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The largest business block in Dillonvale, Ohio, a mining town of about 1500 people, is one of the pieces of real estate owned by the New Co-operative Company. At the right of the picture is the space occupied by the railroad company, which rents its ticket office, waiting room and baggage room from the Co-operators. At the extreme left, barely discernible in this photograph, is the headquarters of The First National Bank of Dillonvale, which also pays rent to the Co-operative Company. Between the bank and the railroad office are the entrances to the three central departments of the Co-operative: the grocery store, the butcher shop, and the general store. In addition to groceries, shoes, clothing and house furnishings, the second story over these stores is also used by the last-named department.
An Ohio Co-operative Ranks Among the First in the Country

DID you ever hear of Dillonvale, Ohio? Perhaps some of you can vaguely recall having heard it briefly mentioned in some co-operative publication or meeting in the past but most of you never heard of it before. And it is the home of one of the strongest and most successful co-operative store societies in America.

Dillonvale is a little mining town tucked away among the hills of Eastern Ohio. Here a group of some four hundred Bohemian miners have attained a degree of success in the development and operation of their own co-operative business enterprises that entitles this little town to be designated as one of the most important points on the co-operative map of this country.

They have been content, however, to spend their time and talents entirely in quietly and diligently building up and firmly establishing their movement rather than shouting their success from the house-tops. They have gone about this task in such a matter of fact way and with so little bluster or ostentation that they have attracted very little attention from the outside world, co-operative or otherwise, and they have not sought the meager publicity their efforts have received in the past.

The store was started in 1908 when thirty Bohemian miners got together and decided they were going to have a co-operative store regardless of how small it might be and in spite of difficulties that confronted them. They each contributed $10 to the original capital after which they proceeded to gather, from whatever source they could, the material with which to erect a store building. By having each member donating his time and labor on Sundays and days when the mines were idle, they soon had a small building constructed. In fact, it was a very small building and could in no way lay claim to architectural beauty or grandeur but it was their own and that fact compensated for many other deficiencies.

While the building was under construction they were gradually adding to their membership and capital and by the time it was completed they were able to purchase the few essential items of equipment which they could not build with their own hands, and a small stock of groceries. The first year's sales amounted to $4,000. To-day, their sales far exceed that amount every week in the year, their monthly average for this year being approximately $25,000.

The company owns five pieces of business property comprising four store buildings and a large warehouse. One of these is the largest and most valuable business property in the town. It is a two-story brick structure covering an entire block on the main business street. In this building is housed one of their four grocery stores, meat market, dry goods, shoes, clothing, and house furnishings departments, while the balance of the building is occupied by the town's only bank, the railroad station and waiting rooms and a pool hall. This is perhaps the one spot on earth where the bank and the railroad are tenants of, and pay tribute to the co-operative society.

In addition to this grocery store, they operate another one in Dillonvale, one at Pinny Fork and one at Bradley, both of which are nearby mining camps. They also operate a hardware store and own their own hall and club rooms. The hall can also be used as a theater as it is equipped with stage and scenery. This is used for the company's social, educational and business meetings and functions and also as a meeting place for practically all the labor unions, radical political organizations and foreign secret societies.

While the building was under construction they were also gradually adding to their membership and capital and by the time it was completed they were able to purchase the few essential items of equipment which they could not build with their own hands, and a small stock of groceries. The first year's sales amounted to $4,000. To-day, their sales far exceed that amount every week in the year, their monthly average for this year being approximately $25,000.

The stores handle groceries, meats, dry goods, clothing, shoes, ladies' ready-to-wear, millinery, furniture, draperies, floor coverings, shelf and heavy hardware, automobile accessories including gasoline and oils, lumber, roofing, lime, cement, hay and grain of all kinds. They purchase hay, grain, feed, cement, roofing, lumber, flour and sugar in car-load lots, their turnover in these commodities for this year amounting to approximately sixty cars.

In their sixteen years of painstaking effort they have built up a working capital of $65,000 and a surplus reserve of $75,000. Their capital consists of $22,000 share and $75,000 loan capital. The capital and surplus is invested in business property, equipment and merchandise, their physical inventory on June 30th of this year showing merchandise on hand to the value of $96,000.

While attaining this enviable financial condition they have regularly returned from 6 per cent to 9 per cent purchase rebates to their members every half year and have paid a 2 per cent purchase rebate to non-members.

The New Co-operative Company has always been a member of The League and one of its strongest supporters. Joseph Blaha, who has been with the Company as manager since the beginning, shares the distinction with W. Niemela of Maynard, Mass., of being the only managers in the country who have attended every congress of The League.

We hear much about the Finns who co-operate in America. We hear about the Jewish co-operators, and those of other foreign language groups. The Bohemians who succeed with co-operative stores are by no means all in Dillonvale. Chicago Bohemians have a society which has had as many as five stores at one time, though lately two of these have been eliminated and the work concentrated. Cleveland co-operators from the same country, in the Workingmen's Co-operative Company, operate six grocery and meat stores and are most successful. Other smaller groups of these people are contributing their share to the pioneering efforts of co-operators of all nationalities who strive to build a strong movement in America.

In the future, when you hear of Dillonvale, let it bring to your mind a picture of outstanding co-operative store success in America. There is little doubt but that this Co-operative Company will continue to stand as one among the best of our living refutations of the oft repeated statement that co-operative stores cannot thrive in the atmosphere of our highly developed super-individualism. They have proved beyond a doubt, as many other groups are doing, that by intelligent and diligent application to the task before them and by backing this up with the highest type of loyalty and fraternism, success equal to that attained in any European country is possible in America.

A. W. WARINNEN.
**VITAL ISSUES**

**CO-OPERATION BEING CRUSHED IN ITALY**

The Lega Nazionale delle Cooperativa of Italy, the Educational Union of that country, had a membership of 8,000 societies before the Fascisti came into power. By the beginning of 1924 the number had been reduced to 4,600. In the autumn of 1924 the number was further reduced to 1,000. And now is announced the entire destruction of the League by the Fascisti.

When the Fascisti first began their reign of terror, the co-operatives were subjected to the same attacks as the labor headquarters and Socialist and Communist buildings. Many of the stores were burned, officials were beaten, many killed, others exiled. And this persecution continued unabated for months. Meanwhile the Government began the organization of its own Fascist Co-operative Union, and many of the co-operatives were forced to join this. In November of 1925 came the news that the offices of the Lega Nazionale had been seized by the Police Prefect of Milan. Immediately telegrams and cablegrams of protest were sent from the offices of the International Co-operative Alliance and many of the Co-operative Unions of the various countries. The telegrams of The Co-operative League of the U. S. A. was as follows:

"Italian Prime Minister, Rome, Italy: The Co-operative League of United States of America asks you to protect Lega Nazionale delle Cooperative. Warbasse, President."

Meanwhile the President of the Lega Nazionale, Antonio Vergnannini, sends a message of greetings to the co-operatives of other countries, closing with these words:

"Let us remain united and wait with confidence. The great struggle between the two opposing forces of speculation and the consumer becomes every day more extended and more formidable. ... The latest exploitations of the dominant minorities, if they can still find defenders for their premises, must submit to the law of progress, which wills the continuous increase of the benefits of civilization to all human forces."

"Follow co-operators, the Lega Nazionale delle Cooperative is dissolved. Long live the Lega Nazionale delle Cooperative!"

Almost at the same time as this disquieting news comes by way of the International Co-operative Alliance and the British Union, other sources of information reveal the fact that the same kind of persecution is being carried on by the Fascisti against the Co-operative Credit Unions, a very large number of which are Catholic. The Fascist organization threatens to take control of the People’s Banks and Rural Credit Unions into Fascist bodies. The High Commissioner of the Grand Fascist Council has been directed to take such control. And a vigorous note of protest is voiced in the Osservatore Romano, semi-official Catholic daily paper in Rome. C. L.

**MR. DAVIES SPEAKS ON CO-OPERATION**

Mr. Hyys John Davies, Under Secretary of State for Home Affairs in the MacDonald Ministry, now a Labor Member of Parliament, and "a man of long experience in executive positions in the British Consumers’ Co-operative Movement," spoke at a dinner arranged by the Educational Council of the Co-operative League, at the Twenty-fifth Street Consumers’ Co-operative Services Restaurant, on November 18. A good audience of interested co-operators was present.

Mr. Davies gave a picture of some of the important facts of the British movement. He showed how the societies control prices, how successfully they compete with profit business and how much they mean to the working people. The audience was surprised that Mr. Davies regarded the "Producers’ Co-operative Industries" as the most rational form of co-operative production, especially in the face of the fact that, as he stated, "they can compete with the consumers’ Co-operative Wholesale Society."

"It is obvious that he believed the Co-operative Movement could help the cause of Socialism. Co-operators naturally asked themselves: How much could British Socialism help the cause of Co-operation?"

"It appears that British Labor Party statements regard Co-operation as a help to the promotion of state Socialism; and that when the Labor Party has gotten fully into power, the political government will take away from the co-operative societies their functions of distribution and turn them over to the political bodies."

Mr. Davies did not mention any of these matters; he simply said, "the Co-operatives under political control, or by making all of the Co-operative officials political officials, or by the simple expedient of ‘taking over’ as was unsuccessfully attempted by the Russian Soviet Government. Mr. Davies did not mention any of these matters; they are simply the ideas that naturally come to the minds of Co-operators generally."

One thing is obvious: the future holds in its cabinet of uncertainties the conflict between the voluntary principle of Co-operation and the coercive principle of State Socialism."

"Most British people are politically minded. They do not recognize a conflict of forces. To them the political government should be the natural agent of the people. They would make Co-operation the tail of their political kite. But in every continental European country this conflict is clear and pressing. In every continental country in which Co-operation is making great progress the Co-operative Movement takes a firm and positive stand against political alliances of any kind, against conceding to the political state any of the functions or prerogatives of the co-operative societies."

Mr. Davies is a Socialist first and a Co-operator second. He is a fluent speaker, a sincere and honest man, and an ornament to the British Parliament. J. P. W.
The Place of Producers and Consumers in a Co-operative Program

FROM THE VIEWPOINT OF A SOCIAL SCIENTIST

By E. C. LINDBMAN

"What profound spiritual life can there be when the social order almost forces men to battle with each other for the means of existence?" A.E.

ONE of the simplest fallacies in reasoning results from placing things in opposition. Thus we argue at great length over heredity versus environment, assuming that these two processes are somehow antagonistic; obviously there can be no heredity, i.e., growing, reproducing organisms, without an environment. Likewise we speak of individual versus social, conflict versus co-operation, means versus ends, and so on, indicating that our mental pictures of these objects or processes present them to us as antithetical, incoherent opposites. We therefore assume that we are discussing important problems whereas the difficulties arise out of our naive thought procedures; and of course problems do exist if we think they do.

These easy delusions often result from a partial view of a total process. Thus when we speak of either conflict or co-operation, we are seeing only one portion of total adjustment. Some idealists tend to develop blind-spots for the conflict phase of adjustment; they dislike struggle and therefore wish to do away with it. But there can be no life without conflict. Living is in fact a continuing adjustment between an organism and its environment in which both conflict and co-operation are essential. It is not possible also that many enthusiastic supporters of the consumers' co-operative movement have over-emphasized the consumption phase of the bio-economic process. Has not this placing of presumed opposites created an intellectual problem which stands in the way of progress?

Producing and consuming are continuous and inter-dependent activities within the bio-economic system. One cannot exist without the other and both vary directly with respect to each other. Discrepancies between the two functions create our economic problems. Every living human being is a consumer. In a rationally-organized society every individual would also be a producer of essential services if not of consumable goods. For the great bulk of our population, it is still true moreover that producing and consuming are both combined in each person. Because a few people have succeeded in manipulating the economic system by means of production and credit control, difficulties arise. In modern industrialized society goods are produced primarily for profit and not to meet needs. It is not surprising therefore to note that those producers who supply our primary needs, farmers, are obliged to operate their business with restricted credits and for the most part without profits. They created through intermittent savings the original funds of capital which were promptly utilized by the bankers for promoting quick-profit industries other than agriculture. Farming is still a marginal capitalist enterprise but it travels continuously in the direction of bankruptcy.

Our complex industrial organization may collapse but life will still go on if farmers continue to function. If food-production as an economic process degenerates, however, no amount of consumer-co-operation will suffice to prevent a general decline of the standard of living. Many observers, aware of this situation, urge consumers to enter the field of agricultural production. This seems unwise counsel. It means either that people who know nothing about farming will nevertheless be induced to become farmers or that farmers will be exploited by groups of organized consumers. It amounts to throwing the baby out with the bath-water—and the wrong baby at that! The farmer as a legitimate producer is not the consumer's enemy. Moreover, no group of consumers acting merely as consumers is justified in using its savings, its economic power, to dispossess another producing group.

Farmers, on the other hand, are likely to prolong the unnecessary conflict between producing and consuming functions. For example, the tendency to over-emphasize aspects of capitalistic methods. They are now organizing gigantic co-operative associations for the purpose of maintaining a higher price level for their products. This they aim to do by eliminating certain middlemen and by increasing consumption through advertising. In so far as they are permitted to secure modified monopoly in control of the economic system, this program may succeed. It is certainly justified as a means of subverting the speculative profits of dealers from consumers' pockets. Thus far the program has not, however, resulted in lightening the consumer's burden. The price of raw cotton and tobacco, for example, has been partially stabilized, but the consumer has not benefited. Intermediate consumers, those who buy raw products for refinement, are still able to pass the increase on to the ultimate consumer. In addition, the farmers' co-operative movement flourishes only where it receives the sanction of powerful governmental or private credit agencies. So long as it remains safe for the bankers, it is encouraged and blessed by the high priests of capitalism. Thus, although the farmer as a legitimate producer ought not to be at odds with his customers, the consumers, he virtually assumes this role by playing the capitalist's profit-seeking game. If the present tendency continues, the result will be increased tension between producers and consumers. So long as urban consumers acting on behalf of their consuming function oppose rural producers, or vice versa, the two functions and their representative groups will continue a useless and wasteful warfare.

If, as this essay indicates, the conflict between consuming and producing functions is unnecessary and wasteful, how may the problems involved be approached with realistic attitudes? Idealists whose counsel of perfection amounts to pessimism insist that nothing can be done until the entire economic system is altered. They tend to forget that the system is a reflection of our habits of behavior and that these habits are tenacious. Habit-changing and system-changing must go hand in hand if we are to have orderly progress. Systems and their control may become so case-hardened as to be unchangeable by any means save by means of revolution. But revolution may turn out to be a costly and painful method. In any case, the only possible method is also the only one which may become used to change the economic system, and that is revolution.

Habit-changing as a process subsequent to revolution may turn out to be a costly and painful method. In any case, the idealist is also an empiricist. His faith is sustained by the slow gains resulting from the application of scientific method to human problems. He does not attempt by changing the whole but rather envisages the changing whole in terms of minute changes in the manageable parts. The above constitutes an argument for the
introduction of rational scientific principles to the problems involved in the relation between consuming and producing functions.

In which direction does science point? If producing and consuming are coordinate processes, two sides of the same whole, any rational modifications of the on-going life, is it not apparent that creative results may be expected when they integrate? By the same token, is it not necessarily true that these two essential functions will negative each other, i.e. produce non-creative results when they are allowed to remain in juxtaposition? How then may the producing and consuming functions be integrated? The scientific answer is: by experiments which look toward integration. If for example consumers behaving as if their consuming function were primary, organize consumers' co-operative societies and leave their producing functions unorganized, non-co-operative, the two processes cannot integrate. If on the other hand, farmers who limit their co-operative associations to producing and distributing agency composed of the two spheres; (4) a co-operative association to integrate consuming and producing functions in the economic system; co-operation confined to either one or the other probably does no more than increase the efficiency of capitalism and the selfishness of co-operators; (5) achievement in the direction of the above proposals does not await general or sweeping changes in the political or economic system; rather it depends upon an accumulation of small experiments. These are obviously simple principles derived from the known facts of human behavior. But their simplicity adds to the weight of the challenge involved. Dogmatists who base their hopes not upon the realistic facts of existence but upon some abstracted and idealized wish will most probably come to view co-operatives as political and legalistic sanctions, the role of the expert, the function of trade unionism, adult education et cetera, et cetera. They are interested in conversions not experiment; they are evangelists not scientists.

This sketchy outline leaves many queries unanswered. A co-operative program based upon the assumption that economic control should ultimately be confined to the consumers who produce take into account such factors as political and legalistic sanctions, the role of the expert, the function of trade unionism, adult education et cetera, et cetera. Its protagonists must also be aware of insidious defenses of capitalism. Profit-sharing, for example, is sure poison to the co-operative movement; it merely accentuates and distributes bad habits. Many of these questions and innumerable others implicit in the co-operative ideal will take on new meaning and reality when we introduce positive equations once we begin to see that consuming and producing are not antagonistic functions.

**QUESTIONS FOR DISCUSSION**

1. Assuming that all living human beings are consumers, what proportion of the population may be considered as legitimate producers?
   a. In your community?
   b. In your county?
   c. In your state?
   d. In the nation?

2. Why must some producers produce more than they consume?

3. What groups of producers are affected by your consumption?

4. What groups of consumers are affected by your production?

5. Have any experiments in consumer-producer co-operation been conducted? What are the results?


7. Is the farmer a capitalist or a laborer?

8. Is a farmer-labor political party feasible? Under what conditions?

9. Are farmers' commodity cooperative marketing associations organized to function as non-capital societies really co-operative?

10. Is capital necessary for all economic systems?

11. Why should the earnings of capital be limited?

12. What causes over-production? Under-consumption?

*As Readings for Discussion Groups, in addition to the books included on our lists, Mr. Lindeman suggests: Foundations: A Study in the Ethics and Economics of the Co-operative Movement, W. Clayton and A. Stoddart; A Theory of Social Economy, G. Cassel.

**Foreign**

DOST feel secure, O Duce! in thy high place,
Among thy Black Shirts, strong in lawless power,
CO-OPERATION

Who now the wealth of humble men devour,
While theft and murder multiply apace?
Did not think thou long couldst chain a noble race.
Or that within thine own appointed hour
Thou couldst make all men low before thee ever
All dreams of freedom from their souls efface?
In men whose veins the blood of Dante runs,
Whose fathers were by Garibaldi led,
Whose own free minds were by Mazzini fed.
Will not endure thy lordship many suns:
A tyrant is by all true men abhorred,—
Who rules by terror has his fit reward.

British Co-operative Union, November 30, 1925.

THE CO-OPERATIVE COAL MINE AT SHILBBOTTLE

Would the co-operative societies of the country give their support to a consumer-owned coal mine if we had one? An indication of the correct answer to that puzzling question is perhaps to be found in the experience of the Co-operative Wholesale of England. Shilbottle Colliery and the new colliery village is property of the co-operative societies of England, and the coal mine there is co-operatively owned coal. What happens to it?

Mr. Lang, newly elected Premier of New South Wales on the labor Party ticket, has had his advisors draw up a resolution pointing out the astonishing success of the labor Party toward the Co-operative Movement. Here is the resolution:

"As the main objective of the Labor Party in New South Wales is the socialization of the means of production, distribution and exchange, it therefore stands squarely behind the Consumers’ Co-operative Movement, which is already securing ownership of coal for the people, control by the people and is equitably distributing its trading surpluses to the people, and not to the owners of coal. The labor Party recognizes that the Co-operative Movement is democratic in every respect."

"As the labor Party has been returned to power, a majority of electors for the purposes of putting its platform into effect, it must therefore extend to the Co-operative Movement every assistance necessary to provide for its unhampered development. That all facilities for Co-operative education be granted and vested interests be restrained where it can be shown they are discriminating against Co-operative organizations."

CO-OPERATIVES FIGHT PRIVATE FIRMS WITH BOOKS.

Germany has some remarkable “book societies,” which are co-operative in character. Readers pay an annual membership fee in these societies and receive four or even six books well printed and bound from their own co-operative publishers every year.

The oldest of these, according to a writer in the “New York Times,” is the People’s Club of Book Lovers, with nearly one hundred thousand members; it is also the largest. The German Book Association is almost as large; and there are many that are smaller. And the private publishers are becoming seriously concerned, for their sales are falling off. In fact, they made a public announcement not long ago that any writer who had these co-operatives publish his works would not be sold in the private book stores of Germany. Immediately both the co-operatives and the various Writers Associations rallied to the defense of the novelists, essayists and poets, and in a few months the boycott was lifted and the private publishers and booksellers acknowledged defeat. Again the co-operative principle stands vindicated as being more sound economically, much wiser, and on a higher ethical plane.

CO-OPERATIVE NAMES FOR STREETS

In England co-operators may see on the corners of their avenues and streets names to memorialize the great work done by the Rochdale Pioneers. In Kettering there is Kingsley Avenue; in Bedford, North Avenue, Blundford Avenue, Holyoake Street, Mitchell Street, Hughes Street. In Embury there are Federation Street, Co-operation Street, Holyoake Street, Equity Road, Mitchell Road, Maxwell Road, Shilbottle Road.

In New Normanton may be found Derby Street, Industrial Street, President Street, Co-operative Street, Society Street—the five words that go to identify the society that has established a branch in this town. There is also a Holyoake Terrace and a Merchant Avenue named by the co-operators.

MORE COMPULSORY CO-OPERATION

In Co-operation for October, 1925, appeared an editorial on the new law enacted in Queensland, Australia, which provided that when 75 per cent of the growers of any one commodity agreed to market through a co-operative association, the other growers should be compelled by law to market their produce through that organization also. The editorial pointed out that this is the first attempt at compulsory co-operative marketing.

The International Labor Office now tells of a similar law in South Africa, with a similar provision that 75 per cent membership may compel the other 25 per cent of the growers to join the original 75 per cent. There was vigorous opposition to the bill, but it finally prevailed. The opposition was of two kinds. Some opposed the very principle of compulsory co-operation and others thought that 75 per cent was too low a figure. On the other hand, there were many who approved entirely of the measure and wanted even a lower figure than 75 per cent.

SHORTENING THE WORKING HOURS

Of course, after all is said about the glory of work, everybody wants to be free to do as less as he can. The Co-operative Movement is helping toward this end. As an employer of labor co-operative societies have taken the lead in shortening hours of work and raising wages. In Europe every co-operative society has abolished the ten-hour day among clerks, although it is still common among private employers. In Great Britain the eight-hour day is practically universal among co-operative societies. Now about half of the societies have established the 50-hour week among clerks, which means that they work five days a week. In England in 1913 there were 23 societies working 48 hours or less; in 1914, there were 96; in 1917, there were 194; and in 1924, the number was 775.
News and Comment

CO-OPERATIVE CAFE IN CHICAGO

TEN YEARS ago a group of Scandinavian people organized the Cooperative Temperance Cafe Idrott. Emphasis was placed upon good food, low prices, good working conditions to the employees. The only restrictions upon membership at the beginning were those forbidding membership to users of intoxicating liquors. The association was organized without capital stock.

From the beginning the organization was so successful that new members began to swarm in. Believing that too rapid a growth was dangerous, an amendment was drawn to the by-laws which limited the number of new members to ten each year.

The society now has 200 members. Surplus has been regularly turned back into the business, so that they now occupy an entire building on Wilton Avenue and operate a branch cafe in another location. In the main building they not only run a large cafe with dining rooms and club rooms for members, but also a bakery and a meat department. There is also a good library, game room, room-renting service, and mail distribution service. The new building was erected two years ago. The society is not incorporated; each member has only one share; directors and manager are elected annually.

CREDIT UNIONS IN NEW YORK

At the beginning of 1925 there were 115 credit unions in New York State, a gain of eight during the previous year. There are thirteen new unions; five have dissolved. Total resources increased by $2,000,000 in the year to $10,500,000. About a score of these institutions realize their identity with the Co-operative Movement and have an interest in it; the rest are maintained by commercial interests as easier means of securing credits.

UNION WORKERS CREDIT UNION, BOSTON

This little Credit Union, organized among some of the leading trade unionists of Boston, only a few years ago, now has 157 members, 58 of whom are borrowers, and only 17 of whom are depositors. The share capital has increased from $2,500 to $3,300 during twelve months, and the loans from $2,927 to $3,579. Total assets are $4,366.

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The Spread of Costs Between the Producer and the Consumer

The THE SPREAD OF COSTS BETWEEN THE PRODUCER AND THE CONSUMER

THE COST OF HANDLING

The spread of costs between the producer and the consumer should be kept before the people until they decide to do something about it. A crate of celery has been sold by a farmer of Norfolk, Virginia, to the consumers’ home in New York City, and this is what happened:

The producer sold the crate for 40 cents. Commission man No. 1 sold it for 60 cents; No. 2 sold it for 55 cents; No. 3 sold it for 90 cents; No. 4 sold it for $1.05; No. 5 sold it for $1.15; No. 6 sold it for $1.25 to a buyer for grocery stores; the buyer sold it to a grocer for $1.35; the grocer sold it to his customers for $2.20. This study was made by Franklin D. Roosevelt, former Secretary of the Navy.

Among the users of this co-operative are giving themselves about bread monopoly is only one about third justified. The other two-thirds is probably largely the traditional lack of enterprise and initiative of American workers. Ninety-nine per cent of our industrial workers and farmers wail to High Heaven that the Bread Trust is robbing them. But the other 1 per cent quietly go about the job of baking better and cheaper bread for themselves in their own co-operative plants.

This Co-operative Bakery did a business of nearly $25,000 in 1925, and there is now such a demand for its products, that it has outgrown its large Brooklyn plant and is planning a new and much larger building in the Bronx. The handsome building in Brooklyn, erected by the co-operators only five years ago, will become a branch to feed the Brooklyn and Long Island trade, while the new plant will handle the much larger business in Manhattan, Harlem, the Bronx and Northern New Jersey.

The Farmers’ Co-operative Electric Transmission Line

Can the farmer’s wife substitute electric lights for the kerosene lamp, and at the same time enjoy the use of a washing machine, electric coffee percolator, toaster, vacuum cleaner, curling iron, even the electric stove and refrigeration? And can she use “white coal” for pumping his water to the barn and fields, for cutting his wood and ensilage, for running the milking machine, cream separator, shop motor, hay baler, grain cleaner, churn and elevator? More important yet, can the farmers organize to get their electric current co-operatively?

In many parts of the Central and Far West the farmers have organized their own co-operatives for getting electric current without paying the huge profit toll exacted by the private companies. One example of such a Co-operative is the Berwick Transmission Line Company of Nemaha County, Kansas, organized in 1919 with $25,000 capital and seventy-eight customers scattered along its thirty miles of line. The co-operators each took one share of stock at $250, elected a Board of Directors, and decided to purchase their current at wholesale rates from the City of Sabetha. The company supplies the poles, wire, insulators and hardware to convey the current along the public highway and the user supplies all equipment between the highway and his house. Current is metered out at a rate of nine cents per kilowatt hour for lighting and seven cents for power, with extra charges for incendiary.

Among the users of this co-operative brand of electricity are 69 farmers, five schools, one church, one township hall, one store and one commercial garage.

The output of current is increasing each year. How long will it be before the Co-operative is large enough to produce its own current, as so many of the Co-operative electric societies of Europe are doing?
DIRECTORS' PAGE

TO ALL GROCERY STORE MANAGERS

EVERY job has its duties and responsibilities. These are the most essential requirements of our store managers. You are responsible to the Co-operative Society for the success of the store assigned to you. The Executive Staff of The League stands ready to help you, but the responsibilities which you assume, you must either carry out or let the other fellow do it.

In your relations with your store clerks at all times conduct yourself so that you have their respect. Be cheerful but avoid familiarity. Be firm, but remember kindly advice goes lots further than harsh words with most persons. The big job is to study your men and know how you can bring out the best in them for the mutual benefit of the Co-operative Movement and themselves

INCREASED VOLUME OF BUSINESS

Many points come into play to accomplish a steady, permanent, increased volume of business. Clerks must be taught to put as much effort in selling their own personality to their trade as they do their merchandising. Everyone likes to make friends, and it is the surest way for a manager and a clerk to build up sales. With some men, this comes naturally, with others it requires considerable effort, but the habit can be acquired. Continue to build the confidence of customers by never exaggerating the goods you are selling. Give the customers the actual facts and don't be afraid to tell the price. Encourage the clerks to acquaint themselves as much as possible with the origin of the merchandise they sell, by reading trade papers, the monthly magazine Co-operation, etc. It is always easier for a man to sell an article that he is thoroughly familiar with. Proper display of merchandise in windows and inside of the store is also helpful. Increased volume however, can only be accomplished by clerks getting and holding new customers.

SELLING PROFITABLE MERCHANDISE

See that clerks are pushing profitable merchandise, and not spending all their effort on Specials. Specials, on the whole, attract only the transient trade, which however should be used to advantage in an endeavor to develop new customers.

Merchandise on Hand

Stores must not have too much stock but they must have sufficient to satisfy factually take care of their business. Store managers should look over wholesale orders and advise their clerks how to order, and avoid over-ordering. Especially in the case of perishable merchandise, see that clerks do not over-order and that all perishables are sold out quickly to prevent spoilage.

Stock Turnover

The matter of stock turnover, or carrying too large an inventory for the amount of sales is also a big factor in chain store business. The clerk should be told that every dollar's worth of merchandise carried on stock costs the Co-operative Society ...... per cent per annum which must be charged against the profits and is detrimental to the store showing. Quick turnover increases profits.

Stock Shortage

Another problem which the store manager must guard against is stock shortages. Impress upon the clerk's mind the importance of a good stock showing at the end of the month. A store may have a poor showing for a month, due to stock shortage but if the manager does not show improvement, he will be replaced. He may really be innocent as far as his honesty is concerned—merely careless, but the record may keep him from getting another good job.

Clerks must check all merchandise carefully and not sign for anything which they have not received, and watch out for spoilage of perishables. Have scales tested frequently as they soon become out of balance, and very often against the Company. Show the clerks the large amount of revenue that can be made at their stores by using extreme care in opening their containers. Especially with sugar bags as sugar bags with linings in perfect condition will bring a salvage of approximately eight cents while the same bags if linings are torn would have to be sold for probably three and a half cents.

GOOD CLERKS

In order to accomplish the foregoing it is necessary for store managers to have good clerks in charge of the store; a good clerk is reliable, efficient and loyal to the Co-operative Society. Store managers must at all times have an efficient man or men available to take the place of a chief-clerk in an emergency, or if a clerk should resign, or be discharged and see that all clerks are able to intelligently wait on customers.

CLEANLINESS

Stores must be kept immaculately clean; store managers must see that proper care is taken of fixtures and machinery, that ceilings are kept clean and orderly and above all see that clerks are clean and tidy personally.

RULES

See that clerks are thoroughly familiar with the rules; that all health and labor laws are thoroughly understood and obeyed by all clerks. Deposits and Care of Money

Last, but by no means least, see that a deposit is made from the store once every 48 hours. Instruct your chief clerk that if, for any reason, you are not able to call at the store, he must see that the money gets to the bank. Also impress upon the clerks the importance of handling all their own cash in justice to themselves and the clerks working with them. This should be done wherever possible.

Let us all be instilled with courage to bring about a bigger and better co-operative organization year after year.

CARL STOIKE,
Formerly with Co-operative Union of Germany.

BOOK REVIEW

"AS OTHERS SEE US"

CO-OPERATION IN THE UNITED STATES.

Published by Grain Dealers' National Association. 126 pages.

The first impulse of a real co-operator, on picking up this little book, is toward ridicule. He expects a fair treatment of the subject from those who have most to lose from the Co-operative Movement.

But let us hold our merriment in check. One of the common faults of co-operative leaders has been too much complacency. We are content to seek advice and criticism too exclusively from men with whom our own movement.

There may be some very helpful information in the criticism of leaders of private business, provided it is carefully thought out. And in this book, the comments are the result of careful study and mature deliberation.

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The book opens with a survey of the history and development of Co-operative credit, telephones, stores, packing houses, canneries, marketing. We are told that the store movement is a 99 per cent failure, that insurance is the best field for co-operation, with credit second in favor; that packing houses and canneries are universally a bad bet; and that marketing is still in the experimental stages with no assurance of permanency. An excellent analysis is made of the co-operative laws in the various states and at Washington.

It is easy to pick many flaws in this treatise. For instance, in writing about the store movement, the author uses examples only of the larger stores that have failed: the Granger stores, the Sovereigns of Industry, the Right Relationship League. He does not mention the Finnish stores, the farmers' stores united with the Farmers' Union, the Grange stores in Washington. And he insists that farmers generally had
better get into other lines of co-operative business than groceries and household supplies. There are many other glaring defects in the co-operative book. But there is also much to learn from these studies. A great deal of attention is given to the subject of failures among marketing associations, but perhaps not so much attention as would be desirable.

After analyzing the large centralized associations and their troubles, the writer states his opinion that "the fundamentals of co-operative movement are not the only remedy for the present. It is a complicated and a broad co-operative spirit which looks beyond immediate personal advantages to long-time results." He condemns in unmeasured terms the co-operative organization without provision for building up a surplus; the high pressure promotion campaigns of the American Farm Bureau and other central organizations and entering individual and state bureaux; the effort of many marketing groups to defeat the law of increased production following higher prices; high prices and fees to executives and attorneys ($52,794 for Mr. Growers in 1921 alone); over-legislation and dependence upon legalistic rather than economic aids to co-operative development; tendencies to "drift away from the local co-operative to the large-scale showy kind."

Of course these people are strong for the principle of "individualism." They make no inroads on the advantages of a joiner if a man can run business efficiently, he will be in business for himself; if he can't, he will manage a co-operative." Their final conclusion at the end of the book is that though co-operation can effect some petty economies for the farmers, their real salvation is in better methods of production. And now abideth these three problems in Co-operative Marketing: Price, Distribution, Quality; and the greatest of these is Quality.

The Correspondence File

"WHY CO-OPERATION IS NOT ENOUGH"

Editor of Co-operation:

Under this title I have read several articles published in the Co-operative Review. I personally realise that co-operation is not the only remedy for the present economic order which is the result of the principles of economic means. I write this only to disclose some understandings about the operation and its aims on the part of the contributors to this subject.

Assuredly, "Every libeller must dominate economic interest." It is true. But co-operation against idealism! Co-operation has always been the remedy of goods not for the interest of some individual but for the interest of all people. It is based upon real democratic principle—equality among all persons; democracy and national cultivated means of productive distribution.

Answering the question "Why Co-operation is not Enough?" the Socialist mayor rightly concludes that only joint cooperation 'the three movements—socialism, trade unionism and co-operation'—could help in building a society in which mutual understanding and work would be productive rather than mutual understanding and push. As a Marxist Socialist he forgot that besides the working class there are many social groups which should also work to overcome individual selfishness and the destruction by the capitalist system, that gives an opportunity, not only to the working classes but to all other groups to achieve this end.

The next article criticizes co-operation from the same point of view. It seems to me that this writer calls himself a Communist. But I think that he is wrong. It seems to me that he is not only a co-operative member, but he is an economist who has studied the law of production, distribution, and co-operation. I do not agree with him that the co-operation movement is not enough. But I agree with him that the co-operation movement is not enough.

But let us turn to the Socialist mayor who recognizes that "True co-operation is based on the idea of justice, brotherhood, and the right of all people to live their life to its highest possibility and not to be handicapped by any special group."

Mr. Baldwin the right to exclaim in conclusion, "No, consumers' co-operation is not enough for revolutionaries."

"But it is not the main line toward revolution, which is the subject of this article." Mr. Baldwin concludes. But I think that it is not the main line toward revolution, which is the subject of this article. I think that it is the main line toward revolution, which is the subject of this article.

"Co-operation is not enough."

Giving some credit to consumers' co-operation which contributes to the actual reorganization of society by the workers. Certainly not! Co-operation means constructive work for the whole population and not for any favored group, whether they be consumers or others. The commonwealth must be rebuilt for the people, by the people themselves and not by any special group.

I think it is important to discuss the question: "Why Co-operation is not Enough," for I do not know any Co-operator who thinks that only through Co-operation can the world be saved from all the injustices of capitalist selfishness. To the subject to fail to realize that Co-operation is not only interested in the reduction of prices but in the production of goods for the people. But, it is important to understand the loyalty of a Communist. The difference between Communists and Bolsheviks, who claim to be Communists, is that the former are a theory with the possibility of revolution and the latter is a theory of struggle and destruction.

Such remarks made by a professor of economics in discussing the question of co-operation from the capitalist point of view are very significant. It is a recognition of the form itself, and that means a great deal. He talks of the Oetesian community which for many years existed as a co-operative group but which finally changed into a New York State stock corporation. This is a true statement, as he is justifying his arguments. As a defender of the capitalist, the author states that "if a man has a right to appeal to co-operators because the very aim of co-operation is to secure promotion campaigns of the American Farm Bureau and other central organizations and entering individual and state bureaux; the effort of many marketing groups to defeat the law of increased production following higher prices; high prices and fees to executives and attorneys ($52,794 for Mr. Growers in 1921 alone); over-legislation and dependence upon legalistic rather than economic aids to co-operative development; tendencies to "drift away from the local co-operative to the large-scale showy kind."

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From The League Office

PRIZE CONTEST FOR CARTOONISTS.

A Puzz of $50 is offered by The Co-operative League to the cartoonist, amateur or otherwise, who presents the most acceptable sketch of the co-operative and the non-co-operative character in cartoon. These two characters, engaged in dialogue, will be used regularly in publications of the League and in other publications of the labor, farmer, and co-operative press.

We suggest two characters: one to represent the intelligent and active member of the co-operative society; the other to represent the ignorant, "bonehead," "boor," "poor fish." With each appearance of these characters in public will appear a new dialogue skit, in which the second character shows by his question or comment his utter inability to grasp the most elementary co-operative idea; he gets cheated; while the first character always has a new understanding of Co-operation, its significance and ultimate purpose; he always wins out. Appropriate names for the two characters should be submitted also.

Beyond these requirements, there are no limitations placed upon the imagination of the contesting cartoonist. The characters may both be men, both women, or they may be a man and a woman. A few names for the characters have already been suggested—"Wis and Biz," "Coop and Snoop," "Imp and Simp," "Razz and Jazz," "Razz and Berry." The person submitting the most suitable pair of characters in sketch will then be requested to supply five sketches of these characters in various poses or positions, and upon receipt of these sketches, the Executive Office of The Co-operative League will send a check for $50 to the winner of the contest. The idea will be copyrighted by The Co-operative League and the initial or name of the successful artist will be carried in every picture. Sketches for the contest should be sent to The Co-operative League, 167 West 122 Street, New York City.

They must be submitted before March 1, 1926. Winner of the contest will be announced in the April number of Co-operative. The prizes will be limited to $50; no other prizes will be awarded.

YEARS BOOK OF NORTHERN STATES CO-OPERATIVE LEAGUE

The Year Book of the Northern States Co-operative League is the first attempt to embody co-operative statistics in a Year Book for the United States. The book is paper-covered, has 128 pages, and many interesting articles in addition to graphs, tables of statistics and other valuable information. Price is 20 cents.

BOUND VOLUME AND INDEX OF CO-OPERATION

INDEX of Volume XI of Co-operation may be procured free from the office of The Co-operative League by anyone who wants a copy.

Bound volume of the magazine for 1925 will also be ready in a couple of weeks.
THE CO-OPERATIVE LEAGUE
(Member of The International Co-operative Alliance)
167 West 12th Street, New York
An educational organization for teaching the history, principles, methods and aims of the Co-operative Movement and for the promotion of Co-operation in the United States.
Join The League and thus help promote the educational work of the Co-operative Movement. Subscribe for the Monthly Magazine and keep in touch with the Movement.
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The Madras Monthly Bulletin of Co-operation
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The premier monthly on Co-operation in India. Special articles on Rural, Consumers', Agricultural, Credit and Industrial Co-operation; and Co-operation abroad.
Subscription Rs. 4/12 per annum.

The Canadian Co-operator
Brantford, Ontario, Canada
The organ of the Canadian Co-operative Movement, owned by and conducted under the auspices of The Co-operative Union of Canada.
Published monthly 75c per annum.

