the reverse is a reproduction of the famous Statue of Liberty. It is a co-operative invention and is being given by the League in the interest of co-operation.

2. THE ANIMAL CO-OP BOOK. The Adventure of Oswald, the ostrich, and Oliver, the bear, and all their animal friends in trying to buy the most from the co-operative. Can be sold for 25 cents a copy at the store. 24 pages of colored pictures and grotesque adventure. All those who have raised or sold animals will find this a splendid book for the children, and all the parents should be shown a copy. And copies can be sold for 25 cents a copy at the store.

3. The Animal Co-op Book. The Adventures of Oswald, the ostrich, and Oliver, the bear, and all their animal friends in trying to run an animal co-operative store. 52 pages of colored pictures and grotesque adventure. All those who have raised or sold animals will find this a splendid book for the children, and all the parents should be shown a copy. And copies can be sold for 25 cents a copy at the store.

It costs you 15 cents or 20 cents, depending on the quantity ordered. Societies interested should send for a free sample.

2. CO-OPERATIVE DEMOCRACY. The new book on Co-operative Democracy by Cedric Long, Secretary, is being sold for the special price of $2.25 until Christmas (formerly $3.50). Letters of presentation can be obtained from the Manager, the Chairman of the Educational Committee, or the Local Library.

3. The Animal Co-op Book. The Adventures of Oswald, the ostrich, and Oliver, the bear, and all their animal friends in trying to run an animal co-operative store. 52 pages of colored pictures and grotesque adventure. All those who have raised or sold animals will find this a splendid book for the children, and all the parents should be shown a copy. And copies can be sold for 25 cents a copy at the store. It costs you 15 cents or 20 cents, depending on the quantity ordered.

No other store in town can distribute co-operative Christmas presents. The Co-op has an opportunity to put itself on the local map, and it should not fail to take the advantage.
CO-OPERATIVE SOCIETIES!!

**Try to Win This Beautiful Statue**

WOULDN'T this statue look good standing atop the desk in the Board meeting room or in a convenient corner of the store? With a table beside it for literature, etc.?

It is a miniature copy of the huge Co-operative Statue made by Leon Sartee of Belgium, and is being ordered direct from Ghent. It symbolizes a co-operative world upheld by the artisan, the farmer, the housewife, etc.

The Executive Staff of The League will present one of these statues to the co-operative societies which send in before December 31st, 1925, the largest number of new subscriptions to CO-OPERATION. (District Leagues, wholesale or other federations of retail co-operatives not eligible for the prize).

Renewals of old subscriptions will not be counted.

**IN CASE OF A TIE, BOTH WINNERS WILL RECEIVE THE PRIZE**

Members of the Educational Committee, Women's Guild, Board of Directors: Isn't it worth quite an effort? Perhaps ten or twelve new subscriptions from the society will win this Statue. Why not make that Society YOURS?

SECOND PRIZE

A Copy of CO-OPERATIVE DEMOCRACY

BY J. P. Warrasse

Only two more months to go. The Societies are sending in new subscriptions in lots of 2, 5, 15 at a time. Have you sent yours yet?
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
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Published by
The Co-operative League

THE FIRST CO-OPERATIVE TRAINING SCHOOL held in the English language at Minneapolis in 1923 was the achievement which definitely established the Northern States Co-operative League as a powerful factor in the North Central States. Here is the school itself: students and teachers at work in their classroom, the Auditorium of the Franklin Co-operative Creamery building. Several of these men and women are now managing co-operative stores, boarding houses, etc.
Co-operative Unity in the North Central States

In no other section of the United States is the consumers' co-operative movement as alive as in Minnesota, Michigan and Wisconsin. The causes for this are several: Nationality of membership of many of the societies; the existence of a strong wholesale co-operative; the prevalence of sound co-operative legislation, etc. But regardless of the causes, the chief result is the Northern States Co-operative League, a district federation of many of these societies for purposes of carrying on educational work, standardizing the technique of administration and management, training executives, and general promotion of the movement.

This League was organized in March, 1922, and today has a membership of ten societies directly affiliated and 61 indirectly affiliated (through their membership in the Central Exchange). The total membership of the District League thus includes nearly 70 co-operatives, and among them are the strong Franklin Co-operative Creamery Association of Minneapolis, with its 6,000 members, and the Co-operative Central (Wholesale) Exchange with its 61 stores and buying clubs. The member societies pay dues on the basis of 15 cents per capita. In addition to these, there are 325 individual members (paying $1 each annually), and nine fraternal memberships of labor and allied organizations, with an annual fee of $10 each.

The initiative for forming this League was taken by the Exchange. Fourteen societies responded to their call for a conference early in 1922. At the first meeting of the Executive Board in June, plans were discussed for the formation of a Training School to be held in English, in the city of Minneapolis, and modelled on the schools held in the Finnish language for several years previous. This school was held in the autumn of 1923 in the auditorium of the Franklin Creamery building, and the subjects taught were Bookkeeping; Co-operative Store Organization and Management; History and Theory of Co-operation; Administration of Co-operative Industries. The teachers were the Executive Secretary of the N. S. League, the Accountant and Auditor for the Central Exchange, the Manager of the Franklin Creamery, the Accountant for the Creamery, and the Executive Secretary of The (national) Co-operative League.

Again in 1924, and now in 1925, other schools have been held in Minneapolis similar to the First Training School of 1923. The total attendance for the three years has been 63. In addition, a correspondence course is being planned for this year. During the summer a Year Book of the N. S. League was published and distributed widely among the societies and interested individuals.