THE HOME CO-OPERATOR
A four-page magazine for use in co-operative societies.
Issued monthly, in bundles, $1 per hundred.
Published by The Co-operative League

ONE OF NEW YORK'S CO-OPERATIVE HOUSES. Co-operative Houses are both large and small; ornate and plain; high-priced and low-priced; for organized workers, professional and business people. This house, on Belmont Ave., Bronx, is one of the smaller. Built to house eight families, it was purchased two years ago by a Co-operative Association for $43,000. Monthly charges (‘‘Rents’’) range from $60 to $65 for six rooms and bath.
Co-operative Home Builders in New York

The workers and professional people of Greater New York have begun to take hold of co-operative housing in real earnest during the past few years. Jewish groups in the Bronx, Finnish groups in Brooklyn, miscellaneous groups in Manhattan and Queens—each borough of the great city has co-operative housing associations driving by different roads toward the same goal: low-priced housing without profit, security of tenure, democratic control by the tenant members themselves.

Here you see sixty single people in co-operative control of a lodging house which also provides two meals a day for its members. There you find a colony of many co-operative apartment houses with two co-operative restaurants situated in the same neighborhood for the convenience of their occupants. A third group experiments with co-operative buying of a few lines of groceries. A fourth specializes in a large playground with tennis courts for the adults and sand boxes, wading pool, etc., for the children.

Properties vary in value from $16,000 to $1,400,000. They vary in number of apartments from 8 to 360. They vary as to monthly "rental" charges between $8 per room and $250 per room. Average cost per building is about $175,000; average number of tenant-members, around 25; average rental per room, approximately $12.

The most interesting feature of this new movement is its diversity. Among the 35 or 40 housing groups there have been nearly a score of different kinds of experimentation in matters of financing, incorporation, control, management. A rapid sight-seeing trip among these groups would show us some of the following variations:

There are language differences. In the Bronx borough, there are several groups of Jewish workers; a few of Finnish workers. In Manhattan, there are one or two Jewish groups, and two or three associations of professional and business people. In Queens we come across several small societies made up of workers or small business men of native birth. In Brooklyn there are more than twenty associations, the majority of them Finnish in nationality, but some Swedish, some mixed, some entirely American born; all of them are predominantly groups of workers.

There are differences in form of organization. Many societies are incorporated under the joint-stock law, and the co-operative features have to be written into the by-laws. Some are organized as membership corporations without profit, security of tenure, democratic control by the tenant members themselves.

There are variations in business and financial practice. A few have their members pay in at the very beginning a certain percentage of the total value of the apartment, and this constitutes their financial interest in the association for all time. All payments on mortgages are credited to the association, but no individual has any claim upon them. Other associations have their members subscribe for the complete value of the apartment, part of the payment being made on taking possession, the balance being paid in monthly installments with the rent over a period of several years. The member is given additional stock for depreciation of the building; amortizing temporary repairs and improvements (such as painting, etc.) over short periods; paying interest on stock owned by members, etc. The majority of the associations do not regard such practices necessary; they neglect such matters as depreciation of the property; make no allowance for interest on members' shares. Some of the societies set a flat initial payment and a flat monthly charge for all the apartments in the building, regardless of the fact that some are much more desirable than others; and the early lessees get the best locations at the low cost. Most of the societies try to fix initial payments and monthly charges in proportion to the relative value as living quarters of each apartment.

There are many ways of handling management. One or two groups relate membership on the management committee alphabetically among all the members. Others have boards of directors for one, two or three year terms. In some of the smaller houses the entire membership constitutes the board of directors. A few have a board which appoints one of the resident members to act as manager; others have a board which farms out the management and bookkeeping to commercial real estate agents.

There is considerable divergence as to prohibiting members from selling or subletting at a profit. On the extreme left is the group which permits only organized workers to live in the house and evicts any member who sets up in private business. This group rigidly forbids any selling of stock or subletting of apartments on the part of the members at a profit. On the extreme right are the associations where, in spite of original intentions that no speculative practices shall creep in, individual members sometimes hold lease to two or more apartments and sublet at a profit; or they sell their stock at a higher price than they paid for it. In between these two extremes are many variations of the co-operative effort to prevent speculation and exploitation of the public.

Some associations permit subletting of furnished apartments at a slight increase over the base price; others feel that control of price is impossible, so they put restrictions upon the period of time that a member may sublet. One association says that members will not sell at an advance in price, but they advance an equivalent to the increase in the assessed valuation of the property.

Such are some of the different interpretations put upon the term "Co-operative Housing" by two thousand of the residents of New York. They differ as to the best methods of administering such a difficult type of business. From such wide experimentation should come some valuable lessons.

Early in January The Co-operative League called a conference of co-operative housing associations. Eighteen groups sent delegates; and at the meeting a committee of seven was appointed to make an intensive study of the various co-operative housing practices and to work out a proposal for the formation of a permanent co-operative housing federation of these groups. That committee is now holding meetings.

Until a cleaner dividing line can be established between the "true" and the "false" co-operative housing associations, no adequate list of all of these enterprises in New York can be compiled with any accuracy. The list that follows does not pretend to be complete, but it is pretty comprehensive.

Co-operative Housing Societies in Greater New York

**Manhattan**

Unity House, 135 Lexington Avenue.

Workmen's Mutual Aid Association, 1786 Lexington Avenue.

Rational Workmen's Co-operative Society, 1815 Madison Avenue.

United Workers Co-operative Association, 1 Union Square.

Beekman Hill Co-operative Association, 105-117 East 102d Street Apartment Houses.

Varma Co-operative Homes, Inc., 2056 Fifth Avenue.

Suoja, 1 West 127th Street.
CO-OPERATION

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VITAL ISSUES

Liberty

Most people do not want liberty. If they had it they would know what to do with it. Whenever they are threatened with liberty they dodge it and try to escape. They are so successful that there is not much liberty for anyone.

There is a natural human apathy and indifference which prompts people to avoid responsibility. "Let George do it," is our national motto. We put it on our coins, but give it a high sound: "In God we trust!"

Political bosses provide the voters with candidates and tell them how to vote. Pedagogues tell people what to study. The great ethical and religious questions are taken care of. The decisions as to what is right and what is wrong are all ready made. The fashions of the day are the fashions which people believe. To have a Cooperative Movement requires that people shall want the liberty to think for themselves; that they shall actually have the audacity to break away from the prevalent method of doing business; that they shall have the boldness to defy disapproving opinions; and that they shall claim the liberty to assume responsibilities for the sake of making themselves masters of their fate.

J. P. W.

SHOULD WE TAKE THOUGHT FOR THE MORROW?

That excellent little monthly, "The Co-operative Official," raises a most important question in its leading editorial for December, 1925. It is to the following effect.

More than eighty years ago, under economic and social conditions which were markedly different from those that prevail to-day, the Rochdale co-operative society was organized. Since that time, right down to this age of giant power, billion dollar capitalist monopolies, international combines of finance, world federations of labor unions, of co-operative societies, and of capitalist governments, the British societies calmly roll along with this same form of organization, apparently feeling secure in the belief that the solution of the consumers' problems in 1844 was divinely ordained to stand as the solution for all future time and for all future conditions.

As a result the leaders of the entire British movement are concerned themselves with minor problems entirely. Shall we sell at market price or cost-plus price: Should dividends be high or low? Shall we give employees a bonus? Fifty years ago these were the most vital problems besetting the movement. To-day there are vastly greater problems demanding attention, and getting none.

The co-operatives of many continental countries are experimenting with the problem of securing business efficiency without sacrificing democratic rule. A few of them are trying to find out just what share of the control and the earnings of the society’s business should be given to employees if the movement as a whole is to be most effective. What should be the relation between producers and consumers’ co-operatives? How can we permeate the largest capitalist corporations and prevent these mammoth institutions from overpowering the co-operatives? What should be the attitude of co-operatives towards state and municipal control of food or coal distribution; toward state ownership of public utilities?

The editors of this valuable paper believe that the British Co-operative Movement needs an advanced body of thinkers who will do for it what the Fabian Society has done for the British Labor Movement. We in America have an advantage over our co-operative cousins. Any drastic changes to be made in England and Scotland must await the conversion of a vast mass of thousands of powerful societies, hundreds of thousands of officials too busy to stop and think, millions of consumers so steeped in the traditions of their co-operative ancestors that any suggestion of drastic innovations may be anathema to them. The co-operatives of the United States are still comparatively few, still in the stages of early experimentation, still open minded and receptive for suggestions. The editors of Co-operation are frequently blamed for discussing co-operative theory too much, and co-operative practice too little. The latter part of the charge may be well founded. But we can’t have too much questioning about these larger and more ultimate
matters, for upon them depends in a very large measure the future ability of our movement to withstand the competition of the prevailing capitalist system.

Co-operation demands not only the well-oiled machinery that keeps it going today and to-morrow. It also needs a far-seeing philosophy that seeks out the very fundamentals of social and economic science and seeks to apply them at once to the practical work of the moment.

MORE COMPULSORY CO-OPERATION!

In a recent number of Co-operation we have reported the legislation in Queensland which compels a minority of farmers producing a particular commodity to market through the association formed by the majority of such producers; and we later called attention to a similar law being enacted in South Africa.

By way of the International Labor Office the news now comes to us that the Ministry of Justice of Czechoslovakia is considering the formulation of a law which would compel all members of consumers’ societies in that country to purchase their supplies exclusively from their own associations, provided, of course, that these societies have such goods in stock or can supply them within a reasonable time. Members failing to obey this rule would be liable for any losses incurred by the society.

What is all this mean? Is this kind of meddling with the affairs of a co-operative society? Is this the kind of government supervision that was always recommended by the leaders of our movement as one of the means by which it is to escape the claws of the capitalist system? Is it not the kind of thing that the American co-operative movement should go into a swift decline. In fact, it may be that some of the enemies of co-operation have such a desire that this movement shall be arrested, ” Mr. Keen concludes.

Experience, the world over, is showing that sound co-operation demands an expert accounting bureau which is constantly familiar with the finances of each society.

This is the practice in European countries. Where a weekly or even daily report is made to the central bureau, societies do not fail. Any trend toward failure is known before failure takes place. Then the necessary steps are taken to change the trend. Under these circumstances a society would fail only because it wanted to fail; and no society wishes for this disaster.

Out of the Accounting Bureau of The League must grow an expansion into the field of supervision. Societies must place their figures before the Bureau, and it must be in a position from day to day to know just how they stand.

Our movement will come to this in due time, when we have our feet planted on the solid rock of permanence.

J. P. W.

Producers and Consumers in the Co-operative Movement

FROM THE VIEWPOINT OF THE LABOR BANKER

By Peter J. Brady

President, Federation Bank of New York

American labor banks are still in their formative stage but they already have served to bring hundreds of thousands of workers into touch with the ideas of co-operation. As they grow into power they will help mould that future democratic credit structure which is the keystone of a higher national and industrial life.

Because it has a practical purpose and because the American workers are ready to grasp anything that will bring financial security to them, our bank has obtained remarkable support. Because of the constructive aims, other labor banks have merited and received public support and widespread commendation.

There is always considerable speculation on just what labor banks can and will do. One of the most absurd is that they will be the last to seek a labor bank because the American workers are ready to grasp anything that will bring financial security to them, our bank has obtained remarkable support. Because of the constructive aims, other labor banks have merited and received public support and widespread commendation.

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CO-OPERATION

Les Co-operatives de Consommation en France

"The Consumers' Co-operatives of France" by Bernard Laverne,
Professor in the University of Nancy. Published in 1923.

M. Laverne has written a most interesting book for students of Co-operation that I wish to give it fuller consideration, than an ordinary book review. Therefore I quote liberally from significant chapters of his book.

The Consumers' co-operative societies are the only ones that merit the term "co-operative." The so-called "co-operative societies," organized by industrial producers, do not use their profits for the social good of an unlimited number of members, but concentrate their profits among the owners.

The history of these societies shows that they have a tendency to close their associations to new members so as to have more profits to divide among their own members. Co-operatives, accustomed and experienced in business affairs, may be of great aid in solidifying the existing labor banks and by helpful counsel be of valuable assistance to the labor banks in their localities.

These methods prevent any hope of their expansion. Although the state by its loans and subsidies has many times saved the majority of these organizations from failing in the different crises which have menaced them during the last thirty years, nevertheless even in France, the country of their origin, these workers' associations appear to have no future.

A few recent French figures concerning the agricultural societies for the purchase of supplies, for credit, and for insurance may be interesting. There are about 6,500 of these agricultural purchase societies. There are 15,000 co-operative insurance societies for protection against accident, fire, and hail. There are 7,500 co-operative credit banks. These have 300,000 farmer-members and more than 200,000,000 francs in actual outstanding loans. Five thousand of these rural banks in 1922 had received loans amounting to 365,000,000 francs, for which they paid 6% interest.

Two thousand five hundred Raiffeisen banks are independent of any state loans. There are only 40 or 50 "banques populaires" or credit unions among the urban workers in France. They are relatively independent as to the control of co-operative credit.

The Agricultural Co-operative Societies for Production and Sale are formed among agricultural producers for the purpose of disposing of their product. The distribution of their profit among the majority of societies is in proportion to the amount of the agricultural products turned into the society. There were about two to three thousand milk producers' societies, 1,600 cheese and fruit producers in the Jura mountain region, and 500 miscellaneous agricultural societies in France in 1921.

It will be interesting to all students of Co-operation to learn of the conditions of membership which are required by the French Federation. In the first place the three fundamental Rochdale principles are accepted as fundamental. In addition the Federation excludes from its membership any societies which:

1. Limit their number of shareholders;
2. Which allow dividends on share capital;
3. Which allow votes in proportion to share-holding;
4. Which pay more than a limited interest on capitalization;
5. Which grant any credit to all members equal voice in the conduct of their association through an annual general assembly.

So insistent on the pure doctrine of co-operation is the Federation that all societies in France which do not follow the Rochdale practices are called by the Federation "False Co-operatives." It is interesting to understand the relation of the administration of experts of the Regional Union to the societies.

In general the assemblies elect an unpaid chief of administration for each society composed of about ten or twelve members. The council employs an Administrative Chief. He is responsible for the conduct of all the

CO-OPERATION

ticular in the bank whose control is vested in a large number of organizations and as wide a spread of stockholders as possible. The Federation Bank of New York, with international unions, local unions and union members as stockholders, of over one hundred and twenty-five different crafts, comes as close to being such a representative organization as any in existence.

I cannot insist too strongly that the immediate object of all labor banks should be to justify their formation by achieving a substantial, profit-making basis. That accomplished, we must build up our resources until the pooled capital of labor gives us a position of respect and power in the world of finance. I am of the belief that as we become more powerful, more efficient and more effective, our great service to the producers will be to become their investment spokesmen.

An instinctive realization of this as the future function of labor finance is the influence which has led to the remarkable acclaim and popular support that our labor banks have received. The great investment banker is the master of his and that he wields by Wall Street, because it is the center of the world's finance, and now, as the American labor union, so that he has an investment margin in his wages, has made the wage earner through the efforts of the union members and property holders.

But American labor realizes that the diffusion of wealth now going on, even in non-union industries, will not bring representation or control until the workers who hold these securities become part of the labor banking system and will deposit their proxies with a labor banker to represent them in the decisions that concern their security and industry.

The evolutionary process of wealth distribution in conjunction with the rise of people's banks and labor banks will, with the years, transform our present financial structure and make it more representative and equal to the strain of modern production and consumption.

All this lies in the future for the labor banker who is but the instrument of the mass power behind him. He is limited by that support. Co-operators, accustomed and experienced in business affairs can be of great aid in solidifying the existing labor banks and by helpful counsel can be of valuable assistance to the labor banks in their localities. Much remains to be done to entrench such institutions, to co-ordinate them and to develop their service.

Our great need now is to develop power. Slowly, gradually, conservatively labor banks will grow. As they become the depositories of the workers' surplus cash, of their investments, in the degree that they represent the financial resources of the great majority, they will be able to transform our present financial structure.

Labor banks merit the enthusiasm they have received for they can become the entering wedge for workers' participation in management of industry. The vital need at present is for a labor bank as a substantial, efficient, well-managed institution, merit ing support by the sound conduct of its affairs. We must develop its power to serve.

As you see, so shall you reap. Labor banks have a great mission. It is a fascinating aspect of the co-operative movement, quite new to America.
against all other people. The only demand for an increase in wages that ever could be justified would be when it was accompanied by such an improvement in the technique of the industry that there would be a lowering of the cost of production. He finds the following benefits accruing to the workers under co-operative industry:

"As consumers, the workers participate in the distribution of the earnings of industry. As shareholders, the workers participate in the administration of an industry. As members of the society they have knowledge of its conduct, finances, earnings and investments, and have confidence in the honesty and sincerity of its reports."

"The workers are assured of equitable working conditions and wages such as are now safeguarded only by trade union organization."

"Wages will be used as a necessary technique in order to assure the worker a regular revenue."

"As the workers become owners of the industry, as consumer members, the class struggle between owner and employee will cease."}

The author constantly emphasizes that the major social problem which confronts the world is the equalization of wealth: the just distribution of wealth. But he frankly remarks: "What good would be the equalization of wealth if the amount of wealth were diminished, as a result of a new economic organization? Why let go the prize of to-day for the spirit of to-morrow?" Therefore, the problem of co-operators is how to maintain co-operative production and distribution at the same high level of wisdom and efficiency as "Big Business." The criterion by which any economic system must be judged is, "Is it productive?" He asks: "Is Capitalism productive? Yes, but it is full of costly waste and troublesome problems. It is necessary to conserve the technical efficiency of capitalistic industry and yet eliminate its evils. The gradual control of giant industry is the big economic problem that faces Co-operation.

What is the future of the Co-operative Regime as seen by M. Lavergne? He believes that state socialism is only a brief stage that must be passed on the road of economic progress, and that tomorrow state socialism will give place to a Co-operative Democracy—more efficient, because it is more flexible in its methods and more desirable, because it is more respectful of the liberty of the individual. The Co-operative Regime, in his opinion, will be a "capitalism without capitalists."

The merit of the Co-operative Regime is, in his eyes, as great politically as it is economically. The great virtue of Co-operation is its freedom from the tragic dilemma which faces us to-day (under capitalism); which is either to become solely efficient as a producer (for profits or for wages) and cease to be a good citizen, or to become a citizen of the Socialist State and a supporter and beneficiary of its enterprises, thereby being condemned day by day by a less efficient producer.

To combine the necessary technical efficiency in the administration of Big Business with democratic control and social approval of the masses is the great problem of modern time. It is to the honor of the Co-operative Movement that day by day it brings us nearer toward a harmonious solution of these apparent antagonisms.

A. D. Waebasse.

News and Comment

CO-OPERATIVES IN THE STATE OF NEW YORK

Co-operative organizations of all kinds chartered in New York State reported a total volume of business exceeding $26,000,000 for the 1924 crop year, according to a summary made by Commissioner Berne A. Pyrke of the Department of Farms and Markets. Of 264 co-operatives incorporated since 1917, the statement shows 1,056 reported being actively engaged in business during the current year.

Activities of the 1,056 active organizations ranged from the marketing of thirty odd farm products to the carrying on of co-operative restaurants and building co-operative apartments. Educational work and co-operative consumer purchasing are also included. All of this growth has taken place mainly within the last seven years, the record shows.

The first co-operative law was enacted in New York State in 1914, but it was four years later that development of co-operative activities was stimulated by new legislation. At the beginning of 1918 there were but 17 active co-operatives in touch with the Department of Farms and Markets; by 1926, but three that time. More than 1,550 charters have been granted to groups of producers and consumers for nearly every purpose permitted under the law. A considerable part of the total volume of business was done by co-operatives in the dairying industry. Consumers have also built up extensive units, one of which is now operating four large cafeterias and a laundry in New York City.

THE EFFICIENCY OF A CONSUMERS' CO-OPERATIVE SCHOOL

The last issue of The Co-operative Student, organ of the Co-operative Educational Institute, a genuine Rochdale co-operative, contains the following explanation of how such an institution goes about selecting its curriculum:

"The Educational Committee has been conducting individual and group consultations with our students. This activity of the committee is of tremendous importance that should not be overlooked." "Plans are being made for the approaching Spring term. A curriculum is to be adopted and a teaching staff is to be engaged—perfectly normal plans. How does our Educational Committee go about it?"

"Thus: It starts with the classical co-operative theory that it is the consumers who create the need for the commodity—an economically sound theory. In our case the consumers are the students and the commodities are the various subjects."

"The task of the committee is to de-
termine the demand of the students for the various subjects. The committee does not resort to the hit and miss method of consulting the students—the consumers. "In this simple method lies a deep and profound significance, the very fundamentals of co-operation. Our committee does not resort to the hit and miss system of determining demand as private traders, and frequently guess wrong, notwithstanding their huge advertising campaigns—an enormous waste for which unfortunately the consumers pay."

"The Educational Committee first finds out how many students will attend our school during the下一term and subsequently consults these students as to what subjects they have to study. Their replies form the basis of the schedule of subjects for the ensuing term. Since these students are representative of most other students, their choice of subjects is equally representative of the choice other students may select. Subjects that are not in demand are eliminated. Subjects that are in demand are retained and new ones introduced."

"This method determines the success of individual classes without an iota of risk. Sometimes there arise technical difficulties, but generally this method has proved successful since its inception and is meeting with greater success as the committee continues to improve its technique."

"There are many other features in these student conferences that are of distinct service to the students individually and to the school as a whole. The chief aim is to render service and to avoid waste. In a very large measure the Educational Committee has attained its aim and it is to be congratulated for formulating unique plans for a unique activity."

**DOINGS AT FRANKLIN CREAMERY**

On January 7th the educational evening courses began in the auditorium of the Northside building. Mr. Holman of St. Paul is giving a course in "Machinery and Progress," which consists of 12 lectures. Mr. Louis J. Duncan is giving a course of 24 periods in the study of English. In the middle of February a course of 12 periods in "History of Industry and Co-operation" will be started by V. S. Alanne. The Educational Committee of the Franklin Co-operative Creamery Association is in charge of the courses.

The third series of questions in the Co-operative Study Contest conducted by the Franklin Educational Committee appears in the January number of the Minneapolis Co-operator. Three cash prizes are offered for the best answers to all the questions submitted. Each series of questions contains ten questions regarding the nature, work, form of organization, etc., of the Franklin Creamery Association or of other co-operative organizations.

"Come and Hear Your Milkman Sing" is the appeal made in the publicity conducted by the Concert Committee of Franklin when advertising the Annual Concert given by the Franklin Co-operative Male Chorus at the Lyceum Theatre on January 26th. Neither the Chorus as a body nor any individual members thereof receive any of the proceeds of the Concert. This is the second affair of this kind in Minneapolis, and the Chorus is now known throughout the city.

**GOOD JOURNALISM — CO-OPERATIVE KIND**

A few, only a very few Co-operative papers published by local Co-operative societies in the United States, really merit much attention or praise. But of those few, there are not many that excel the Waukegan Co-operative Call, a four-page paper published every month by the Co-operative Trading Company of Waukegan, Illinois.

These folks not only know what kind of news is interesting and educational, they know how to get it down on paper in a readable fashion. Furthermore, they know that pictures are valuable, so they carry several of them in the same issue often.

The December number of this little Co-operative journal not only carries two good pictures, but tells some interesting facts about the progress of the society. They have within the past year opened up a branch store in another part of town, and the sales here have increased several hundred dollars each month since the beginning. During 1925 more than 200 new members have been added to the membership roll. The big dairy department is growing by leaps and bounds and milk is now being delivered in Lake Forest, an adjoining town. The total business for the year in the two stores and from the dairy was almost $500,000.

**GLAD NEWS OUT OF FITCHBURG**

Several years ago, in the days when the first split occurred within the ranks of the Finnish co-operators of Massachusetts, the worst damage was done to the cause of the co-operative movement in Fitchburg. There the strong United Co-operative Society, with its several grocery stores, bakery, men's furnishings department and milk routes was cleanly divided between the Rights and the Lefts, and the latter finally withdrew their support from the society and opened a competing store owned and controlled by the Workers' Party.

During 1925 a conference of all the Finnish co-operators of Massachusetts was held, and the two political groups among them tried to arrive at a compromise which would not limit the independence of either political party so far as political work was concerned, but which would withdraw political matters from the arena of co-operative action. The Lefts there and then promised to close up the opposition store in Fitchburg.

Early in January the word comes that as a result of this conference and two subsequent conferences held in Fitchburg, the store owned by the Workers' Party has been closed and the members of that party have come back into the United Co-operative Society.

So closes one more chapter in the interesting story of political differences within the co-operative movement. Fortunately this chapter has a happier ending than many. The Workers' Party store was a paying proposition and brought considerable revenue to the treasury. Which is all the more cause for congratulations to the membership of that Party on their move in the direction of establishing neutrality within the co-operative movement.

**CAN CO-OPERATIVE WHOLESALES SUCCEED IN THE U. S.?**

The Bureau of Business Research of Harvard University has compiled a study of operating expenses in wholesale grocery houses. The study includes the average margins for wholesales doing a business of between $500,000 and $1,000,000 annually.

The Co-operative Central Exchange is a Co-operative Wholesale. Here are the figures of the Exchange as compared with those of the average private wholesale house listed by the Harvard Bureau.

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<thead>
<tr>
<th></th>
<th>Private Wholesales</th>
<th>Exchange</th>
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<tbody>
<tr>
<td>Gross margin</td>
<td>11.5</td>
<td>6.28</td>
</tr>
<tr>
<td>Operat'g expense</td>
<td>11.0</td>
<td>5.64</td>
</tr>
<tr>
<td>Net profit</td>
<td>0.5</td>
<td>0.64</td>
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**WINNER OF SUBSCRIPTION CONTEST**

During the autumn The League office offered a plaster replica of the Sarteel Statue to the co-operative society sending in the largest number of new subscribers before January 1, 1926. Lauri Kajandi, an employee of the Finnish Co-operative Trading Association, Brooklyn, N. Y., won this prize for his society by sending to The League office 20 new subscriptions during the three months. Though new subscriptions came from many other societies, no one of them quite equalled this figure.
 Directors' Page

HOW TO INCREASE THE SALES OF CLOTHING, FURNITURE, SHOES, ETC.

Hundreds of co-operative stores are carrying these and other such slow-moving commodities as laundry appliances, farm machinery, mining tools, or coal and wood. They move slowly in the best of times, and when times are bad they may not move at all. Several of the British co-operatives have found a method of increasing the sales of these goods 50 or 100 per cent. The best example is that of the London Society.

The manager of this society found that the members were buying many of the higher priced goods from the installment houses and cheap private stores in the neighborhood. Installment purchase may be a bad habit to encourage, but it offers genuine service to workers who never have more than a few dollars ahead, for it enables them to distribute the cost of a high priced article over several weeks or months. Why shouldn't the co-operative offer the same kind of service in a less vicious form?

"Twenty-weeks Clubs" were started. Each member joining a club subscribed for $5 (or some multiple of that amount) and paid in each week 25 cents. After he has made a definite number of payments (perhaps two or six or ten) he is entitled to exchange his certificate of membership in the club for goods at the store. He pays for the goods by instalments, but some of the instalments are paid in advance, for it enables them to distribute the cost of a high priced article over several weeks or months. Why shouldn't the co-operative offer the same kind of service in a less vicious form?

Experience has shown that such clubs as these, organized within the co-operative, help the members to organize their expenditures, for the weekly payment is put aside every pay day just as the portion of the rent is laid away for the landlord. The family systematizes and makes easier the spending of the income, and both parents and children are probably better clothed and better cared for.

Here are some of the interesting results of the experiment made by the London Society:

For the year just preceding the organization of the first club (spring of 1923) the sales in the drygoods department were 211,000 pounds. For the second year after the starting of the Club System the sales of this department were 488,000 pounds—an increase of 131 per cent.

The business brought in exclusively by the clubs was 24,500 pounds in the first half year, 42,000 pounds for the next half year, and 245,500 last year. Nor did the cash trade suffer. In 1925 an increase of 25,500 is shown over the cash trade of 1923.

The number of customers served in 1924 was 79.5 per cent greater than in the last year before the clubs were started. The average purchase per member has doubled during the two years.

During these two years the turnover of goods has increased from two to three times, enabling the manager to carry a more varied and up-to-date line of goods, with less depreciation and smaller charges for interest on invested capital. Total expense per dollar of sales, after deducting the full expense of organizing and operating the clubs, are slightly more than 50 per cent of sales before the clubs were organized.

A loss sustained by the departments prior to the starting of the clubs has been converted into a net profit of 40,000 pounds for 1924.

Many of the co-operators feared that such an extension of credit trading as this would result in considerable losses. As a matter of fact, losses per $1,000 of sales have amounted to one-tenth the amount saved in interest charges as a result of the more rapid turnover of goods.

The average purchase by a club member in the drygoods department is nearly three times the average purchase of an ordinary member in the same department.

The average installment system of purchase conducted by a private store penalizes the consumer by levying an additional charge upon the goods of 5 per cent or upward. The "Twenty-weeks Club" protects the co-operative consumer from such exploitation.

District Leagues

EXTRACTS FROM ANNUAL REPORT OF THE SECRETARY OF THE NORTHERN STATES' CO-OPERATIVE LEAGUE

The year 1925 marks great progress in the history of the Northern States' Co-operative League. It is becoming a real factor in the development of the consumers' co-operative movement in the United States.

Most of the time of the Franklin educational director during the year has been consumed in his work for the Northern States' Co-operative League. The question of whether or not the Franklin Co-operative Creamery Association should allow their educational director to spend so much time in his work for the League has been discussed during the year at two or three meetings of the Franklin Board of Directors. Always a decided majority of the board has taken the stand that work done for the Northern States' League is of the same value as work done for the Franklin Co-operative Creamery Association.

Constitution Membership

While a great deal of attention has been paid during the year to obtaining individual members for the League, it has also been the object of the League to obtain new constituent members. At the end of the year the following societies make the constituent membership of the Northern States' Co-operative League:

Franklin Co-operative Creamery Ass'n, Minneapolis, Minn., with 5,269 shareholding members.

Co-operative Central Exchange, Superior, Wis., a wholesale organization of co-operative store societies (mostly Finnish), with a membership of 36 regular incorporated societies and 24 buying clubs at the end of year 1924, and with a reported individual membership in these affiliated societies of 2,939 shareholding members.

Croquet Co-operative Society, Cloquet, Minn., with 679 shareholding members.

The Associated Textiles, Minneapolis, Minn., with 403 shareholding members.

Union Consumers' Co-operative Society, Duluth, Minn., with 277 members.

Farmers' Co-operative Co., Wright, Minn., with 116 members.

Wentworth Farmers Co-operative Association, Wentworth, Wis., 90 members.

Farmers' & Consumers' Co-operative Association, Brule, Wis., 83 members.

Spooner Co-operative Association, Spooner, Wis., 66 members.
Workers' Mutual Savings Bank, Superior, Wis., 84 members.

Thus the total dues-paying constituent membership of the Northern States' Co-operative League at the end of the year consists of:

The local consumers' co-operatives with a total individual membership of 6,995, and one co-operative wholesale group paying dues to the League for 6,500 individual members. This makes the total individual membership of the affiliated constituent societies of the League, for which they have paid dues this year, 13,494.

Fraternal Members

There have been several additions to the fraternal membership of our League during the year 1925. The Central Labor Union of Minneapolis had voted to affiliate with our League before the Cloquet convention at which they were represented. The Co-operative Creamery of Minneapolis also joined the League as a fraternal member during the first part of the year. During the latter part of the year two other organizations have become affiliated with our League as fraternal members. These are the Milk Wagon Drivers' & Dairy Employees' Union No. 271 and the Franklin Good Fellowship Club. This makes the total of organizations in fraternal membership with our League 11, as against 7 at the end of last year.

The Cloquet Convention

The fourth annual convention of the Northern States' Co-operative League was held this year considerably earlier than in previous years. It was held at Cloquet, Minn., on September 28th, inclusive. This school was attended by 25 students, of whom 14 stayed for 8 weeks, 1 for 7 weeks, 7 for 6 weeks, and 3 for 4 weeks. It is interesting to note regarding this year's training school that less than one-third of the students were attached to co-operative stores or other co-operatives before coming to the school, while almost two-thirds of them had never had any practical experience at the co-operatives. In other countries, where the consumers' co-operative movement is stronger, all of the students at the training schools conducted by co-operative central organizations are drafted from among the employees of the co-operatives.

Year Book

Undoubtedly the greatest single piece of work attempted by the League during this year has been the first Year Book of the League. While it may be said that the Year Book, as far as its technical make-up is concerned, does not come up to first-class standard and is not what it was planned to be, there is no doubt that it represents an important step forward in the consumers' co-operative movement of this country.

It is interesting in this connection to note that 40 per cent of the expense connected with the publishing of the Year Book has been covered by commercial advertising obtained by three of the constituent and one of the fraternal societies of the League.

The "Northern States' Co-operator"

The need of a printed organ for the League was first brought to your attention in the Year Book. The idea of having a co-operative paper as a co-operative organ for the League was brought forward by Mr. O. J. Arness, who began to circularize the Minnesota shareholders together with a four-page Minneapolis Co-operator.

Corporate Propaganda Work

A good deal of effort has been made by your secretary during the year to secure subscriptions for Co-operation, the magazine published by The Co-operative League. Practically all of the 94 yearly subscriptions which during the year have been obtained through this office have been obtained in connection with the individual membership campaign.


In speaking of spreading co-operative literature, the League's own Year Book and the Northern States' Co-operator, of which three issues have so far been published, must not be forgotten.

Conclusion

In conclusion I wish to say that I strongly realize the far-reaching importance of the work which our League is trying to do. Let us resolve that we shall see to it that at the end of 1926 we shall have still bigger things to report to our constituents and to those interested in the success of the Co-operative Movement.

Fraternally submitted,

(Signed) V. S. Alanne,
Secretary.

Minneapolis, Minn., Dec. 31, 1925.
The Correspondence File

RURAL LIFE VERSUS CITY LIFE

Editor, Co-operation:
There may still be a steady flow of people to the city from the farms, and yet the reverse, it is very likely, is also on the increase, but actually increase. The figures show an increasing productivity of farm labor, and may be an absolute increase in the population on the farms, though not as great as the decrease in the general interpolation among agricultural economists is that the productive capacity of the farms of this country has increased faster than the perishing power of the mass of the population. This being the case, each farmer will receive a larger income, and the number is reduced to those needed to supply what the consumers can consume. During the war we produced what production beyond what we needed to supply the consumers in this country. But the European demand declined after the war and we were producing too much wheat. The income of the wheat farmers this year will be more than their income in 1925 because there are fewer farmers producing wheat.

As to the character of the people leaving the farms for the city, it varies in different sections of the country. In the regions where land is poor and cannot compete with the better lands of other countries, it is definitely the better class who have moved out to other farming regions and the other regions where farming has been paying over a series of years, the best farmers have, as a rule, been the last to hold on or leave the farms. It has been the men with other abilities and likings that have left the farms. They have made better mechanics, lawyers, doctors, and other useful professions, while the farmers have left the farms. They have made better

Editor, Co-operation:
I had a very good interview with the Secretary of the All-Russian Co-operatives. They have an immense suite of offices and seem to be very prosperous. I thought you might be interested to see this.

I am not very intelligent on co-operation, but the Secretary with whom I talked was loaded with figures and gave me a lot of stuff. Everywhere I went in the U. S. R. I ran across co-operatives—mostly consumers. The big towns are full of them. Usually they are in big blocks.

Co-operatives gain in Workers' Republic.

At the present time the co-operatives make up about 40 per cent of all the bread consumed in the city. In Moscow they take 75 per cent of the bread used. The 77 leading co-operative societies take more than 80 million pounds of bread per month. Half of all the textiles sold are handled by the co-operatives. 18 of the 22 counties own the oil of the petrol. The Secretary of the All-Russian Co-operative states that at the present time 60 per cent of all Russian workers and 22 per cent of all peasants belong to the co-operatives and that the co-operative societies get from 50 per cent to 100 per cent of the monthly salary paid to the workers of the Soviet Republic.

If these figures are even approximately correct, they give an idea of the immense role that the co-operative movement is playing in the life of the Soviet Republic. While it is still true that the co-operative movement has gained most of its support among the poorer people, the peasants are taking a greater interest in co-operation. On June 1, 1925 there were 4,940,000 town dwellers of the co-operatives and 4,383,000 peasants.

There were 19,000 co-operative societies in Russia on Oct. 1, 1923. They had 25,500 members and 5,800,000 members.

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Scott Neuring

Ruskin, December 11, 1925.

From Russia

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

An educational organization for teaching the history, principles, methods and aims of the Co-operative Movement and for the promotion of Co-operation in the United States.

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Educational Department
Central States Co-operative Wholesale Society
(208 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 accuracy of time, worry and errors.
Send for Samples and Prices

Published Monthly by
THE CO-OPERATIVE LEAGUE
167 West 12th Street, New York City
J. P. WARBASSE, Editor
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Vol. XII, No. 3 MARCH, 1926 10 CENTS
What it Means for Telephone Users to Co-operate*

An excellent example of the benefits derived from co-operation may be found in the history of the Farmers Mutual Telephone Company in Whatcom County, Washington, started a little over 20 years ago, when a large percentage of the fine farms now existing in that section were undeveloped. There were many poor roads and these were often narrow and obstructed by trees and brush, making it hard to build good telephone lines. But this company has pushed ahead until it is now the largest Mutual Telephone Company in the west.

The start of the company was due to the need of communication in the county, so in 1902 and 1903 some people purchased their own phones and built party lines. These lines were first run so as to take in the principal farms, and the connecting lines in small towns. Small switchboards were placed in the homes of families in each place.

In the early summer of 1905, these various groups had a meeting at Bellingham and decided to form a mutual company to cover the entire county outside the city of Bellingham. They secured a fifty-year county franchise, recorded the articles of incorporation. The by-laws provided for 2,000 shares of stock at $15 a share. It was so arranged that each person who had furnished and set nine poles and contributed $1.75 toward the purchase of wire and help on the switchboard was to have given the value of one share of common stock, or he could pay the cash for his shares of stock. Each subscriber also had to furnish his own phone and batteries. Now the batteries are all furnished by the company.

The common stock was easily sold all over the county, wherever lines were expected to be built, many purchasing stock who never secured a phone, but wished to join in the enterprise. By 1906 about 1,000 shares had been sold.

In the beginning the company had only single lines that were heavily loaded, except some people living near the centrals who furnished their own equipment and had double, or metallic lines. The switchboards were of little value and were usually placed in the home of the single operator. The operators were necessarily paid a low wage. The lines were often repaired by the subscribers or the local director himself. As the organization grew, the lines extending toward other centrals were joined, thus giving connection between the towns. These lines were gradually replaced by metallic trunk circuits. The subscribers' lines were slowly divided up and metallized until at present fully 95 per cent of all the lines are metallic circuits. Some of these lines are long and if the county were served by a regular old line stock company many non-paying lines would never have been built.

Properties have been purchased at every one of the nine centrals except at Blaine which is leased. The company owns good concrete or wooden buildings to provide for the exchanges.

In 1911 to 1914 the phones were classified, and rates were filed for the different classes of residence and business phones and distinction made between party and main line. A surplus began to show from this time on, and all profits then were applied to the indebtedness or extending the system. By 1915 the company was able to secure any funds that might be needed without much effort. Slight increases in rentals have been made as needed to keep the company on a paying basis. No dividends have ever been declared to the stockholders.

The directors are elected annually, one man from each Central and one director at large. They meet monthly and canvass all expenditures.

The local director is especially valuable to the organization. He can adjust grievances at once. He knows best what is needed in his district. Subscribers can see him almost any time. This gives prominence to the local ownership, for each nominates his own candidate for director.