In the Spring of 1925 a Conference was called of managers and directors of stores in Minnesota. As many of the delegates attending this Conference were from societies never before in touch with the organized movement in that part of the country, much good was accomplished. A central Buying Organization was established by this Conference and plans made for continuing the good work in the large State of Minnesota, where so many of the stores are too far away from the Central Exchange to be benefited by it.

Such is the skeleton of the activities of the Northern States Co-operative League. Other work has been the routing of speakers to scores of meetings, picnics and conferences throughout the three states, distribution of co-operative literature, sending of delegates to the national Congress in New York.

Of the two largest societies affiliated with the League, little need here be said about the Franklin Creamery, whose history was given in Co-operation for March, 1925.

The Co-operative Central Exchange is now eight years old. The first manager, John Nummivuori, was among the early organizers sent to a Conference by a small number of the Finnish societies in the three states. For the first few years the progress was slow, and the fact that most of the savings made from the business were turned over to educational work made it still more difficult to build up a quick reserve.
other hand the percentage of men descended from farmers decreased from 24.6 to 7.3 per cent. in a generation. The percentage of those whose fathers were workers decreased from 7 to 1.6.

The millionaires who started life poor in the former generation were 38.8 per cent.; those who started poor in the present generation are 19.6 per cent. Those who started rich in the former generation were 29.7; those who started rich in the present generation are 52.7 per cent.

Some studies show that those born rich have an opportunity to stay rich better than the rest have to become rich, and this opportunity is increasing. It also means that "the captains of industry" are more and more coming from the affluent class.

We may yet develop in the United States a working class, born in that class and destined to stay there. There may come a time when the American people will be forced into co-operation, as they are in Europe.

J. P. W.

New Moves to Avert Radicalism

A good friend sends us two clippings, both from the Philadelphia Public Ledger. At least it is true that Philadelphia is much more frank than that of New York.

The first clipping presents the purpose of the American Bankers' Association to raise a fund of half a million dollars to finance 200 scholarships of $5,000 each. The keynote was presented by the Chairman of the Board of the Irving Bank-Columbia Trust Company, New York. "There is nothing to fear from radicalism provided the great mass of the American people have a true understanding of the essentials of business and government," says this banker. "We will make more money than we have ever made in the past." And our friend tells us that this scheme is working out more successfully. In fact, he believes that it is the method that all Great Britain will adopt in the future for the gradual elimination of the drink evil.

Why not? We believe that most of the co-operativists in England refuse to handle intoxicants. If the co-operatives don't handle them all, and the municipality removes from the private merchant his chief incentive for selling them, the consumption of these drinks may well dwindle to the vanishing point in the course of a decade or two. And how much more sensible a way to do this is our American method of letting the purists try to enforce a new code of private morals by legislation!


If we have successful co-operation, successful co-operative education must underlie its entire construction. There is no sound co-operation in the absence of co-operative education.—E. B. Zombo, Secretary, Bloomington Co-operative Society.

Some have meat and canna' eat, Some have none that want it. But we have meat an' we can eat, Sae let the Lord be thankit. Bobbie Burns.

Wages in Europe and America

The Federal Reserve Bank of New York has issued a table showing the relative wages paid workers in the United States and in certain countries of Europe. This table shows that wages are as follows:

<table>
<thead>
<tr>
<th>Country</th>
<th>Average Wage</th>
</tr>
</thead>
<tbody>
<tr>
<td>United States</td>
<td>$5.60</td>
</tr>
<tr>
<td>Great Britain</td>
<td>$2.26</td>
</tr>
<tr>
<td>Germany</td>
<td>$1.55</td>
</tr>
<tr>
<td>France</td>
<td>$1.35</td>
</tr>
<tr>
<td>Belgium</td>
<td>$1.14</td>
</tr>
<tr>
<td>Italy</td>
<td>$0.96</td>
</tr>
</tbody>
</table>

How accurate these figures are, cannot be proven. But supposing that they are fairly accurate, some interesting observations can be made.

1. It is often said by the American worker that he cannot afford to belong to the Co-operative. The opposite is the truth. He can afford too much, so he goes bargain hunting.

2. The workers of Europe have a powerful co-operative movement because they are driven to co-operation by their low wages. Perhaps more genuine suffering in this country would wake us up to the importance of Co-operation.

3. The above figures might be explained by saying that the only real wealth of those countries can get along better because the cost of living is lower. But perhaps the cost of living is lower because of the strength of the co-operative movement.

4. The ultimate test of the strength of the power of the workers, either in their labor unions or their co-operatives, is not their income or purchasing power, but what they use it for. In no country in the world do the wage workers own so many autos and radios, nor flock to the movie pictures in such droves every night in the week. The cheap pleasures of the better paid workers in America are in the best of economic interests.

A good Co-operator in Philadelphia used to say: "The Building and Loan Associations, the automobile, loan sharks and the movie houses will be the ruin of the labor movement and co-operation in this city." Perhaps he was right. The co-operative movement there at present is entirely asleep.

Non-Profit Sale of Intoxicants

A veteran co-operator from Scotland, visitor to the Co-operative League offices this summer, is responsible for the statement that there is one town in England and one town in Scotland where the sale of liquor is conducted without any profit accruing to the seller. These towns are Carlisle and Annan.

During the war there were huge amounts of intoxicants sold at non-profit. The utmost test of the strength of the Co-operative movement was to see if it could carry its educational work through when the temptation was given. The recommendation of the President's Agricultural Conference would create a "bureaucratic control of farmers' co-operative organizations, through the establishment of a government supervisory and espionage board to poke its nose into every farmers' co-operative organization and to compel it to open its books to the government, which no other corporation does (except upon complaint), while the farmers carry all the risks."