Each shareholder has but one vote. No proxy voting is allowed. The greatest number of shares held by one person is 25 per cent of the common stock or $3,125, unless one has a phone to make use of it. The original investment of each shareholder was a little less than $45. During these 20 years, there is a plant value back of each share of stock to the amount of $125.

The company is managed from the general office at Lynden. Here the president has charge of the work crew which does all the construction and repair work; supervises the service men at all the centrals; purchases all the poles; plans all new work and reconstruction, and reports to the Board all work needed to be done.

By the fall of 1917 the poles and lines were in very bad condition, and when a heavy sleet storm destroyed many of the equipment that had been sold, the subscribers raised $35,000 among themselves and rebuilding was begun with heavier poles and much cable line.

The dairymen and egg men were organized. Hundreds of people are members of two or more of these organizations to-day. There are few changes among the employees. The majority of them have been in the service of the company for several years. They own their own homes where they are employed and take a part in the various community activities.

One of the chief sports of the Bell system is buying up these farmers' mutual companies at a figure slightly above what the shareholders have paid, and then raising the rates to recoup on the investment. And this method of killing off the co-operatives has been remarkably successful. In view of this fact it is refreshing to learn of the fine fight and the strong stand taken by the Farmers' Mutual Company of Whatcom County. These people have planned their work so carefully and well, and their association is now so strong financially that there is little danger of their being swallowed by the Bell system.

Some figures on the activities of this company are interesting:

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<th>Year</th>
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*Information supplied by L. A. Jones, secretary of the company since 1915.
VITAL ISSUES

CURINGILLSWITHBILLS

THE Indians were driven out and the farmers now have possession of the land. But they are having more trouble with it than the Indians had. The Indian medicine men beat tom-toms when things were not going well, and usually things got better. The farmers' medicine men introduce bills in Congress—and things get worse.

Now all the talk is about the McNary-Haugen bill and the Hoover-Jardine bill. The first aims to create a domestic shortage of food stuffs by encouraging exports of farm products. The second aims to cause a domestic shortage by reducing production. The end result of either of these plans is increase of prices of foods to the consumer. And some way or other in this hocus pocus the farmer is supposed to be benefited.

The United States is composed mostly of land—and some water. The land is supposed to be used to raise food. Now it is used to raise prices. Land is more and more employed for speculation. But to speculate, one does not need to live nine miles from a movie screen, so now most of the folks have gone to town, and left nobody but the hired man on the farm.

Once an agricultural country, the U. S. A. is now a commercial country. The majority of the population is in the towns. And the majority of people are more interested in low prices for food than they are in high prices for farm products. In other words, the balance of power in Congress, where these bills are introduced, is in the hands of the representatives who want the votes of the consuming people, most of whom live in towns.

L. S. Herron, editor of the Nebraska Union Farmer, is one of the few men who keeps busy trying to set the farmers straight on these matters. But it is difficult for a wise and discerning observer of economic events, such as Mr. Herron, to compete with the medicine men who claim to be the farmers' friends and protectors and who have a trail of solemn words about the beet the Indians had. The Indian medicine men beat tom-toms when things were not going well, and usually things got better. The farmers' medicine men introduce bills in Congress—and things get worse.

SOUND BUSINESS METHODS

We realize more and more that the day has passed when a co-operative society can thrive on sentiment, ideals, and good will. Good business is also an essential. We are learning this from the experience with the League's Accounting Bureau. The day must come when societies, in order to qualify for membership in The League, must not only be carried on under true co-operative principles, but they must keep books that show where they stand financially. They must account accurately for the trust of funds which the members have placed with them. They must submit to periodical auditing. And all of this information must be in the hands of the Accounting Bureau of The League. The Bureau is learning things about societies, and giving them advice that is vital for their existence.

This experience is similar in every country. A society in Canada has recently closed up for lack of proper accounting and sound business methods. Mr. George Keen, the Secretary of the Canadian Co-operative Union, has an appreciation of good business methods because he has seen the havoc played by his neglect. In this conviction he writes:

"I feel that the most urgent need, both in the United States and Canada, is national unity and co-ordination, with the view to the mobilization of the judgment and experience of each organization for the benefit of the whole movement; and the provision of machinery whereby the weak may be guided until they become strong. I am of opinion that the national co-operative union should be something more than educational to meet our conditions. While it is impossible there should be complete local autonomy, we ought to function commercially with something of the authority of the executive of a big chain store corporation, and have at our service good business men of sound judgment, and having the necessary initiative and resource to foster satisfactory development.

"We should not dictate to the local retail society, but such men having behind them the moral influence of a united movement should, in some respects, be almost as effective, and, indeed, in many respects, more effective than the autocratic controller of chain stores."

Profit business is all business and no sentiment. Co-operative societies may have as much sentiment as they will and ideals they must have; but they will fail unless their books balance; and failure is about the worst thing that can happen to a society. Failure has only one merit: it stops a bad society from doing any more harm. But every failure leaves a scar upon the body of Co-operation.

GOVERNMENT TO SUPPLY FOOD TO PEOPLE

It is reported that the British Government has under consideration purchasing the staple foods in large quantities and selling them to the people at cost, thus cutting out profit from food stuffs. Premier Baldwin suggested this step in Parliament some time ago. Now it is reported that British agents are in the United States studying sources of supply preparatory to rendering a report. The situation in Great Britain is steady moving from bad to worse, and the political leaders know that something extraordinary must be done.

The question naturally arises, why should the Government go into the new business of distributing food when a third of the people are already organized into co-operative societies which have seventy-five years of experience behind them and which already constitute the largest distributors of food in the country. They are the only organizations with the machinery and the trained people who know how to distribute food at cost.

It will probably come ultimately to the co-operatives, but the politicians first have to try their hand.

J. P. W.

BANKERS AND CHRISTIANS IN DEBATE

THE bankers and the leaders of the Christian Churches are in disagreement again. Which may surprise the hardened sinner who cannot see that there is any distinction between them.

This is how it happened. President Coolidge told the country that reduction of taxes on large incomes would benefit the whole people, for it would encourage investment of more capital in productive industries.

Immediately the Department of Social Action of the National Catholic Welfare Conference vehemently protests that whether Mr. Coolidge is right or not is beside the point. We do not need nor want more capital in business; there is too much of it there already. It will do better service if used in some form of public work or in the payment of salaries to government employees. The Federal Council of Churches (Protestant) heartily endorses this view.

And then comes the counter-attack from the spokesman for the National City Bank of New York, to this effect: The churchmen do not know what capital is. It is not money, but wealth in productive form. And there can never be too much wealth in the form of raw supplies. Railroads are inefficient because they lack proper capital. The people suffer from a housing shortage because there is not enough capital. Capital in the form of materials to provide cheap houses. Higher wages, shorter hours, a higher standard of living for the masses all depend upon increased productivity, and increased productivity all waits upon new capital in the form of equipment.

When bankers and churchmen fall out, we Co-operators hesitate to mix into the row, for such spectacles are not to be enjoyed every day in the year, nor in every country of the globe. But in this instance our conscience forces us to raise a feeble cry of protest to all three expressions of opinion.
Our good President, Honest Cal, is no economist anyhow,—and is probably repeating the lesson someone else set for him, so let’s not waste time here.

Our brethren of the churches seem to be sparring at windmills. Does it make so much difference whether more or less capital goes into industry, so long as industry is controlled as it now is, and directed primarily to the making of productive industry. We just wonder, by what kind of reasoning can they list real estate speculation, munition manufacturing, the making of hundreds of millions worth of cosmetics, narcotics, extravagant clothing and other personal adornment; the billions that go into sales promotion, the loans to foreign governments for military expansion, and countless other doubtful investments as productive in the best sense of the word? We have an interest in the question of how income taxes shall be apportioned, but it is a mild interest only. Our greatest concern is with the sources of our income itself—the industrial and commercial institutions of the country and how they shall be controlled and to what end directed. C. L.

Producers and Consumers in the Co-operative Movement*

BY U. G. MOORE

We do not spend our entire lives as producers, nor even the major part, and our present struggle is to lessen still further the place of production in our lives. We come into the world as non-productive consumers and continue as such for several years. As age darkens the pathway, we again reach a non-productive milestone. If we accept as true, the figures used from time to time relative to the dependency of old age, this is the lot of the overwhelming majority of mankind. We cannot but admit that for a considerable portion of our lives we are just consumers, not producers at all. From the hour of our birth to the time the last rites are spoken over our stiffened forms, we are consumers. Whether we work, or play, or sleep, we consume. Consumption is the constant thing in our lives; production but a means to that end. Even the slogan of some protesting groups, "To the worker the full fruits of his toil," is not a cry for more production but a cry for more consumption.

Most of us are agreed that the consumer should, as far as possible, produce under the title. The two previous ones were the Labor Banker, and were written by E. C.

what he consumes. We are also agreed that the producer should consume all he produces, using these terms in a mass or social sense, since this is a day of mass production, but always keeping in mind that the sick, the infirm and helpless comprise a group of consumers unable to produce. When the time arrives that all consumers are producers and all producers are consumers, i.e., when industrial relations are so adjusted that the two are one and inseparable, then this period of disputations will have passed and other considerations will possess us.

In the meantime, we must keep clearly in mind the inevitable antagonisms that grow out of organizations based solely on production.

The consumer co-operator believes that producers' co-operatives are an improvement upon individual capitalism. Industry is inasmuch as the individualistic viewpoint has been diluted slightly by group viewpoint—the individual producer has become aware of a common interest with another producer of the same commodity and has to some extent discarded money as the measure of man's personality. However, he is still antagonistic to producers of other groups. For example: if he is a producer of citrus fruits in California, he tries to outsell the apple grower. He is even in competition with the citrus producer of Florida, of Japan, of Spain. Sometimes the gap between these far-separated citrus growers may be bridged, but there is still a battle in this respect. The apple grower, and the fig grower, and the prune, peach, pineapple, berry and other growers ad infinitum, no group of which consumes what it produces, and so all find themselves in a tangle of competition; engulfed in a constant rise and fall of uncertainty, as to the loyalty of their membership, as to the prices and sale prices of their products. Consumers co-operation has been able to minimize selling uncertainty and increase both knowledge and funds.

I. PRODUCERS CO-OPERATIVES

Of the hundreds of Producers' Industrial Societies organized from Owen's time to the present, exceedingly few have survived. A few have been taken over by the Consumer Societies; a few have continued separately by hanging their existence upon the friendly purchases of Consumers' Societies; a few have degenerated into the usual profit-taking establishment; but the vast majority have passed into vapor. There is a type of Producers' Society, such as creameries, in which producers of raw milk band themselves together to produce another commodity from this raw material, but this process is primarily one for profit since the milk producer must find his own markets. There are but few creamery producers, however, who can use it himself. These have met with reasonable success, but what will they do when the consolidation process gets under way in this field? Unless there are good, strong Consumers' Societies to take the products, will they not go under?

There is still another form of Producers' Co-operatives which would be better termed Marketing Co-operatives—the Wheat Pools, California Fruit Growers Ass'n, Washington Co-operative Egg and Poultry Ass'n, etc. Here, there is co-operation in marketing, but production for profit is still the main factor.

It has been demonstrated that the first form cannot exist in any appreciable degree without the help of Consumers' Co-operatives. It seems quite likely that this is soon to be demonstrated with the second form. If the third form can hold together the majority of farm producers in any given line and maintain its monopoly, it seems likely that many storms will be weathered. But if it succeeds in this respect, its outlook being production for profit, it will, in all probability, follow the path of all monopolies made by the consumer organization. It is possible, and quite probable, that Consumers' Co-operatives in the U. S. will find it necessary, and desirable, to deal with the Marketing Co-operatives. It may be that this contact will lead to a cumulative change in the mental attitude of the latter that will bring them into the consumer fold by mutual consent, but from past experience one is led to the conclusion that the Consumers'
Societies will be forced into farm production as a consequence of unsatisfactory relations with the other co-operatives or gravitate into farm production as a natural result of consumer psychology—most likely because of both conditions.

The future society, it seems certain, will be determined by the ability of any form of organization to furnish to the consumer in satisfactory quantities and qualities and at satisfactory costs the things he desires to consume. The consumer will eventually change or sweep aside the organizations that do not function to his satisfaction, and set up his own organizations over which he can exercise direct control.

So far, we have been dealing with organizations of producers. What now is the place of the individual producer in the consumer organizations? There are two phases, both largely time elements—transition and consummation.

As long as most of us are tarred from the black pot of individualism and have but a faint social sense; as long as the producer attitude exists; as long as there are so many poor receiving sets above the neck; as long as there is lack of understanding as to industrial and distributive processes and economics and mathematics and accounting, there will be misunderstanding and conflict between the consumer society and its employees, with the fault now on one side and now on the other. It is the work of Educational Committees within the Consumer Societies to counter these mental stagnations and myopias, and hypermetropias, if you please, for as I see it, co-operation is but a channel through which human beings move out of the least frictional ways. It does not immediately remove frictions but it does stimulate a will to understanding and provide a means by which an understanding may be reached. This is the transition process.

While Consumers' Co-operation is but a fractional part of society, there must be machinery for securing speedy adjustments of real or fancied injuries. Such machinery does exist in varied but imperfect forms. It is not possible within the limits of this article to go into detail. This may be obtained by referring to Co-operative Democracy by Dr. Warbasse: Consumers' Co-operative Societies by Professor Gide; People's Year Book for 1924.

Theoretically, the fact that the employee is a society member ought to reduce friction as a matter of course. But for reasons given in a preceding paragraph, some of the member employees and many of the non-member employees have the producer attitude and want their own way regardless of anything else.

Disputes that cannot be settled by conference between co-operative managers and employees are, in England and Scotland, referred to a committee from the Co-operative Wholesale Society and the Trade Union Congress, and usually have been settled promptly and satisfactorily.

In Germany, after much controversy, a satisfactory working agreement was reached between the Trade Unions and the Co-operatives, but with the breakdown following the war, trouble arose, wild strikes were indulged in, and much confusion has, in the path of the German co-operatives in their attempts to deal with their employees. Finally a national agreement was reached with two of the unions and while this has not brought the much hoped for peace, it has been of help, and coupled with the Labor Code passed by the government, settlement of these difficulties seems to be progressing as rapidly and favorably as could be expected.

There was much demoralization also in Austria, but the co-operatives seem to have found it easier to reach an understanding. Frankly the workers had a large family to feed, and he fed them entirely out of the co-op. The Milford Society paid a 10 per cent rebate that year, so this member was well rewarded for his loyalty.

Belgium appears to have had fewer open breaches than most other continental countries, due in part to the fact that the trade union movement is largely co-operative, i.e., it has developed under the wing of the co-operatives. Besides, the arrangement of boards or committees for the settling of disputes is of a character to make satisfactory settlement possible. The People's Houses, or co-operative centers, which have grown up in many of the Belgian cities, have aided in developing this condition, since they have brought the various groups into frequent and intimate contact with each other and given them an opportunity to "have it out" openly and socially outside of committees.

The story in Holland, Sweden, Norway, Poland, Russia, Switzerland, is much the same. Everywhere, a willingness to meet employees even more than half way, to do everything possible and still preserve the co-operative organization, in spite of unreasonable and impossible demands, no doubt instigated in many instances by capitalist business. The workers in British Co-operatives on the whole have better hours, better pay, better working conditions than those in privately owned establishments. This is true practically everywhere, particularly in the consumer society beginning to make headway and develop resources.

The following quotation from a report made by Vogt Fiser, Secretary of the Czecho-Slovak Co-operative Society of Prague, represents the attitude of practically all consumer co-operatives toward their employees.

"I do not wish to say, and I must not say, that it is all honey with the staffs of our workers' co-operative enterprises, but it is true that all the co-operative societies and the co-operative undertakings together as a rule grant their employees better payment than private employers do, and that the functionaries and heads of co-operative societies regard their employees as fellowmen and comrades, not as workers placed beneath them."

In the last report of the Consumers' Co-operative Serviccs, Inc., a New York City organization, occurs the following: "In a Co-operative, no question involves both policy and practical administration more vitally than does labor. A distinct sentiment exists among our members that we should pay as good wages and give as good conditions as a going business will permit. The Board of Directors heartily endorses that sentiment."

Regarding the final stage, I again quote Dr. Warbasse:

"When more than half of the consumers are employees in the co-operative industry, it is evident that the voice of the workers beery voice. By this evolutionary method, what begins as consumers' control moves slowly onto industry until it becomes workers' control of industry"; theoretical processes of interest existing in the actual merging of consumer and producer into one common and individual interest.

Thus, does our theory that consumer organization provides for the producer a larger place within its folds than he can find elsewhere, and offers the surest and quickest plan for reaching industrial democracy in comparative peace, find abundant in the actualities of co-operative practice.
Foreign

THE FAILURE OF A GREAT CO-OPERATIVE BANK

On June 2, 1925, the world-famous Danish Co-operative Bank closed its doors to its depositors and members. For months since then the question in the minds of thousands of co-operators has been—“Why?” “How could such a powerful institution fail?” The answer appears in the Co-operative Official for December.

The bank was opened in 1914 and incorporated as a joint stock company in which votes were allotted in proportion to shares owned. From the very beginning the bank engaged in all phases of the banking business as well as in financing co-operative institutions and the agricultural industry. The progress was so rapid, especially during the boom days of the war period, that the directors failed to exercise the necessary caution. Branches were established in all parts of the country and loans extended most freely.

Finally, after the farmers had tried many devices for increasing the market for their dairy products, they decided to promote the export business, and a loan of twelve and one-half million kroner was procured from the bank to finance the new effort. Though all the dairy societies were to profit from new markets abroad, only one-quarter of them assumed liability for this loan. When the post-war depression wrecked the attempt to form an export trade the bank had to stand the loss.

At the last moment a new Board of Directors and new managers were appointed, and these men tried to raise twenty millions of additional capital. The Danish State Bank, the Co-operative Wholesale Society, the Co-operative Cement Society, and the Co-operative Foodstuffs Society all contributed their quota, amounting in all to eight millions, but the operative bacon societies refused to contribute to new capital.

Apparantly there was a very marked lack of confidence in the management of the bank on the part of the farmers. The great powers vested in the directors and managers proved to be the weak spot in the whole organization and the cause of the failure of the farming element to support the institution at the critical time. These same farmers at the very end decided it would be no more expensive to form a new bank than it would to rebuild the old one; and in view of the anti-co-operative features of the old bank a new one would be better anyway. Already there is a movement afoot to establish a new bank, and several local groups of farmers have purchased branches of the old institution for the purpose of organizing local banking societies. Meanwhile a large part of the work formerly done by the Danish Co-operative Bank will be undertaken by the Workers’ Co-operative Bank, whose membership is chiefly industrial workers and their societies, whereas the Danish Co-operative Bank was essentially an agricultural bank.

SWEDEN HAS A CO-OP POSTMASTER GENERAL

Mr. Anders Örne, secretary of the Co-operative Union of Sweden, has recently been appointed postmaster general of Sweden for a period of six years. Long active in various political offices as well as a leader in the labor and co-operative movement, Mr. Örne is now recognized in all countries as one of the best known authorities on labor and co-operative economics in any of the European countries. He is also a member of the Executive and Central Committees of the International Co-operative Alliance.

THE MOVEMENT IN MEXICO

Last year when the President of the Republic of Mexico was in Europe, he spent much of his time studying Co-operative societies, especially in Germany and France. He has had published by the Mexican Government several works on the subject. The Mexican Federation of Labor is giving more attention to Co-operation than ever before.

There are now 779 Co-operative societies in England which set 48 hours or less as the maximum working week for its employees. That is more than half of the Co-operatives of the island. Can private business boast as good a record?
News and Comment

THE PROSPERITY OF A FARMER'S CO-OP WHOLESALE

The Farmers Union State Exchange, co-operative wholesale for the stores of Nebraska, has stepped up its business in 1925 to a total of $1,625,311, an increase of more than 12½ per cent over that of the year previous. The net profit of $26,653 is an increase of more than 100 per cent over that of 1924.

One of the problems of these farmers is the opposition of the salt combine, which now has become so hostile to the Co-operative that it refuses to allow them a jobber's commission on salt sales, and tries by means of special concessions to the local stores to win the salt business away from the Exchange. That is the reason for a recent meeting of co-operators at Kansas City where exchanges and farmers' buying agencies from seven of the central agricultural states discussed combined action to procure direct connection with the sources of salt supply.

The Exchange is not only selling to local co-operative stores and to groups of farmers throughout the state; it is also operating a few stores directly under the control of the Exchange itself. The headquarters store did a business last year of $99,000.

In contrast with the shaky financial condition of the business four years ago, when net payable totalled $216,000, the current liabilities are now reduced to a figure which is only one-eighth of the current assets. There are few co-operatives in the country that can show as sound a financial condition as that.

CO-OPERATIVE PHONES VERSUS THE BELL SYSTEM

Some of the farmers out in Nebraska are losing patience with the continual rise in the cost of telephone service. The following resolution, adopted by the Farmers' Union of Merrick County at its quarterly meeting in September, is symptomatic of the sentiment of thousands of farmers:

"Whereas, The Bell Telephone Company has received permission from the courts to raise the rates, and has done so when the same seemed to patrons of said telephone company to be as high as should reasonably be asked; therefore, be it

"Resolved, That we, the members of the Farmers' Union of Merrick County, Nebraska, at this our quarterly meeting held September 14, 1925, do instruct our legislative committee men from Merrick County to advocate a rural county telephone system, and bring the same before the state convention proper, to be discussed in the open.

"Frank N. King, J. G. Engel, "John Wegert, Emil Becker, Committee,"

Meanwhile, there are scores of Co-operative telephone lines already being operated in other parts of Nebraska and adjoining states. The Bell interests do not have everything their own way in the rural districts as they have in the cities.

RESOLUTION ON FASCIST PERSECUTION

The following resolution has been received by the office of The Co-operative League from various societies:

"Whereas, the present Fascist Government of Italy has destroyed the co-operative societies of Italy and forcibly occupied the offices of the Lega Nazionale;

..."We, the members of the Co-operative Association, of..."

..."We hereby endorse the proposal made by the Red International Labor Union that the International Co-operative Alliance take the initiative to call a conference of the Amsterdam International of Trade Unions, the Red International Labor Union and the International Co-operative Alliance to formulate measures to fight Fascism. Signed this day of... 1926. Chairman."

TAXES SAVED FOR MINERS' CO-OP.

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UNFRIENDLY BANKERS

The State of Washington in the State Banks Association is afraid that the co-operative banks may encroach upon the privileges of its members. A bill, drawn by the secretary of the association, would prohibit savings and loan societies from paying more than 5 per cent. The bankers also demand that the members of co-operative banks may do business with these societies and that depositors be not permitted to draw out money that has once been invested in the societies. These are restrictive measures intended to hamper the growth of co-operative banks. Five years ago these societies in Washington had $20,000,000 assets. Their present assets are around $76,000,000.

A GENUINE WORKERS' (CO-OPERATIVE) BANK

One of the great misfortunes of the American labor banking movement is the fact that all the labor banks are incorporated as capitalistic banks. The Headgear Workers' Credit Union, owned and controlled by the 850 members of the Cloth, Hat, and Millinery Workers' Union, a credit organization 160 per cent co-operative and democratic in structure, presents a vivid contrast to these labor banks. During their eighteen months of existence they have raised a capital of $125,000 and have proved to be the fastest growing credit union in New York State.
NEW ERA LIFE INSURANCE IS GOOD INSURANCE
At the close of business December 31, 1925, the New Era Association, of Michigan, counted a benefit membership of 33,902 men and women who are protected by insurance to the total of $40,256,000. Since its organization more than twenty-five years ago, $4,614,305 has been paid out for death claims.

This association is as purely co-operative in form as any that has yet come to the attention of The League. An average of 35 or 40 death claims are ordered paid each month now, and the membership continues to grow steadily. Expenses of management run from $20,000 to $25,000 per month, which is an indication of the size of the business. Total assets are $235,785.

The officials of New Era are in close touch with the Northern States Co-operative League; in fact, they have been considering the matter of affiliating with either the National League or the Northern States League for nearly two years.

FARMERS’ BUYING FORCES GET TOGETHER
Recent reports from the Farmers' Union of Nebraska tell of a conference in Kansas City on January 29, at which representatives from the farmers’ exchanges and wholesalers from Missouri, Oklahoma, Kansas, Iowa and Nebraska were present. A purchasing committee of one from each state was elected. Mill representatives were present to confer with these co-operatives and show what savings might be effected by combined purchase. The agreements were reached whereby fifty cents per ton brokerage is saved on one commodity, and tentative agreements were reached on others.

The joint purchasing committee is composed of the following members: H. A. Cowden, Missouri Farmers' Association; L. E. DeVoss, Kansas Farmers' Union Jobbing Association; Z. H. Lawter, Oklahoma Farmers' Union; Wm. G. Ashline, Iowa Farmers' Union Service Association; C. McCarthy, Nebraska Farmers' Union State Exchange.

Course of Lectures at the Co-operative Educational Association
CO-OPERATION—ITS HISTORY, PHILOSOPHY AND PRACTICE
By Members of the Staff of The Co-operative League of the U. S. A.

Sunday—6:30 p.m.—At 400 Stone Avenue, Brooklyn, N. Y.


February 21—Co-operation Goes to the Continent. The Belgian Plan. The Unique Contributions of France, Switzerland, Italy, Germany and Austria. —Cedric Long.


March 7—The Rise and Development of Co-operative Banking Throughout Europe and Its Migration Into Asia and America. —Edward A. Norman.


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ANNUAL MEETING OF THE FRANKLIN CREAMERY ASSOCIATION
The annual meeting of the largest consumers' co-operative in the United States, situated at Minneapolis, went smoothly and well, in spite of some of the prophecies to the effect that a society which has grown as rapidly as this one will inevitably run into factionalism and other disrupting affairs.

The entire board of directors was re-elected. The treasurer reports total business for the year as being $3,533,175, an increase of $231,699 over that of the twelve months was $102,033.

The members voted at the meeting to pay 7 per cent interest on capital stock, and to set aside $2,000 for the work of the Educational Committee. Seven out of the eleven members of the Educational Committee were re-elected. The meeting also voted unanimously to extend an invitation to the Co-operative League to hold its next meeting at Minneapolis.

More detailed reports of the year's work at Franklin will appear in a later number of CO-OPERATION.

THE BEST YEAR AT CENTRAL EXCHANGE
The Co-operative Central Exchange, of Wisconsin, did a business of $385,552 in 1925, on which the net gain was $8,869. This is the best record these co-operative wholesalers have ever made; and they hope to raise the figures in 1926 to an even $1,000,000 of sales.

FINANCIAL STATEMENT OF EASTERN STATES CO-OPERATIVE LEAGUE

<table>
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<th>Disbursements</th>
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<tr>
<td>1925</td>
<td>$8,869</td>
<td>$1,000,000</td>
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</table>

One of the interesting features of this table is the indication that the trade is increasingly becoming concentrated with the member stores, and the scattered sales to nonmembers is being cut down each year. This shows a healthy appreciation of service to member-societies as the first job of the co-op wholesale.

Total assets at the close of 1925 are $176,343, of which $122,793 are current. Current liabilities are $85,691. The surplus reserve is $89,652.


From The League Office

CO-OPERATION

A SPEAKER AVAILABLE FROM THE LEAGUE

Early in the summer Mabel W. Cheel, district adviser on the staff of the League, will be traveling between the Pacific Coast and New York, and will visit many of the co-operatives along the way. She will probably go from Central California up to Washington, and then travel east across the North Central States to Chicago, Indiana, Ohio, and through either Pennsylvania or New York.

Societies desiring to have Mrs. Cheel stop and meet with directors or to attend a membership meeting and speak on Co-operation should communicate with the League at the earliest possible moment, so that the trip can be planned in advance. Mrs. Cheel will leave California about the middle of May and will be in the Chicago territory about the 1st of June. The cost of having her stop off for such a meeting will be only nominal.

THE ORGANIZATION OF A COST ACCOUNTING SYSTEM FOR THE LEAGUE

One of the first tasks of the League auditor has been to plan an accounting system, the chief object of which is to show the expense of running the League in relation to the membership dues received at the present and to those ultimately needed to make the League an organization wholly supported by its members. Two main classifications of League activities are used for this purpose: the Self-Supporting Activities and the General League Activities.

It is hoped that the self-supporting activities, in time, will pay for themselves. The income thereof is derived chiefly from sales and service charges. The purchase of books, pamphlets and other articles that are sold are deducted from this income. A time distribution system has been installed, by means of which every worker at the League office keeps a record of that part of his time which he devotes to the various self-supporting activities. The share of the League expenses that pertain to the self-supporting activities is charged to this account. There is still a large deficit here, but it is hoped that, by a careful accounting system, a way to eliminate this loss will be found.

First and most important of the receipts of the general League activities are the membership dues; then come donations made to meet the present deficit. Rent, one of the expenses which should ultimately be met by membership dues, is now listed as a donation. This amount has been arbitrarily set at $100 a month and has been charged proportionately both to the self-supporting activities and to the general activities. The time of volunteers has been recorded and listed as a donation so that it can be charged to the activity served. The rent collected from apartments let in the League house about covers the house expenses and is a part of this report only in that it goes through the books of the League. Under expenses of the general League activities come salaries and the overhead expense which take care of educational work and of routine matters.

A full report, showing the cost of maintaining the League office will be published annually. This quarterly report serves to introduce the new accounting system and to make clear any reference to running expense that may appear from time to time in Co-operation.

WINNIE E. BEAL, Accountant.

CO-OPERATION
"WHY CO-OPERATION IS NOT ENOUGH"

Editor, Co-operation:

Please do not consider me impertinent, but I am constrained to wonder whether the cause of co-operation has not been advanced by furnishing space to some persons to tell what they do not know about co-operation. Is the opinion of those persons who are against it worth recording, to say nothing of elevating? In regard to the question, "Is Co-operation not enough?" I could not help feeling much time I read an installment that it was a waste of space to some persons to tell what they do not know about the co-operative movement? They can furnish their own medium and I know that the opinions of the men who wrote the articles were not so far as co-operation is concerned, worth ten bushels of bolts in a hayfield. But many of the readers of the magazine did not know what they did not know. I take the stand that if they (opponents of co-operation) want to fight the co-operative movement, they may do it on their own medium and bear the expense. Let them hire a hall. Or send a printed story to members, but we are not furnishing circulation to our enemies. They have the whole newspaper and magazine field. We have one little magazine.

I hope I am not narrow and bigoted about co-operation. I think that the greatest fault is done by discussion. But what is the use of furnishing space to persons to discuss co-operation who do not know enough about it to have an opinion? As well ask a Hottentot what he thinks of the Apostle's Creed. Well, if there is any creed in the world on which I am a fundamentalist it is genuine co-operation. I am wondering whether we can hold a discussion that will tend toward the truth when we think we have isolated and corralled it. I guess that the co-operation people should have the "acknowledgment of the corn" and permit you to call me a fundamentalist.

Reverting to ecclesiastical views, I should not wish to have a preacher open the meeting house to anybody who advocated some method of serving the community. I do not think that the Erly Sunday schools, for example, would question the wisdom of sweeping out and heating up the church for somebody. Unwise it is not to serve the Lord at all. My tolerance would, however, come into action in opposing any movement to break up the following scene in Brown's Hall or down on the street corner.

Just so, I believe our co-operative papers should have a strictly co-operative slant. This does not mean that everything should be whittled down to a fine point on some particular kind or method of co-operation. Let the dope be as lively as you please, but still co-operative in tenor and trend. That's my idea. Then exercise some tolerance to the stuff desired by the other fellows by letting them have their say in the Eldorado's Evening Post. If letting all these various birds expose their ignorance will help to increase the circulation of Co-operation, and at the same advance the co-operative movement, then I shall be glad that you arranged for the series of articles.

A FRIEND CORRECTS US

Editor, Co-operation:

May I correct your notice on "co-operative publishers" in Germany in the January issue of CO-OPERATION? The "Volkverband der Buchgemeinschaft" (People's Club of Bookkeepers) as well as the "Deutsche Buchgemeinschaft" (German Book Association) are in no sense whatever "co-operative." There is no duty of the "members" except to receive annually a certain number of books. The administrative associations of the co-operative associations is entirely private, the business capital is entirely private, the surplus is entirely private. Although I have not much to say in favor of the private publishers, it is a fact that these associations pay much less royalty per copy to the authors than does the private publisher. This in spite of the fact that the editions are overreaching their subscribers enormously. It be hoped that they disappear as quickly as possible. As well ask a Hottentot what he ...
THE CO-OPERATIVE LEAGUE
(Member of The International Co-operative Alliance)
167 West 18th Street, New York

An educational organization for teaching the history, principles, methods and aims of the Co-operative Movement and for the promotion of Co-operation in the United States.

Join The League and thus help promote the educational work of the Co-operative Movement. Subscribe for the Monthly Magazine and keep in touch with the Movement.

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

Name.........................................................
Address.......................................................
How the Brownsville Bakery Grew

The Brownsville Section of Brooklyn, N.Y., is one of the most completely Jewish communities in the United States, and that means in the entire world. Why shouldn't it be the home of the largest of the co-operative baking societies in this country also?

It was back in April of 1918 that the big strike of bakery workers took place. For many months the bakers were out, and their Union finally organized a Union Bakery to compete with the non-union private bakers. There's no use picketing grocery stores to prevent their selling scab bread if you can't furnish them with union bread!

The Union bakery was a success from the start and did a land-office business. Perhaps the prevailing rent strike in progress against the landlords of the city helped to strengthen the spirit of the Jewish people generally and encourage them to boycott the capitalist bakers along with the capitalist owners of the tenement houses.

But the Union won its fight and put its men back to work. And then it had a thriving young infant bakery on its hands which it didn't want, and no one else seemed to want.

Meanwhile, two branches of the Workmen's Circle had some time previous organized the "Co-operative Society of Brownsville and East New York," hoping at a later date to find some business activity that this society might take up. The logic of the situation naturally brought the lusty orphan of a bakery into the empty arms of the new Co-operative Society, where it found loving and devoted foster parents.

That was in the latter part of 1918. The bakery was housed in a dark and unhygienic basement, but it was making big sales. In fact there were five branch co-operative stores that served as the chief outlets for the co-operative products. There were many members of the society, but only $5,000 capital.

During the first year there were three managers and each of them saw an increasing deficit accruing to the association. The five little stores did a large business that would have been better off with less turnover, for with every jump in sales, there was a corresponding jump in losses.

The bakery continued to lose money after 1919, but the losses gradually decreased. The first of the branch stores was closed up in 1920. By 1923 the fifth store had followed the first into oblivion, and losses were cut to the vanishing point. Where the association had started with five genuine co-operative stores and no sales to private stores, it now had no co-operative distributing points and sold most of its goods to private retailers. From the co-operative point of view the former plan was much the best, but from the viewpoint of successful business the latter was the only plan worthy of consideration. They chose the latter even though it meant placing the private grocers and delicatessen dealers between themselves and their consumer members.

In 1924 the sales were $285,652. In 1925 they were $355,000, an increase of $70,000. Net gain in 1924 was $2,203, and in 1925 there was a net loss of about $200. This loss last year is to be attributed to the increase in the price of flour; raw material cost for 1924 was 43 per cent of income and for 1925 was 50 per cent of income. This is the largest bakery business done by any co-operative in the country.

In 1922 these folks moved out of their cellar into their own one-story building on the corner of Osborne Street and Lett Avenue.

Sixty-four people are employed in the plant, 45 of them bakers who work in three shifts. There are also 10 drivers, 3 shipping clerks, 3 office workers, 1 route manager, a store clerk and helper.

Ten trucks keep busy carrying the co-operative bread to 400 stores and delicatessen kitchens. Until late in 1925 all of this business was done in Brownsville and East New York. Recently additional stores were taken on in the Borough Park Section of the city. But the concentrated character of this business is in marked contrast to that of the Finnish Trading Association, also of Brownsville, where baked goods are sold in Brooklyn, Manhattan, the Bronx, and in many parts of New Jersey.

There are something less than 1,200 shareholders in the Co-operative Bakeries of Brownsville and East New York Association. The capital paid in is still only $9,200, and this necessitates the using of much loan capital procured from the membership or from the banks.

From the beginning Dr. A. Seldin and A. Shiplow have alternated as President of this organization, and it is in no small part due to their tremendous patience and perseverance and tact that the business has weathered so many and such severe storms. Robinson, who has been active administrative head of the bakery since 1919, is now a seasoned co-operative manager after these six and a half years standing at the helm of a craft which a few years ago seemed as insecure a bark as ever limped out of port. Three other men who have stood by in spite of all the trials and tribulations which have come to the institution, are N. Weisberg, S. Katz, and Joseph Suderman.

Information supplied by M. Robinson, Manager of the Bakery since 1919.
The Brownsville Society is one of the founders of the Eastern States Co-operative League and one of its largest members. Mr. Robinson is a member of the Board of Directors of this League.

**VITAL ISSUES**

**The New York Housing Bill**

Governor Smith, of New York, showed his interest in the housing problem, which arose after the war, by appointing a highly intelligent Housing Commission with Mr. Clarence Stein as chairman. Mr. Stein is an architect particularly well informed on the social side of municipal housing. This commission has prepared a bill which has the Governor’s approval and which is of importance to such a gigantic one that no small scale legislation can provide a solution. A present from the political municipality is as bad as a present from a charity society. What the poor need is more wages to buy adequate housing; and until they get it the problem cannot be solved.

The bill is also criticized on the ground that its administration will run up the costs above the legal rates; also that the loans will be so manipulated that higher percentages will be gotten by the lender; and that contractors will reap harvests of rackoff. As a remedy it is proposed that the city build the houses. It is a choice of evils or goods. Private profit and efficiency or political graft and inefficiency. That is about the way it stands in New York state to-day.

The socialists criticize the bill because it does not provide absolute ownership and control of the houses by the state or municipality. The Real Estate Board of New York is violently opposed to the bill: it does not give the opportunities for private exploitation that they would like. But the bill is about as good as can be gotten through legislation. It is the most progressive piece of housing legislation ever proposed. Even the bill is not the money in the pay envelope that really means business and want to build houses to live in, this bill offers them their opportunity. The poor have been promised to be made better off by this bill, but they have not. The new owner of this business, Gus Schneider, is described as “a good fellow, a square shooter, a staunch trade unionist, who deserves the patronage of all trade unionists and their friends in and around Hayward.” Such bunk!!

A story more painful to relate comes from Chicago. The Co-operative Book Store Company of that city has been successful in recent years and has been operating two beautiful little bookshops. The directors have promptly paid their dues to the League each year. Late in February the president of the League wrote us that the members had voted to give up the co-operative charter and reorganize as a joint stock corporation. They tried to get additional help, but every man they approached insisted that he would come into the business only on condition that he could become an investor in the capital with an assurance of a large share of the profits. The president writes: “The Rochdale scheme will not work when applied to a luxury like books, the reason being that the books cost more and the看书 costs more than the commission. The president is only one real reason for the establishment of these two private corporations. In a critical situation it was easier to find a leader who responded to the mercenary appeal than to find one who responded to the co-operative appeal. And rather than expend the additional effort to maintain the co-operative character of the enterprise they turned their craft into the smoothly flowing capitalist stream to drift along with the tide.

J. P. W.

**Life Not Wages**

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C. L.
Some Questions About Producers and Consumers in the Co-operative Movement

FROM THE VIEWPOINT OF A LABOR EDUCATOR

By A. J. MUSTE

Chairman of Faculty, Brookwood Labor College; Vice-President American Federation of Teachers

THe worker in the field of labor education cannot but be deeply interested in the Co-operative Movement. Since the days of the Rochdale pioneers co-operative societies have devoted a constant effort to the saving of time and energy to educational projects, and their classes for workers providing technical training for certain positions in the Co-operative Movement, or opportunity to study the history and philosophy of co-operation, or so-called cultural subjects, have constituted experiments and examples of or so-called cultural subjects, have constituted experiments and examples of the co-operative movement. I am therefore happy to make a slight contribution to the series of articles projected by CO-OPERATION TION and to the labor movement in its pres...
productive enterprises to feed the wholesale houses, etc.—they can gradually, perhaps in its insipient stages when it does not yet seriously threaten capitalist control of important industries and of finance, the co-operative movement can get along or perhaps without the price movements of the unions or a labor party. But in England, for example, the experience of the co-operative movement, during and immediately after the war, has led directly to the efforts of private business to eliminate it from the field and to use the legislative power of government to bring about forced the co-operatives into political activity and a closer alliance with the Labor Party.

There seems to be no evidence whatever to indicate that co-operation is inherently, necessarily, a more peaceful and Christian way of achieving a new social order than the trade union or labor political method. When co-operation seriously threatens the power of capitalism, it will certainly not be treated in Canada as it was in England, where co-operative schemes were smashed by its foes and it will have to face the same problems as to how to meet the attack as confront the unions or labor parties.

Co-operation, like workers’ education, as one of the tools with which the working class has its way out of the wilderness into the promised land of the new social order, is of the utmost value. Advanced as a substitute for other basic working class activities, it takes on the character of a misleading panacea.

100 PER CENT CO-OPERATORS AT FITCHBURG

A notice recently appeared showing that the Co-operative Society at Milford, N. H., had a member last year who bought $618 worth of goods from his store, and received a rebate of $61.80. The United Co-operative Society of Fitchburg, Mass., claims members who beat this record all hollow, and submit the following list of purchases made by members.

No. 1 purchased to the value of $869.88
No. 2 purchased to the value of $868.89
No. 8 purchased to the value of $766.96
No. 6 purchased to the value of $768.89
No. 7 purchased to the value of $767.36
No. 5 purchased to the value of $766.41
No. 8 purchased to the value of $765.31

The manager closes his letter with these words: "We could, perhaps, also claim the right to some of the social value, even the value to others. The Social Value of the Co-operative Movement is vested in an executive council and advisory members at large. The financial resources are derived from membership dues, from earnings on sales, and from loans. Interest is paid on loans.

1. A TEACHERS’ ENTERPRISE FOR TEACHERS

By Anna Latourette Blauvelt

TEACHERS sometimes forget just how to carry on a particular piece of work—just how, for example, for a classroom demonstration, to make paper or possibly, the plaster mold for poured pottery. After the war, when used directions for work they have never tried before. Making papier mache or a skin, or preparing soap, or, perhaps, a study of flux culture and the manufacture of linen cloth are things teachers often want to know. When in the midst of a project, they often want pictures or materials they are unable to locate or obtain in advance. It was to meet these needs that the Industrial Arts Co-operative Service was started by teachers to help other teachers. There has been known to be interested in some sort of a co-operative Service was started by teachers to help other teachers. There has been known to be interested in some sort of a co-operative)

2. Industrial Arts Co-operative Service, Inc.

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mass of adult information and set down on a few pages as suggestive to the teacher.

Club service—subscription, fifteen dollars—includes regular service for any membership of ten persons. It covers special service to any of these persons for three years. The students, too, are sent without charge.

The extent to which the Service is in the true sense of the word a co-operative enterprise, depends wholly upon the attitude of each individual member toward the idea of mutual helpfulness. There will be in the membership always a number who see in the Service a place where they can obtain that which they need personally and who take little concern beyond that. These are welcome, very welcome. Another set, however, glimpse a newer social spirit. They see in the Service a place where they may give as well as get. It is with the latter group that a true co-operative is built up, to help, to share, to give.

THE VERSATILITY OF CO-OPERATION

Occasionally a student of Co-operation raises the question: "How many different kinds of co-operative enterprises are there?" A good answer to that question appears in the article recently written by Bernhard Jaeggi, President of the Administrative Council of the Swiss Union, on the position of the Swiss Movement in 1924. He shows that a partial list of the co-operative societies of Switzerland would include the following:

ORGANIZATION

<table>
<thead>
<tr>
<th>Number of Societies</th>
<th>1922</th>
<th>1923</th>
<th>1924</th>
</tr>
</thead>
<tbody>
<tr>
<td>Works' Societies</td>
<td>58</td>
<td>69</td>
<td>646</td>
</tr>
<tr>
<td>Consumers' Societies</td>
<td>668</td>
<td>695</td>
<td>701</td>
</tr>
<tr>
<td>Agricultural Consumers' and Purchase Societies</td>
<td>393</td>
<td>395</td>
<td>397</td>
</tr>
<tr>
<td>Special Consumers' Societies</td>
<td>156</td>
<td>158</td>
<td>160</td>
</tr>
<tr>
<td>Co-operative Restaurants and Canneries</td>
<td>149</td>
<td>151</td>
<td>153</td>
</tr>
<tr>
<td>Building and Housing Societies</td>
<td>237</td>
<td>240</td>
<td>243</td>
</tr>
<tr>
<td>Water Works Societies</td>
<td>498</td>
<td>500</td>
<td>503</td>
</tr>
<tr>
<td>Electricity and Gas Supply Societies</td>
<td>607</td>
<td>610</td>
<td>613</td>
</tr>
<tr>
<td>Agricultural Purchase Societies</td>
<td>772</td>
<td>775</td>
<td>778</td>
</tr>
<tr>
<td>Traders' and Artisans' Purchase Societies</td>
<td>156</td>
<td>158</td>
<td>160</td>
</tr>
<tr>
<td>Cheese Dairies</td>
<td>2,740</td>
<td>2,740</td>
<td>2,740</td>
</tr>
</tbody>
</table>

Other kinds of Agricultural Purchase Societies: 303
Traders' and Artisans' Sale Societies: 141
Agricultural Improvement Societies: 112
Cattle Breeding Societies: 1,529
Society for the Utilization of Agricultural Machinery: 653
Cattle Grazing Societies (Pasture Land): 56
Purchase and Sale Societies: 6
Raisin Banks: 365
Other Loan Societies: 286
Savings' Societies: 286
Savings' Banks: 286
Life Insurance and Pensions' Banks: 102
Society for Insurance against Illness and Death: 826
Cattle Insurance Society: 82
Other Societies for Insurance of Stock: 10
Property Insurance Societies: 48
Other kinds of Co-operative Societies: 1,726
Total: 11,443

And this list does not pretend to be complete!

Of the 860,000 families in the little mountain country, 360,000 are co-operatively organized. Practically every village with more than a score of inhabitants has a co-operative.

EMPLOYMENT IN NON-PROFIT BUSINESS

"Capitalism has nothing to look forward to. The capitalists may attempt to be optimistic, but they see no permanence in the system which they uphold.

So ran the argument of Mr. A. Greenwood, M.P., in a recent lecture at Kettering, England. And he had figures to back up his contentions. Between 1911 and 1921 the working population of England and Wales had increased 5.4 per cent; but during the same ten years the number of workers in co-operatives and in public service had increased 30 per cent. In 1911 a little more than 8 per cent of the total occupied population of these two parts of the Island had ceased to depend upon profit business for its living; and by 1921 the proportion had increased to 10 per cent. In the sphere of co-operative employment alone the figures had increased by almost 50 per cent during the same decade, although the total occupied population had increased only 5 per cent. If this rate of development continued for another two or three decades, the co-operative employment would exceed the employment of capitalist business.

The average capitalist would be staggered by the statement that every tenth person met in the street was either a public servant or a co-operative employee, but such is the case. And the same ratio applies not only to employees, but also to members of the co-operative societies; for this membership has also grown 50 per cent during the decade 1914 to 1924.

HOW IT GOES IN POLAND

Early in 1925 the three largest consumers' co-operative unions and wholesale amalgamated, by the unanimous vote of their respective memberships. Statistics for the newly formed Union of the Consumers' Societies of the Polish Republic:

There are 1,672 stores and 200 productive works united with this Union, sales of the stores being 78,144,000 gold francs. The collective balance sheet for 734 societies making returns shows total assets of 15,701,000 francs. The capital is just short of 2 million francs, and reserves two and one-third millions. Total sales have increased over the previous year by more than 300 per cent, and sales per member have increased more than 200 per cent. Part of this apparent increase, however, can be explained by fluctuations in the value of money.

Meanwhile the small and weak societies are amalgamating, with the following results:

SOCIETIES: 1922 1923 1924

Having 1 store........... 86% 89% 75%
Having 2 to 3 stores...... 9 11.5 15
Having 4 to 10 stores..... 4 6.7 10
Having more than 10 stores 1 1.8 3

The average number of members per society is growing at about the same rate. The purchase dividend returned to members has averaged between 2 and 5 per cent. Of the total profits for all societies for the year, 62 per cent has gone to reserves; 20.8 per cent to purchase dividends; 4.5 per cent to employees' bonus; and 1.7 per cent to interest on shares.

Of the members 55.5 per cent are workers; 24 per cent farmers; and 11.5 per cent clerical workers, etc.

OUR FAVORITE TOMBSTONE

"If social truths found their way to tombstones, we should read many inscriptions to the following effect:

--- Here lies——

A practical man of business who had an eye to the main chance which was always open. His heroic life was an incessant contest with his Butcher and his Butterman, his Baker and Draper. He died through premature exhaustion in trying to avoid being poisoned or cheated. Like so many others, he perished hungered. This vigilant fool of competition.

George Jacob Holyoake."
News and Comment

CO-OPERATIVE ORANGE-LEAGUE
FEDERATION EXCHANGE

The Co-operative Orange-League Federation Exchange, Ithaca, N. Y., is a successful farmers' business enterprise. The "S. L. P." as it is usually called, organized in 1920, superseded the New York State Grange Exchange. It was incorporated with authorized capital stock of $1,000,000 and $775,000 of capital stock has been issued to the present time. Shares are $5 each with dividends limited to 6 per cent annually. Stock is nonassessable. Each shareholder is limited to one vote; voting by proxy is permitted. All earnings above those required for share dividends and for reasonable reserve are refunded to patrons as patronage dividends.

Control of the exchange is vested in a board of nine directors, elected for terms of three years. Seven of the nine live on and operate their own farms. Department stores are conducted for purchasing grain and feed, fertilizer and seeds. A mail-order department is operated through which shareholders can obtain automobiles, accessories, motor oil, paint, roofing, cement, milk handling utensils, binder twine, hay and coal. Four co-operative stores or distributing stations have been established in rural communities for the purpose of assembling orders and distributing supplies. Recently the exchange has promoted an agricultural credit corporation.

The exchange is directly interested in feed mills located at Pecora, Ill., and Buffalo, N. Y.; it owns a block of stock in a fertilizer plant located at Baltimore, and controls through a subsidiary a large seed warehouse in Syracuse, and co-operative stores or distributing stations at several country points. The exchange operates in 88 counties in New York, Northern Pennsylvania and New Jersey with ten men employed for field work.

Many other states have similar farmers' consumers' co-operative purchasing and distributing organizations. They are schools in which the farmers are learning that they are consumers as well as producers and that it is possible to carry on their own distributive business for purposes of service.

THE U. S. TREASURY DEPARTMENT DEFINES CO-OPERATIVE EDUCATION

In planning a concert for late January, the male chorus of the Franklin Co-operative Creamery Association, the well known "Milkmen Singers" of Minneapolis, applied to the United States Treasury Department for exemption from a tax on admissions, claiming that no individual member of the chorus was to get any financial benefit therefrom. Furthermore, the application stated that the chorus is organized, composed entirely of employees of the Franklin Association, solely for the purpose of teaching the truths of co-operation, of studying music, and of creating a more universal enjoyment of music.

The collector for the local district of the department turned the co-operators down flatly, with the following statement:

"You are advised that the teaching of the truths of Co-operation is not regarded as educational within the meaning of the law. It is considered as being definitely propaganda. Further, choruses as ordinarily formed and conducted cannot qualify as educational institutions within the meaning of the law in the manner that they are not equipped with the means of imparting instruction in the manner that ordinary educational institutions are. Their purpose is largely social. For this reason this office cannot favorably consider your claim for exemption."

In other words, the Treasury Department says there is no such thing as co-operative education! There is only co-operative propaganda. Would the same ruling be enforced against an organization formed for the purpose of teaching that the present economic system is sound and right?

THE HOUSING BILL OF NEW YORK STATE

The proposed New State Housing Law aims to provide good housing for wage workers in the congested cities of the state. The maximum monthly rental per room is fixed by law at from $9 to $12.50. These rentals include heat, both rooms and other services. A State Housing Board, created by the act, approves plans for housing and supervises their execution. A State Housing Bank aids in financing the project.

Limited dividend housing corporations may be formed under the act. They construct the houses and undertake the management. This is private enterprise. The operations are subject to the supervision of the Housing Board and the Housing Bank.

No state or municipal appropriations are required. One-third of the total cost of a project is supplied by the limited dividend housing corporation. This corporation is permitted to pay 6 per cent interest on its capital. This is met by a second mortgage on the property. The remaining two-thirds is raised by the sale of state housing bonds at a rate not to exceed 5 per cent. These bonds will be secured by charges against the property. The remaining two-thirds is raised by the sale of state housing bonds at a rate not to exceed 5 per cent. These bonds will be secured by charges against the property. The remaining two-thirds is raised by the sale of state housing bonds at a rate not to exceed 5 per cent. These bonds will be secured by charges against the property. The remaining two-thirds is raised by the sale of state housing bonds at a rate not to exceed 5 per cent. These bonds will be secured by charges against the property. The remaining two-thirds is raised by the sale of state housing bonds at a rate not to exceed 5 per cent. These bonds will be secured by charges against the property.

The State Housing Bank is to be composed of the President of the Tax Department, a Commissioner appointed by the Governor from individuals nominated by (1) the New York State Association of Real Estate Boards, (2) the New York State Chamber of Commerce, (3) New York State Bankers' Association, and (4) the State Federation of Labor. Neither of the above groups of officers as such shall receive salaries.

The necessary land for building may be acquired by purchase or by exercise of the power of eminent domain under the condemnation law.

ANOTHER CREDIT UNION WHICH PROSPERS

In 1923 the members of the Amalgamated Clothing Workers of America who work in New York organized a Credit Union. To-day that institution boasts paid-in capital of more than $100,000, and made loans in 1925 of more than $200,000 to its members. Practically all the work of administration is being done by volunteer labor of a few of the members.
WHY DON'T THE PUBLIC OFFICIALS LIKE CO-OPERATIVE BANKS?

It is a difficult question to answer. But it is a fact. Illustration Number 4,580,221:

A farmer out in Kansas writes a long letter giving these details:
The co-operative business has been so successful around Osage County during the past few years that the private interests have become worried. Finally three hundred farmers of the county decided they wanted their own Farmers' Bank, and one hundred of them journeyed to Topeka to ask for a charter. They had already raised $37,500. But fifteen bankers of Osage County also took the trip and appeared before the Charter Board to oppose the petition. The fifteen bankers defeated the 100 men who spoke for three hundred cooperators, and the Board refused the charter on the plea that “another bank was not needed in the county.” (Two charters have been granted for private banks in the territory during the year.)

A similar group of farmers in the territory of Lawrence, Kansas, petitioned the charter board for a charter, and in this instance the board met at an irregular time without even notifying the farmers and turned the petition down without a hearing.

At Lynden the farmers put up the necessary fee to have a survey made of the banking requirements of the county, but no survey was made.

Finally, these two groups of farmers, knowing that private banks may be organized in the state, organized such a bank and asked the Banking Commissioner to issue a certificate as required by law for a private bank.

The officials of the Kansas Farmers' Union are asking every member of the state to contribute $1 to help defray the cost of this action.

MORE PROTESTS TO FASCIST GOVERNMENT

Last month these pages carried the account of Resolutions of Protest against the Fascist persecution of co-operatives, as passed by thirteen of the co-operative societies in various parts of the United States.

During the past few weeks notification has come to the League of similar resolutions passed by the membership meetings of the following societies:

Lawler Farmers' Co-operative Association, Lawler, Minn.

Fort Bragg Co-operative Mercantile Corporation, Fort Bragg, California.


Brentwood Co-operative Supply Co., Brentwood, Wis.

Utica Co-operative Society, Utica, N.Y.

Maple Farmers' Co-operative Association, Maple, Wis.

Farmers' Co-operative Trading Co., Hancock, Mich.


THE FINE WORK OF THE CZECHO-SLOVAKS AT CLEVELAND

The secretary of the Workingmen's Co-operative Co. of Cleveland reports total sales for 1925 of $210,699, on which they made a net surplus of $4,530.67, or 3.6 per cent of income.

These co-operatives now count a membership of 11,012, probably the largest membership of any consumers' co-operative in the country. The average investment is small, however, for the total paid-in capital is $24,870. Four per cent interest is paid on share capital. In 1925 a purchase rebate of 3½ per cent was declared. These co-operatives have returned to themselves in rebates more than $40,000 since incorporation. They started business in 1923 with a capital of $800.

The Workingmen's Co-operative has six stores in Cleveland, each of them doing a good little business.

There are several co-operatives in the country that boast a larger business than this, but few that boast such a large membership, nor more branch stores.

WHY SINGLE TAX IS NOT ENOUGH

Down in Fairhope, Alabama, is the single tax colony, carrying out an experiment in land value taxation. It is a highly worth while undertaking—and successful.

But now comes the Florida land boom, purely a fictitious real estate inflation promoted in the interest of land gambling. Its contagion has infected Fairhope; and now the colony is threatened with destruction because colonists want to speculated with their holdings.

It is to be hoped that the loyal single taxers will be able to hold back the wild impulse to gamble and preserve their property as an object lesson in the use of land for “yielding life to the people.”

District Leagues

MANAGERS' AND DIRECTORS' CONFERENCE IN MINNESOTA

On March 7th and 8th, the Second Managers' and Directors' Conference of Minnesota Co-operatives took place, in spite of a big snowstorm which prevented some of the delegates from attending.

Fourteen organizations were represented, eleven of which were store societies. There were twenty-nine delegates. The articles of incorporation of the new “United Co-operatives” were signed by the delegates of seven of the societies.

On the occasion of this meeting there were three societies from outside of Minnesota represented: one from Des Moines, one from Cresco, Iowa, and one from Frederick, South Dakota.

The speakers at the various sessions included A. J. McGuire, General Manager of the Minnesota Co-operative Creameries' Association; J. H. Hay, Deputy Commissioner of the Minnesota Department of Agriculture; two professors from the University of Minnesota, and Eskel Runn, Manager of the Co-operative Central Exchange.

The most important action taken was to the effect that the United Co-operatives should open business after 20 consumers' societies have formally organized and paid for one share of $100. Meanwhile the Minnesota Co-operative Central Exchange has decided to route a speaker through the territory near the Twin cities with a view to bringing as many as possible of the societies into the United Co-operatives before the June conference.

The provisional Board of Directors of this new federation is: W. G. Olson, Hopkins, Minn., president; W. F. Willson, Brainard, Minn., vice-president; V. S. Alanne, Utica, secretary; Joseph Flor, Minneapolis, treasurer, and as additional members of the board, Peter Halden, Isanti; A. W. Magnuson, Sacred Heart; Fred Hendrickson, Duluth; Anthony Bud, Minneapolis.

SECOND ANNUAL CONFERENCE OF CO-OPERATIVE SOCIETIES OF THE EASTERN STATES

On Sunday, April 18th, at Worcester, Mass., delegates from many of the cooperatives in New England, New York and New Jersey will assemble for the Second Get-together. The meeting is called by the Eastern States Co-operative League, but all societies, whether members of this League or not, are invited to send representatives. Joint buying, educational programs, accounting, and similar subjects will be discussed.

On Monday, following this Conference, a Conference of Co-operative Managers will be held, and the more intimate problems of administration and management discussed. Full information about both meetings can be procured from the Secretary, Eastern States Co-operative League, 167 W. 12th St., New York City.
From The League Office

Many co-operatives are using their auditing bureau

It is a hopeful sign for co-operation that so many of our organizations are working to build a sound business basis. As is shown by the calls received here for the services of an accountant. The co-operatives of the miners of Pennsylvania, of the mill workers of New England, restaurants and bakeries, credit unions, housing associations and many others feel the need of this technical aid.

A comparative study of those organizations shows that the same type of service is as yet almost impossible, since it will first be necessary to make a rearrangement of books according to some plan particularly adapted to the need of co-operatives. We can, however, give a brief sketch of the conditions we found in some of the groups we visited.

It may be a good plan at this point to tell just what we mean by the figures we must quote. We are representing the total sales by 100 per cent, and are showing the cost of merchandise sold or manufactured and the operating and selling expenses in relation to the total sales (i.e., the cost of merchandise being 80 per cent, the expenses 15 per cent, the net profit would be 5 per cent of the sales volume).

The Cherry Valley (Pa.) Real Estate and Retail Co-operative Association is a Finnish restaurant that serves both food and drink. It was nine days work. The quality of the food served at a very reasonable price is probably accounts for a large part of the deficit of the restaurant. The total sales for the year were $36,149.51, with a net profit of $82.26. This following table shows, in percentages, the operations of the associations:

<table>
<thead>
<tr>
<th>Type of Business</th>
<th>Cost of Merchandise</th>
<th>Operating Expenses</th>
<th>Net Profit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bakery ............</td>
<td>69.65</td>
<td>13.32</td>
<td>13.12</td>
</tr>
<tr>
<td>Cafe ..............</td>
<td>69.65</td>
<td>13.34</td>
<td>13.86</td>
</tr>
<tr>
<td>Bakery shipping sales</td>
<td>69.56</td>
<td>13.34</td>
<td>17.31</td>
</tr>
<tr>
<td>Harlem branch .....</td>
<td>66.95</td>
<td>25.61</td>
<td>18.45</td>
</tr>
<tr>
<td>Meat Market ......</td>
<td>71.77</td>
<td>21.62</td>
<td>24.98</td>
</tr>
<tr>
<td>Bar ..............</td>
<td>71.77</td>
<td>21.62</td>
<td>24.98</td>
</tr>
<tr>
<td>Billiard Parlor ..</td>
<td>14.93</td>
<td>78.38</td>
<td>6.69</td>
</tr>
</tbody>
</table>

* Indicating loss.

The Litho Credit Union (New York) has a capital of $3,100 approximately, with outstanding loans of about $3,000. The net earnings for the year were only $35.55. This small profit is due to the fact that many members of this Credit Union have considered their organization in the light of a philanthropic enterprise rather than as a business one, and for this reason, loans were not collected when due. A letter from the Fourth Deputy Superintendent, asking the Credit Union for voluntary dissolution because of their lax business methods, has caused them to consider their work on much more sound technical principles. So the letter, intending to close this Credit Union, has resulted in making it a much safer place for investments.

Our Food Shop is the newest venture of the Consumers' Co-operative Service (New York). Our bureau conducted an investigation to obtain comparative costs of food stores. We secured our figures from a study of the various trade journals, the Bureau of Farms and Markets, and of the investigations made by the Harvard School of Business. We then tested their findings by visits to wholesale houses, chain stores, small private enterprises and co-operatives.

The Workers' Co-operative Society of Stafford Springs, Conn., is a grocery store conducted by Italian mill workers. The business done by this store is remarkably regular; one can almost make a forecast of what it will be for each day of the week. The total receipts for the year were $64,364.60.

<table>
<thead>
<tr>
<th>Type of Business</th>
<th>Cost of Merchandise</th>
<th>Operating Expenses</th>
<th>Net Profit</th>
</tr>
</thead>
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</table>

* Indicating loss.

The gross margin is 20.7 per cent, a most encouraging figure.

The United Co-operative Society of Gardner (Mass.) is an Finnish grocery store and meat market in a mill town. They have recently moved into their own building. It is a much more attractive place than the old one, but it is proving to be more expensive than was anticipated. The total sales for the year were $70,201.79.

<table>
<thead>
<tr>
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<th>Cost of Merchandise</th>
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<td>14.93</td>
<td>78.38</td>
<td>6.69</td>
</tr>
</tbody>
</table>

* Indicating loss.
The United Co-operative Society of Norwood (Mass.) conducts a grocery and a dry goods store and a dairy. The sales for the year were $120,831.52.

Cost of Merchandise........ 82.7%
Operating Expenses........ 15.9%
Net Profit.................. 1.4%

The dry goods department shows a loss which is partially due to the fact that there is an excess inventory of stock. Even though there had been three different bookkeepers within the last six months, the bookkeeping was so well kept, that it was necessary to spend only one day in making the audit.

The Utica Co-operative Society runs a grocery store and a bakery. The total sales for the year were $124,863.56.

Cost of Merchandise........ 79.9%
Operating Expenses........ 16.4%
Net Profit.................. 3.7%

An unique feature of this audit was the fact that we did not find a single mistake in the mathematical exactness of the accounting records. The genuine spirit of co-operation between the new manager and the rest of the staff is another outstanding feature of this society.

The Consumers’ Co-operative Housing Association has sent in a report showing a net operating profit of $713.54. This is a much better result than the association had expected. It seems to show that co-operative housing will be more successful than the association had expected. It seems to show that co-operative housing will be more successful than the association had expected.

The 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 effectively what they cannot do individually.

The Co-operative Central Exchange Offices, Warehouses and Plant:

Winter Street and Ogden Ave., Superior, WIS.

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

The Co-operative League

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

Issued monthly, in bundles, $1 per hundred.

Published by

The Co-operative League
BOOKS

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

- The Co-operative Movement (Yiddish) - $0.02
- A Real Co-operator - $0.02
- Why Loyalty Is Necessary - $0.02
- Cost and Crime (One Cent each; 50 Cents per 100; $2.50 per 500; $4.00 per 1,000.)
- Do You Know Why You Should Be a Co-operator; Do You Know About Co-operation in Denmark, 1916; Do You Know About Co-operation in America; Do You Know About Co-operation in Russia; Do You Know About Co-operation in Poland; Do You Know About Co-operation in Italy; Do You Know About Co-operation in Belgium; Do You Know About Co-operation in France; Do You Know About Co-operation in Sweden; Do You Know About Co-operation in Norway; Do You Know About Co-operation in Holland; Do You Know About Co-operation in Spain; Do You Know About Co-operation in Portugal; Do You Know About Co-operation in Greece; Do You Know About Co-operation in Turkey; Do You Know About Co-operation in China; Do You Know About Co-operation in Japan; Do You Know About Co-operation in India; Do You Know About Co-operation in Australia; Do You Know About Co-operation in New Zealand; Do You Know About Co-operation in South Africa; Do You Know About Co-operation in Canada; Do You Know About Co-operation in Mexico; Do You Know About Co-operation in Brazil; 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Co-operators at Waukegan, Illinois

SIXTEEN years ago a group of Finnish folk in Waukegan started a little grocery business. This was nothing new. Other people had started such stores in Waukegan also. In fact there are to-day at least three other co-ops: one among the conservative Finns, another among the Lithuanians, and still another among the Slovenians. But these three latter groups are content just to muddle along with their own private affairs; they have no use for and no interest in the Co-operative Movement at large, and they make no great efforts toward expansion. So the larger Co-operative Movement in the city is represented almost alone by the members of the Co-operative Trading Company.

The grocery business, after passing through the customary maladies that come to most infant co-ops, proved to be sufficiently successful so that the directors decided to attach a meat business to it. This in turn brought them more confidence, and they ultimately embarked upon the business of distributing milk to their members.

It was the dairy department that definitely started these folks off on a large program. To run a dairy efficiently requires a large capital investment in machinery. To make a large investment in machinery profitable, there must be a large volume of milk sold, and this means a large number of customers, additional wagons and trucks, more drivers, additional purchases of bottles by the gross, etc., etc. The directors set out after new capital very soon after the milk department was opened and they have been successful in getting considerable new capital each year since 1921. Likewise they are taking “savings deposits” from their members, and these savings deposits gave them an additional $14,000 at the close of 1925. Finally, they are paying rebates in shares instead of in cash, and this item of additional capital amounted to $13,596 in 1925.

A statement of sales, net gain, and capital stock for several years past is even more interesting. Here is the table as sent to the editors of Co-operation by the manager, Jacob Liukku:

<table>
<thead>
<tr>
<th>Year</th>
<th>Capital Stock</th>
<th>Sales</th>
<th>Net Gain</th>
</tr>
</thead>
<tbody>
<tr>
<td>1911</td>
<td>$630</td>
<td>$7,265</td>
<td></td>
</tr>
<tr>
<td>1912</td>
<td>10,340</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1913</td>
<td>14,072</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1914</td>
<td>18,465</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1915</td>
<td>20,796</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1916</td>
<td>37,110</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1917</td>
<td>95,241</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1918</td>
<td>106,336</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1919</td>
<td>7,200</td>
<td>128,303</td>
<td>$2,891</td>
</tr>
<tr>
<td>1920</td>
<td>7,040</td>
<td>183,079</td>
<td>5,244</td>
</tr>
<tr>
<td>1921</td>
<td>9,650</td>
<td>137,560</td>
<td>5,594</td>
</tr>
<tr>
<td>1922</td>
<td>19,010</td>
<td>155,212</td>
<td>8,606</td>
</tr>
<tr>
<td>1923</td>
<td>24,390</td>
<td>284,158</td>
<td>11,382</td>
</tr>
<tr>
<td>1924</td>
<td>32,780</td>
<td>353,442</td>
<td>15,236</td>
</tr>
<tr>
<td>1925</td>
<td>37,450</td>
<td>492,207</td>
<td>21,658</td>
</tr>
<tr>
<td>Totals</td>
<td>$2,108,579</td>
<td></td>
<td>$73,611</td>
</tr>
</tbody>
</table>

Sales of almost half a million for 1925 definitely places the Co-operative Trading Company among the foremost half dozen consumers’ co-operatives of the country in point of size. From the point of view of net gain for the year’s business, this company also holds its position among the leading societies, for they claim a “profit” of $21,658.36 for the twelve months.

Waukegan is a city of 25,000 people, only 2,000 of whom are Finns. One of the first thoughts which would come to genuine co-operators is that no permanent development can come to a group which restricts its membership to one small nationality group. The leaders of the Co-operative Trading Company have realized this for several years; hence their efforts to enlist a general membership. That they have been successful is proved by membership figures. In 1919 they had 315 shareholders on the books. Each year since then they have raised this figure by about 100, until to-day they have 1,000.

And, finally, from the viewpoint of constructive educational work, this association also measures up among the very leading societies in the United States. Like the Franklin Creamery of Minneapolis, this co-operative devotes a very great deal of attention to its educational work, and appropriates a large amount of money for it every year. For instance, at the close of 1925, the members voted to transfer 10 per cent of the savings (or $2,166) to the Reserve Fund, and $1,500 (or approximately 7 per cent) of the savings to educational work. The work itself has been somewhat as follows:

Four or five years ago the society used the Associate Magazine, published by The League. From this the directors moved on to the establishment of their own four-page paper, The Waukegan Co-operative Call, which is now being published every month; and it is a very well edited journal. Three editions have been published in the Swedish language.

Three or four times a year educational entertainments are held for the members. During the summer of 1925 a co-operative picnic was attended by more than 1,000 people. During that same summer sixty automobile loads of Waukegan co-operators took a trip to visit the Rockford co-operatives at Rockford, Illinois, and the occasion was eminently worth while for both societies.

In 1924 the co-operators held a parade in Waukegan. All the delivery rigs took part and many of the members got out their cars and joined in. The parade was several blocks in length.
CO-OPERATION

Attempts have been made to get the competing Finnish co-operative to launch a joint educational campaign, but to no effect. Though this other store is many years older, it is doing only a small business and the directors seem content to confine their work to the small group of members.

The C.T.C. has been a loyal member of the Co-operative Central Exchange Wholesale in Superior since 1918. In 1920 it joined the National Co-operative Wholesale of Chicago, and lost $650 in the wreck which followed. It is now one of the prime movers in trying to organize a Central States District League, an outgrowth of the Educational Department of the Central States C.W.S., to which it has also belonged for the past two years.

There are not many co-operatives in the country which can boast of a more wholehearted attempt to promote unity and expansion in the Co-operative Movement at large.

Managers and directors of other co-operative business may be interested in the percentage figures worked out by the co-operative auditor, H. V. Nurmi, for these folks.

Sales Dairy Department .......... $963,086.82 or 59% of total
Sales Grocery Department ......... 133,653.01 or 26% of total
Sales Meat Department ........... 59,606.89 or 12% of total
Sales Branch ..................... 40,886.98 or 8% of total
Sales of Feed ...................... 1,070.93 or .2% of total

Total sales ........................... $1,047,504.65

Dairy Department

Raw milk cost .......... .64.54% of sales
Processing expense ....... 10.93% of sales
Admin. and general ...... 2.80% of sales
Delivery and selling .... 14.96% of sales
Bad debts ...................... .79% of sales
Net gain ....................... 5.98% of sales

Meat Department, Main Store

Gross profit ............. 18.89% of sales
Expenses ................. 13.66% of sales
Net gain .................... 5.15% of sales

Gross profit ..................... 17.46% of sales
Expenses .................... 15.25% of sales
Net loss ...................... 1.77% of sales

 NSIndexPath

"CO-OPERATE WITH YOUR COMPETITORS"

One of the important statistical organizations, that gives advice to big business, has issued a report under the above heading. The report begins: "Some time ago when business was depressed, we advised clients that this was a good time to buy out competitors." The report goes on to show that to-day business is so good that most concerns can no longer be bought at bargain prices; competitors who cannot be bought out should be amalgamated; and combines of existing competing business should be made.

This advice is surely good and will be acted upon by smart business concerns. Combination makes possible reduction of costs, elimination of competition, and increase of prices to the consumers. All of this spells bigger profits, and that is what business is all about.

The same advice, in a way, applies to co-operative societies. They need to combine with other co-operative societies for the same reasons that profit business combines. Combination makes possible co-operative societies aim to make economies by saving but not to make profits. The combination of housing societies, banking societies, bakeries, and every other sort of co-operative is quite as important as the union of store societies.

Co-operatives differ also from profit business in that there is naturally a bond of union between them. They are not hostile competitors. They are friends. There are not only business reasons for closer relations, but there are social and spiritual reasons, which do not enter into consideration at all in the case of profit business.

THE TAX COLLECTOR ON THE ESCUTCHEON

The war has left these nations of the world with enormous debts of over a hundred billion dollars after killing twenty million people. This tremendous cost of destroying men and wealth is the work of political governments. If any individuals could be convicted of such crimes and absurdities they would be adjudged criminally insane.

These same governments are going into every sort of business. The same politicians who cry for more poison gas and maintain the machinery for making more wars, are taking upon themselves the economic functions once in the hands of the people. As a result governments are piling up more debts. More taxes become necessary. The cost of living mounts higher.

The big job now has become the raising of money to keep the top-heavy machinery going—and to make it bigger. Most governments have as their official symbol some predatory animal such as the lion or eagle, or some other real or imaginary zoological creature.

Times have changed. The tax collector is taking on very different effects as the national symbol and emblemized on the escutcheons of state. A lean and hungry looking fellow, with a long and snouty nose, an avaricious eye, and sinuous fingers.

How to extract the money from the people and do it with the least squealing from those who have the loudest voices—the rich—is the job that occupies the "best brains at the capital cities. Whither are we going? Where will it end?

It is an unhappy truism of political economists that the greater the sphere covered by the government with its laws, the greater becomes the costs that must be paid.

Co-operatives raise their voices and cry out—Let governments keep their hands off the economic life of the people; let the people carry on their own affairs; let the state decrease rather than increase the functions which it attempts to administer; let the people organize to perform socially their own social services. Let the tax collector be removed from the escutcheon.

J. P. W.

THE FAIRYLAND OF CAPITALISM

"The events of recent years have strengthened what, for want of a better name, we term the capitalist system. . . ." The American people, not merely collectively, but individually, are prosperous. We have eighteen million automobiles. . . . We buy more than thirty-six million newspapers daily. We buy about ninety-three million daily. We guarantee to every citizen the right to engage in any business or service which opportunity affords or taste dictates. . . . We reward him for his enterprise. We guarantee him the enjoyment of his profits, but he has no profits which his genius helps to serve, the greater the individual needs satisfaction, the greater the individual efforts, and the greater the individual enjoyment.

We have five hundred million dollars in gold; an unfruitful symbol of predatory power. Ten billion dollars are the cost of the United States debt. . . . Our political and social institutions are the handiwork of the people. As a result governments guarantee to every citizen the right to engage in any business or service which opportunity affords or taste dictates. . . . We reward him for his enterprise. We guarantee him the enjoyment of his profits, but he has no profits which his genius helps to serve, the greater the individual needs satisfaction, the greater the individual efforts, and the greater the individual enjoyment.
"In fine, our political and social institutions seek the preservation of that state of freedom in which every individual may exact his utmost and be judged by his own achievement. We recognize the outstanding fact of life—that the greatest natural resource is human energy. It cannot be measured and sold by a stranger. It must profit if it serve. It must serve if it profit. The freer it is to profit the greater effort it will make to serve. So serving freely, production increases and wealth is diffused. The unfastened reservoirs of human energy flow freely, creating opportunity, broadening desires, enriching life." 

The foregoing sentences are taken from a monthly paper published in the Wall Street part of New York. No comment that we can make could add anything to these noble lines. We make only one humble suggestion:

Let every coal miner, every tenant farmer, every worker in textile or steel mills, every soldier in the army of the unemployed clip these four meager paragraphs, take them to bed and sleep with them under his pillow. He will be surprised at the result!

IT COSTS US A LOT TO BE GOVERNED

It cost us folks in the United States ten and a quarter billion dollars in 1924 just to maintain our federal, state and local governments. There were nearly three and one-half million men and women on the public payroll. These figures are not presented by any hysterical radical propagandists, but by the very conservative National Industrial Conference Board.

Think of it! The cost of such government is now 220 per cent what it was before the war. Counting the population of the country as approximately 22,000,000 families, each one of those families contributes on an average of $466 each year to support Brother Coolidge, Mr. Mellon and their playfellows; that is, if we could get it back. But we can't.

And then to give the right climax to the story, these folks of the Industrial Conference Board tell us that the governments actually spend considerably more than this; for they finance much of their work by bond issues, which provides even greater taxation for our children. In other words, we may pay $466 annually to the city, state and federal government, but these bodies are borrowing a lot more from the bankers and promising that the citizens will be taxed sometime in the future to repay the loans.

A very great deal of this money is spent as a direct result of our profit system: to wage wars, jail usurers, investigate profiteers, intimidate other nations. A strong co-operative movement can do much to eliminate bureaucracy.

WHAT KIND OF CO-OPERATION IS THIS?

As a method of teaching co-operation, many of the large co-operative marketing associations are promoting essay contests among the school children. In Oklahoma, 530 cash prizes are offered to white boys and girls in the public schools, and 18 cash prizes to colored children, for the best essays on the subject.

Why the two classes of contestants? There must be some reason. Perhaps the prize givers think that co-operation among negroes is a different kind of an economic movement from co-operation among whites. Or perhaps they are afraid that a little nigger essayist might write a better story than a white child. More likely than either of these reasons though is just the plain race prejudice which demands segregation all along the line: even in matters of intellectual competition. But it is pretty hard on the children, whether white or colored.

C. L.

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Producers and Consumers in the Co-operative Movement

FROM THE FARMERS' VIEWPOINT

By L. S. Herring

PRODUCERS AND CONSUMERS SHOULD MEET

Farmers and consumers of farm products must work together if speculation, profiteering, and unnecessary toll-taking are to be eliminated from the distribution of farm products. Until co-operative groups of farmers deal with co-operative groups of consumers, farm products must at some point be turned over to profit-taking middlemen. Until consumers organize to supply their needs co-operatively, they will continue to be exploited by those who process and distribute farm products.

I am aware that those who are far advanced in their co-operative thinking—those who are thoroughly committed to the philosophy of consumers' co-operation—hold that the fundamental solution of this question lies in co-operative consumers producing their own farm products on their own farms. With that philosophy as an ultimate goal I am in entire sympathy so far as experience shall prove it practicable.

Farm Production Individualistic

But no matter how strongly any of us may be imbued with the philosophy of consumers' co-operation, we must admit that it will be a long time before farming is made a part of the consumers' co-operative movement in any large way. Consumer co-operatives in the British Isles, where the movement is now more than eighty years old, are producing an enormous volume of manufactured goods in their own factories, but their farming operations are still on a comparatively small scale, and not any too successful at that.