—Benjamin C. Marsh.

When the Co-operative Wholesale Society went into Africa for the raw materials for its soap factories, it voluntarily paid the natives six times what the capitalist interests were paying them for similar labor. Co-operative character prevented the robbery of the helpless.—The Co-operative News, Sydney, New South Wales.
Contributed Articles

Why Co-operation IS Enough*
From the Viewpoint of the Co-operator
By Cedric Long

URING the past nine months there has appeared in Co-operation a series of articles on the subject Why Co-operation IS Not Enough, written by people outside the co-operative movement. Next month we hope to publish a letter from one of our readers which is an example of the reaction of several co-operators throughout the country to this series. They think the treatment of Co-operation by these outsiders very superficial, and even question the wisdom of carrying such ill-informed criticism of the movement in the pages of the magazine.

But meanwhile, one of the staff of The League offers herewith his own opinion as to why Co-operation IS enough. Of course, I speak of its sufficiency as an economic movement, and do not pretend that it is going to solve the problems of illiteracy, foot and mouth disease, “How many babies shall we have?”, or the warfare between the Hun and the rest of civilized man. The answer was “it is not enough even the unsuspicable Hun with the help of other races and nations, and we held this belief during the fiercest of years. Capitalism may not be justified: perhaps the cataclysm is inevitable. Certainly, our worst fears may not be realized, but even though the United States becomes bankrupt. And right here in America this possible bankruptcy is still only a possibility or, at best, a probability. Suppose that it does really come, it will not wipe the face of the earth more than one hundred millions of people; and if it doesn’t, the survivors will have their peace. And more recently another good Single Taxer advised us that the most profitable form of Co-operation would be Consumers’ Co-operation in the purchase of land. Some time we hope to have the opportunity to introduce these two gentlemens to each other.

One of the most potent arguments of the Capitalists is that the joint stock form of organization is a better and quicker way of raising capital for new undertakings than the co-operative way. We are not sure. But if it is, then the best answer in the world is this: What civilization needs today is not the further organization of industry and commerce around the concentration of capital, but more of it organized around the elements of human wants and human needs. The capitalist method of organization stimulates the acquisitive instincts of man and creates economic warfare. The co-operative method promotes harmony and orderliness in the economic affairs of man.

The Syndicalist who says that Co-operation does not supply the dynamic force necessary to enlist the fighting loyalities of men for the overthrow of capitalism and the transfer of property ownership, this person sounds the keynote of the Socialist philosophy. True enough, the Co-operator does not storm the walls of capitalism with picket lines and soap box orations. Trade unions are fighting organizations and possibly the most successful unions are the non-co-operative type. But the charge that Co-operation plays a passive role in economic affairs could be made only by those who think and see simply in terms of combat. The co-operatives by organizing men and women around new economic motives are quietly diverting the flow of money and credit away from capitalist business into co-operative business. Anybody active in this job will testify that he has to keep pretty busy. This job requires the kind of financial and engineering abilities that are not often found among the rank and file of your mere scrappers.

With the statement made by our religious leader that any economic plan is not enough for the reconstruction of society we are in
entire accord. Probably there are non-economic fields of effort just as important as the economic. Many co-operators do indeed lack social vision. But the Co-operative Movement is, fortunately or unfortunately, concerned with the hard facts of economics and not with religious motives and ideals. We are much more interested in finding one practical minded and competent co-operative administrator with some ordinary appreciation of the difference between Co-operative and Capitalist than with a hundred sentimental enthusiasts for the principle of Co-operation who never have the time nor initiative to put their principles into action. In the present critical condition of things, we need "doers" much more than "wishers"; and we judge people by their fruits rather than by their words. The religious organizations of the country with their hundreds of thousands of adherents are built almost entirely upon creeds, sentiments, and hopes; and they are giving almost no support to co-operative action.

We are sure the Pacifist is right. The Co-operative Movement is a method of fire-proof construction and we live in a tinderbox which may go up in flames any day before our new construction is sufficiently built up. The religious and socialistic prejudices keep us so busy calling out the fire department that we have little time to do any new building—especially in the United States. But if these are the facts as they exist, what are we going to do about them? Organizing new fire companies is never going to prevent the starting of new fires; and under our present method of fire fighting, it is never going to happen that the firemen will get the credit for putting out each fire. The whole system is so cumbersome and so irritating, so complicating, and yet so charming, that it is easy to understand why one wants to keep it. But we are not co-operative.

The fundamental job is that of finding and organizing the Builders.

No, the arguments of our nine contributors are not convincing. I continue to feel that among the plans yet presented, Co-operation more than holds its own, and contains the best elements of most of these other movements.

Do Farmers Co-operate to Exploit the Consumers?

By GORDON H. WARD
St. Paul, Minnesota

The suspicion that "the farmers' marketing organizations are huge concerns whose purpose it is to exploit the consumers" is based on a misunderstanding of the character of these concerns. The suspected organizations, among which are the Twin City Milk Producers Association and the Franklin Co-operative Creamery, are of the semi-centralized type. They are not farmers' organizations and they are not co-operative. They are large stock corporations organized by business men and bankers to "apply the methods of big business" to the marketing of farm crops. The stockholders, the financiers, control the corporations, the farmers' connections with the "co-op" in most cases being limited to a contract to deliver his entire crop to the organization. In fact they amount to giant commission firms, not farmers' co-operatives. For the most part it was this type of semi-centralized co-operative which participated in the marketing conference at Washington last February. Genuine farmers' co-operative associations do not enter into league with the selling of professional exploiters of consumers' needs.