For a long time to come, therefore, the bulk of the food and raw materials that grow out of the soil will be produced by individual farmers, operating their farms, either owned or rented, as small private enterprises. This mode of farm production is not altered by farmers selling and buying co-operatively. Since the products of the soil will continue to be produced in a preponderating measure by individual farmers, what should be the relation of these farmers to consumers?

Up to this time in the United States, collective action among farmers in selling their products has made far greater strides than the organization of co-operative buying among the consumers of farm products. What is the status of the farmers' marketing co-operatives, what is their goal, and what is their attitude toward consumers?

Some Farmers Would Ape the Trusts

Many officials of farm organizations and marketing co-operatives have the price-boosting idea. Their goal is to bring farmers organized so solidly that they can fix prices on their products—by curtailing output if necessary. To keep foreign competition from breaking such a combination, they would depend upon tariff protection, just as industrial trusts and combinations do.

Admittedly, this would require a solidarity of organization that farmers have not approached anywhere in this country. Pending the organization of farmers into price-fixing groups, therefore, some of these price-boosting advocates are asking for the creation of a governmental agency to hustle agricultural surpluses out of the United States, create a domestic scarcity, and, behind the tariff wall, put home prices above the world level.

Some of these who have this price-boosting idea do not consider consumers at all. Others believe the myth, so sidelongly preached by some, that laboring people, along with urban business gen-
emally, are tremendously prosperous and can afford to pay much higher prices for farm products. Still others, reversing the arguments so long used by highly-protected manufacturers, contend that by making farmers prosperous everybody will prosper.

The price-fixing notion is by no means peculiar to any group of farmers. Profiteering business has been fixing its own prices for a long time. Trade unionism is essentially a wage-fixing movement. So you can not wonder that many farmers have caught the infection. A protected manufacturers, contend that this brings all-around prosperity. Each group more, the general well being is lowered.

price-fixing by the different groups, on an arbitrary and selfish basis, cannot inevitably lead to the conclusion that an arbitrary and selfish basis, cannot stand squarely between farmers and consumers. Several farmers’ packing houses have been organized in this country, but all have failed. One of the main reasons for failure was that they had to go out and fight with the big packers for a market for their meats. If they had had co-operative stores as an outlet, they might have succeeded. The situation with respect to milling wheat is much the same.

More and more I am coming to believe that the packing of meats and milling of wheat and other cereals should be done by consumer co-operatives, rather than by farmers’ marketing co-operatives. Consumer groups do not have to contend for an outlet against anybody, and can not be put out of business so long as the members remain loyal to their own enterprises.

But no matter where farmers and consumers meet—whether on the near or far side of mills and packing houses—they should meet somewhere. For the present, and for a long time to come, there need be no friction between farmers and consumers of farm products about prices. The private profit business establishes a datum that can be used as a price basis, and the savings made by co-operation can be divided between the two groups.

Co-operative Economics

By Senator Smith W. Brookhart

Economics is studied and taught in all our schools as a system of competition. For the purpose of this article I shall rename it “competitive economics.”

Not long ago a distinguished United States Senator said that 92 per cent of the people who go into business in the United States ultimately fail. Another statement in the Record that these failures were 96 per cent. The lowest estimate I have even seen was 80 per cent. Taking any of these percentages, there is one conclusion that is necessary competitive economics is a failure. It is a stupendous and disastrous failure. It fails in its own household. Any system which results in such a percentage of failures is without defense, and must be rated a failure per se.

Is there any other system of economics in the world which gives promise of greater success, and one which is founded more distinctly upon principles of justice and humanity? I think there is, and I have designated this rival system as “co-operative economics.”

It was in 1843 that 32 poor flannel weavers at Rochdale, England, organized the first co-operative society, which has already surpassed all like business enterprises in Great Britain. . . . They persisted and finally their little store gained a large membership and became the pride of the community. Their ideas were extended to other communities, and other like enterprises were organized until several hundred were in operation. They then met in convention and decided that they could do better with a wholesale of their own. The capital for the wholesale was subscribed by the stores. The vote for its control was in proportion to the membership of the
store. The earnings of capital were limited as in the store; about 25 per cent of the net earnings were kept in the whole- sale so it, too, might grow and become sound and prosperous. The other earnings were distributed back to the stores in proportion to the amount of business transacted with the wholesale.

After a time this wholesale decided it could do better with a soap factory of its own. It organized one upon these same principles, now the greatest in the world. It now embraces over 1,200 societies, its little brother, embraces 272 more. It operates vast estates of farmland in England, in Canada, in Ceylon, in India and in West Africa. Its banking department has a turnover of two and a half billion dollars in 1922. It is next to the Bank of England in fiscal importance. It writes half of the industrial life and accident insurance in Great Britain at a cost of one-fourth charged by the profit-making companies. In spite of all the millions and billions of money and property which it handles, there is not a millionaire in its organization. It never made a millionaire and it never made a pauper.

The basis of the success of this great co-operative institution is co-operative credit. It has its own deposit banks in every enterprise, and its own reserve bank as a department in the great wholesale.

There is no competition in this system. Its only competition is outside and with competitive economies itself. It is found in a very high degree in all the countries of Europe. Its growth since the war has been so great as to lead me to say that co-operative economies is the only system that has survived the war.

It has reached a stage of permanent success in most of the countries where it has long been established. Its success in Great Britain, compared with the failure of competitive economies in the United States is an argument that staggers. There are almost no failures in Great Britain. The whole system is so well organized, so interdependent, and so bound together in mutual support, that failure is a rare possibility.

In the United States the failures are about like other business because co-operatives are not federated together and are not supported by their own credit systems as in other countries. In other words, co-operation in America has not reached the stage of a complete system of co-operative economies.

What is necessary to develop this great system successfully in our own country? The first thing needed is a co-operative banking law. There is no such thing in the United States. Competitive and commercial banking systems have a monopoly upon the deposits of the farmers and laboring people of the United States. There are credit laws but none of them provide for a credit system for the transaction of big business. We are the only civilized country in the world that prohibits its working people on the farm, in the factory, and at the desk from organizing their own savings in co-operative systems with a reserve and all under their own control.

The logical basis of co-operative economies is co-operative credit. It is the starting point, and the sure forerunner of success. A single co-operative bank can start and succeed when a co-operative store or other enterprise would fail. If the law would permit their organization into a system, the success would be unquestioned.

Co-operative banks are the soundest and the safest in the world because they never lend money for speculative purposes. They develop the soundest and the safest business in the world. They end profiteering. They end the waste of competition, the greatest waste in modern civilization. They can safely join an international on the same simple principles and the economic causes of war between nations. Co-operative economies promises more for civilization than any other economic theory ever devised by the mind of man.

 Courtesy of the Farmers' Magazine.

Call to the Fifth Co-operative Congress

The Co-operative League of the U. S. A. calls upon its constituent societies to send delegates to the Fifth Co-operative Congress, to be held at

MINNEAPOLIS, MINNESOTA
November 4, 5, and 6, 1926

This important Congress occurs only once every two years. It should be attended by a representative of every consumers' co-operative, but only delegates of constituent member societies in good standing may vote.

Every society which is a paid-up member of The Co-operative League or of any of the District Leagues is entitled to one voting delegate, and an additional voting delegate for every 500 members above the first 500, except that the combined total of votes from one society may not exceed the total number of votes to which said society is entitled under the Constitution of The League. Delegates or alternates should be elected at the earliest possible membership or board meeting. Societies are invited to send other non-voting delegates if they so desire.

All co-operative societies which are not members of The League; all trade unions, educational societies, and other non-profit organizations favorably interested in the promotion of the Co-operative Movement, also producers' co-partnership societies, and agricultural marketing and service societies are invited to send fraternal delegates. The courtesy of discussion may be extended to fraternal delegates.

Individual members of co-operative societies or trade unions, and persons who are interested in the Co-operative Movement are invited to attend the Congress.

Among the subjects which will be discussed are:

Co-operative Auditing and Tax Returns
Uniform Methods and Comparative Figures in Co-operative Accounting
Co-operative Insurance and Banking
Educational Work Inside the Store
Co-operative Publications and How to Extend Their Service
Relations Between the Consumers' Movement and the Producers' Marketing Movement
A National Co-operative Year Book
A National Training School and Correspondence School
League Policies During 1927 and 1928

The names and addresses of delegates, alternates, and fraternal delegates should be sent to the Executive Staff of The League before the first of October. The place of meeting will be published in the magazine Co-operation, and complete information will be sent to all delegates and others interested as they communicate with the offices of The League.

THE CO-OPERATIVE LEAGUE
J. P. WARBASSE, Chairman
CEDRIC LONG, Secretary
News and Comment

LIFE INSURANCE AS BANKER

Life insurance carried on in the interest of the insured and their families is possible. It is not the usual method of insurance; the usual method is insurance in the interest of the stockholders of the insurance companies and of the banks associated with them. But insurance for the service of the people can be carried on. The European countries have developed to a high degree of efficiency. In this country we have a great number of cooperative insurance companies. One of these is the Farmers' Union Mutual Life Insurance Company, of Iowa.

This company was not organized exclusively for the purpose of providing life insurance but for the purpose also of acting as a financial institution to loan money for the assistance of agriculture. Last year the assets of the company more than doubled during the year. So did the surplus. In June, 1924, the company had $3,153,750 insurance in force; a year later it had $4,551,750; to-day it has over $6,000,000. It not only pays death claims promptly but it pays interest on capital invested by its members. It pays higher interest to its members for money and furnishes insurance at a lower rate than profit-making companies. But over and above these it lends money to the farmers on first farm mortgages at reasonable rates. In June, 1924, it had $44,000 loaned on farm mortgages; in June, 1925, it had $110,650; and to-day it has over $200,000. This money is loaned to farmers at 5 per cent interest. It is loaned without charges for commissions and other extra expenses, and means a great saving to farmers who have been paying from 8 to 15 per cent interest for similar loans from profit-making insurance companies and banks.

The Equitable Life Assurance Society of the United States had at one time $100,000 of capital stock remaining unsold. G. J. Gould and E. H. Harriman offered $7,000,000 for this $100,000 of stock in order to get control of the company to use its assets to finance its railroads. E. E. Kissinger, the secretary of the Farmers' Union Insurance Company says: "If Gould and Harriman could afford to pay $7,000,000 for an insurance company to finance their railroad operations, what can the farmers of Iowa and other agricultural states afford to pay for a company pledged to the financial support of agriculture?"

AN INTERNATIONAL CO-OPERATIVE SCHOOL

Co-operators who are visiting Europe this summer will be interested to know about the Sixth International Co-operative Summer School, to be held at Manchester, England for two weeks from July 17th to 31st. The five previous schools of this character have been conducted and financed by the British Co-operative Union. This year, for the first time, the International Co-operative Alliance has taken charge of the schools and in the future they will be under the direction of the International.

Two series of lectures will be given by leaders of the British Co-operative Movement, H. J. May, Secretary of the International Co-operative Alliance; and M. Ernest Frison, the French leader, and others. Each afternoon will be devoted to special excursions to such places as Rochdale, the London Society, the Wholesale and Producive Works, societies in the Lake Country, etc., etc. Both Wednesdays are set aside for all-day excursions. An effort will be made to have all the students from countries outside England housed in the Hotel of the Co-operative College, so that they may get acquainted.

Already one co-operator in New York has indicated his intention to attend these sessions. The charge for the lectures, classes, excursions, accommodations and meals come to four pounds per week per student. Application for admission should be made before the 1st of June.

POLITICAL NEUTRALITY IN THE CO-OPERATIVE MOVEMENT

At the Conference of Eastern States Co-operative Mercantile Societies in Worcester, Mass., on the 18th of April, considerable attention was given to the political factionalism which has agitated many of the co-operative communities during the past year. The societies which have suffered most are some of the strong Finnish and Jewish co-operatives. A resolution was finally presented to the conference and adopted unanimously. The resolution is as follows:

Resolved, that this Eastern States Conference, assembled in Worcester, Mass., April 18, 1926, expresses its regret that political differences are being introduced into co-operative societies to become a cause of discord among co-operators; and be it further
Resolved, that the strengthening and intensive co-operative educational work be started among the members and consumers, with specific reference to the young people of the co-operative societies throughout this district by arranging lectures, speeches and courses for training the employees and managers, as well as directors of the movement; by publishing leaflets, articles in various papers, and by any other means possible. And be it further
Resolved, that this Conference of Co-operative Societies of the Eastern States recognizes the Co-operative Movement as a movement which aims to embrace all consumers, and must therefore be neutral in politics and all other matters external to Co-operation.

CO-OPERATIVE ELECTRIC LIGHT AND POWER

The Pennsylvania Department of Agriculture has published a bulletin entitled "How Farmers Can Secure Electric Service by Co-operative Effort." One of the interesting stories it contains is that of the Pioneer Electric Light Company, of Lancaster County, Pa.

This company was organized in 1920 by a group of farmers, and now serves 117 consumers' meters, of which six are for power and the others for lighting and small motors. There are 86 stock holders, more than 80 of whom are consumers. The largest stockholder owns ten shares. No member may vote more than ten shares at any time.

It is the farmers' experience that it costs $1,200 per mile to build main lines, together with substations for transformers and services under 100 feet in length. The poles are locally grown chestnut 30 feet high. The farmers have given the right of way for the lines without charge.

This company has paid no dividends during the five years of operation, and has laid aside $3,000 of surplus. The energy is being purchased from the Susquehanna Electric Company and Power Company at Holtwood, Pa.

500 PASSES THE HALF-MILLION MARK

The Soo Co-operative Mercantile Association of Sault Ste. Marie, Michigan, in 1924 did a business just short of a half a million by $470. In 1925 the sales were $551,367, definitely setting this society pretty near the top of our store societies in the United States as far as volume of business goes. The capital stock increased during the year from $34,470 to $40,090. The net gain for the year was $30,642. From this sum will be paid interest on capital, rebates to purchasers and employees, and income tax.

The thirteenth annual meeting was held on February 10th, and the chief speaker was Mr. E. E. Branch, secretary of the New Era Life Insurance Association of Grand Rapids. The members voted to increase the authorized capitalization of the association from $50,000 to $100,000.

There are now seven stores and a bakery operated by these co-operators. The bakery is the largest and most up-to-date in that part of the state.
DO OUR FARMER READERS AGREE WITH THIS!

In the course of a recent summary of the development of the co-operative marketing movement in the United States, the Department of Research and Education of the Federal Council of Churches comes to the following explanation for the more rapid expansion of the co-operative marketing movement than of the co-operative consumers' movement:

“A further fact that needs to be understood is that in appraising co-operative marketing in the United States is the wide divergence between the philosophy held by a large majority of the leaders of the conservarative financiers which characterized the historic movement of consumers' co-operation. The farmers propose no such a widespread reorganization of capital as is contemplated in the elaborate scheme of consumers' co-operation. The co-operative marketing movement has offered a method of dealing with certain distribution problems; it has not proposed an extended plan for the social control of wealth. The leaders of the marketing movement have thus won a degree of approval among conservative financiers which has not been accorded the protagonists of consumers' co-operation in this country.”

AUDITING FOR THE FARMERS

In 1918 the Kansas Farmers' Union Auditing Association was incorporated and started doing audit work for the farmers' marketing associations and in establishing and standardizing record systems. Membership is limited to Farmers' Union Organizations, but audits are conducted for other organizations, usually at an increased price. Nearly 500 audits have been made in 1925.

All auditors are experienced in this kind of work and are under bond. Lately a new line of service has been given to the farmers by the association. The farmers' audit committee expressed the opinion that a large corporation that issued them. There are about 40,000 corporations of all kinds. One thousand of these took almost exactly four billions in profits in that year.

Which shows that whether your stocks and bonds bring you much income depends entirely on the kind of corporation that issued them. There are big corporations and little ones, big profits and small profits.

District Leagues

THE EXCELLENT EDUCATIONAL WORK AT MINNEAPOLIS

The reports of the Educational Committee of the Franklin Creamery Association and the Educational Department of the same association, as presented to the annual meeting in January, makes an excellent impression upon the reader of these documents as they appear in eight closely typewritten pages. The recommendations of the Educational Director regarding the work that might be undertaken by the Educational Committee in 1926 is equally interesting. We can here quote only the most significant items from the three documents.
CO-OPERATION

Educational Committee.

"In February, 1925, classes in public speaking were arranged under the auspices of the Educational Committee... which were held for ten consecutive weeks with an average attendance of about twenty."

"To make the work easier, Mr. Smolz, Services Committee, gave a travelogue on Russia, illustrated with slides."

"A number of books on co-operation were ordered for the Franklin Library, making the library fairly complete so far as standard books on co-operation are concerned."

"Between April 20th and June 12th, a series of 15 house or neighborhood meetings were arranged in different parts of the city, and the campaign wound up with a general program meeting in the Franklin auditorium. The average attendance at house meetings was 20. The meeting in the auditorium drew about 150. Several of the Franklin employees appeared as speakers at these house meetings."

"At a meeting in May a motion was carried to purchase a moving picture machine to be used at the program meetings of the committee. This machine has been of good service."

"International Co-operative Day was celebrated in the Franklin auditorium on July 21st under the auspices of the Educational Committee and the Northern States Co-operative League."

"In July the Committee voted five scholarships of $50 each to members or employees who would attend the Training School. Four of these were granted."

"The Committee had full charge of the stockholders' picnic at Riverside Park in August."

"In September the Committee purchased the statute 'International Co-operation' to present to the Franklin Association, through its Board."

"In October and November plans were made by joint action of the Committee and a similar committee from the Minneapolis Central Labor Union for educational evening courses to be held during the winter. Twenty-three students were enrolled and three instructors have been meeting with them regularly."

"At the close of the Training School, November 29th, a banquet was provided for the students, instructors and friends of the school."

"During the autumn and winter large propaganda meetings have been held in various parts of the city, with an average attendance of 200. The program has usually consisted of two short speeches on the Franklin Creamery and on Co-operation, two or three moving picture films, and one or two musical numbers. Ice cream has been served free."

"A class in chemistry has been organized, and attendance is from 12 to 15."

"During the winter the Educational Committee has met two or three times with the Board of Directors of the Franklin Creamery."

"During the year Mr. Edberg, of the Committee, has disposed of 36 copies of Co-operation, selling them at 10 cents apiece at meetings."

"Other items in the report concern finances, personnel of the committee, other minor meetings and activities put through during the year, etc."

Educational Department.

"The work has been divided into four main kinds:"

"(a) Conducting classes, either directly or through correspondence, for the benefit of the employees and stockholders of the creamery."

"(b) Contributing to the Minneapolis Co-Operator and writing articles on Co-operation."

"(e) Working together with the Educational Committee, in an advisory capacity, and at times managing its campaigns and other activities."

"(d) Miscellaneous minor activities, such as correspondence, acting as guide, taking visitors through the creamery, etc."

"A correspondence course in Co-operation has been worked out. This course comprises 40 single-spaced mimeographed sheets, containing 7 lessons, 70 questions, and correct answers to these."

"Contributions to the Minneapolis Co-operator to the extent that space has permitted. Also edited the International Co-operative News section in the Minneapolis Co-operator."

"Many of the other activities of the Educational Director have been carried on under the title and name of the Educational Committee or of the Secretary of the Northern States Co-operative League (Mr. Alanne is both Educational Director of the (C)oorary Association and General Secretary for the N. S. League)."

"Mr. Alanne makes some very pertinent recommendations regarding the position of Educational Director:"

"(a) That regardless of who may occupy the position, or how much the expense of the Department may reduce the net profit of the Creamery business, the work should be carried on and gradually enlarged."

"(b) That the evening classes be continued and strengthened."

"(c) That a study be made of the best methods for making the administration of the Association truly democratic, without losing anything of the business efficiency."

Recommendations to the Educational Committee.

Mr. Alanne makes 15 recommendations to the Educational Committee of the Franklin Creamery. The most significant of these are:

"1. That the Educational Committee work in closer conjunction with the Advertising Department of the Creamery."

"2. That program meetings be continued and that the distribution of cooperative literature be made a rule of the meetings."

"3. That the committee seriously undertake during the year to inform themselves on the Cooperative Movement, its principles and methods; and that toward this end, the committee either devote half of the time of each meeting to co-operative study and discussions, or arrange special study meetings every other week for this purpose."

"4. That elaborate preparations be made this year to celebrate the International Co-operators' Day on July 4th, and that the first week in July be made a special propaganda and campaign week."

"5. That the members of the committee seriously undertake during the year to inform themselves on the Cooperative Movement, its principles and methods; and that toward this end, the committee either devote half of the time of each meeting to co-operative study and discussions, or arrange special study meetings every other week for this purpose."

"6. That the present committee vote to order the magazine Co-operation for all members of last year's committee who attended at least 15 meetings of the committee during the year, and pay for their individual memberships in the Northern States Co-operative League."

CONFERENCE OF EASTERN STATES SOCIETIES

On Sunday, April 18th, at Worcester, Mass., the Eastern States Co-operative League held its Second Annual Convention; and on Monday, the 19th, a Managers' Conference was conducted under the same auspices.

The E. S. League Convention.

The business enterprises represented by these delegates included nine grocery or meat stores, nine bakeries, five restaurant departments, two dry goods departments, three dairy departments, one confectionery, one shoe store, one billiard parlor, one coal yard, one furniture department, one co-operative house.

The treasurer reported more than $1,250 in the treasury and no bills outstanding. Nine of the societies have already paid dues for 1926.

A long discussion took place upon the subject of political factionalism within the co-operatives. Leaders of both Socialist and Communist groups among the Finns participated in the discussion, as well as some of the active members of these political parties. There was a general agreement that the co-operative movement could best be served by maintaining absolute neutrality within the co-operatives, and the resolution on the subject, presented by W. Marttila, was referred to the Resolutions Committee and reported in the form presented in another article in this number of CO-OPERATION.

A chicken dinner was served the delegates at noon and in the afternoon business was resumed. The report of A. Wirkkula on joint buying aroused considerable discussion, and a special committee was appointed to consider the advisability of establishing a jobbing association with a manager in charge. Three hundred dollars was appropriated for the work of this committee.

The chief discussion on Monday among the thirteen managers present centered about joint purchase of flour and joint roasting of coffee. Mr. Niemela presented figures which indicated that a saving to the societies of five cents per pound might be effected by joint coffee roasting and Mr. Grandahl volunteered to undertake temporarily the roasting of coffee up to 3,000 pounds per week for the committee at bare overhead expense, in the roasting plants at Maynard and Fitchburg.

Mr. Regli presented the subject of Uniform Record and Accounts in Co-operative Business and a valuable discussion ensued. A still more lengthy discussion centered about the subject "Bakery Sales to Private Grocers—Is This Practicable Co-operative?" Almost every individual present, including several of the visitors, took an active part in the debate.

The managers present represented societies having a combined membership of 8,800 shareholders and a combined annual turnover of $2,431,000.

The Correspondence File

This Manager Has His Doubts

Editor, Co-operation:

It is supposed that a co-operative has a manager who understands merchandising, who is supposed to make a success of the business, to treat them all absolutely on the square, and to do a legitimate business. Then he has a bunch of directors to contend with, who do not know any more about running a business than a bunch of hungry wolves do. Then you say, 'The manager should take orders from the directors.'

You find some directors who have some good common sense, but the most of them cannot suggest anything that would lead a manager to some good points. But they can open their mouths big in the hope of catching some stray fly in the form of a cola. Do not think that I want to be smart, kicking on a high horse and such sort of play; but the case is just in plain words. Now, Gentlemen, I like to hear from you again.

F. CO-OP MERCANTILE Co.,
Manager.

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, Warehouses and Plant:
Winter Street and Ogden Ave.,
SUPERIOR, WIS.

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

The Madras Monthly Bulletin of Co-operation

ROYAPETTAH, MADRAS, INDIA

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

Subscription Rs. 4/12 per annum.

The Canadian Co-operator

Brantford, Ontario, Canada

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

Published monthly 75¢ per annum

The Correspondence File

Statement of the Ownership, Management, Circulation, etc., Required by the Act of Congress of August 24, 1912:

Of Co-operation, published monthly at New York, N. Y., for April 1, 1926.

State of New York, County of New York, ss.

Before me, a notary public in and for the State and county aforesaid, personally appeared J. N. Perkins, who, having been duly sworn according to law, deposes and says that she is the business manager of Co-operation, and that the following is, to the best of her knowledge and belief, a true statement of the ownership, management, etc., of the aforesaid publication for the date shown in the above caption, required by the Act of August 24, 1912, embodied in section 5 of the Postal Laws and Regulations, printed on the reverse of this form, to wit:

1. That the names and addresses of the publisher, editor, managing editor, and business manager of the aforesaid publication are: Publisher, editor, managing editor, and business manager: J. N. Perkins, 167 West 12th St., N. Y. C.; Manager, Cedric Long, 167 West 12th St., N. Y. C. Business Manager, J. N. Perkins, 167 West 12th St., N. Y. C.

2. That the owner is: The Co-operative League, 167 West 12th St., N. Y. C. (1,000 organization members): J. N. Perkins, President: Albert Schlossman, Vice-President: Cedric Long, Secretary: A. Wirkkula, Treasurer.

3. That the known bondholders, mortgagees, and other security holders owning or holding 1 per cent or more of total amount of bonds, mortgages, or other securities are: J. N. PERKINS, Bun. Mgr.

Sworn to and subscribed before me this 25th day of March, 1926.

HENRY BENJAMIN.
(Signature of issuer)

The Madras Monthly Bulletin of Co-operation

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The Co-operative League

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

Issued monthly, in bundles, $1 per bundle.

Published by

The Co-operative League
The United Co-operative of Fitchburg

Fitchburg, Massachusetts, is a city of about 43,000 people. Large textile and paper mills keep a goodly number of people busy, provided there are no strikes and no slack season in these industries. Of the 43,000, barely 5,000 are Finnish.

Yet it is the Finns who started the United Co-operative Society (originally known by another name). The following are the words of one of the present directors who was also one of the early members:

"It was in February, 1910, that a few workingmen held a meeting in West Fitchburg and after thorough deliberation decided to join together for the purpose of forming a consumers' co-operative association. Their main capital was enthusiasm and determination to overcome any and all opposition, and during the first few years they had to overlook this capital time and again. The store was opened late in May of the same year, with a paid-up capital of $1,100. The sales averaged about $1,500 a month during the first year and when the books were closed for the first semi-annual inventory on December 5, 1910, it was discovered that there was a deficit of $727.27. Less enthusiastic people would have given up, but the members drew on their reserve capital, determination, and started a vigorous membership drive and succeeded during the following year to raise the paid-up capital to $1,950, and accumulate a reserve fund of $1,107.98 out of the profits made. By January, 1912, the sales reached $2,000 a month and kept increasing. In that year it was found necessary to open a branch store in Fitchburg 'to accommodate the members living there' as stated in the records of the society. By the end of 1914 the monthly sales exceeded $6,500, and a new branch store had to be opened on Mechanic Street. The paid-up capital stock amounted to $3,625.

In 1917 the original Fitchburg store, which by this time had become the main store, was moved into its present location at 815-19 Main Street. A shoe store was opened and a bakery started. This gave a new impetus to the activities of the society and as a result of this another branch store was opened at 207 Rollstone Street, and a milk department started by acquiring the business of the heretofore independent 'Milk Consumers' League.' The business kept increasing until, in 1920, with the aid of the then prevailing high prices, the sales barely missed the half-million mark."

Had the narrator of this story continued, he would doubtless have told how the political differences which split the Socialists throughout the country also came to Fitchburg and for a few years after 1920 created disagreements among the Finnish co-operators which seriously interfered with the development of the business. Nevertheless, though sales fell off somewhat, the society continued to show a profit every year. In 1925, for instance, gross sales were $495,831, and the net gain was just short of $12,000. The reserve fund and undivided profits at the end of 1925 amount to $25,000, while the paid-up capital now amounts to $18,670. There are 580 members, mostly Finnish.

The large building now occupied by the main store is one of the best at that end of the city. Here is the main grocery and meat store and chief outlet for bakery products, also the shoe and men's furnishings department. Upstairs is the co-operative restaurant run by another association whose membership largely overlaps the membership of U. C. S. Elsewhere are the bakery, the dairy plant, and the three branch stores.

Co-operators can do a lot when they really try. An instance is the story of coffee sales in the Fitchburg stores. When the present manager, K. E. Grandahl, took charge a few years ago, the store carried ten private brands of coffee. Through the course of several years, as the members could be educated to give up their prejudices and adopt the co-operative brand of coffee, all ten have been eliminated from the shelves, and Co-operaetor's Best, roasted right on the floor of the store in the roaster belonging to the society, is now the only kind of coffee sold there.

There are other co-operatives in Fitchburg. The Workers' Credit Union is one of the foremost credit unions in the state. The German people in the west end of the town have a small store which follows the Rochdale principles but which does not have anything to do with the other co-operatives of the state.

The United Co-operative Society is one of the strong members of the new Eastern States Co-operative League and at present is doing some of the coffee roasting for other Eastern societies under the auspices of the buying committee of that League.

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International Co-operators' Day

Saturday, July 3rd, is Co-operators' Day, celebrated in a score of countries by the members of thousands of co-operative societies. Workers and farmers of England, France, Belgium, Germany, Sweden, Finland, Poland, Russia and a dozen or more other countries will on that day lay aside their work and meet in Co-operative Hall, People's House, or in the open fields to talk about their Co-operative Movement, to plan for its extension, to celebrate their victories.

Great parades of men, women and children will march through the streets of a hundred cities and towns.

Monster picnics and entertainments will take place in the woods or along the streams in many a town, and leaders will talk in most of the languages known to Europe, exhorting the co-operators to give still greater support to their own business enterprises and to bring into the fold hundreds of new members for each society.

Special decorations will appear in shop windows and over the walls of many thousands of co-operative buildings; and everywhere will appear the rainbow colors of the International Co-operative Flag.

Women's Guilds will talk of Peace and Plenty. Children will take part in sports and games. Men will discuss the relationship of Co-operation to Organized Labor and to International Capitalism. Greetings will be sent from all corners of the continent to the International Co-operative Alliance.

Everywhere will be heard the rallying cry:

CO-OPERATORS OF THE WORLD, RAISE YOUR BANNERS!

MAY THE BEAUTY OF THE COLOR COMBINATION OF THE HEAVENLY SIGN BE A COVENANT TO ALL THE WORLD THAT THE PRINCIPLES AND PRACTICE OF CO-OPERATION WILL STAND BETWEEN HUMANITY AND THE CHAOS OF CIVILIZATION FOR ALL TIME.
**UNCOMPLICATED MILK**

The Commissioner of Health of the City of New York, Dr. Harris, has asked for more milk inspectors and for larger salaries for them.

The city, he says, has only one-fifth or one-tenth of the inspectors it should have in order to prevent the shipment and sale of adulterated and diseased milk in New York. The Health Department is not equipped to do the necessary inspecting to protect the people from bad milk.

The increased pay of inspectors is needed, Dr. Harris says, because the inspectors accept bribes to permit bad milk to go to the city and to be sold. Therefore, the inspectors must have larger salaries so that they will not need to take bribes.

That is what happens when the government attempts to go into anything in the nature of business. Inspectors are needed inspectors. Expanding government expands meddling the people's affairs.

Suppose that Dr. Harris got ten times as many inspectors and the increase of salary for all of them, the next step is perfectly sure. Another set of inspectors will then have to be appointed to inspect the inspectors and to see that they do not take bribes from the farmers and milk dealers. And in the course of time Dr. Harris will find that if he wants to make the milk supply free from all impurities and graft he will have to have inspectors everywhere, and milk is good, pure, nourishing, and costs no more than the best water when they want milk, or from robbing themselves of the nutritive constituents of milk, or from making themselves sick by drinking the milk of their own diseased cows.

No; these dangers arise when milk is not produced for purposes of use, but is produced for purposes of profit. The milk that is sent to New York is not sent there for purposes of all. Many people have the idea that it is. That is a mistake. It is sent for purposes of making profit out of the people who use it. This is quite a different reason.

The milk is contaminated by something more deadly than water or germs; it is contaminated with profits. The same thing contaminates the inspectors, the farmers, and the dealers. And the result is fraud, undernourishment, sickness, and death.

There are in the world a thousand cities where milk is brought in for food purposes. New York has not tasted such milk since the Dutch settlers pastured their cows on the Bowling Green. In these cities where milk is for food, the people are organized to get good milk. The users own the creamery. Their wagons distribute milk to them in their own containers. The milk is from their own cows which pasture in their own meadows. No inspectors are needed to protect the people from themselves. The milk is good, pure, nourishing, and costs them less than milk that is so dangerous that it has to be inspected.

In a few American cities a beginning is being made in producing milk for use. The people are beginning by learning first how to distribute for use. Their problem is not solved till they produce also for use.

But in most American cities the people are indifferent. They put up with the easiest way, which in the end proves the hardest. This is because they do not care to know about the co-operative method and because the teaching of Co-operation is inadequate and inefficient.
Dubbs who are gambling with other people’s money.

In the future, the genuine co-operators will lay aside a large proportion of the surplus as a guarantee against the lean. In the times of prosperity they will lay the foundation stones for expansion that the intelligent part of the membership expects in the years to come. They will not passively permit the selfish group of dividend hunters to raid the treasury every time a bit is put aside for the rainy day.

The man or woman who believes in the principle of the savings account and the insurance policy for his or her own family, must apply the same principle when it comes to disposing of the earnings of the Co-operative. He who does less is endangering his own society and placing a black mark against the whole Co-operative Movement.

THE SPIRIT OF COMMERCIALISM IN THE CO-OPERATIVE MOVEMENT

So prevalent among our leading co-operators. The dread of disruption caused by the rampant spirit of commercialism of this country; and so bitter the experience of many of our most devoted workers, that the following sentences, taken from an article describing the huge “co-operative theater” movement of Germany, brings a certain measure of comfort to us. Apparently there are large numbers of non-co-operators in Germany, who sometimes threaten the stability of co-operative institutions.

“Dr. Nestriepke, in telling of the growth of the organization (People’s Liberal Theater), notes that the speed with which the Berlin society has gathered in new members during the last few years presents certain drawbacks, as many of the newcomers are so much interested in improving the drama as they are in obtaining good seats... for the best plays at cut rates. Consequently the older elements have to keep up a constant campaign of education within the organization to prevent its being turned into a big ticket agency. But the General Secretary is an optimist and thinks that in due time even the raw recruits will learn to appreciate real art and help save the Berlin stage from the waves of commercialism that rage so furiously at times.”

Our American operators need not feel that the disintegrating forces of commercialism are confining their attacks upon Co-operation to the United States. Our German friends, though they are 1000 per cent more strongly entrenched in their powerful distributive and credit movement than we, are forced to keep up the same vigilant educational campaign. Are there co-operators anywhere else in the world who can so fervently wish them success as we can? C. L.

Producers and Consumers in the Co-operative Movement*

FROM THE VIEWPOINT OF THE STUDENT OF AGRICULTURE

By Gordon H. Ward

When the 200 striking milk drivers of Minneapolis began in April of 1921 to organize the Franklin Co-operative Creamery Society to distribute milk to consumers, they did not have to worry about their supply of milk, for the Twin Cities Milk Producers’ Association was very glad to guarantee them all they could handle. With the most important matter taken care of, the organizers were able to devote all their energies to securing consumer member stockholders and the establishment of an efficient plant. The relations between these co-operative associations have continued most friendly. The consumers have been glad to buy all their milk from the producers’ organization because the bulk of quality milk in the area is produced by members of the Twin Cities M. P. A. and one contract assures a constant adequate supply. The Franklin operators are naturally desirous of securing milk for their plant as cheaply as possible, but also want to pay the producers a fair price sufficient to support a standard of living equal to that enjoyed by their own members. The best price is mutually agreed upon. The representatives of the producers and the consumers present their reasons for desiring or opposing a change in the wholesale price of milk, together with the supporting evidence. As a result of this collective bargaining the price for all milk handled by the various parties to the agreement is determined for the succeeding period. The Franklin people have made a successful effort to stabilize the price throughout the year, to the benefit of both producer and consumer.

While the producers’ association finds the consumers’ co-operative and friendly to more than some of the private distributors, yet they regard the consumers’ organization as one of their best customers and value the mutual friendship greatly. The fact that the Franklin is the only distributing organization which employs a full time chemist to make accurate butterfat tests of each farmer’s milk so that both the full and true value therefor, and the fact that the Franklin is more careful in its weighing of the milk delivered by the producers, makes for good will between producer and consumer. Each knows that he is getting full value from the transactions, and has learned by experience that the other wishes to treat him fairly. Mutual confidence is the basis of efficient business transactions.

While there is nothing spectacular about this friendly relationship between producer and consumer co-operative association, it is a practical proof that there is no basic conflict of interest between the two. Both realize that the interests of the other must be given due consideration in relation to its own. There are also other advantages of such a relationship not accruing altogether to the benefit of either association. The producers’ association obtains a fair price for all producers, regardless of whether they are members or not. This price must not be too high, or over-production will result with lower prices to all producers, as has been demonstrated in many cases. The consumers are thus benefiting by having the price stabilized at a figure which will assure a permanently adequate supply at a reasonable price. At the same time the consumers, by associating on the standard of quality and price for the whole city. The legal minimum for butterfat in milk is 3 1/2 per cent, but since the Franklin is selling 3 7/22 per cent milk, the other distributors are.

The first year the Franklin was operating, the spread between the price to the consumer and what the producer received was cut a whole cent. While in this case the reduced margin has not been held, due to the increased cost of the expanded plant of the Franklin, this efficient agency is setting the lowest price in the city. The distributors in the city.

This is but one example of the beneficial results of co-operation between producers and consumers. Producers and consumers have worked together in supplying Superior, Wisconsin, with milk. The organized wheat growers of Canada co-operate with the British Wholesale Co-operative in supplying British co-operators with flour and bread. Why cannot we have more such relationships in this country? There are over 12,000 producers’ co-operatives trying to supply consumers with their food and clothing more efficiently. But the present organizations can only carry the process part way to the ultimate user. When will the consumers organize to complete the chain of co-operative production consumption?
GIANT POWER UNDER CO-OPERATIVE CONTROL

The participation of the state and local governments in co-operative organizations is not a question of to-morrow. They are already doing it to-day. A practical example of this combination of public finance and co-operative method is taking place in the organization of the Co-operative of the Rhone.

The French legislature on the 27th of May, 1921, passed a law which had for its purpose "to control the forces of the river Rhone from its source in Switzerland to the sea" for the purpose of obtaining water power. Four millions of kilowatt hours per year—the equivalent of five million tons of coal—is to be generated. They seek also to develop canals for navigation from Lyons to the sea; to irrigate the plains of Beau-Languedoc of Nimes and Avignon. This whole work will cost more than three millions of francs and will take at least fifteen years.

Who has been given the development of this gigantic work? Neither a capitalist organization nor the government, but a society composed of the local governments which, in this case, will be the consumers of these services—the state, the provinces, the cities, and the chambers of commerce and the industries. This is in reality a co-operative organization, without the name; the object of this society is not to gain profits. The society is called the "Compagnie Nationale du Rhone." Shares in this organization pay only current interest; their values are rendered at the lowest possible cost. Until the earnings have provided for adequate reserve fund, no dividends will be paid. The users of the services, the consumers, are the shareholders and therefore control the administration. The government has not furnished any capital. It has guaranteed however the interest on any obligations from the burden of finding thirty million pounds for national and local work, and allow them to use that sum to develop private businesses in opposition to co-operative development. The organization of big businesses would find some way of profitably utilizing the sum, and it was disgraceful to co-operators if they could not do likewise."