When a plan is announced "whereby dealers in fruits and vegetables are to co-operate with two thousand farmers, marketing organizations in launching an expensive nation-wide advertising campaign," it is the dealers who will do launching and co-operating. Sometimes farmers' co-operatives are duped just as many consumers' are duped or price-fixing dealers in fruits and vegetables are to co-operate with two thousand farmers, marketing organizations in launching an expensive nation-wide advertising campaign. The plan owner came to his dinner table rubbing his hands with glee. "I've got them Tiffany's. The plan owner remarked, with that sweet simplicity which is so charming, although sometimes also so irritating, in one's help meet: "John, why don't you give the consumers some stock instead of lower rates, and give the employees some stock instead of higher wages? You sometimes give the stockholders more stock instead of dividends. You have so much stock that never cost you anything you could afford to give some more of it away!"

Of course, the good business man pointed out to his wife the absurdity of her proposal, but, after squelching her, he decided that properly modified, her idea might be of use. Some months later the gas plant owner began to sell stock to his consumers on easy terms, deducting the deferred payments in small installments to the monthly gas bills. He also began selling stock to his employees on easy terms, deducting the deferred payments in small installments from their pay checks.

One evening a few years later the gas plant owner came to his dinner table rubbing his hands with glee. "I've got them Tiffany's," he chuckled. "My stock-selling plan is a great success. Whenever the employees want higher wages, my consumer-stockholders and all my employees create public sentiment against higher wages. It's working splendidly. Instead of everybody fighting me, everybody is fighting everybody else. I'm just a little peacemaker. Blessed is the peacemaker!"

"Isn't that lovely," said his good wife. "I suppose when the consumers and the employees own all the stock, you won't have any troubles at all."

"Now, isn't that just like a woman," sneered the gas plant owner. The secret of my success is in not letting any group with common interests own too much stock. If the consumers controlled the company, I'd be just their hired man employed to keep down the wages of the other employees. If the workers controlled the company, I'd be just their hired man employed to keep up the price of gas. But as long as I control the company, I can play one...
of my competitors off against another and
win from both of them. Business, my dear,
is just competition; and to succeed you must
always have some advantage over your
competitors. One advantage of this popular
ownership plan of mine is that I divide my
competitors. I have consumers and con-
sumer-owners fighting each other. I have

The Movement in Japan

RECENTLY, Mr. H. Obama, Secretary of the Ministry of Agriculture, and Coun-
seller of the Japanese Central Co-operative
Union, stopped in at the office of The
League to gather information about the
American movement and to acquaint us
with progress in Japan.

Japan now has the tremendous total
of 14,444 societies, all organized since
1900. Of these more than 13,000 are en-
gaged wholly or partly in co-operative
credit. The majority of the societies, how-
ever, do mixed types of business, as, for
taxe, credit, sale and purchase by the
same society, or purchase, credit and
utility. 7.5 per cent. of them are organized
with limited liability. A number of co-
operative societies in Japan exceed the
total number of cities, towns and villages
by 2,400.

In 1924 the membership of these societies
aggregated more than 3,000,000. The paid
in capital exceeds 103,000,000 yen, and the
paid in capital. The Co-operative
society. These societies have savings,
the expense of the English League for the
Co-operative societies and local govern-
ments as well as of local societies, direc-
tors, legal advisers, editors and rank-and-
file members of the movement.

The Belgian Congress

THE very choice of a Congress city, in
Belgium, is part of co-operative propaganda.
The little town of Tournai, close to the
French border, was notorious for its
wealthy charitable institutions and many
workers were able to only through the
help of their organizations. Co-operation
had arrived slowly and with difficulty in
this town, but now the Co-operative Union
owns a “People’s House” and about a dozen
stores. The delegates met there to further
demonstrate the growth and strength of
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The Congress discussed the question of
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News and Comment

One More Fake Co-operative Gone

Recent news from good co-operators in Milwaukee confirm the story of another smash-up of a fake co-operative, the loss of a large amount of money on the part of the poor folks who were gulled, and an equivalent loss of confidence in the co-operative movement by most of these people and their friends.

Back in the high-price days of 1922 the city of Milwaukee conducted a municipal market to show how cheaply food could be sold to the public and to expose profiteering by private grocers. The agitation was so successful, that some shrewd promoters saw a possibility of capitalizing the popular feeling to the benefit of their own pockets.

First the Wisconsin American Rochdale Company was organized and opened stores in 37 different communities throughout the state. Each of these 37 stores was separately incorporated under the name Wisconsin Rochdale Company, and the money raised from people in the neighborhood. These people were promised no control over their stores, but were told they would divide the profits.

Then the State Marketing Association, also claiming to be co-operative, was started, took control of the 37 stores, and also opened 12 more in Milwaukee. The whole structure finally crashed late this summer. Liabilities were listed at more than $1,100,000, while assets were only $90,000. There is now a receiver in charge, and thousands of stockholders throughout Wisconsin are waiting and hoping that they may have a few cents of every dollar returned to them when the lawyers are through.

Friends writing to The League assert that this whole project is the work of one of the original promoters of the ill-famed Co-operative Society of America which lost more than $14,000,000 for trusting co-operators a few years ago; or, in other words, an illegitimate child of the same parents.

“Honor Roll” co-operative buttons have been ordered from a local concern and already delivered to the Secretary for distribution to the societies ordering them. The Year Book as now been delivered, but only after considerable trouble with the first printer and necessity for transferring the work when half completed to a new printer.

Excellent work has been done by a small number of individual members of The League with the result that there are now 325 such members enrolled on the books. Financial report for period from July 1st to November 1st shows receipts of $1,687.21, and expenditures of $1,158.00. 325 such members enrolled on the books.

The Training School got under way with 25 students early in October. Instructors are A. W. Rankin (Consumers'
Co-operation during the first two weeks; O. J. Arness (bookkeeping and commercial arithmetic); H. V. Nurmi (bookkeeping for the six weeks main course); H. I. Nordby (Principles of Co-operative Management); Lewis J. Duncan (Business Correspondence and English); V. S. Alanne (Principles, Methods and History of Consumers’ Co-operation, Organization of Co-operative Societies, Management of Co-operative Stores and Study of Commodities). The Secretary was also authorized to invite Mr. George B. Leonard, Dr. Joel H. Greene, Professor Price, Mr. Hay, Mr. McGuire, Mr. Burandt, Professor Macey (or Mr. Ahlstrom) to give special lectures. The Minnesota or Co-operative Cremeries Association has granted $300 as a contribution toward the school with the understanding that a two-weeks special course in creamery book-keeping be arranged and a part of this fund be used for scholarships to students attending this special course. A commencement celebration is being planned for the close of the school on November 28th.

Directors Page

Do You Buy on Future or Do You Get Quick Stock Turn?

A SURPRISINGLY large number of co-operative managers and directors think there are big gains to be made on Future Buying. Perhaps it is because they have a streak of the gambler in them; or perhaps it is because they have been educated in that way. But whatever the reason, they are always fooling themselves and wasting the money of the co-operative society.

Paul Findlay, in his little book on Grocery Stores, gives an excellent example of how it works.

You have average sales of 200 cans of a certain vegetable each month. The specialty salesman comes along and convinces you that for the next six months there is going to be a steady advance in price. Therefore you lay in, at his advice, a supply of 1,000 cans at 11½ cents; enough to carry you for five months, at an investment of $115.

The salesman was right; the market advances steadily each month, you continually increase your margin on this commodity, until in the fifth month you are clearing 9 cents on each can purchased at 11 cents. That 45 per cent. profit looks pretty good.

But how much are you really making? Would you do better or worse if you took your chances and bought in smaller quantities, even at a higher price? Here is the actual gain you have made on that future purchase:

<table>
<thead>
<tr>
<th>Month</th>
<th>Sales</th>
<th>Total</th>
<th>Gross Gain</th>
</tr>
</thead>
<tbody>
<tr>
<td>1st</td>
<td>200 lbs. at 15c</td>
<td>$30</td>
<td>$7</td>
</tr>
<tr>
<td>2nd</td>
<td>200 lbs. at 17c</td>
<td>$34</td>
<td>11</td>
</tr>
<tr>
<td>3rd</td>
<td>200 lbs. at 18c</td>
<td>$36</td>
<td>13</td>
</tr>
<tr>
<td>4th</td>
<td>200 lbs. at 19c</td>
<td>$38</td>
<td>15</td>
</tr>
<tr>
<td>5th</td>
<td>200 lbs. at 20c</td>
<td>$40</td>
<td>17</td>
</tr>
<tr>
<td></td>
<td>TOTAL GAIN</td>
<td>$63</td>
<td></td>
</tr>
</tbody>
</table>

Now suppose you had bought only a four weeks’ supply in advance, making purchases five times, and at an increased cost each time. You would come out as follows:

<table>
<thead>
<tr>
<th>Month</th>
<th>Sales</th>
<th>Total</th>
<th>Gross Gain</th>
</tr>
</thead>
<tbody>
<tr>
<td>1st</td>
<td>200 lbs. at 11½c</td>
<td>$23</td>
<td>7</td>
</tr>
<tr>
<td>2nd</td>
<td>200 lbs. at 12½c</td>
<td>$26</td>
<td>9</td>
</tr>
<tr>
<td>3rd</td>
<td>200 lbs. at 13½c</td>
<td>$29</td>
<td>9</td>
</tr>
<tr>
<td>4th</td>
<td>200 lbs. at 14½c</td>
<td>$32</td>
<td>10</td>
</tr>
<tr>
<td>5th</td>
<td>200 lbs. at 15½c</td>
<td>$35</td>
<td>11</td>
</tr>
<tr>
<td></td>
<td>TOTAL GAIN</td>
<td>$46</td>
<td></td>
</tr>
</tbody>
</table>

The first plan still looks the better. But we haven’t yet considered the capital investment. You tied up $115 in that first purchase; $63 gain on $115 is just short of 55 per cent.

In the second plan your monthly investment was $23, $26, $29, $32, $35, or an average of $26.40, which you invest and get back again every four weeks; a turnover of five times for your capital. $46 gain on $26.40 is a little better than 174 per cent. return on your investment.

So the purchase for future delivery was a bad bet by nearly 120 per cent. In reality it was more than that; for it costs money to keep idle goods on the shelves or in the storeroom. Experts estimate that 3 per cent. of the investment must be added to carrying charges each month on stock carried over one month.

The above figures are based on actual advance in market, just as the salesman estimated. What happens if he guesses wrong and the market goes down, or merely holds steady? You stand to lose even more in these instances.

Book Reviews

Furnishings and Hardware

A Text Book for Co-operative Salesmen

T HIS book, published by the Co-operative Union of England, and edited by A. Haigh, is the first of a series of three books to be published. The other two are on practices in the clothing, food, and allied departments.