"What they (the societies) have actually accomplished by their inability to use this huge sum in co-operative enterprise has been to free private capitalists from the burden of finding thirty million pounds for national and local work, and allow them to use that sum to develop private businesses in opposition to co-operative development. The organization of big businesses would find some way of profitably utilizing the sum, and it was disgraceful to co-operators if they could not do likewise." In 1915, 54 per cent of the total surplus was invested in fixed assets, stocks and members' debts of the societies. By 1925 this proportion had fallen below 50 per cent. Meanwhile investments outside the movement had increased very considerably. This money brings no more than 4½ or 5 per cent, whereas if invested in co-operative business it would bring in very much more. To quote one of the early co-operators, "We've not too much capital, but we haven't always enough brains to use it."

DOES MEXICO HAVE ITS FASCISTI, TOO?

The miners' co-operative store at Cloete, Coahuila, Mexico, has been completely destroyed by a fire set by some agent of the mine company, in retaliation for recent union activities. Twice recently the workers have demanded better conditions in the mines, and the Federal Arbitration Board has endorsed their demands and forced the mine owners to comply. The last order of the Board compelled the company to give three months' pay to men unfairly discharged for union activities. The co-operative conducted a flourishing business and was the chief protector of the miners as consumers, for without it they would have had to trade entirely at the company store.

Perhaps it is just such action as this that is responsible for the recent hearty endorsement of Rochden's Co-operation by the delegates to the Seventh Annual Convention of the Confederacion Regional Obrera Mexicana (Mexican Federation of Labor).

OUT OF THE CLUTCHES OF CAPITALISM

"Many years ago, when the British Co-operative Movement was capitalized at 30,000,000 pounds, a writer in an English financial paper said it would readily sell, if put on the Stock Exchange, for ten times that amount. In other words, it would be possible to compel the workers in the Movement, either as producers or consumers, or both, to create for capitalist enjoyment, ten times the revenue the legitimate needs of the enterprise demanded. That is a concrete illustration of the grave social and economic disease, which has rapidly increased in recent years."—The Canadian Co-operator.
GOOD CO-OPERATION AT CLINTON

Back in 1912 a group of German textile strikers in Clinton, Mass., organized a co-operative store off in one corner of the town. At first they had less than $1,000 of capital and only a handful of loyal supporters. During the 14 years which have elapsed since then they have enlarged their membership to a total of 200, including many people of other nationalities; they have increased their capital to $4,000; they have a surplus of $18,000 earned during this period, and they own their fine building.

For 1925 the sales were $101,000. The stock carried includes not only groceries and meat but shelf hardware, dry goods and shoes, so that the total inventories at about $15,000. A regular purchase rebate of 10 per cent has been paid members for the past four years. The manager, Fred Baer, is an old hand at the grocery game, as well as an old member of the German organizations of the district. The results of this happy combination of co-operator and business man show in the annual return to the members on their patronage. Some of the best supporters of the store are the Scotch folks who learned their co-operative lessons in the old country.

This store, like most others, has its weaknesses. More educational work should be carried on. Adequate books are not being kept. But on the whole the business is one of the best in the state, and the Directors and Managers deserve the congratulations of other co-operators in Massachusetts. The workers in Clinton should be in closer touch with those in other co-operative centers nearby.

FAILURES AMONG CO-OPERATIVES

The U. S. Department of Agriculture has compiled some interesting figures on failures among all types of co-operators. Of the 12,000 associations of all kinds for which the department has figures, 1,117 have gone out of business before the close of 1925. Those who make the report believe that the rate of failure will decrease as management is now becoming more efficient and fewer associations are being started where they are not needed or have little chance of success.

The highest death rate is for stores and other purchasing associations, where the figure is 14 per cent. Fruit and vegetable co-operatives have a rate of 15 per cent; those engaged in marketing miscellaneous products, 12 per cent; those for dairy products, 10 per cent; those for grain, 8 per cent; and those for livestock, 4 per cent.

For the U. S. as a whole the rate is 9 out of each hundred. The North Central States has a lower average than any other one district, with 7 per cent. The highest is 25 per cent in the Mountain States, while the New England States have a rate of 18 per cent. The lowest rate generally is to be found where co-operatives are the most numerous and where the most attention has been given to education and publicity. Among the individual states, Iowa and Illinois stand lowest with 6 per cent; Wisconsin next with 7 per cent; Nebraska and Minnesota next with 8 per cent; Michigan stands sixth with 9 per cent.

MINERS STORE AT BENLD, ILLINOIS

One of the really large co-operatives in the United States is that at Benld, a mining town in Illinois. For 1925 the total sales came to $948,863,34, on which a net gain of $22,952.69 was made. Of $18,715.50 was returned to members on their purchases, and $1,053.50 to non-members. Interest paid on share and loan capital was $1,980.

These folks are dealing in large figures. Their inventory of merchandise amounts to $28,000, and their funds in bank or quickly negotiable securities amount to more than $40,000. Total assets are $108,000. Share capital is $11,725, and loan capital from members $86,572.

News and Comment

C. W. S. JUBILEE IN NEW YORK

On Saturday evening, May 1, the English Co-operative Wholesale celebrated the fiftieth year of its New York branch by a banquet at the Waldorf Astoria hotel. There were present five directors of the C. W. S. who came from England to participate in the celebration. These were Mr. H. J. A. Wilkins (president), Mr. R. F. Lancaster (secretary), Messrs. W. E. Dudley, R. Fleming and J. Sutton.

The New York depot was opened in New York in 1876 with Mr. J. Gledhill as manager. This office is chiefly for buying purposes. The first year it bought $38,658 of American produce, to be shipped to England. In 1925 its shipments amounted to $3,567,534.

The U. S. Department of Commerce, in its 1925 statistics, shows that for that year this C. W. S. depot shipped from the United States 19.4 per cent of the foreign trade of the United States.

The U. S. Department of Commerce, in its 1925 statistics, shows that for that year this C. W. S. depot shipped from the United States 19.4 per cent of the total shipping, 17.7 per cent of the total exports, and 31.4 per cent of the total imports.

This was the first foreign depot opened by the C. W. S. The second was at Copenhagen in 1881. For many years the C. W. S. has been the largest exporter in Denmark and the largest importer of Danish produce. Today it has nearly twenty depots in different parts of the world.

The banquet at New York was attended by about sixty guests. These included the managers of the depot from the manager even to the smallest office boy. It was a lovely treat for these employees to sit at table with the directors of the C. W. S. The English order these things well.

GREAT AMALGAMATION OF FARMERS' ORGANIZATIONS

Mergers are all the style in the world of capitalist business. Why shouldn't the co-operators do as much? As a matter of fact, the logic is all in favor of the farmers and even to share in the management of the capitalists setting the pace for the capitalists, instead of the capitalists setting the example in amalgamation.

Recently three large farmers' fraternal organizations have voted to pool their resources and interests. These are the Farmers Co-operative and Educational Union of America, the Equity Co-operative Exchange, and the Producers' Alliance. As the first of these three is by far the largest of the three, some there are who say that the Farmers' Union has absorbed the other two. But the wholehearted vote of the members of the latter two associations for this union indicates that the spirit is genuinely that of a merger of bodies each equally important in the eyes of its own membership.

These three associations, their officers and members are to be congratulated by co-operators throughout the country. They have shown some of the rest of us the way to ultimate economic strength which will bring to farmers and workers the power and position they deserve.

THE CHURCHES ON CO-OPERATION

When the Congregational Churches met in National Council during the autumn, they met trouble. For a statement of Social Ideals was presented to them, and they finally voted an endorsement, though there was some pretty stiff opposition. Some of the principles accepted are familiar to all co-operators. Here are a few of them:

Children should never use business as a means of getting something for nothing.

Labor must be left free to organize and even to share in the management of industry.

Consumers' co-operatives should be...
encouraged, so that there may be a more equitable distribution of the essentials of life.

The service motive must dominate the profit motive in the acquisition and use of property.

THE PROFITS IN CHAIN STORE DISTRIBUTION

Apparently there are bigger profits to be made in distribution than in production these days. Eleven of the largest chain concerns selling direct to the consumers, including the A. & P. Tea Co., Sears Roebuck, Woolworth, Montgomery Ward Company, Kresge stores, United Cigar, etc., took in more than $51,500,000,000 during 1925. Six of these corporations returned to stockholders a cent on each 10 cent sale, or a return of

United Cigar, etc., took in more than be made in distribution than in produc

business done by the private corporations

inal investment of considerably less than

co-operatives in many of the countries

than 50 per cent on the first capital.

profits, while Montgomery Ward takes

Sears Roebuck had the largest sales, $21,000,000, or about 73 per cent on the original investment. Woolworth owners made more than 1 cent on each 10 cent sale, or a return of $9,46 on each $25 of stock. As each $25 share of stock represents an actual original investment of considerably less than that sum, the return last year was more than 50 per cent on the first capital.

Sears Roebuck had the largest sales, $258,342,596. But profits for the year were second to those of Woolworth, a mere $21,000,000, or about 73 per cent on the original investment.

Kresge takes third place as regards profits, while Montgomery Ward takes third place in volume of sales. Kresge profits were only a trifle under $12,000,000, or 89 per cent on the first investment of the owners of stock, Montgomery Ward, with gross sales of $170,592,642, made profits of $11,358,000 or $8.05 on each $10 invested.

And so it goes. When reports from A. & P. come in they will probably show sales of nearly $500,000,000 through their 14,000 stores.

It is worth remembering that this huge business done by the private corporations in the U. S. is being handled by the co-operatives in many of the countries of Europe.

RETAIL STORES FAIL

The annual loss from the failure of the several thousand profit making retail stores in the United States amounts to $250,000,000. Who pays this loss? Not the manufacturers and jobbers who are supposed to be the losers by these failures. They add it to their overhead costs. The costs are passed along to the stores which keep going and the consumers, who never saw the stores that failed pay for the loss.

Then the consumers bear the burden of supporting the retail stores that succeed and of paying the deficit for those that fail. They are the bearers of the burdens which every turn of profit business shifts upon them.

FINE WORK WITH CO-OPERATIVE GASOLINE

The Nebraska Union Farmer gives us the news of a most successful co-operative for the purchase of gas, oil, and auto supplies at Cambridge, Neb. It is the Cambridge Co-operative Oil Co., which opened for business last May. At the meeting in January a rebate of five cents a gallon was declared on station purchases of gas, and of two cents a gallon on wagon sales; besides a 4 per cent dividend on share capital. Sales of gas, oil, kerosene, greases, tires and tubes totaled $44,671 for the seven and one-half months, and the net savings were $4,499. There are 415 members with an investment of more than $10,000.

CAN YOU DECIPHER THIS KIND OF HIEROGLYPHIC?

Morann is a small mining town in Pennsylvania boasting of one going mine. In fact, the coal company and the Co-operative are two of the chief institutions in the neighborhood. Across the top of the store is the inscription:

MORANN CO-OPERATIVE ASSOCIATION, INC.

And underneath is the strange device:

You Pay Us
That We May Pay Them
That They May Pay Him
That He May Pay You.

Is it a cross-word puzzle? Or a Socialist slogan? Or an economic statement of the movement of money? Or a trick of a practical joker? Or a piece of free verse?

How to Compete Successfully with Capitalism

"In the long run the future and permanence of the Co-operative Movement as an economic organization must depend upon its ability to compete with capitalism out of existence. It can only do this, if other conditions are normal, by dispensing with the one charge that capitalism cannot possibly dispense with interest on capital. It is only by getting rid of the interest charge by substituting communally-owned capital that the Co-operative Societies can make themselves impregnable and become able to meet and defeat capitalistic firms in the competition of the great markets of the world. Their trading surpluses ought therefore to be converted into communal capital, owned and controlled by the societies, upon which no interest would be payable, and which would give them power to break through the bariers which now retard their growth."

The Co-Operative Official.

Conserving the Energies of Labor

"The greater part of the savings effected by co-operative marketing must, in the course of a few years, inevitably be lost by reduced purchasing power. To the degree that Consumers' Co-operative fails to keep pace with co-operative marketing, the savings will pass to the advantage of the private business interests of the country. That is an economic truism. It is one to which British trade unionists have long been alive. It is for that reason organized labor in the United States and Canada is anxious to foster the development of Consumers' Co-operation. Trade unionism is co-operative marketing of labor energy, and the urban equivalent of the co-operative marketing of agricultural produce. — The Canadian Co-operator.

District Leagues

From the Finnish Co-operative Courses of the Co-operative Central Exchange

By George J. Johnson, School Reporter

At the present date the fourth week of these courses is just ending. Four weeks of intense study behind and four ahead. They are conducted in the English and Finnish languages.

The first two weeks were aimed to be as a preparatory course for such persons who were weak in bookkeeping and other important subjects that may be needed in business. The subjects taught during these two weeks were bookkeeping, business English and spelling, commercial arithmetic and a few hours of Finnish language.

The instructors were Otto Recklund, bookkeeping; Arvid Nelson, business English; Arnold Ronn, commercial arithmetic; Kalle Rissonen, Finnish language.

The total number of students at the preparatory courses was 31. Of these 8 were women and 23 men. The age of the students ranged from sixteen to sixty-five years.

At the beginning of the courses it was announced to the students that those who were the weakest in the subjects at the end of the first two weeks, would be required to leave them, so as not to hinder those who were quicker in learning. But later this plan was changed, so that students who found themselves not able to keep up in the studies with others, should leave them voluntarily.

At the beginning of the final courses eight new students were enrolled, two former ones leaving, which left the total number of students at 37; 10 women and 27 men.

The subjects taught during the first weeks (of the final courses) were bookkeeping, business English, principles of the labor movement and history of co-operation. The instructors in these are: bookkeeping, H. V. Nurmi; principles of the labor movement and history of co-operation, Geo. Halonen.
Later on, more subjects will be added such as theory of co-operation, founding and governing of co-operative societies, handling of goods, and a few other minor subjects.

In comparing these courses with those held previously, it can be seen, that these are much more thorough. During the first ones only such subjects as bookkeeping were taught. These courses besides bookkeeping also principles of co-operation are taught. This has its effects. Many of those who attended the earlier courses have gone into business for themselves. This cannot be said of those who attended the later ones, and it is more than likely that none of those who are attending this year will go into private business, either. So in one word, the purpose of these courses is to educate able men and women for the cooperative movement, especially for the Finnish territory of the Co-operative Central Exchange.

NORTHERN STATES CO-OPERATIVE LEAGUE

The Board of Directors of the Northern States League has held several meetings during the past three months. Some of the most important actions taken and points of progress recorded are as follows:

Secretary reports 102 subscriptions procured for Co-operation.

Check for $1,000 received from American Fund for Public Service to be used in organization work.

"Honor Roll" Buttons awarded to all members who have brought in at least ten individual members or procured 20 subscriptions to Co-operation or five members plus ten subscriptions; also to all members of Executive Board. Those receiving Honor Roll Buttons are K. A. Nurmi, Leo Saari, Ivan Lanto, Mrs. Solem, F. Burnardt, Gideon Edberg, Anthony Rud, Eekel Romm, Mrs. C. R. Nelson, H. I. Nordby, E. H. Anderson, and V. S. Alana.

Decision to award $2.50 worth of cooperative books to all members who have procured 50 individual members during 1925 or 1926.

Decision to send secretary on an organizing tour for five or six months among the co-operatives of Minnesota. Year book to be published early in the summer; to contain about 90 pages.

President and Secretary sent to Annual Meeting of Co-operative Central Exchange.

There were many other items of business of minor importance.

NORTHERN STATES CO-OPERATIVE LEAGUE

REPORT OF TREASURER FOR 1925 AND 4 MONTHS OF 1926

1925 INCOME

Initiations paid during Springfield Conference in February $70.00

Net income from dues of eight societies (as per report of January 4) 428.52

Commission paid Buying Committee on flour purchases 25.00

$523.52

1926 INCOME FROM DUES

United Co-op Soc. of Maynard @ 15c per capita 93.00

United Co-op Soc. of Gardner @ 15c per capita 50.40

United Co-op Soc. of Worcester @ 15c per capita 15.00

United Co-op Soc. of Fitchburg @ 15c per capita 88.45

United Co-op Soc. of Norwood @ 15c per capita 25.50

Finnish Co-op Trading Assn. @ 15c per capita 274.80

Consumers' Co-op Housing Assn. @ 50c per capita 14.00

Utica Co-operative Society @ 15c per capita 49.20

Consumers' Co-op Services @ 15c per capita 316.95

$1,453.82

The item "Dues to the Co-operative League" appears so small because it contains only dues in arrears for 1924. The 1925 dues were paid after the 1st of January, 1926, and amounted to a little over $600. The Northern States' League is thus in good standing with the national organization for 1925.

1925 DISBURSEMENTS

Office supplies and services $156.50

Balance in treasury, April 18, 1926 $1,297.32

One-third of income from dues owing to National League 310.10

Balance available for work of Eastern States League $987.22

(Or this balance, $300 has been authorized for gathering information for Eastern States Directory; and $500 for carrying on office work of the E. S. League.)

NORTHERN STATES' CO-OPERATIVE LEAGUE

STATION OF RECEIPTS AND DISBURSEMENTS FOR 1925

RECEIPTS

Dues from constituent societies $2,062.83

Dues from fraternal societies 90.00

Dues from individual members 345.00

Receipts from 1925 Year Book 1,255.85

Tuition fees—Third Training School 540.00

Correspondence school fees 165.00

Books and literature 80.00

Lecture meeting receipts 134.45

Lecture meeting receipts 15.00

Appropriation from Minn. Co-op Creameries Ass'n 300.00

Miscellaneous receipts 52.60

Total receipts $4,980.73

Cash balance, January 1, 1925 159.67

Total cash to account for $5,140.40

DISBURSEMENTS

Office salaries $417.44

Office supplies, stationery, stamps, etc. 350.49

Promotion expense 80.00

Year Book expense 1,941.77

Northern States' Co-operator (printing, etc.) 159.00

The Co-operative League for books and periodicals 81.90

Lectures and meeting expenses 37.50

Instructors' fees and other school expenses 614.26

Scholarships 305.00

Dues to the Co-operative League 58.10

Dues returned to Co-operative Central Exchange 476.48

Miscellaneous expenses 69.01

Balance on hand $4,850.00

Balance in hand 290.40

Cash in bank $111.12

Cash on hand deposited January 2, 1926 179.28

$290.40

As is seen from the above statement, the total receipts of the Northern States' Co-operative League during 1925 were $4,980.73, which is more than twice as much as the receipts for 1924.

The item "Dues to the Co-operative League" appears so small because it contains only dues in arrears for 1924. The 1925 dues were paid after the 1st of January, 1926, and amounted to a little over $600. The Northern States' League is thus in good standing with the national organization for 1925.
Book Review

The Co-operative Republic, By Ernest Poisson, Manchester, The Co-operative Union, 1925.

This admirable book of M. Poisson is a translation from the French. The work is divided into an introduction and five parts.

The first part of the book presents the theory of a co-operative republic. Here are discussed the principles of Co-operation and the laws of co-operative evolution. Part two discusses the co-operative republic and its consequences. Part three sets forth the relation of co-operation to various other social doctrines. Part four presents the limits to the realization of the co-operative republic. And the last part discusses the organization of society upon a co-operative basis and the technique of its administration.

This book of 226 pages approaches the subject of the co-operative organization of society from the political standpoint. The word "socialism" is used in quite a different sense from that current in America. It is difficult for us to understand that, "The Co-operation of Charles Gide and the Socialism of Jean Jaures coincide," or that, "The co-operative Republic constitutes a socialistic administration." The author after giving a definition of Socialism says: "Co-operative organizations are the two are different from the American conception of Socialism. The eminent professor of political economy in the University of Tubingen gives in this little book an historic view of socialist development. The first part of the book is devoted to "political, theoretical Socialism," and the "class struggle." It is a modern scientific analysis of Marxian theory. Marx was a poet; his calculations failed because he was not a mathematician, says Wildbrandt. The second part deals with

CO-OPERATION

LEAGUE ENDOWMENT FUND

At the Fourth Co-operative Congress a recommendation was made that the executive staff of The League plan for the establishment of an Endowment Fund which ultimately should become large enough to provide income to support some of the regular activities of The League. It will take years to build such a fund to the proportions where it will be of any great value, but the Congress felt that a start should be made.

One of the old and loyal members of The League in Florida several years ago drew up his will so that the bulk of his savings would go to The League at his death. Presumably this money will go into the Endowment Fund.

Within the past month one of the Directors of The League living in the Western part of the country has turned over to this Endowment Fund a small sum of money, which although insignificant so far as any immediate benefits are concerned, is nevertheless the gift which starts the ball rolling.

The League Endowment Fund thus becomes a permanent institution. Co-operators interested in promoting Co-operative Education in the United States can have their names drawn so that money may be left to this Fund; or they can from time to time make such gifts as they wish. Co-operative societies may make similar donations annually from their earnings. The principal of the Fund will never be touched, only the interest being available for financing the work of The League. Individuals or Co-operative Societies interested in learning more about the Endowment Fund of The Co-operative League should write to the office for further particulars.

From The League Office

LEAGUE ENDOWMENT FUND

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SUBSCRIPTION GETTERS IN NORTH CENTRAL STATES

In the April issue of Co-operation appeared a statement of the good work done by various individuals in getting subscriptions for the magazine. That list did not include the men who have turned their subscriptions in to the office of the Northern States Co-operative League, from which office 102 subs have been received by the national office since the first of January.

The good work in Minneapolis, Wisconsin and Michigan has been done by the following: P. Burnandt of Minneapolis, 44 subs. H. I. Nordby of Minneapolis, 10 subs. V. S. Alanne of Minneapolis, 12 subs. Leo Saari of Ironwood, 12 subs. K. A. Nurmi of Superior, 3 subs. H. V. Nurmi of Virginia, 2 subs. Through the mails, 4 subs.
How Politics Kills Co-operation

Editor, Co-operation:

This letter will advise you that the Union Labor Co-operative Association store at Clearfield was closed down and the directors were not able to pay the creditors, and has been closed for the last month or so. This store was one of the strongest in the city, and the competition became very strong, but was directly chargeable to the members themselves; first they would not take the advice of the local internal committee. They said the manager knew what should be done and he was an experienced grocer and everything went well, and at first it seems he would have done well if properly instructed by the controlling committee. The members said the board of directors could look after that, but of six men elected on the board, only one, besides myself, had read anything about co-operation, and they would not spend one cent to acquaint themselves with the principles, and, as you know, I could not get one of them or any member to subscribe for your monthly publication, Co-operation. Consequently the board of directors did not direct. We had a fine business the first four months but our treasurer was no good and made no reports of the moneys and the manager handled the business entirely, except the little information I gave him. The first thing we knew, the manager had allowed about $1,000 out on credit contracted to allow no credit without the consent of the board of directors, for our constitution and by-laws gave the board permission to allow 50 per cent credit if they thought it best. So the members at a regular monthly meeting held that they were entitled to cut them out as outsiders, and they passed a resolution to allow members, not less than 50 per cent credit. I told them that would wreck the store, for they would simply carry it away, which is just what did happen, for immediately they got the percentages of the kind that Muste seems to accept as inevitable. He, and others like him, seem to have fighting in their minds so strong that they refuse to even contemplate any other way. I have an idea that the mental attitude of fight is so indelible in the minds of people that there will eventually be a fight that will bring them nothing but trouble, but nevertheless, I am going to divert the direct effort to the only solution. If they fight to settle this, it will be like the war to end war—merely give place to a worse struggle later on.

Seattle, Wash.

U. G. Moore

From the Class-War Front

Editor, Co-operation:

You so completely and ably expressed my own views that I could not resist the temptation of addressing you on what may be a forlorn hope, namely, What can be done to arouse the American working class and the great group of pre-war liberals to an appreciation of the importance of the co-operative movement in America?

Class collaboration which seems to be the panacea of Wm. Green and the Executive Committee of the A. F. of L. leaves no opportunity for a coordinated drive towards co-operation. To me it seems important that something be done and I am thoroughly convinced that the orthodox co-operative movement will never take steps in this direction while an apparent path of least resistance be allowed to what you so aptly described as "Labor Capitalism."

CARL MALMGREN.

FROM ONE WHO HAS HAD LONG EXPERIENCE

Editor, Co-operation:

Your monthly bulletins are very good, I think, and no doubt will be of great benefit to most societies if they will only take the good advice given. Sometimes it seems awfully hard to get our people out here interested in co-operation. They don't seem to have enough need for it. We are quite likely to have trouble with the members of the (Co-operative) movement and what it means. His paragraph on the workers, page 67; second column, shows this. If he had said, we are quite likely to have trouble with the workers until they come to understand their real relationship to the organization, then he would have stated a profound truth, but as it is, he has stated piffle in view of the actual facts of life. This letter will show you just what I mean on this subject. I have read with interest Muste's article in your bulletin of Oct. 15, 1919, and I wish to give you my views about the conditions as they exist.

St. Paul, Minn.

J. A. BBETH.
The following books are recommended as containing the best discussions of the modern Co-operative Movement. They may be ordered through The League: Bergengren, Roy F.: Cooperative Banking, A
Credit Union Book
$3.00
Bliss, Eliza T.: Co-operative Movement in Russia
2.50
Brightwell, L. R.: Animal "Coop" Book—For Children
.15
Faber, Hazel: Co-operation in Danish Agriculture, 1918
2.75
2.00
Gibbard, Hannes: Co-operation in Finland, 1916
2.00
Gall, C.: Consumers' Co-operative Societies American edition and notes, 1922. Cloth, $2.00; paper bound, .50
Hall, Fred. Fred's Handbook for Members of Co-operative Committees
2.00
Harron, Emerson B.: Co-operation, The Heart of the Consumer, 1918. Cloth, $2.00; paper bound, .60
Holyoke: Rochdale Pioneers
1.00
Honey, Fred C.: Co-operative Co-operative Movement
2.50
Jefferys, D.: Cooperative Movement Among Other Peoples
.75
Jones, F.: Co-operative Movement in Australia .50
McCallum, J. The Story Retold
.50
Nicholson, Ian: Our Story
.25
Owen, Robert: Agricultural Co-operative Movement, 1923
2.00
Patterson, R.: Cooperative Movement in Great Britain
2.00
Ref, Percy: The Story of the C.W.S.
2.00
Ref, Percy: The Consumers' Place in Society, 1926
1.00
Smith-Gordon & Staples: Rural Reconstruction
2.50
Smith-Gordon & O'Brien: Co-operation in Many Lands, 1920
1.50
Studdert, A.: The Co-operative Movement (In Yiddish)
1.00
Wachter, James F.: Co-operative Democracy
2.50
Weber, Catherine: Industrial Co-operation, 1917
1.50
Woolf, Leonard: Cooperation and the Future of Russia
2.50
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Penetrating the Co-operative Jungle

THERE are approximately 140 consumers' co-operatives in New England, New York and New Jersey. Barely 40 of these are well known to the Co-operative League or any other central organization. During the past two months two members of the staff of the League have been hunting down some of these unknown co-ops, taking them out of their hiding places and getting them up into the light of day. Some of these societies are so interesting they are worth writing about.

Massachusetts has dozens of these unexplored co-operatives. The Belmont Co-operative Society, although quite unknown to the rest of us, is one of the largest in the state. Last year they did a business of $300,000. Among the respectable and conservative commuter population of the Boston suburbs, they have two classes of members: 135 are stockholders owning shares of stock at $25 each. There are in addition 700 non-stockholders who pay annual dues of $1 which entitles them to the rebate at the end of the year. The only advantage in being a stockholder is the 6 per cent interest on investment.

In Cambridge, within a few blocks of each other, there are two Lithuanian co-operative societies. One of them owns two stores and does a small and not profitable business among the church-going members of that nationality. The other is a much more prosperous institution, organized among the socialists and other radicals. These 150 shareholders have built up a reserve fund enabling them to own their own building and also to give dividends. The society pays neither interest on capital stock nor rebates on purchases but retains everything for expansion of their grocery and meat business.

High in the Berkshires in the town of Adams, there is a Polish co-operative grocery and meat store, a Polish co-operative bakery, and a co-operative coal and wood company organized among the German, English and American people. The last is the oldest of the three and is doing a business of approximately $40,000 annually, in fuel. Incidentally, the directors have adopted the policy of putting no more stock on the market. Sales to non-members prove to be rather profitable when the profits from them are distributed to the members along with the surplus on their own purchases.

The Polish store and bakery, although run by two separate societies, are supported by the same people. The selection of the manager for the bakery, this year, illustrates what peculiar ideas co-operators sometimes have. They took the owner of a retail store, which is running almost directly across the street from the co-operative store, and made him manager of the co-operative bakery.

At Pittsfield is perhaps the most prosperous co-operative coal company in the country, doing a business of nearly $300,000 a year in coal only. Here again the mistake is made of refusing to take in new members. The theory behind the policy here at Pittsfield, as in Adams, is that the members are entitled to the profits of sales from non-members and if a large number of new shareholders were admitted, the purchase rebate would drop below the customary 5 per cent. John L. McLaughlin, the manager, has been in charge here many years and is a successful administrator.

At Fitchburg, Mass., boasts of a Finnish co-operative and a Finnish credit union, both of which are a great credit to the Co-operative Movement. There is in the town another co-operative which nobody boasts about. It is a little co-operative society whose manager says that neither he nor the directors are interested in any other co-operatives and have no information to give to The Co-operative League.

The Producers and Consumers Co-operative Association of South Framingham, maintains an excellent store for the sale of groceries, meat, and fish, under very competent management. Entire lack of education and too large a plant for the $66,000 worth of business annually, is the reason for failure to more than break even. The members are farmers, workers and ordinary middle-class Americans.

At Leominster, the Italians have a little store doing less than $40,000 worth of business. As is customary, in so many Italian stores, the business is run by a clerk and the manager holds an outside job giving attention to the business only during the evenings and on Sundays.

At Sagamore 60 Italians maintain a general store. They pay 5 per cent on capital and serve their fellow-Italians to the tune of about $27,000 of merchandise a year.

In the nearby town of Plymouth another group of 35 Italians operating under the popular name, "Christopher Columbus Consumers' Co-operative Society" do a slightly larger business. In the same town, the old, well established, Plymouth Co-operative Association, organized among the American and English workers and having 500 shareholders, is doing a business of about $75,000 a year under strictly Rochdale principles.

In Clinton it is the German mill workers, ably supported by English and Scotch people, who have built up an annual business of $101,000. For the past four years they have returned a purchase rebate of 10 per cent.

At Pascoag, 164 textile workers and farmers have been running a co-operative store since 1890. The sales are only $46,000 a year. In Harrisville a group of American and English co-operators have a business of $100,000, handling all kinds of food stuffs, dry goods, hardware and general merchandise.

Connecticut boasts of many groups of foreign co-operatives. In Terryville there is both a Ukrainian co-operative and a Polish co-operative. The manager of neither was very communicative when questioned. The former apparently is run like an ordinary joint stock company with all profits returned to the 70 shareholders. The business is scarcely more than $25,000. At the Polish store the business is $55,000 and a regular 1 per cent rebate is returned to members and
non-members alike and 7 per cent is returned on stock. Both groups own their buildings.

At Bristol 57 Polish people have a small grocery business but apparently are not able to pay either interest or rebates and the manager knows very little about the inside workings of the association.

New Haven boasts of having what is one of the few living co-operative laundries in the country. Six years ago eighteen women rented a barn, installed a couple of washing machines and started a co-operative laundry service to supply the individual laundry maintained in their various homes. To-day there are twenty-two members and eight additional patrons of the laundry. Two washing machines and a mangle constitute the only equipment they have. The work is all done on the old fashioned clothes line in the back yard. The weekly income is about $240 and for the past few years the Co-operative Laundry Company was operated at a slight gain each year. The success of this institution is due in no small measure to the compact and intimate membership and to the fact that these people would rather pay a little more for good service than go to the commercial laundries.

New Haven also has an interesting Italian society, known as the Co-operative Society Marchegians, organized last October. The store handles groceries and meats and sells nothing for cash. There are only 80 members and no goods are sold to transients or non-members. Every member invests in a credit book. These books are issued in dimensions of $1, $5, $10 and $20. For every purchase at the store a corresponding amount is registered in the credit book. Thus the only money handled by the manager or his assistant is cash taken in on the issuance of a new book. Business averages about $2,500 a month.

To date no adequate tour has been made of any part of New York State. Maspeth, L.I., a suburb of Brooklyn, has both a Russian and a Polish co-operative store, the former with a membership of 75 and the latter with 108. The managers of both stores seem to be very clear on co-operative principles and recent reports from the Russian co-operators of Brownsville indicate that the Maspeth store is having financial difficulties and some of its Lithuanian members wish to withdraw their investments.

The consumers' co-operatives in New Jersey are situated almost entirely in the suburbs of New York. In addition to the well known Purity Bakery and the Co-operative Butcher Shop at Paterson, there is also a little Italian co-operative store organized fifteen years ago and having a membership of 220, no one of whom is allowed to own more than one $10 share of stock. Sales in 1925 were $82,000 and that store is one of those unusual Italian managers who knows what he is doing. Last year they made about $1,200 profit.

In the neighboring town of Clifton another group of Italians are running one of the most prosperous co-operatives to be found in the United States, under the name of the Italian-American Family Association, organized seventeen years ago. They operate a grocery and meat store, pool room, assembly hall and refreshment bar. There are 550 members each of whom contributed a five dollar membership fee. There is no capital stock. In 1925 the sales were $165,000 and the profit about $11,000, most of which was made on the assembly hall, pool room and bar. The grocery and meat business is run on a cost plus basis. Organized entirely without capital stock, the association now has, from its members, a loan capital fund of $66,800 and in addition a reserve fund of $66,800 made out of accrued profits. One hundred fifty of the Pascack strikers are being given relief regularly through this store.

It is possible to extend indefinitely these examples of isolated societies. Our movement should have at least one man in the field constantly visiting these people, advising them where possible, and establishing confidence in the idea of a central co-operative federation such as the Eastern States League is trying to build up.
CO-OPERATION

and having the power to hire or fire their own managers, they can too easily wreck the whole enterprise. A statement which comes to our attention in E. A. Lloyd’s new book, "Co-operative Movement in Italy," shows us how serious this danger is.

Signor Bellilli, one of the Italian co-operative leaders, says this about the situation. — "There are too many co-operative societies in Italy and too many people who call themselves co-operators. If the Trade Unions to increase their efficiency require quantity, Co-operation demands quality — moral and technical quality... We are reproved, and sometimes justly, because work executed by Co-operative (producers') societies costs more. Is it not time to see whether this occurs through lack of discipline in the workshops or whether even, through not taking individual values into account, we have allowed the simple idea of equality of wages to become rooted in the masses? We have many workers who fulfill their duty diligently, but there are others, in General Meetings shout for the eight-hour working-day, go to work five minutes late, work with capital charges. Supposing that an average dividend of 6 per cent were to be levied against this capital (which is certainly much less than the owners of coal property have expected in the past), each producer in the mine would be carrying an annual interest charge of $619.20.

The C. W. S. mine at Shilbottle is capitalized at the very low figure of $129,175 (no watered stock included!). There are 447 men employed in the mines. In other words, the investment per man-power is only $298.98. As only 4.23 per cent was paid on capital in 1924, the interest charge per worker was $12.21. More than half of the net profits for 1924 were returned to the consumer members of the C. W. S.

There you have it. Capitalism charges each worker with a tax of $619.20, while Co-operation charges him only the $12.21 which it requires for the payment of interest. Here is the reason for the failure of the mining industry to function efficiently in Great Britain and America. When are the co-operators in this country going to learn to apply the same efficient economic principles to the mining of coal that they now apply to the administration of hundreds of co-operative stores, bakeries, restaurants and credit unions? C. L.

CORPORATION VERSUS CO-OPERATION IN COST OF COAL

Secretary George Keen of the Co-operative Union of Canada has made an interesting comparison of the capital charges against the coal mines at Sydney Mines, Nova Scotia, belonging to a huge British corporation, and similar charges against the coal mine operated by the Co-operative Wholesale Society of England.

Total capitalization, minus reserves, of the British corporation amounted to $129,000,000, a sum vastly in excess of any actual assets the company may own. There are 12,500 miners working in these coal pits, and working only part time and at low wages. This means that each miner carries the load of $14,920 of capital charges. Supposing that an average dividend of 6 per cent were to be levied against this capital (which is certainly much less than the owners of coal property have expected in the past), each producer in the mine would be carrying an annual interest charge of $619.20.

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What is the Relation of Producers and Consumers in the Co-operative Movement?

By JOHN H. WALKER
President Illinois State Federation of Labor

As a practical matter, the question could be answered in a number of ways. From the point of view of an ideal co-operative movement in which practically all of both production and consumption was handled through one co-operative organization. Or, it could be answered as applied to co-operative producers organizations as such, with no connection between them and the consumers co-operative institutions, except that they would sell to the latter their products just as they would to any private corporation. Or, as applied to consumers organizations having no connection with producers organizations, except as they bought from them. It could be made to apply to the co-operative situation as it exists in our own country at this time, where there is perhaps less of a co-operative movement than in any civilized country in the world. Or, as applied to any one of the different operating productive and consumers co-operative institutions now existing in Australia, New Zealand, France, Russia, Austria, Hungary, Poland, Czechoslovakia, Holland, Switzerland, Belgium, Germany, Great Britain, Norway, Sweden, and Denmark.

To attempt to deal with all the different situations would take up more space than an article of this kind should cover, and to deal with one of them would be of little value. It will deal with the general subject in a way that I think will be most helpful.

The most serious obstacle in the way of establishing and building up in the United States a real consumers and pro-
not only opposed to it, but is able to influence his employees to oppose the institution; and as the average worker in the community is employed by a private merchant or manufacturer, practically all the workers are against Co-operation. As the bankers and newspaper editors are almost entirely dependent on the local mercantile and manufacturing establishments, they too are influenced to oppose a co-operative movement; and as they in turn influence the railroads, wholesale and jobbers, we find that practically every institution and influence in existence is antagonistic and opposed to the creation and upbuilding of a movement, which, in the judgment of the private corporations, is intended ultimately to supplant their institutions and put them out of business.

These conditions I think are mainly responsible for most of the co-operative failures that have taken place in our country. They can be overcome only by an educational campaign, and (at least in the beginning) by the selection of men and women as members and officers, managers, etc., of the co-operative institution whose interests are not likely to be antagonized by the upbuilding of a new such an institution, and who have such a knowledge of it and are so committed to it that nothing will change them from their love for it, their loyalty to it and their determination to establish, uphold, and extend it.

A producers' co-operative institution so called, where it is not connected with a farmer's cooperative, and (at least in the beginning) by the selection of men and women as members and officers, managers, etc., of the co-operative institution whose interests are not likely to be antagonized by the upbuilding of a new such an institution, and who have such a knowledge of it and are so committed to it that nothing will change them from their love for it, their loyalty to it and their determination to establish, uphold, and extend it.

The wage earner in the trade union movement who must buy the products of his employer, wants them as cheaply as he possibly can get them. At the same time he gets as much as he can for his labor. And so a feeling is that is not altogether friendly obtains between them most of the time. Both the intelligent trade unionist and the intelligent farmer can see beyond these situations created by conditions that they do not yet control, and they act in a friendly way towards each other wherever they can. These wise trade unionists know that the farmers' interests and their own are mutual, and that the farmer is their largest single customer. When the farmer has good prices, the industrial worker has a good market; when the farmers have poor prices, they cannot buy the products of industry, so industry shuts down and the trade unionist is out of work.

The intelligent farmer is beginning to understand that when the wage earner has good wages and steady employment, he has a good market, and gets good prices for his products. The intelligent merchant and professional man is also beginning to understand that when the wage earners in the modern industries are receiving good wages and continuous employment and when the farmers are getting good prices for their products, that then they get their fair share of business—that, in other words, there is prosperity for all. They, too, are beginning to understand that when the farmers have poor prices for his crops and the wage earners in the industries have low wages and are largely or partly out of employment, that they then do not get the business nor the kind of prices for their services that they should receive.