It is surely a great relief to turn from the textbooks produced by Departments of Economics in the American colleges, or by Wholesale Grocers Associations, or by the publishers of Retail Grocers Journals,—all of which are written for the business of making profit,—and find such a book as this. The opening paragraph of the introduction states the case succinctly, when the editor says, “It is the co-operative salesman’s duty, first, to distribute the necessary of life in the most satisfactory and efficient manner; and, secondly, to carry on the work of social reform by helping to build up the co-operative movement, thus gradually removing the waste and misery of the present competitive system of society.” And this emphasis upon Business-Service, Co-operative versus Competitive Methods of Selling, Honesty, runs throughout the entire book.

The first seven chapters deal with problems that are common to all co-operative stores, no matter what goods they handle. They treat of the organization, legal matters, managers’ qualifications, fitting out the plant, receipt and dispatch of goods, cash and credit trading and delivery, cash and check systems. Chapter VII. deals with the general principles of handling furnishings and hardware; and the next fourteen chapters take up various commodities in succession (furniture, upholstered goods, carpets, wallpapers, paints, cycles, jewelry, cutlery, etc.) The final three chapters deal with installment, purchasing, the manager’s books, and general policies.

Perhaps one of the most helpful chapters is the last in which the manager of this department is told how and why he should...
co-operate with the managers of other departments, so that his own sales may be increased by the help of clerks in other departments and the society as a whole be made to benefit by this kind of inter-departmental co-operation.

The book has 215 pages and a good index.

An Interesting Annual Report

Most annual reports of co-operative societies are business-like statements of income and expenditure, profit and loss. Most of them are interesting only to Co-operators who understand their social significance as well as their fiscal meaning.

The Consumers' Co-operative Services ("Our Cafeterias") has issued its report for 1924-1925 in the form of a unique document. It is an annual report not only giving the facts and figures, not only presenting to co-operators the essential social information, but actually dramatizing accounting! Whatever thinks of the possibility of living, thrift and being, and setting them walking upon the stage of life, playing their part in the social drama? Here they are in this Annual Report, doing just this thing.

The outer cover of the report, printed in three colors, suggests Co-operation before everything. The first paragraph of the report reads: "Open before are an essential part of a co-operative. If consumers are to control business they must know the actual cost of things. So we are going to show how 'Our Cafeterias' spent its money last year. We received for meals, from members and non-members together, $406,000. Here is a birdseye view of where it went":

Then the report goes on and analyzes costs. The big cost is for labor. All full-time workers get two weeks vacation with full pay. This amounted to nearly one per cent. of the income, or $3,422. How money is lost on baked salmon and pies with too much filling brings the drama up to the line of tragedy.

Life is thoroughly convincing, absorbingly interesting and unusually well written.

Prairie Fires

By Lorna Doone Beers (Dutton)

This is a story of the life of the farmers of North Dakota, between 1913 and the early days of the Non-partisan League. It is essentially a portrayal of the economic hardships these men and their families have to endure. They are exploited by the millers, the bankers, the merchants. Hans Erickson, leading spirit among the rebellious farmers, succeeds in getting a co-operative elevator organized, only to find that when harvest time comes, private mills are able to wean away the membership with higher prices, because the co-operative was not properly organized. He sees his daughter fall in love and marry the banker who so mercilessly exploits the farmers. He, with a few of his staunchest supporters, keeps up the fight, gets another elevator properly organized, helps start the Non-partisan League, and helps his own son to the defeat of his banker son-in-law as representative to the House at Bismarck.

The facts given here are familiar to every farmer in the Northwest, but the story is familiar to all students of modern economics. But no one has woven these facts into a story as this author has done. The picture of agricultural life in the Dakotas is thoroughly convincing, absorbingly interesting and unusually well written.

Why Is An Auditor?

The M. Consumers' Co-operative Society woke up after four years of operating five stores to discover that not only the $26,000 of capital stock had been wiped out, but $7,000 additional had been lost. Then the Directors called in an Accountant and the investigation began. The manager proved to be grossly incompetent; he had given jobs to all the relatives, near or distant, that he could possibly squeeze into the stores, and he had run a deficit each year of between $6,000 and $10,000. But his reports to the Board were always most optimistic. The Society has now re-organized, has closed three stores, has a new manager whose accounts are being properly audited every month, and the co-operative is once more making money.

And why did they wait so long for that first investigation?

Index of Co-operation

CO-OPERATION

Your ideas on the railroad question seem to me to be on the straight. The railroad question is not going to be solved the way we co-operations are trying to do it. It will not be an impossible task when enough people get the idea. Getting the idea is the thing. Our job is to keep on with this idea across. While I think government ownership is inevitable as a transition stage, I shall keep on pointing out how it could be done another way.

The Correspondence File

CO-OPERATION

Editor of CO-OPERATION:

Your ideas on the railroad question seem to me to be on the straight. The railroad question is not going to be solved the way we co-operations are trying to do it. It will not be an impossible task when enough people get the idea. Getting the idea is the thing. Our job is to keep on with this idea across. While I think government ownership is inevitable as a transition stage, I shall keep on pointing out how it could be done another way.

Most of the people are still depending upon the politicians to bring salvation. If we could get rid of the lawyers in politics who are afflicted with a running off at the mouth—such as ————, ————, and other noisome yappers—such as government ownership is inevitable as a transition stage, I shall keep on pointing out how it could be done another way.

Distribute Xmas Gifts to Your Patrons

The League offers three suggestions for Christmas presents to be distributed by co-operatives to their customers at Christmas:

1. A calendar, just published by The League, 11 x 7 inches in size; inscribed with New Year GREETINGS FROM YOUR CO-OPERATIVE SOCIETY.

2. CO-OPERATIVE DEMOCRACY, the new book on Co-operation, by Dr. James F. Warbase, is selling for the special price of $2.25 until Christmas (formerly $3.50). A fine present for the individual members of the Board, or the Manager, or the Chairman of the Educational Committees, or the local library.