When this knowledge and this sentiment becomes general, then, in my judgment, will it be easy to start consumers' co-operative societies. The wage earners will start their own wholesale institutions for the same reason that they started their producers' co-operative societies. These consumers' co-operative stores will start their own wholesale institutions. And when they see the success of this movement they will extend it and make it easy for themselves to get what they are entitled to as workers and to make their position more secure and less onerous, will start their own factories for the production of these articles.

These consumers' co-operative societies will then be owning their own wholesale and their own factories, producing things that the farmers need and perhaps buying raw products from the farmers themselves, processing them and then selling them back to the farmers. In the fixing of prices for those things which they buy from the farmers and those things which the consumers buy from them, they will be brought face to face with the problem of the exchange of products; and the conditions which each group of producers (and consumers) asks for themselves they will, of necessity, be willing or compelled to grant to the other fellows.

It is my judgment that when earnest, capable men in responsible positions, working for a great cause begin to act as arbiters between the producers in agriculture, and the producers in industries, the farmers and the wage earners in widely different capacities, determining the question of what wages men are entitled to, the number of hours they should work, the conditions under which they should work and the rest, consideration, and treatment they should accord one another—then these problems will become very well understood. The basis for their solution will be so clearly understood that there will be little possibility of their getting into disputes with each other. A serious dispute would result in their starving themselves by a cessation of work on which they were mutually dependent.

(To be continued next month)

Co-operation Pays for Minnesota Highways

By GORDON H. WARD

THE Consumers Co-operative Oil Company of Clarkfield, Minnesota, declared a patronage rebate on its business for 1925 of two cents per gallon of gasoline. Since the state trunk highways are partly financed by a gasoline tax of two cents per gallon, these co-operators earned their tax to pay for the highways by doing business together. They also paid a patronage rebate of two cents a gallon on gasoline and five cents a gallon on oil. And after paying these
patronage rebates they had a net surplus of $4,978 to put into the reserve. The company paid $68,000 for the goods and sold them at current market prices for $86,948, making a net gain of $19,000 after paying $6,050 for operating expenses and $4,026 for salaries and wages. They have $10,656 invested in plant and equipment, though the paid up stock amounted to only $6,550. A private concern could have declared 20 per cent dividends on its capital stock. The Marshall Co-operative Oil Company has capital stock amounting to $14,000 and had profits available to pay rebates of $15,209 on the 1925 business. They could have paid 15 per cent dividends on stock. But instead they paid only 7 per cent, the going rate of interest, on the stock and paid $7,447 patronage refund to members and $1,953 patronage refund to non-members. This company handled 57 cars of gasoline, 17 cars of kerosene, and 10 cars of distillate as well as several cars of oil and over two tons of grease!

The Farmers Co-operative Oil Association, at Hayfield, Minnesota, bought merchandise for $17,279 and sold it for $55,421, with a net gain of $38,142. They paid $5,052 in salaries and wages and paid the balance of $1,307 they owed on the station. These farmers bought a piece of ground and put up a plant worth $10,000 in plant and equipment. It only took about 100 people sufficiently interested to subscribe $100 each to start one of these stations.

The International Co-operative Day

TO THE CO-OPEARTORS OF THE WORLD

The FOURTH CELEBRATION of the INTERNATIONAL CO-OPERATIVE DAY will fall this year upon SATURDAY, 3rd JULY.

The INTERNATIONAL CO-OPERATIVE ALLIANCE now groups 34 States and more than 50,000,000 Co-operators. The international idea makes steady progress in permeating the minds of men and women of good will everywhere. The necessity of assuring the fundamentals of our Movement—the substitution of the spirit of association and common benefits for the gospel of individualism, “Inness, first, and private profit; the democratic control of industry and commerce; the elimination of profit; and the social uplifting of the common people—takes hold more and more upon the imagination of those who seek to establish, for themselves and for posterity, a happier and juster social order.

The INTERNATIONAL CO-OPERATIVE DAY will afford an opportunity of manifesting once again the solidarity of the Co-operative world; their unqueenchable determination to make their economic principles prevail, and the right of association maintained in order that the Co-operative Commonwealth may be realized.

CO-OPEARTORS OF THE WORLD! DEMONSTRATE IN YOUR MILLIONS FOR THE SOLIDARITY OF THE MASSES OF MANKIND AND THEIR EMANCIPATION FROM INDIVIDUALISM.

On behalf of the INTERNATIONAL CO-OPERATIVE ALLIANCE, G. J. D. GOEDHART, H. J. MAY, President. General Secretary.

Foreign

CO-OPEARTIVES IN THE BRITISH STRIKE

News from the co-operatives regarding the Strike in England comes to the U. S. very slowly. But certain facts are evident. At the annual Congress of the Co-operative Societies of England, Scotland and Wales, held in Belfast, the following resolution of support and aid for the striking coal miners was passed:

“that this Congress regrets the present difficulties in the industrial world owing to the mining crisis, and expresses its strong belief that the miners’ standard of life should not be reduced, and urges the Government to implement the Royal Commission report with regard to the re-organization of the industry.

“It further resolves that as a practical means of giving assistance to the workers involved in the dispute, the Co-operative Union should organize within the movement a central fund for the purpose of helping societies and their members to meet the demands made upon them in consequence of the dispute.”

A previous resolution calling upon the Central Co-operative Union to make a grant of $25,000 to the Miners’ Union was ruled out due to the fact that the constitution of the Union does not permit appropriation of funds for such purposes. The substitute resolution calls upon all the co-operatives of Great Britain to contribute to a general fund. The Union of Co-operative Officials was first to respond with a gift of $2,500.

The British Co-operative Union is made up of 1,445 societies having a total membership of about 5,000,000 co-operators who have an investment of $400,000,000 in their societies and do an annual business of $850,000,000.

The strike of the printers so tied up the Printing Workers of the C. W. S. that the May 8th issue of The Co-operator was forced to suspend publication because of the shutting down of so many factories from which they were accustomed to get their goods, and because of the stoppage of the railroads.

However, many co-operative stores were able to give better service to their customers than private stores, for the C. W. S. plant were able to give better service to their customers than private stores.
operative than any private wholesaler could possibly give to private grocers.

On the other hand, the co-operatives from each of the C. W. S. and other employés were called out and more than private stores. The co-operatives make membership in store unions compulsory to their employees, whereas less than 10 per cent of the workers in private stores are union members. Therefore, the loyalty of the co-operatives to the trade union movement actually hurts the co-operative movement to the co-operative membership (which is made up of trade unionists in large measure) more than it helped them in this particular crisis. A solution for this situation must be worked out before another general strike comes to England.

The C. W. S. Bank prepared for emergencies by carrying $85,000,000 on call and an additional $100,000,000 of gilt edged securities upon which it could realize cash at short notice. The one trouble experienced was in getting money transported quickly to societies calling for it in an emergency (caused by the demands of some of the unions for large amounts of ready cash).

The transport department of the C. W. S., in the absence of the customary twenty-four hours for deliveries, sent out eighteen motor trucks which brought back 700 casks of butter and 230 bales of bacon.

Many of the productive departments of the Scottish Wholesale had to suspend large forces of their staffs, and the boot and printing factories closed down entirely. The tobacco factory was also closed down the first week, but was permitted to open on Monday of the second week.

A peculiar situation developed when the Trade Union Congress withdrew transport permits from the Scottish C. W. S., seriously handicapping its work. For so long afterward the National Union of Railwaymen failed to raise money to pay its men on strike and had to apply to the Scottish C. W. S. for a loan.

At the Wallsend Co-operative Laundry the transport workers quit work, thus encouraging the private laundry companies to corner all the laundry business. The co-operative officials have protested vigorously to the trade union leaders against this action.

The same thing happened at Bolton, where the Co-operative Society, though it had three weeks' supply of coal on hand, was absolutely unable to deliver it to the members, although the trucks of private competitors were carrying coal through the streets every day. There were several places where the hasty action of strike leaders caused more injury to the co-operative forces of labor than to the hostile forces of capitalism.

At Shettleston (Scotland) many of the windows of the co-operative stores were broken (perhaps by stones meant for scab drivers of the buses and trucks) and thieves took showy and other goods to the value of $600. The Directors are suing the Town Council for damages.

**BRITISH CO-OPERATORS OFFER ORGANIZED RESISTANCE TO WAR**

At the Annual Congress of the co-operative societies of Great Britain held in Belfast in May, the following resolution was passed by the delegates present.

This Co-operative Congress, realizing that the war is the negation of the ideal of an International Co-operative Commonwealth, desires to place on record its abhorrence of war and violence. It recognizes that wars are mainly due to economic rivalries and injustices between nations, and that these must give way to co-operation and service before war is ultimately abolished; but, believing that the final decision between war and peace lies in the hands of the general community, it urges co-operatives everywhere to determine upon a policy of complete war resistance in the event of a war emergency, so making it known to the Government that co-operatives will not help themselves responsible either for the present unjust economic system or for the evils of war arising from it.

This Congress is the annual gathering of delegates from 1,445 societies with an individual membership of almost 5,000,000 workers and farmers of England, Scotland, and Ireland.

**DISCUSSION OF THE WAGE SYSTEM**

M. Charles Gide, the foremost spokesman of the co-operative movement in France, in an evening of lectures given at the College de France in February and March, 1924, now published under the title Le Programme Co-opératif et le Salariat, discusses the wage-earning system and its relation to co-operation. Defining the wage-earner as one who has an employer but no client in contradistinction to the independent worker who has clients, he points out that there have been wage-earners down through the centuries, even from Biblical times. He enumerates the benefits of the system from the point of view of the economist as well as the objections put forth by its opponents. The crucial problem is to find a satisfactory system to take its place, a problem that is particularly difficult of solution in the industrial world. In agriculture it has been partially solved by the expropriation in many European countries of large estates, their breaking up into holdings given over to the small farmer or peasant who thus becomes his own master, economically dependent upon what he himself produces. That is one solution of the problem. The only other possible one is that the worker be in the service of a society or a nation, in which case, whatever name he may be called by, he is still in reality a hired worker. Hence the demand for the abolition of the wages system is being replaced by a demand for abolition of profits, which is, in the end, the same thing. That is what the conscientious co-operative societies stand for. The employee knows that he is not working for an individual or a class but for the good of society of which he is a part. The question of the wages system is psychological rather than economical. The worker will cease to be a wage-earner on the day when he no longer thinks he is one.

**News and Comment**

**PLANS FOR THE FIFTH CONGRESS**

The Fifth Congress of The Co-operative League, which takes place from November 4th to November 6th, is approaching. Plans are slowly being worked over and put into final form. In response to the Tentative Program sent out by the Board of Directors for approval, many suggestions have come back, as well as comments or approval of program items. A final referendum is now in the hands of Directors and its decision is being made in the near future.

Meanwhile, in response to the Call to the Congress made out to 2,500 societies throughout the country, many replies are already coming in with the news that delegates are being appointed.

Mabel W. Chee has been visiting societies between California and New York during the latter part of May and most of June, speaking before good audiences and helping Congress plans.

International Unions, State Federations of Labor and Local Unions in the
North Central territory will receive during the next few weeks invitations to send fraternal delegates.

CREDIT UNIONS IN MASSACHUSETTS

The Massachusetts Credit Union Law has just been revised. The actual revision was done by a committee of active credit union leaders appointed by the banking commissioner and the legislature and adopted the new law a few weeks ago. The most interesting new features of the law are as follows:

1. Credit union banking can now be done only by generally chartered credit unions and all informal organizations doing a credit union business will have to incorporate.

2. Membership in a credit union may now be held by fraternal organizations, voluntary associations, partnerships and corporations which are composed principally of members who themselves are eligible to credit union membership; and these new members may borrow from the credit union. Thus co-operative associations may now hold membership in a credit union.

3. Members of credit unions may have an investment of as much as $4,000 in their credit union in combined shares, deposits and earnings. If the credit union does not take deposits, the member may hold $4,000 worth of shares.

4. Under the new law, the board of directors must have at least eleven members and the credit committee and auditing committee are both chosen from among the board members.

5. Not more than 6 per cent interest may be paid on deposits and the dividend equals 15 per cent of the assets.

6. Credit union investments (except mortgages) are limited to any bonds or bankers’ acceptances which are composed principally of members who themselves are eligible to credit union membership.

7. Loans are of two kinds (a) personal loans, (b) loans secured by mortgages. All personal loans must be paid or renewed within a year. Careful provision is made specifying just how personal loans must be figured.

8. Credit unions having assets of less than $75,000 may make mortgage loans not to exceed 50 per cent of their combined shares, deposits and guarantee fund. Credit unions having assets of more than $75,000 may make mortgage loans to a total of not more than 70 per cent of their shares, deposits and guarantee fund. No single mortgage loan whether first, second or other mortgage may exceed $6,000. A loan secured by a first mortgage must not exceed 60 per cent of the value of the property.

9. Credit unions are given five years in which to adjust themselves to any of these new laws. There is an important provision authorizing credit unions to reinvest mortgage loans quite regardless of the percentage limitation.

There are other minor changes. The Massachusetts law now easily ranks as the most liberal credit union law in the country.

STUDENT CO-OP ATTACKED

A recent issue of the Minnesota Daily, a paper published at the University of Minnesota, and reputed to be the largest college daily in the world, carries a full-page headline announcing that the book store which the students propose to open next fall, is meeting the organized opposition of the merchants of St. Paul and Minneapolis.

A recent poll taken of the students showed 1,975 in favor of such a co-operative and only 56 opposed. As a result of this vote plans are already under way for the opening of the co-operative early in the fall of 1926. At the beginning, books and stationery only will be sold, but later the business will be expanded to include other articles purchased by the students. Other college stores of this nature, such as that at Harvard, Syracuse, Cornell, California, etc., have now grown to the size of complete department stores, selling absolutely everything a student needs,—whether furniture, clothing, food or class room supplies.

One of the merchants leading the attack states that “Co-operative organizations tend to teach communistic methods to students and cause them to destroy the modern economic system of retail trade.” Another opposes the plan on the score that the co-operative store would be tax-exempt and would thus have an advantage over private merchants. The third enemy of the co-operative says that although he has the welfare of the University at heart he must look out for his own job which depends upon the patronage of the students.

Lester Swanson, president of the All University Council, appointed a committee to investigate the co-operative project which has culminated in the present decision to open a store to be owned and controlled by the students themselves. Apparently the students at the University of Minnesota are to learn about Co-operation by practicing it as well as by reading books about it.

FARMINGTON, ILLINOIS

The Farmington Co-operative Society, one of the largest and most successful in the state, reports total income from sales for the first quarter of 1926, $25,445 and a net gain of $3,072. The interesting feature of this report is the fact that the gross profit is 33.6 per cent of sales and the total expenditure is only 11.6 per cent of sales while the profit was 12.7 per cent of sales. In other words all the expenses together amount to less than the profit for the period.

The share capital outstanding is $47,757 and the loan capital is $7,260. The reserve fund now amounts to $50,329.

GLEN CARBON, ILLINOIS

The co-operative society of coal miners at Glen Carbon, in spite of the acute depression in the bituminous industry are keeping up the good work. Financial report for the end of the first quarter of 1926 shows an income of $6,745 for the three months on which a net gain of $2,350 was realized. There are not many co-operatives in the country doing a business of only $500 a week which can show such a good profit.

The paid in share capital is now $4,660 and the members’ loan capital is $8,210. A reserve fund of $1,670 testifies to continued good management over the course of several years.

District Leagues

ARGUMENTS FOR CO-OPERATIVE FEDERATION

The Secretary of the Northern States Co-operative League has made an interesting analysis of 66 co-operative stores in the state of Minnesota during 1925.

Sales for these stores in 1924 were $4,748,777. In 1925 they were $5,117,533, showing 7.7 per cent increase.

In 1925 eleven of these stores had sales of more than $100,000 each and 37 of them each had sales between $50,000 and $100,000.

The statistics of the 11 stores affiliated with the Co-operative Central Exchange for its local managers, directors, and members.

The membership of the Central Exchange stores increased by 15.8 per cent while the membership of the isolated stores increased only seven-tenths of 1 per cent.

The five largest stores making returns are those at Clifton, Virginia, West Brook, Willmar, and Hibbing. The Clifton Co-operative Society had sales in 1925 of $437,931.

THE NEW CENTRAL STATES CO-OPERATIVE LEAGUE

May 1st was the official date for the coming into being of the Central States Co-operative League, which supersedes the old Educational Department of the Central States Co-operative Wholesale Society.

The office of the new League is at 705 West Mulberry St., Bloomington, Ill.
At the beginning there are 13 affiliated organizations and 22 individual members. A. W. Warinner, Educational Director, is still spending a large part of his time settling up the affairs of the Old C. S. C. W. S. The Mutual Aid Guild is one of the most active members of the Central States League and boasts a larger membership than ever before.

The officers of the new League are:

Dr. G. L. Kennedy, Villa Grove, Pres.
J. C. Allen, Bloomington, Vice-Pre.
E. B. Zumbro, Bloomington, Sec.
Treas.

A. W. Warinner, Educational Director
Other Directors are: J. Linikku, Wauke-
gran, T. P. Taylor Springs, J. W. Shelton, Marysville; John Jay, Sparta -
M. P. Murray, Riverton; Fred Wenscheff, Mt. Olive.

Co-operative Movement in Italy, by
E. A. Lloyd, International Publishers
N. Y. 136 pages, price $1.75.

Mr. Lloyd has written this book chiefly to show the work done by three types of co-operative societies in Italy, viz. societies of manual laborers, who organized their labor power only; societies of industrial workers who mobilized not only their labor power but who also owned and administered huge factories and mills and attempted to market their products on an open competitive field; and societies of agricultural workers who lease or own outright great tracts of farm land and work them collectively. He devotes no attention to the consumers' movement or the credit movement which are not dissimilar in Italy from the consumers' or credit movement in other parts of Europe.

By far the most unusual work has been done by these co-operative societies of manual workers who have undertaken the building of bridges, laying out of railroads, construction of municipal buildings and the making of great national highways entirely under the control of co-operative organizations democratically administered by the workers themselves.

Almost equally interesting is the story of the recreation of tens of thousands of acres of waste land by the co-operative associations of agricultural workers. These latter associations are of two types: In the North of Italy the trade unionists undertook the development of rural co-operation as a means of finding work for the unemployed city workers.

In the South of Italy, particularly in Sicily, the agricultural co-operative farming societies were developed by the peasants in their efforts to free themselves from the exploitation of powerful absentee landlords. As each of these two types of agricultural co-operatives became powerful they inevitably came to blows and the warfare between them became a political issue between the Republican Party and the Socialist Party. The story of the precise manner in which these agricultural workers organized, the kind of work they do, is most interesting.

Mr. Lloyd's last chapter is devoted to the rise of the Fascisti and the consequent havoc and disintegration which came to the co-operative movement.

To-day, the old National League, which was politically socialistic, is completely disband, while the federation of Catholic co-operatives and the federation of Ex-Service Men's co-operatives are greatly weakened. Incidentally, Mr. Lloyd gives a most interesting story of the excellent educational work done by some of the socialist co-operatives. Among the best known of these are the People's Theatre in Milan, the Popular Libraries, the Popular University, the social center, known as "Umanitaria" Society. The most interesting of all of these is "Gioiosa," a recreation center outside of the city of Milan, devoted entirely to the recreation and education of the children of co-operators.

This recreation center takes care of from 300 to 400 boys and girls every Sunday throughout the summer; gives them medical attention, the best of food, instruction in various arts and crafts, as well as in swimming and other physical accomplishments, singing, and excursions into the mountains. It maintains a great deal of equipment: library, class rooms, swimming pools, tennis courts, equipment for studying astronomy, complete first-aid, and other interesting paraphernalia too numerous to mention. The same Milan federation also maintains a free university for adult workers.

It is unfortunate that we find so little in this book about Rochdale co-operation; the title is misleading. There is little to be found here except trade unionism, co-partnership and syndicalism.

Book Reviews

Co-operative Movement in Italy, by E. A. Lloyd, International Publishers
N. Y. 136 pages, price $1.75.

Mr. Lloyd has written this book chiefly to show the work done by three types of co-operative societies in Italy, viz. societies of manual laborers, who organized their labor power only; societies of industrial workers who mobilized not only their labor power but who also owned and administered huge factories and mills and attempted to market their products on an open competitive field; and societies of agricultural workers who lease or own outright great tracts of farm land and work them collectively. He devotes no attention to the consumers' movement or the credit movement which are not dissimilar in Italy from the consumers' or credit movement in other parts of Europe.

By far the most unusual work has been done by these co-operative societies of manual workers who have undertaken the building of bridges, laying out of railroads, construction of municipal buildings and the making of great national highways entirely under the control of co-operative organizations democratically administered by the workers themselves.

Almost equally interesting is the story of the recreation of tens of thousands of acres of waste land by the co-operative associations of agricultural workers. These latter associations are of two types: In the North of Italy the trade unionists undertook the development of rural co-operation as a means of finding work for the unemployed city workers.

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ment is called to take the lead in the international struggle for the future of the consumers' co-operative movement.'"

**TASCHEN-KALENDER 1926 (Pocket Calendar)** Verband schweiz. Kommun.-
vereine (V. S. K.) Basel.

This little book, which is issued yearly by the Swiss Co-operative Union, contains statistics of the Swiss movement, and much other useful information. An article prepared by Berhard Jaegi gives instructions in the principles of the business of society management. This is the eighteenth year these little almanacs have appeared.


Dr. Wilbrandt is professor of national economy in the University of Tubingen and well known for his scholarly interest in co-operation. He deals with socialism in the broad meaning of the term. The idea of common property and communal economic interests are discussed. "Co-operative socialism" may seem an inconsistency to Americans, but in Europe almost anything that people do together for the common good is socialism.

**Some Pamphlets of the Co-operative Union**

"The Collective Use of Co-operative Trading Surpluses," by T. W. Merzer, is based on notes prepared for the use of lecturers for the Men's Guilds. It discusses surplus-savings before the co-operative era, and the new use of "pro-fit" which the Rochdale Movement introduced. This article is instructive and suggestive. Mr. Merzer offers some new views in which surplus funds may be employed by co-operative societies.

"The Importance of Co-operative Economics," by H. A. Palmer, is an examination of the various schedules under which the tax is levied in England. This is of special British interest, but much of the lessons of British experience and practice can be translated into American use.

"The Men's Guild On Trial," by T. W. Merzer, is a somewhat facetious discussion of the usefulness or uselessness of the Men's Guild. The conclusion is that it is a good thing.

"The Work of a District Organizer and Propagandist," by G. E. Griffiths, discusses this subject from the standpoint of the organizer and the societies which he would advise. American co-operative workers will find this pamphlet rich with suggestions and help for our district advisers.

"Memories of Robert Owen and the Co-operative Pioneers," by E. O. Greening, is a delightful series of reminiscences of pioneers and pioneer days by a man who himself was a pioneer. There is no hint that Owen was a co-operative pioneer, for the good and sufficient reason that he was not.

J. P. W.

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**The Correspondence File**

**PAGE MR. FRALEY!**

**Editor, Co-operation:**

In the April issue of Co-operation, Mr. Edgar S. Fraley says: "If Stuart Chase or Scott Nearing or Bertrand Russell or Sidney Webb have ever shown much interest in the subject (of Co-operation) I have failed to find it."

I know little about the first three of the publicists Mr. Fraley names, but Mr. Sidney Webb has ever been a prominent and consistent advocate of Co-operation. He has addressed many important gatherings of British co-operators, including the Annual Congress of the Co-operative Union, and in many articles, pamphlets, and books he has urged the claims of Co-operation upon public attention. Only three or four years ago, in collaboration with his wife, Mr. Webb published a remarkably informative work on "The Consumers' Co-operative Movement," which states quite definitely that Consumers' Co-operation now offers an alternative to the present capitalist system of industry and finance. If Mr. Fraley will read this book he will, I think, be satisfied that Co-operation is not wholly negligible by "intelligent radicals," T. W. Maccon Co-operative Union, Manchester, England.

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**WHEN WE ALL WAKE UP—OH! BOY!**

**Editor, Co-operation:**

As you are aware, the largest merchandising establishments in this country are depending to a large degree upon the sale of pet items for their profits. When, gradually, the public begins to realize how their money is being wasted, I believe they will appreciate more the value of establishing their own stores. The association, then, if it is in competent hands, and the members have been taught the correct principles of co-operation, will develop at a rate unprecedented in American history.

Valparaiso, Indiana.

**C. R. BROWN.**

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**SIX POINTS FOR CO-OPTERS**

**Editor, Co-operation:**

Here are some criteria for a "first steps" co-operative organization:

1. Make it safe (that is, the kind that has usually succeeded). The following are some of the particulars of these "safe" co-operatives:

2. Simple (approximately fool-proof: do not depend on rare wisdom of the management).

3. Large Savings (not fiercely competitive: the more monopolistic the better).

4. Serve a Whole County (not too local: we do individually).

5. Being (or shall be) a Union of Help (the more cooperative the better).

6. Require not over 1,000 families to start. Now a store violates all these conditions.

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**A THANK YOU NOTE**

To the Co-operative League: We, the Little Credit Union of N. Y., in whose behalf you have extended your hand of help in our trouble with the Banking Department of New York, deeply appreciate your aid and extend you our vote of thanks.

The Lydia Chest Union, N. Harmony, Sec.

New York City.

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**FROM ONE OF THE WOMEN SUFFRAGE PIONEERS**

**Editor Co-operation:**

Enclosed find check for $1 to renew my subscription to Co-operation. I would not be without it.

Alice Stone Blackwell.

Boston, Mass.

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**The Madras Monthly Bulletin of Co-operation**

**ROYAPETTAH, MADRAS, INDIA**

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

Subscription Rs. 4/12 per annum.

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**The Canadian Co-operator**

**Brantford, Ontario, Canada**

The organ of the Canadian Co-operative Movement, owned and controlled by Co-operative Societies. The Co-operative Union of Canada.

Published monthly 75c per annum.
1,000 Co-operators at Cloquet

Cloquet (pronounced Klokay), Minnesota, has the largest co-operative store society in the North Central States. The history of its development is very much the history of the development of most of the successful co-operatives of that part of the country.

Until 1910 there was no co-operative in this little city, though the farmers had a store organized on a joint-stock basis which was far from successful. In 1910, 123 of the Finnish workers got together and raised $1,992. The farmers of the neighborhood had had enough of what they called "co-operation" and would not come in. Most of the townspeople were equally pessimistic, and it was 1915 before the first non-Finnish resident became a member of the society.

In 1918 one of the devastating forest fires, so common to that part of the country, swept down upon the city and wiped out all the buildings, including that of the co-operative, with most of the books belonging to the society. It took genuine courage to rebuild and to start in business again after everything had been lost. But this time there was more confidence in co-operation, and from the beginning the workers of other nationalities joined with the Finns.

In 1921 the original Cloquet Stock Mercantile Company reorganized as the Cloquet Co-operative Society and raised its authorized capitalization from $10,000 to $75,000. Meanwhile there had been persistent agitation on the part of a few members of the society and a few members of the Knife Falls Co-operative Association, situated only a mile away, for amalgamation. By 1923 there was sufficient support for the proposition in both societies to carry it through. At this time the larger Cloquet Co-operative Society had a membership of 560 and an annual income from sales of $265,750, while the Knife Falls Association had only 178 members and an annual income of $115,000. The chief credit for carrying the proposal must go to the 50 or more members of the Knife Falls store who were at the same time members of the larger society. Thirty-eight members of the former vigorously opposed the union and demanded their money back when the motion was finally carried. Thus the Cloquet Society gained 110 new members through the amalgamation. Co-operators elsewhere who have become discouraged because they find it difficult to unite co-operative stores may find consolation in the fact that it took six years to accomplish this apparently simple feat at Cloquet.

To-day there are almost 1,000 members of the Cloquet Co-operative Society, representing all nationalities and all walks of life. Thirty-four per cent of the membership is American or other non-Finnish people; 66 per cent is Finnish; and the same proportion exists for the relation of farmers to wage earners, the latter being in the majority. The business has grown by leaps and bounds until, in 1926, goods are being sold at the rate of $37,000 per month. The attached table shows how this hill-climb took place from year to year.

In the history of the co-operative, with most of the books belonging to the society. It took genuine courage to rebuild and to start in business again after everything had been lost. But this time there was more confidence in co-operation, and from the beginning the workers of other nationalities joined with the Finns.

The Cloquet Society is one of the few societies which holds direct affiliation both with the Northern States Co-operative League and also with the Co-operative Central Exchange (wholesale). It is one of the heaviest supporters of the Wholesale, as the following schedule of purchases from the C. C. E. proves:

<table>
<thead>
<tr>
<th>Year</th>
<th>Purchases by the Cloquet Society from the Exchange</th>
</tr>
</thead>
<tbody>
<tr>
<td>1915</td>
<td>$25,114</td>
</tr>
<tr>
<td>1916</td>
<td>$25,146</td>
</tr>
<tr>
<td>1917</td>
<td>$25,192</td>
</tr>
<tr>
<td>1918</td>
<td>$25,233</td>
</tr>
<tr>
<td>1919</td>
<td>$25,272</td>
</tr>
</tbody>
</table>

The interior of the main store—These are the co-operative workers in the main store of the Cloquet Society. But the goods they handle are not just plain groceries. A very large part of them are goods purchased from the Co-operative Wholesale at Superior. In fact, in 1926 this society purchased from its own wholesale more than twice as much as its nearest competitor, or a total of almost $50,000 of goods.

As for the educational work carried on by these co-operators, we can best let the efficient manager, Peter Kokkonen, speak. This man has been in charge of the business since 1919 and should know what he is talking about:

"Educational work among the members of the Cloquet Co-operative Society has been carried on very effectually right from the beginning. Men and women have many times discussed the problems of their own store and have tried to make it more successful. The members have furthermore followed very closely the methods of the most successful co-operative stores of this country and Finland. Co-operative bulletins and monthly magazines, both in Finnish and in English, have been subscribed to by the members. Educational entertainments are held for the members about twice a year. There are many ways of carrying on educational work in the co-operative arena. Our members realize that the co-operative store cannot live and succeed if its ideas are reduced only to the thought of 'store.' The labor and co-operative movements should go hand in hand and then both will be successful."
SUCCESS TURNED TO FAILURE

The Co-operative Movement in the United States is confronted by a peculiar danger. This danger was first observed in California many years ago. A number of consumers' societies became so successful that their assets had increased several times over their original capital. The members saw from their annual reports that their stock was really worth several times what they had paid for it. They voted to sell out and put the money in their pockets. This is happening to-day in co-operative housing. The people in a housing society find that their building has greatly increased in value since they started. They yield to the temptation to sell out and pocket the profits; or they sublet apartments to non-members at a profit and live somewhere else. We know of one individual now who has a clear profit of $1,500 a year from subletting that were once started as co-operative housing enterprises. We know of another individual who has just refused an offer of $11,000 for his shares and put the money in his pockets. The members see that their building has greatly increased in value since they started. They yield to the temptation to sell out and pocket the profits; or they sublet apartments to non-members at a profit and live somewhere else. We know of one individual now who has a clear profit of $1,500 a year from subletting that were once started as co-operative housing enterprises. We know of another individual who has just refused an offer of $11,000 for his shares and put the money in his pockets. The solution is not that co-operative societies shall strive to avoid success, but that gaining success, they shall keep it.

J. P. W.

ALL CLASSES ARE IN CO-OPERATIVE SOCIETIES

The Co-operative Movement was once thought of as a class movement. Now after nearly a hundred years of development it demonstrates more than ever that it reaches out after all people who are consumers irrespective of class. The International Labor Office has published statistics showing the occupations of members of co-operative societies. This is made possible by the fact that many societies compile statistics of this sort.

In most countries the largest percentage of membership by far is among farmers. It is curious that in Bulgaria the next largest group is officials and political employees, then handicraftsmen and manufacturers, then tradesmen, and then workers. Finland shows 49 per cent farmers, 32 per cent industrial workers, and 12 per cent government employees and business men.

Latvia has 36 per cent farmers, 27 per cent intellectual workers, and 10 per cent industrial workers.

In Sweden, the number of farmers who are members of consumers' societies has increased sixfold during the past twelve years. The membership of societies among farmers, 4 per cent officials, and 58 per cent industrial workers.

The membership of consumers' societies connected with the German Central Union is made up of 78 per cent industrial wage earners, 8 per cent no occupation (pensioners and unemployed and bourgeoisie), 6 per cent manufacturers, 4 per cent farmers and 4 per cent professional and government employees. The German farmers are mostly in other co-operative organizations.

In the countries with a well developed co-operative movement, the wage-working class seem to be almost completely absorbed in the movement. In Germany, for example, practically all of the working people who are available have joined the co-operative societies. As the movement grows, its further expansion must be more and more in the circles of the middle class and finally among the well-to-do and leisure class. This latter condition is now to be seen in Stockholm, Sweden, where the local society has taken into its membership all of the available wage-earning people, and is now going for members among the well-to-do citizens. Beginning with stores in the poorer section of the city, the society has grown to 30,000 members with stores in every place where working people live, and now it is seen establishing its new stores in the "high-toned" neighborhoods and even in the suburbs where the bourgeoisie live.

Co-operation, beginning with the workers, seems to expand indefinitely without regard to classes. It is the one movement that can unite all classes into a society of mutual interests.

J. P. W.
What is the Relation of Producers and Consumers in the Co-operative Movement*

FROM THE VIEWPOINT OF THE LABOR LEADER

By JOHN H. WALKER
President, Illinois State Federation of Labor
(Continued from July number)

(1) Can the worker get all the economic advantages he needs through union activity?

Not as at present understood.

(2) Can he get all that he needs through membership in a consumers' co-operative alone?

With a little change in the phraseology, the answer to the first question would answer the second question as well.

(3) Can the labor unions themselves administer co-operative societies or should the workers, as consumers, maintain absolute independence for their co-operative organizations?

Under present circumstances, in my opinion (and that opinion has been formed as a result of some experience in dealing with this question) the trade unionist will make the best co-operator. I believe that a worker who is eligible to join a trade union movement and who within reason could belong to it and does recognize the trade union as an institution trained in the struggle of humanity through membership in a consumers' co-operative society in the United States was the question asked me many times on this, my seventh trip across the country. The answer I gave was always, 'There is no choice. It depends entirely on the local need.' But I have come to the conclusion that co-operative grocery stores in cities which is perhaps the greatest asset of a real co-operative movement. They can use their trade unions for publicity and legislative purposes, and the individual members can assist financially. Sometimes the trade unions themselves can safely assist financially.

(6) What is our answer to the type of radical who frowns upon the workers' co-operative because he considers it a type of petty capitalism which makes workers employ petty bosses over other workers?

The type of radical (impossibilist) referred to, is either uninformed, or so limited mentally, that he is hopeless, or he is a steel pigeon for labor's enemies. The former should be reached with the facts. The second we must put up with and do the best we can for him; but the co-operative movement and the trade unionists are better off with him outside, and I know the evil of having him outside. The last type we must fight intelligently all the time.

(7) How much can the co-operative raise the standards of living for employees in their own store? And how much can it do to promote the organization of their employees?

The co-operative can raise the standards of living for the employees in its own store by granting a little better wages, hours, conditions and treatment; but a co-operative movement should not be expected when it is in a struggle for its life in a practical situation, to deal with its employees on an ideal basis—it should do what can be done within reason, and ordinarily that is much better than a similar private institution with which it is in competition will do. Later when it is thoroughly established and is safe financially, it will be able to deal with its employees on practically an ideal basis.

A co-operative society should let its employees know that it is not opposed to their organizing into a trade union. If the employees do not then organize, I think that ought to be proof enough to the co-operative society that they are unintelligent and therefore incompetent, and that they should in all reason be discontinued as employees of such an institution.

(8) Should the workers go into production directly with producers' factories, or should they work by way of the Rochdale method—organizing the consumers first and working backward toward wholesale and industries owned by wholesalers?

The workers in modern industries, should, in my judgment, organize a consumers' movement first; then when they have enough retail stores to make a wholesale store successful, start their wholesale under an agreement that would require each retail to do its full duty towards its own wholesale; then when there is enough of a movement built up to create a guaranteed demand for a sufficient amount of any product, to make a success of the operation of a factory supplying it, they should go into manufacturing. They will find it cheaper to buy from a factory or wholesale than until they have sufficient need for its services guaranteed, to assure its success financially.

Co-operative Contrasts

By M. W. CHEER

(A month's transcontinental trip, in which the writer visits City and Rural Co-operative Stores, Creameries, A Grange Convention, and Women's Auxiliaries of the Farmers' Co-operative Union)

'That is the second installment of Mr. Walker's article. Other articles on the same general subject have been from the view point of the Social Scientist, the Labor Banker, the Urban Co-operator, the Labor Educator, the Farmer, and the Student of Agriculture.

*This is the second installment of Mr. Walker's article. Other articles on the same general subject have been from the viewpoint of the Social Scientist, the Labor Banker, the Urban Co-operator, the Labor Educator, the Farmer, and the Student of Agriculture.
have very little chance to survive. Comparing the co-operative stores, East, West and North, the same holds true: wherever the small society which started out with a grocery store has been able soon to enlarge its capital so as to equip a plant for baking bread as at Sainte Marie, Mich., or for a dairy as at Waukegan, III., or for a coal and ice plant as at Villa Grove, III., there we find the grocery stores also prospering.

Starting from California northward, my first stop was at Woodland, Washington. Five years ago I found in this country town two co-operative stores, both rather weak and struggling. Now there is one very prosperous general store whose members are both American and Finnish farmers called Farmers‘ Co-operative Trading Co. It has for president a Russian co-operator and for manager a Finnish student from the Co-operative Training School of Superior, Wis.

A few years ago some hostility existed between the nationalities. To-day that has disappeared. A co-operative creamery managed by the president of the co-op store, with a dozen very fine young men who teach the farmers the value of pooling their products, and their co-operative store which supplies every possible need ought to make them all 100 per cent co-operators. As a harmonizer the co-operative movement in Woodland is of utmost importance because the farmers are beginning to realize that their economic interests are the same, whatever the differences of religion, customs, and politics are taking their secondary place in the united effort necessary to make their economic position strong. Only this understanding could prevail everywhere and the foolish misunderstandings and jealousies between individuals could be swept away, the co-operative movement would advance so much more rapidly.

The Grange Convention

At Kennewick, Wash., over a thousand delegates from the state gathered in an all week meeting. Tents and hotels were crowded, some groups brought their own cooking equipment and their bands kept the air ringing from 7 A.M. till night. Meetings were held in church, on the street, in the co-op store, in the fields under the trees, and everybody was gay. The first day was given over entirely to the co-operative movement. Problems affecting the wholesale, the insurance department, were thoroughly discussed. Sixty stores are scattered throughout the state, mostly in the western part of the state. Another typical store is at Kent and Issaquah. Another typical smaller, but very progressive store, is located at Redmond. (These will be told of in detail in the September number of Co-operative News, with a description of the activities of the Wholesale at Seattle.) At an after-meeting a group of women remained to learn how to interest the women in the co-operative stores. From this little group we hope some guilds may be organized, for everybody agreed that until the women are more interested and loyal the stores will not grow much, since women do most of the buying.

At Minneapolis, Minn.

The Franklin Co-operative Creamery continues to expand, and now has nearly 6,000 stockholders and wagons distributing milk to all parts of the city. The facts and figures have been given many times in our pages so it is not necessary to repeat. One of the latest developments is the Health Clinic. A nurse at full time, and a doctor two days a week are employed to examine and care for the children of the members, and users of Franklin products. Community meetings are held two or three times a month, when the motion pictures of the workings of the Creamery are shown, an addiction is made and ice cream cones are distributed gratis. This sort of advertising and educational propaganda all over the city in churches, lodges, in the parks, etc., cannot be controlled. The Women’s Guild held a delightful luncheon in honor of the Fifth Birthday Anniversary of the Guild, at which I was asked to cut the cake. The membership is now 150. The Guild has held bazaars, parties, and many educational meetings during the past five years.