3. THE ANIMAL CO-OP BOOK. The Adventures of Oswald, the opossum, the bear, and all their animal friends in trying to run an animal co-operative store, 52 pages of colored pictures and grotesque adventure. All the parents should be shown a copy. Copies will be offered free to any school children who buy the most from the co-operative.

Can be sold for 25 cents a copy at the store. It costs you 15 cents or 20 cents, depending on the quantity ordered.

No other store in town can distribute co-operative Christmas presents. The Co-op has an opportunity to put itself on the local map, and it should not fail to take the advantage.

ever, our laws do not permit murder, and besides I am a Christian—albeit a deviously heretical one.

L. S. Herron,
Omaha, Nebraska.

The Editor, CO-OPERATION.

Dear Sir:

My own fundamental interests of a reform nature other than religious are those of co-operation (consumers' especially) and land values taxation. It has been me the most fundamental in their tendency to completely transform human society in economic and industrial ways from the bottom to the top by peaceful means. Not that I think that the future will be free from violence and bloodshed, or that capitalism will be overthrown without many desperate deeds of resistance. But I do not look for a really Christian civilization until the transformation has taken place; and I naturally don't expect that it will be achieved in this century. However, we are on the way; and I wish you God-speed in your extremely important work.

B. A. Whittemore.
Boston, Mass.
### THE CO-OPERATIVE LEAGUE OF THE U. S. A.

**Statement of Receipts and Disbursements for Year Ending September 30, 1925**

#### RECEIPTS:

<table>
<thead>
<tr>
<th>Membership Dues</th>
<th>$252.92</th>
</tr>
</thead>
<tbody>
<tr>
<td>Societies</td>
<td>$1,197.50</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$1,450.42</strong></td>
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#### Self-Supporting Activities

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Subscription, Co-operation</td>
<td>$793.20</td>
</tr>
<tr>
<td>Sales Home Co-operative</td>
<td>498.32</td>
</tr>
<tr>
<td>Books and Pamphlets</td>
<td>1,040.69</td>
</tr>
<tr>
<td>Auditing Bureau</td>
<td>526.00</td>
</tr>
<tr>
<td>Speakers and Miscellaneous</td>
<td>462.70</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$3,495.81</strong></td>
</tr>
</tbody>
</table>

#### Liabilities

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance in Bank, September 30, 1925</td>
<td><strong>$2,573.61</strong></td>
</tr>
</tbody>
</table>

#### DISBURSEMENTS:

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overhead Expenses</td>
<td>$5,016.08</td>
</tr>
<tr>
<td>Office: Stenographer</td>
<td>1,425.20</td>
</tr>
<tr>
<td>Travel and Miscellaneous Expenses</td>
<td>878.19</td>
</tr>
<tr>
<td>Telephone and Miscellaneous Expenses</td>
<td>526.00</td>
</tr>
<tr>
<td>Rent and House Expenses</td>
<td>1,629.44</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$9,484.97</strong></td>
</tr>
</tbody>
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#### Self-Supporting Activities

<table>
<thead>
<tr>
<th>Description</th>
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</tr>
</thead>
<tbody>
<tr>
<td>Traveling Expense</td>
<td>$219.91</td>
</tr>
<tr>
<td>Magazine Co-operation</td>
<td>1,999.45</td>
</tr>
<tr>
<td>Magazine Home Co-operative</td>
<td>2,125.50</td>
</tr>
<tr>
<td>Books and Pamphlets</td>
<td>453.71</td>
</tr>
<tr>
<td>Auditing Bureau</td>
<td>800.37</td>
</tr>
<tr>
<td>Statutes and Legal</td>
<td>89.00</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$4,282.01</strong></td>
</tr>
</tbody>
</table>

#### Other Activities

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Office, Rent and House Expenses</td>
<td>$3,587.46</td>
</tr>
<tr>
<td>Audit Bureau</td>
<td>131.85</td>
</tr>
<tr>
<td>Legal and Miscellaneous</td>
<td>830.14</td>
</tr>
<tr>
<td>Special Leagues</td>
<td>1,079.00</td>
</tr>
<tr>
<td>Rent Returned</td>
<td>378.00</td>
</tr>
<tr>
<td>Salaries to Officers</td>
<td>$1,000.00</td>
</tr>
<tr>
<td>Fourth Congress</td>
<td>1,038.56</td>
</tr>
<tr>
<td><strong>Total Disbursements</strong></td>
<td><strong>25,646.59</strong></td>
</tr>
</tbody>
</table>

#### BALANCE IN BANKS, September 30, 1925

Statement of Assets and Liabilities

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash in Bank September 30th</strong></td>
<td><strong>$2,573.61</strong></td>
</tr>
<tr>
<td>Inventory Books</td>
<td>256.00</td>
</tr>
<tr>
<td>Inventory Pamphlets</td>
<td>910.00</td>
</tr>
<tr>
<td>Machinery on hand</td>
<td>1,316.00</td>
</tr>
<tr>
<td>league Library</td>
<td>103.00</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td><strong>$5,780.61</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>American Fund for Public Service</td>
<td>$755.07</td>
</tr>
<tr>
<td>Surplus</td>
<td>5,025.54</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td><strong>$5,780.61</strong></td>
</tr>
</tbody>
</table>

---

**Determining the Co-Operative League (1920)**

1. **Story of Co-operation**
   - **Price**: $0.10
   - **Pages**: 66

2. **British Co-operative Movement**
   - **Price**: $0.10
   - **Pages**: 46

3. **Co-operative Consumers’ Movement in the United States**
   - **Price**: $0.10
   - **Pages**: 35

4. **American Co-operative Society in N. Y. State, (Published by Consumers’ League)**
   - **Price**: $0.00

5. **Commissioning and By-Laws for a Co-operative Society**
   - **Price**: $0.05

6. **Co-operative Education, Laws of Educational Committees**
   - **Price**: $0.10

7. **How to Start and Run a Rochdale Co-operative Society**
   - **Price**: $0.10

8. **Co-operative Education, Laws of Educational Committees**
   - **Price**: $0.10

9. **How to Start a Cooperative Society**
   - **Price**: $0.10

10. **Why Co-operative Stores Fail**
    - **Price**: $0.10

11. **How to Start and Run a Women’s Co-operative Society**
    - **Price**: $0.10

12. **How to Organize a District Co-operative League**
    - **Price**: $0.10

13. **Credit Union Primer**
    - **Price**: 25 cents

14. **Audit Bureau**
    - **Price**: $131.85

15. **Legal and Miscellaneous**
    - **Price**: $830.14

16. **Salaries to Officers**
    - **Price**: $4,100.00

17. **Traveling Expense**
    - **Price**: $219.91

18. **Statutes and Legal**
    - **Price**: $89.00

19. **Office: Stenographer**
    - **Price**: $1,425.20

20. **Salaries—General**
    - **Price**: $5,016.08

21. **Other Activities**
    - **Price**: $3,587.46

22. **Auditing Bureau**
    - **Price**: $800.37

23. **Books and Pamphlets**
    - **Price**: $1,030.69

24. **Miscellaneous**
    - **Price**: $28,010.60

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**HISTORICAL**

<table>
<thead>
<tr>
<th>Description</th>
<th>Price</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1. Story of Co-operation</strong></td>
<td>$0.10</td>
</tr>
<tr>
<td><strong>2. British Co-operative Movement</strong></td>
<td>$0.10</td>
</tr>
<tr>
<td><strong>3. Commissioning and By-Laws for a Co-operative Society</strong></td>
<td>$0.05</td>
</tr>
<tr>
<td><strong>4. Co-operative Education, Laws of Educational Committees</strong></td>
<td>$0.10</td>
</tr>
<tr>
<td><strong>5. How to Start a Cooperative Society</strong></td>
<td>$0.10</td>
</tr>
<tr>
<td><strong>6. Why Co-operative Stores Fail</strong></td>
<td>$0.10</td>
</tr>
<tr>
<td><strong>7. How to Start and Run a Women’s Co-operative Society</strong></td>
<td>$0.10</td>
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<td><strong>8. How to Organize a District Co-operative League</strong></td>
<td>$0.10</td>
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<td><strong>9. Credit Union Primer</strong></td>
<td>25 cents</td>
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<td><strong>10. Audit Bureau</strong></td>
<td>$131.85</td>
</tr>
<tr>
<td><strong>11. Legal and Miscellaneous</strong></td>
<td>$830.14</td>
</tr>
<tr>
<td><strong>12. Salaries to Officers</strong></td>
<td>$4,100.00</td>
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<tr>
<td><strong>13. Traveling Expense</strong></td>
<td>$219.91</td>
</tr>
<tr>
<td><strong>14. Statutes and Legal</strong></td>
<td>$89.00</td>
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<td><strong>15. Office: Stenographer</strong></td>
<td>$1,425.20</td>
</tr>
<tr>
<td><strong>16. Salaries—General</strong></td>
<td>$5,016.08</td>
</tr>
<tr>
<td><strong>17. Other Activities</strong></td>
<td>$3,587.46</td>
</tr>
<tr>
<td><strong>18. Auditing Bureau</strong></td>
<td>$800.37</td>
</tr>
<tr>
<td><strong>19. Books and Pamphlets</strong></td>
<td>$1,030.69</td>
</tr>
</tbody>
</table>

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**BOOKS**

- **Determining the Co-Operative League (1920)**
- **The Co-operative League** (1920)
- **The Co-operative Society** (1920)
- **The Co-operative Movement** (1920)
- **Credit Union Primer** (1920)
- **How to Organize a District Co-operative Society** (1920)
- **Audit Bureau** (1920)
- **Legal and Miscellaneous** (1920)
- **Salaries to Officers** (1920)
- **Traveling Expense** (1920)
- **Statutes and Legal** (1920)
- **Office: Stenographer** (1920)
- **Salaries—General** (1920)
- **Other Activities** (1920)
- **Auditing Bureau** (1920)
- **Books and Pamphlets** (1920)
- **Miscellaneous** (1920)

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**MONTHLY PUBLICATIONS**

- **Home Co-operative** (4 per year) **Price**: $1.00
- **International Co-operative Bulletin**
  - (Per Year): $1.50

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**PUBLICATIONS**

- **OF THE CO-OPERATIVE LEAGUE**
- **HISTORICAL**
- **MONTHLY PUBLICATIONS**
- **BOOKS**
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 □ Membership in The LEAGUE - $1.00
□ Subscription for CO-OPERATION - $1.00

Name .............................................
Address ........................................

Co-operative Central Exchange
Wholesale Grocers, Jobbers and 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
Office, Warehouse and Plant:
Winter Street and Ogden Avenue
SUPERIOR, WIS.

Co-operative Central Exchange
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

The Trade and Technical Organ of British Co-operation.

THE NEW SECRETARY’S LEDGER
Published by the Educational Department
Central States Co-operative Wholesale Society
(203 Converse Ave., E. St. Louis, III.)

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

Co-operation 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".

"The Scottish Co-operator"
Subscription: Year 12 sh.; Half-year, 6 sh.
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