This fall it is planned to make a study of some Co-operative Book. Then there is the wonderful Franklin Male Chorus, and Franklin Band, often called upon for concert work in the city but throughout the state. This, the largest and most talked-of Co-operative Association in the country, is inspiring to visit. The President, Board of Directors and employees will try you with great pride and courtesy their fine plants, the auditorium, clinics, restaurant and offices.

Minneapolis has several other smaller co-operatives, a newly organized restaurant of 65 members is just starting. The Associated Textiles, an organization selling workingmen’s clothing, sends out 100 salesmen to take orders, and sells the public from a large loft in one of the office buildings in the city. Last year $32,000 was rebated to consumers in the form of merchandise checks, and the prices on the goods are lower than the average.

In Iowa

In the state of Iowa, the Farmers’ Union conducts a Co-operative Service Department which in the past six months has sold $250,000 worth of goods to farmers, saving on binder twine alone more than $30,000. They handle flour, feed, coal, salt, oil, farm machinery, etc. Membership fees are $5, and patronage dividends are paid. I met a number of women interested in organizing auxiliary groups for the study of Co-operation and to buy from this Department. The present organizer is a very capable woman who is called upon often to address meetings and organize the local unions. She will be greatly helped by this work, for the women must understand the problems of the Union, and be interested in working with and not against the Co-operative Movement. Meetings were held at Ottumwa and Sigourney, and the women present displayed a keen interest and intelligence in the work before them.

In Ohio

Ohio has been noted for its Railroad Co-operatives. At Dennison I found one that was started two years ago which in the past month has sold $250,000 worth of goods to farmers, saving on binder twine alone more than $30,000. They handle flour, feed, coal, salt, oil, farm machinery, etc. Membership fees are $5, and patronage dividends are paid. A number of women interested in organizing auxiliary groups for the study of Co-operation and to buy from this Department. The present organizer is a very capable woman who is called upon often to address meetings and organize the local unions. She will be greatly helped by this work, for the women must understand the problems of the Union, and be interested in working with and not against the Co-operative Movement. Meetings were held at Ottumwa and Sigourney, and the women present displayed a keen interest and intelligence in the work before them.

In Illinois

Waukegan and Rockford, two medium sized cities in the northern part of Illinois, have co-operative grocery stores supported by the labor groups. Rockford was organized in 1920, and Waukegan in 1911. The former remains practically the same since 1922, with about 200 members and a business around $50,000. The Waukegan society has opened a branch store, has a thousand members to-day, and does a business of half a million. But the difference lies in the fact that a Dairy was started, the first in a small way, distributing milk right in store itself from cans. Soon they had an up-to-date pasteurizing plant, butter and cream department in their own new buildings, and from that time the grocery and meat business grew rapidly.

These societies visit each other once a year and hold picnics together, educational programs are planned often, and a great deal of Co-operative literature is distributed. The Rockford society has a good Women’s Guild, which the directors claim, has been the main support of the store.
I Go a Lecturing

By J. P. W.

Everybody gets lectured more or less, but next to children with parents who have bestowed upon their offspring a different heritage of good conduct, nobody suffers more lecturing than college students. For them there is no escape, because they must submit to periodic examination to prove that they have kept awake and heard what was said.

Having been lectured within an inch of my life, in the dim past, as a student, and hearing the arguments of parental lecturer and story-teller (which amounts to pretty much the same thing), in my own domestic university, I have felt myself equipped to sally forth, on occasions, to the academic shades of our American colleges, with the glad tidings of an enlightening interpretation of economic life.

I am not a very good lecturer. I have the feeling that I have presented the subject inadequately and that I have failed to make it sufficiently graphic and vital. And then I always have the feeling that I am getting a bad education. This gives me a sense of cheating the students. Of course the professor tells me that the students get a lot out of it—“fine,” “just what we needed,” and all that sort of thing—but no prof. ever told me the downright, honor-bright truth about what he thought his lectures meant; I must mean by that that he is afraid to speak the truth; his reticence arises from the fact that he is a gentleman as well as a scholar.

I returned home from a tour of New England colleges about the first of May. Now, in the quiet of my study, I reflect upon my adventures.

A great part of this my lectures are the journey of a country still blanketed in the snow of the past winter. Prof. Vaughan, of the chair of Philosophy, at the University of Maine, explained his slight limp by informing me that he got it by a miss-turn skiing the day before. This was on April 20. I arrived at 4:25 p.m. and found my audience waiting and ready at 4:30. A hall full of young, eager, questioning students. The best of the qualities that I discover in the American college student is his skepticism. I think the bunko games of the war helped most to give him this quality.

The President, the profs, and the paras all fooled him. He does not want to be fooled again. He is on his guard. The evil spirits of the war have had their heyday and their riot; the virtues will yet reap the harvest. The dinner at the fraternity house with Prof. Ashworth and his advanced students in economics was the best. We got down to business and discussed fundamentals to the profit of all of us.

Bowdoin College is not as well known as it should be. It is an admirable old institution, rich with the traditions of the students of Thoreau, Fessenden, and many men eminent in politics and scholarship. Its library is superb. Among the magazines on file in the reading room are The Nation and Mercury. In the department of economics one sees the significant books on Cooperation and the complete files of the magazine Co-Operation, all used and studied. Prof. Catlin of Bowdoin has just finished writing a book on Labor Problems. I have had the privilege of reading the manuscript of his chapter on Cooperation. It is the best chapter on this subject written by any American professor of economics. His understanding of co-operation is extraordinary for a man whose field is academic research. I lectured to his class in economics and had a session with a special group. Prof. Catlin is giving these students teaching that goes a long way toward building their culture. Luncheon at the home of Prof. and Mrs. Cush-ing, with the president, the dean, and their wives, Catlin and myself, was a lovely party.

Mount Holyoke was the best. We got down to business and discussed fundamentals to the profit of all of us. The lecture at Harvard in the Department of Social Ethics was attended by an interested lot of students; and an hour afterwards spent with Prof. Ham was most profitable. At the luncheon meeting at the Harvard Liberal Club we went to the root of things—thoughtful students. One fellow working for his Ph.D. in the history of labor, knew his subject from early slave times down to the most progressive trade unionism. It is interesting to meet a man who knows how little trade unionism alone really can do for the workers and who knows that some of the most cultured and the wealthiest men in ancient Greece were chattel slaves.

Simmons College has practical minded girls. They are after a useful education and seem willing to work for it. The lecture hall was crowded. A social dinner afterwards with a group of advanced students, who had been inspired by Prof. Stites with a special interest in economics, showed keen and eager minds. Wellesley is an institution which is doing great work. The grounds, the equipment, and the fine spirit among the students and teachers is inspiring. Prof. Minsey and Prof. Darrow, with their several associates in economics, are giving the students a broad culture. Here radical doctrines are actually taught in an impartial way, avoiding both unwarranted criticism and propaganda. Not one of the girls in that lecture room failed to be interested. This indicates background. If Cooperation is presented to students who are without understanding of the fundamental of...
economies a certain percentage are listless and distracted. Here were two hundred students all keenly following the idea.

At Yale, Prof. Furniss had a classroom filled with two or three hundred young men who were eager for information, and interested. As one stands in their presence, he is bound to be impressed by their potency and by the realization of the important parts in the life of this country they are destined to take.

In all of these lectures, excepting when at chapel, from fifteen minutes to an hour was reserved for questions. In this period one gets the best idea of the understanding of the group. Here the pulse of the students is felt. This discussion period is apt to be more profitable and provocative of thought than the lecture.

Any questions were always intelligent, often searching. I can say that in this series of lectures not one foolish question was asked; and that is more than I can say of the questions following lectures I have given in public forums, churches, business men’s clubs, or trade unions.

There is a tradition that students are not in college for purposes of education and culture. I am persuaded more and more that the opportunities for education in the colleges are very great, that the proportion of students who are in college for that purpose is large, and that our colleges are graduating men and women who are destined to become the leaders in both thought and action in the changing drama of economic life in the United States.

The leaders in the field of radicalism, as well as conservatism, are being trained in the colleges. Any radical doctrine that would make headway in this country must be taught and studied in the colleges, and it must find acceptance among the students as a rational as well as practical program.

The Need for Total Disarmament

We wish therefore to say at the outset that in our view the time has gone by for treating the question of disarmaments as a matter of diplomacy, of political expediency or of the balancing of military considerations. It is a question to-day of life or death for humanity.

Statesmen and soldiers alike admit as individuals that mankind cannot abolish war; abolish it quickly—war will destroy mankind. We believe it to be impossible to abolish war while armaments remain. To argue that there can be no disarmament without security is an inversion of the facts. There can be no security except in disarmament.

Our reasons for this view are:

1. That Armaments Have Ceased to be a Protection and Have Become a Danger.—Far from affording security to the nations, armaments are in themselves a potent factor in international insecurity.

The outbreak of the Great War in 1914 in a world mere fully armed than at any time in its history is itself a proof that armaments give no security.

With the development of weapons of offense against which defensive measures are practically impossible, there is no longer any such thing as defensive warfare and the only method of conducting a defensive war is to be first in taking the offensive.

2. Psychologically it is Impossible to Obtain Security in a World of Armored Nations.—Armaments are an expression of fear and distress and they keep ever present to the minds of Governments, and through them to the public mind, the idea of war.

3. The Growth of Scientific Invention Has Begun Period Disarmament Fu-tile.—The Great War lasted four years and cost in lives lost in battle 13,000,000 besides a further 13,000,000 civilians who died as a result of war conditions.

The next war may take this toll of life in a few days, not only on the battlefield, but among the non-combatant women and children.

We would therefore beg of you to direct your attention not to the reduction of armies here and navies there, to the limitation of air forces, and the further regulation of chemical war, but to the steps which can be taken by all nations in common to free the world altogether from the curse of armaments in the shortest possible time.

The Transition Period and Immediate Problems

The Convention already adopted for the Control of the Traffic in Arms is an important step, but far larger measures are necessary. We would, therefore, urge that the Conference should direct its attention to securing common action by all participating nations on the following lines:

1. The Simultaneous Reduction of Armaments by all Participating Nations at Such a Rate as Will Bring About Complete Disarmament at the End of Ten Years, the rate for all nations being the same percentage of the present total armed strength, as far as possible, equally distributed over its different branches.

2. The Prohibition in the Meantime of the Private Manufacture of Arms and the taking over of all armament production by the Governments.

3. The Prevention of Economic Dislocation and Unemployment.—These measures would have to be carefully worked out in connection with the economic circumstances of each country and to take account of the alternative advantages of remission of taxation as against armament expenditure in the industries concerned.

4. A Simultaneous Educational Campaign by All Participating Nations to Bring Before the Public the Necessity of Disarmament and the Preparations to Prevent the War of 1914 being ever repeated.
The Armour Company, the General Electric, and the Atlantic and Pacific Tea Company are being practiced by big corporations.

Insurance is necessary. Co-operative insurance provides protection at cost. But something even more than that can be done. Insurance can be so conducted as to eliminate not only the profit but all the expensive examinations and accounting.

Group insurance has been practiced for a long time in the English co-operative societies. The Insurance Department of the Co-operative Wholesale Society insures all the members of a society at a very low rate, because the insurance is not for profit, and no medical examination, agents' fees, or elaborate bookkeeping are required.

Beyond this, something more can be done. Insurance is a social business. It can be lifted out of the field of business and become a service to the human and personal character. This the co-operative societies are best prepared to do. Insurance is a live and intimate part of the business when it is provided by an organization of which the insured is a member; when the organization provides for him in his own home a medical department to take care of his health; when in its banking department it is the custodian of his surplus wealth, and when it also has a medical department to take care of his health. This is what the Co-operative Movement aims to do in its consumers' societies with their various departments. Here is something that has the power to rise above cold business transactions. This is the best hope of insurance for the future.

In the meantime, while people are getting ready for ideal insurance, co-operative insurance can begin providing insurance for their employees as the big corporations are doing. Then they can take the next step and insure the members. Or a co-operative insurance society can begin directly with insurance of the members.

Already we have some such organizations in the United States. We are beginning. We have much to learn. But there is every indication that experience will continue to teach the advantage of doing things the co-operative way.

Wise Words from Wise People

"Co-operatives the world over have urged the patronage dividend as a means of attracting and holding patronage. It is the outstanding feature that distinguishes a successful co-operative from a capitalistic business. It is so eminently fair that its merit appeals to all fair-minded men."

"Some of our co-operative associations are they grow prosperous are developing a tendency to restrict the number of shareholders and pay the balances as share dividends, instead of patronage dividends. They are no longer co-operative, but are aligning themselves with the apostles of selfishness to rob the very people they were organized to serve and defend."

Unfortunately the claims of capital are so firmly fixed in the minds of some of our members that they are unable to grasp the true meaning of co-operation. Loyal co-operators must be on guard at all times to protect themselves against this. Make your local association co-operative and keep it so. The essential features of a co-operative business are:

One vote for each shareholder.

Limited rate of interest on capital.

Patronage dividend.

"These principles mark the dividing line between selfish greed and human brotherhood in business."

C. McCarthy, Manager, Farmers Union State Exchange, Omaha, Nebraska.

Living Wages for the Farmer

"The farm value of the things furnished by the farm toward the family living averaged $787.59 a year per farm on 38 farms in Scioto County, Ohio, from which data were secured by the Ohio Experiment Station. These things furnished by the farm included dairy and poultry products, meats, flour, vegetables, fruits, fuel, and horse feed. If purchased in the city, the investigators found, these same things would cost $1203.97.

"This is a new angle on the value of the things furnished by the farm toward the family living. The farm value of these things has been ascertained in many surveys, but we do not recall ever having seen before any figures to show what their value would be at city prices. The figures are very significant, and put..."
farming in a somewhat more favorable
light.

"City salaries and wages look mighty
difficient compared with the net cash
incomes of farmers. In many cases, of course,
there is real disparity, especially when
farmers' incomes are compared with
some of the big salaries. But when we
consider that city wage earners must pay
$1200 a year for the things that are
furnished by the farm toward the
living of the farmer and his family,
city wages do not look so alluring.

—Nebraska Union Farmer.

Take Your Choice

"Just received notification of the de
feat of the Haugen bill by the Senate,
although we believe that the Corn Belt
Committee has done everything humanly
possible to get an agricultural relief
measure through Congress before ad
journment. But that means that we are
defeated and are going to quit. In
stead, we are more determined than
ever. The contest will begin at the polls
to strengthen our forces in those states
that have supported the relief measure
in a half-hearted way. . . ."

A. E. Cotterill, Sec'y-Treas., Farmers' Union of Iowa.

Or this

"Co-operators the country over feel
that the government toward the co
operative movement, and that the
fund, would have had large power to
establish farm relief bill to estab
lish to put co-operative marketing
associations under the meddling domina
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FARMEI-]ABOR SUMMER SCHOOL

From June 27th to July 8th the fourth
summer session of the Farmer Labor
School was held in Idaho Springs, Colo
rado. Several of the sessions were de
voted exclusively to Co-operation, the
chief speakers on the staff being Cen
ston E. Warner, a Director of The Co
operative League, L. H. Herron, formerly
a Director of The League, William E.
Zeuail, President of Commonwealth Col
lege, Thomas Howard, President of the
Colorado Farmers' Union.

Co-operation, public speaking, history
of the labor movement, literature, eco
nomics, were the chief subjects presented
by an able group of leaders. Several
interesting trips were made, among them
being a ride to St. Mary's Glacier, a
perpetual snowbank which was a novelty
for some of the people who had never
made snowballs in July before. One of
the sessions of the school was held in a
small schoolhouse high in these moun
tains, where the altitude of 10,000 feet
made walking and talking a bit difficult.

Other well-known leaders at the
school were, G. B. Richards O'Hare, Rev.
A. A. Heist, Grace Church, Denver, Harry W. Fox, President of
Wyoming States Federation of Labor,
Frank L. Palmer, Editor of the Colo
rado Labor Advocate, etc.

LOOK OUT FOR THIS
"Co-Operative"

The workers of the United States have
been fleeced of many millions of dollars
by various corporations masquerading as co
operative. There is now being organized
in New York City a company calling
itself the American Consumers' Alliance,
which, while not actually adopting the
corporate name, cites examples of the
Rochdale co-operative movement in Eng
land, Scotland and other countries, to
show what it intends to do, and in its
literature claims that it is a part of the
co-operative movement. It is absolutely
non-co-operative in character, and the
consumers should be warned of this fact
at the beginning. The members have no
control over the officers. The concern is
organized as a deed of trust in which the
trustees are absolute dictators.

And not only is the enterprise entirely
non-co-operative. It is unsound as a
business institution—if its literature is
any criterion. The advertising leaflet
indicates that the members may expect a
40 per cent surplus from operations each
year, one-half of which, or 20 per cent
on purchases, will be returned as divi
dends to the members. Any business man
who makes that kind of a promise is
offering something that we should all
grab quick—if we believe he can make
good!

The offices of The Co-operative League
are to be on their guard against the Ameri
can Consumers' Alliance.

A NEW CO-OPERATIVE BOOK SHOP

The Co-operative Book Shop of Den
ver, Colorado is a new arrival in the
field of Co-operation. For several years
the workers of Denver had a co-operative
store, but this venture failed about three
years ago. Ever since then a small
group has been holding on to the idea
of starting another co-operative, and
this Book Shop is the result.

The headquarters of the new enter
prise is in the building of Grace Church,
scene of so much of the leadership of
labor and liberal activity in Denver. The
Book Shop has been aiding the Farmer-
labor Summer School, and next fall ex
pects to be a powerful ally of the Labor
College and the Sunday afternoon
Forum meetings held at Grace Church.
Co-operatives in other parts of the coun
try will wish these good folks all the
success that they deserve, which is a
great deal.

MORE CO-OPERATIVE UNDERTAKERS

The Christopher Co-operative Under
taking Association, Christopher, Ill., for
the first quarter of 1926 had an income
of $4,341.50 on which the net gain for
the quarter was $30. The capital stock,
all of which is held by local unions,
amounts to $4,383 and the reserve fund
to $17,409. The latter figure shows what
the profits there are in the pri
capital undertaking business, for in spite
of the fact of reduced rates offered by
this miners' co-operative company, a
very large reserve has been accumulated.

THE FAKE "CO-OPERATIVE LEAGUE OF AMERICA"

From time to time during the past
couple of years we have published infor
mation about a fraudulent co-operative
organization which called itself the "Co
operative League of America." Despite
publicity, it was able to keep going and
to use a name which was quite the same
as that of The Co-operative League.

The spurious concern has now closed
up. It went into bankruptcy. Only about
$700,000, out of the millions that it
collected, will be salvaged. The
Hawkins Mortgage Co., of Portland,
Ind., controlled it. Hawkins, the presi
dent, and thirteen officers of the concern
have been convicted in the Federal Court
of Indianapolis of using the mails for
fraudulent purposes.

We are rid of this particular fake to
which the working people so freely paid
their money, while refusing to support
genuine co-operatives. It is gone. But
others will spring up to take its place.
The workers demand fakes of this kind
through which they can lose their money
and thus remain workers. Class con
sciousness and class solidarity are thus
maintained.

SPARTA CO-OPERATIVE SOCIETY

Sparta, Ill., is another mining town
which boasts a very good co-operative.
Income from shares for the first quarter
of 1926 was $4,211. Because of the un
employment this marks a decline in turn
over and consequently a loss of $2050
was incurred for the three months. The
paid in share capital now amounts to
$1,695 and the loan capital to almost
exactly the same amount. The reserve
fund is $1,272.

ARE YOU A DEPOSITOR OR A BANCHEER?

There is a great difference. Depo
sits in the banks in the United
States, other than national banks,
in 1924 were 34½ billions; while capital
stock amounted only to 1½ billions.
Deposits were 16 times capital stock.
Did you get six times as much on
your deposit as the downtown banker
got on his stock?
GAINS FOR THE NORTHERN STATES LEAGUE

The New Era Association, a fraternal life insurance society already known to the readers of Co-operation, affiliated with the Northern States Co-operative League in June, and thus becomes united with the national movement. Organized nearly 30 years ago in Michigan, the Association now has more than 24,000 members. This addition to the membership roll of the N. S. League brings the membership of the latter up to 54,000. So far the New Era Association can operate only in Michigan and Illinois, but soon hopes to operate in Minnesota also.

The Association has total cash and investments of $824,467. Its Benefit Fund is $415,573, and its Investment and Life Legal Reserve $73,461. A monthly bulletin is published under the name New Era Record.

Late in June and early in July Mr. Carl Lunn made a trip into Central Minnesota and induced four or five of the store societies to affiliate with the League, and two or three others have promised to give the matter serious consideration.

On May 20th, 21st, 22nd and 23rd the Franklin Co-operative Male Chorus, made up of employees of the Creamery, took a bus trip up to Duluth, Cloquet, Hibbing and Superior and gave four concerts under the auspices of the N. S. League. At the last stop in Superior a banquet was prepared and the co-operators of Minneapolis had an excellent opportunity to get well acquainted with those who live and work in Duluth and Superior.

CENTRAL STATES CO-OPERATIVE LEAGUE GETS UNDER WAY

The Central States League is now settled in its new home at 705 West Mulberry St., Bloomington, Illinois. Orders for multigraph printing are being taken from several of the societies.

A new drive for members is being made by the Consumers’ Mutual Aid Guild, with a view to bringing the membership up to the 1000 mark. Two or three of the societies have promised to put on special campaigns.

At the organization meeting of this League all the delegates present became individual members. With this start of 22, the League is striving to increase its individual membership to the high mark attained by the Northern States League in its early years.

The Bloomington Society and several others are holding picnics during July and August, at which the Educational Secretary, A. W. Warinner will speak.

From The League Office

CO-OPERATIVE CARTOON CONTEST

During the winter of 1925-26 The Co-operative League offered a prize of $50 for the best pair of cartoon characters submitted. These two characters were to represent the co-operator and the non-co-operator engaged in dialogue.

During these two winning characters for use by co-operative papers. By autumn, perhaps sooner, they will begin to appear regularly.

NEW LEAGUE LEAFLET

“How Co-operation Differs from Ordinary Business’’ is the title of a pamphlet just reissued by The Co-operative League in conjunction with Consumers’ Co-operative Services and the Northern States League.

It is a four-page educational leaflet which sells for 2 cents per copy or $1 per hundred.

District Leagues

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Directors’ Page

ARRANGING THE PICNIC OR ENTERTAINMENT

Now is the time to arrange Picnics, Visits to other Co-ops, Week-end Camping Parties, etc. September is a good month for enjoying the out-of-doors, and the regular membership meeting might well be held in this way.

How to Plan for a Successful Picnic

Set to work a month in advance preparing for this important affair, by appointing a large committee of men and women, subdivided into the following committees:

Arrangements: Place, time, conveyances.

Program: Music: Band or amateur musicians—chorus or community singing.

Games: Contests such as races of various kinds, with suitable inexpensive prizes, for children and adults.

Have a member disguised and masked going about with a basket of groceries, select some prearranged sentence which the people try to guess. For instance the correct answer might be “How do you do Mr. ……… are you the jolly co-operator who is giving away that basket of food?” And the first person who comes nearest to making this remark and guessing the identity of the disguised man would be given the basket.

Speaker: If possible procure a well known co-operator to come and address the crowd, or have ten-minute talks by two or three of your own local members.

Educational: Have a booth with co-operative literature, and pictures. See that several people are always on hand to talk about the advantages of the association and try to gain new members and friends. (Write to the League for suggestions.)

Refreshments: In addition to the basket lunches, have on sale coffee, ice cream, fruit, etc., from the co-op store.

The Canadian Co-operator

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

Published monthly

7c per annum
MONTHLY PUBLICATIONS

CO-OPERATION.—(In bundle lots, $7.50 per bundle). Subscription $2.00.

HOME CO-OPERATOR, 4 pages, $1.00 per 100.

INTERNATIONAL CO-OPERATIVE BULLETIN (Pub. by The I. C. A.). . . . Per Year, $5.00.

TECHNICAL

1. How to Start and Run a Rochdale Cooperative Society.
2. A Model Constitution and By-Laws for a Cooperative Society.
4. How to Start a Cooperative Wholesale.
5. Why Cooperative Stores Fail.
6. A Model Model for Cooperative Housing.
7. How to Start and Run a Woman's Guild.
8. How to Organize a District Cooperative League.
9. Credit Union Primer (By I. E. and Robinson).
10. Cooperative Housing.

MISCELLANEOUS

1. Model Code of Law.
2. Producers Cooperative Industries.
3. Control of Industry by the People through the Cooperative Movement.
4. Credit Union and Cooperative Stores.
5. Credit Union and Cooperative Banks.
6. The Story of Co-operation Among the Farmers.
7. Cooperative Movement (Yiddish).
8. "When the Whistle Blew" (Story, by Bruce Calvert).
10. The Place of Co-operation Among the People.
11. Control of Industry by the People.

ONE-PAGE LEAFLETS

(One Cent each; 50 cents for 100; $1.50 for 1000).

1. Principles and Aims of the Co-operative League.
3. Cost and Crime of Credit.
5. How to Start a Cooperative Wholesale.
7. A Model Model for Cooperative Housing.
8. How to Start and Run a Woman's Guild.
9. How to Organize a District Cooperative League.
10. Credit Union Primer.
11. Cooperative Housing.

HISTORICAL

2. British Cooperative Movement in U. S.
5. Co-operative Movement in Australia.
6. The Story of Co-operation Among the Farmers.
7. Credit Union and Co-operative Bank.
8. Model Model for Cooperative Housing.
9. How to Start and Run a Woman's Guild.
10. How to Organize a District Cooperative League.

BOOKS

1. How a Consumers' Co-operative Differs from Ordinary Business.
2. The Moral Equivalent of Jazz.
3. The Place of Co-operation Among the People.
4. Control of Industry by the People.

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THE FIFTH CO-OPERATIVE CONGRESS

Thursday, Friday and Saturday, November 4, 5 and 6, 1926

MINNEAPOLIS, MINNESOTA

Auditorium: Franklin Co-operative Creamery Association, 2108 Washington Ave., North

Rochdale co-operatives, agricultural and producers co-operatives, trade unions and educational societies are invited to send delegates and fraternal delegates.

All interested in Co-operation are welcome.

Send names of delegates, fraternal delegates and alternates to The Co-operative League before October 1.
The Grange Co-operative Wholesale at Seattle, Washington

About fifteen years ago a number of co-operative stores were organized by the Grange members out in the state of Washington. They struggled along independently until 1919, and then realizing the need of centralized buying, they organized a Wholesale at Seattle. There are now about 66 Grange co-operative stores in Washington, 35 of which have bought stock in the Wholesale. At least 20 are very loyal to their central organization, and are benefiting to a large extent by the services of the Wholesale. Efforts are constantly being made to induce the whole 66 to patronize the Seattle Wholesale and make it possible to increase the volume of business and thus save for all.

At present the Wholesale is doing several hundred thousand dollars business annually in general merchandise, including the private brands "Pomona," "Gleaner," and "Grange," of which it controls the manufacture and distribution. Mr. W. O. Dickinson, Manager of the Wholesale, says, "There is no question that the central wholesale has saved the co-operators of this state hundreds of thousands of dollars by supplying goods at lowest prices, and holding competitive prices down." He claims that it is an acknowledged fact that wherever Grange co-operative stores are located, or price quotations on the needs of the farmer and producer are received from the Central Wholesale, there the prices are noticeably lower than elsewhere.

The above picture shows the Grange Co-operative Mill at Seattle. It was once a brewery and now performs a more useful purpose by producing most of the feed and flour needed by the local stores. The capacity of the mill is 100 cars per month. The capacity ready to produce most of the feed and flour needed by the local stores. The highest grade and the lowest prices will be possible only if "all stick together" and loyally procure their products from their own central plant. A demand on the part of the local members for "co-operative" brands would force the managers to carry them, and a persistent educational advertising campaign would accomplish this result.

Back in 1922 when the Grange Wholesale started producing their own "Gleaner" brand of soap such a campaign was successful. The story was quite interesting. It seems a certain soap factory was induced to boycott the Co-operative Wholesale and refused to sell them certain brands of soap. The story of the boycott was told over and over again to the members and such a feeling of loyalty was created that it soon happened that instead of 100 cases the Wholesale was selling 500 cases per week. When the private factory tried to be friendly and gain this trade back, the Wholesale was in a position to refuse to do business with them.

"The Wholesale constantly endeavors to help producers market their crops to best possible advantage. It has been possible to handle hundreds of cars of hay, as well as great quantities of wheat, oats, and barley."

Auditing Department

One of the important services of the Wholesale is the Accounting and Auditing Department. Its methods are so good that the stores using it are among the most successful in the state. In fact the Credit Organizations in Washington have refused credit to some co-operative stores that did not use the Wholesale Accounting system. Those using it had a 15 per cent gain in their business in 1925, while some of those still using their own independent systems of bookkeeping made but 5 per cent gain during the past year. This shows the value of centralized administration with decentralized control. The more stores using the system the less expensive it becomes for each store. The possibility of comparison and quick finding of leaks and excessive overhead expenses by expert central auditing cannot be overstated.

Insurance

The Washington Fire Relief Co-operative Association, limited to members of the Grange, was organized April 18, 1894, with $100,000 insurance, and seven months later had $120,000 on the books. It now carries about $9,000,000 risks, scattered over 34 counties, with about 3,500 members, who elect the Board of Directors for four-year terms. The costs have been less than 30 cents per $100 insurance per annum. It paid over $150,000 losses in the past five years. The Association wrote last year $2,560,000 worth of insurance, and in July, 1926, wrote 149 policies totaling $327,813.

Some Local Examples

At Issaquah the local co-operative in 1925 did a business of over $234,000 on a capitalization of $10,000, with 175 members. This is one of the largest stores and has six employees. They own buildings valued at $10,000, which are all paid for, and carry a $23,000 stock. The store has been in existence since 1916, and is certainly one of the promising co-operatives. Last year a savings return was made to the membership.

Chehalis co-operators organized their store in 1919 with 200 members and a capitalization of $10,000. They handle groceries, flour, feed and auto tires and other merchandise used by farmers. The business in 1925 amounted to
$141,742, and they employ four people beside the manager and bookkeeper. They made a net profit of $2,364 in 1925.

In 1918 the Redmond co-operative store was organized. It is one of the smaller of the Washington Grange societies, having only 95 members. But it is a very ideal organization. The best of harmony prevails, the directors and manager have built up a good business. The members are all loyal, and the business in 1925 amounted to $75,896. The buildings are all paid for and this year ground has been broken for a warehouse 40x114 to be built of concrete for storing hay and feed. The manager each year has been able to report an increase in net profits by discounts and turnover.

The whole country will rejoice to see every local group doing its part to further the promotion and leadership of a big cooperative; today he is mechanically going about his daily work, living for the bigger and more interesting life he now devotes himself strictly to his law practice and is making a big name for himself and lots of money, but is not happy.

Every week we are being told that we should organize new co-operatives, find new leaders, extend our movement over a wider territory. We are asked to subscribe to the popular doctrine that in mere numbers there is strength and permanence. But we know better.

Newly organized societies are valueless if they are going to follow the road to failure that is so well trodden in the past. New leaders may be turned out by the thousands, but unless we can guard them from the dangers, the discouragements, the disillusionment that has dragged down hundreds of leaders before them, what permanent good are they going to do the movement? Since

M. W. C.
1840 we have had co-operative leadership in the United States, and where has it brought us?

Those who shout for more propaganda, more stores, and more converts to the cause are the sentimentalists who cannot help; they are the futile folks who do more harm than good; they do not know the powerful forces of capitalism and the capitalist psychology that dominates American life, if they think that the extension of a weak movement over a still larger territory, deploying of thin ranks over a larger front is going to make any dent in the system under which we live.

Many of these past leaders have gone down in the fight because they did not have the support they needed. The young immigrant would not now be up to his neck in real estate speculation if he had felt that a hundred co-operators in other parts of the country were with him in his struggle to build and maintain a store in his own town; nor would that woman now be trying to drown her memories in an excess of household drudgery if she could have found occasional encouragement in the words of fellow workers in other cities. Isolation has caused the defeat of hundreds of genuine leaders in our movement.

It is the job of those of us who now have responsible places in the co-operative movement to build stronger foundations, tighten our fences. We have got to draw into a closer unity the genuine leadership we now have, weave out of it a fabric that cannot be broken or torn by the strongest thrusts of the profit system and the mass selfishness it breeds.

Today there are a few score true leaders in our co-operative movement; men and women of business sagacity, organization experience, proven devotion to co-operation. Of all the pieces of work before us, the greatest and most important is that of drawing these men and women into closer contact with one another, strengthening the friendship and confidence between them, giving to each the feeling that every other one is absolutely behind him in case of trouble.

When we have that foundation established, then we shall not lose our best workers. And with that foundation to build upon, we might have a powerful co-operative movement in this country inside of two decades. Without it, 20,000 societies and 5,000,000 members would not constitute a real co-operative movement, for the first storm in the social or economic life of the country would swirl these societies away like so many dried leaves before an autumn wind.

C. L.

THE INSTALLMENT BUSINESS

It is estimated by the Farmers Loan and Trust Co. that $3,293,411,878 of automobiles, phonographs, radio sets, vacuum cleaners, washing machines, furniture, pianos, and jewelry are sold annually on the installment plan in the U. S. The statistics of the U. S. Chamber of Commerce show $5,000,000,000 of goods sold on installment. President Morses, of Montgomery Ward, says that this installment business will have the effect to postpone the business depression but that it will cause the depression to last longer when it comes. Land Olds, of the Federated Press, says that the only way out is for the workers to convert these billions of dollars worth of goods into wages by refusing to pay for them; that would mean adding that amount to labor's wages and as a result would mean more prosperity.

Here are two views of the subject: capitalistic and labor. The co-operative view is that the consumers themselves should take the profit that flows into the pockets of traders and investors, and with that they can have the good things without panic or confiscation. It can all be done in the normal course of business. The co-operative method of business produces neither panic nor depression, nor does it stand for confiscation. It is the simple and orderly method which asks the consumer to pay for his goods as he uses them. George Halonen
Banking and Insurance

2 p.m.

The Relation of Co-operative Insurance to Our Distributive Movement. Should The League Undertake the Organiza0tion of a Co-operative Insurance Society, or Should It Throw Its Support to Existing Societies?

Should The League Undertake the Organization of a Co-operative Banking Society? Should It Throw Its Support to the Credit Union Movement? Or Should It Promote Legislation to Authorize Existing Consumers’ Societies to Accept Savings Deposits from Members? Eskel Ronn, Rey F. Bergengren.

6 p.m.

Supper. Committee Meetings. Round Table Discussions

8 p.m.

The Co-operative Marketing Movement


SATURDAY, NOVEMBER 6TH

Second Administrative Session of The League

9 a.m.


Toward a National Co-operative Training School and Correspondence School.


3 p.m.

Shall Local Societies Hold Direct Membership in the National League, in Districts Where a District League Exists?

Election of Directors and Auditors for 1927 and 1928.

Election of Delegates to International Congress, 1927.

Report of Committee on Resolutions and Action Thereon.

6 p.m.

Meeting of Board of Directors of The League.

Evening Session


SUNDAY, NOVEMBER 7TH

Conclusion of Meeting of Board of Directors of The League.

Conference on Co-operative Wholesaling.

Conference for Managers under auspices Northern States League will be held on Wednesday, November 3.

British Coal: How About Co-operation?

By Gertrude Cornwell Seward

The British coal strike has been not only of acute interest to all social-minded human beings but in a special sense suggestive and thought-provoking to those who think they see in consumer co-operation a solution to some of our most disturbing economic problems.

In the British coal industry we have an absolutely necessary activity which, it is admitted on all sides, cannot, as things are to-day, be conducted with the profit to the owners of the coal, the machinery and the working capital, and with a decent living-wage to its workers.

What is the answer organized society has made to this problem? We may fairly say none, since the measures actually taken by the British Government in its official capacity, except for the unemployment and necessarily temporary expedient of the subsidy, were as irrelevant to the problem in hand as war is irrelevant to the solving of any problem.

Almost revolutionary was the proposal of the miners that the mines should be “nationalized”; and the Coal Commission’s recommendation that the government should acquire the mineral in the ground and use ownership by the state of “unproved” coal at least an important portion of that plan.

Neither was acceded to by the owners, and the individualistic, competitive idea is still so strong, and capitalism so blind, that the extra-legal recommendations of commissions and the extra-official persuasions of great government officials, even toward such obvious ends as better organizations and improved technical methods, have so far failed and are becoming daily less hopeful, while parliamentary action, except to increase the miner’s working-day, seems to be impossible of attainment.

Here is where co-operative speculation becomes interesting: Let us suppose that Government does refuse to take over the necessary drastic regulation of the industry, and that the industry persists in refusing to regulate itself, while the miners continue to refuse to work for less than a living wage—resulting in no coal; or let us suppose—at least a possible outcome—that even under the most searching reformation it turns out that profits and decent wages cannot both be produced. What is the answer then?

Obviously, in the first instance, the industry must be taken over by some agency which will abolish internal—one might say internecine—competition and introduce operating reforms; and in the second by one which will do all this and also operate without profit.

How could such an industry be operated, if not by the state, on a non-competitive, non-profit basis?

It is at least conceivable that it could function under co-operative principle and control.

It is rather a staggering enterprise to envisage for co-operation, but it is surely not impossible. It may be as well to recall, since we have in the United States no similar co-operative institution, that the British Co-operative Wholesale societies, which handle the production and wholesale purchasing end of British co-operative enterprise, and do it to the tune of many millions of pounds a year, sell not to individuals but to local societies. Any large-scale enterprise such as national coal production and distribution must of course be carried out along these lines, and it is clear that the British have far more machinery developed for large transactions than have we.

It is perfectly true that co-operation has never in any land undertaken operations of such dimensions and of such crucial importance, though the Scottish and English Co-operative Wholesale societies have factories producing on a large scale most of the necessaries of life, as well as steamships, tea plantations, wheat fields, farms, etc., etc. British
co-operation is, however, not altogether without successful experience in coal. It has not only operated some mines at Shilbottle for several years with a degree of success, but several local societies have undertaken coal distribution with such resultant economy and efficiency that the Co-Operative Commission, after an extensive analysis of a number of profit-making companies’ costs and charges in comparison with co-operative figures, contains the following paragraph:

"The general result of this comparison is to suggest that the expenditure of the retail merchant on establishment and clerical salaries is excessive; if all the retail trade in London could in these respects be conducted as economically as that of the co-operative society whose accounts we have examined, a very substantial margin would be available, either for reducing prices to the consumer or for increasing prices to the colliery, and so increasing wages to the miner. This is surely an interesting commentary from outside co-operative ranks."

It suggests that a question which has been lurking in the background of this speculation would not actually come up—that co-operative methods and machinery would operate so economically that there would be profit—that is, savings or rebates—in the venture. How would co-operators produce coal for export should it be necessary to forego profit? That opens a wide window into the future of co-operation, but the prospect seems as formless as if it opened upon a London fog. The simple fact that much of England’s coal goes to foreign countries, and that some of it is already existing where more of the necessities of life are provided by co-operation than by private enterprise, the Co-operative Commonwealth would obviate the sudden overthrow of existing institutions and the coming of the Socialist state, with its doubtful accomplishments of official bureaucracy, its mixing of politics with economics, and its almost unavoidable interference with personal liberty. It would leave the state untouched in its ultimate minimum functions of enforcing law and order, conducting international relations and insuring defense. And the beginning till when and how co-operation does indeed take over the control of basic industries.

The American Institute of Co-operation

GORDON H. WARD

The American Institute of Co-operation held its Second Annual Session at the University of Minnesota, from June 20 to July 17. The aggregate attendance was about 100, including some 100 County Agents and graduate students of agricultural economics. The Institute brought together managers and leaders of the farmers’ co-operative marketing associations of the country, though principally from the Middle West, to discuss their mutual problems and means of meeting their difficulties.

The first week considered the organization of co-operatives and market analysis, drawing material from the co-operative marketing of livestock and wool. The second week centered on production programs for co-operatives and drewenef the experiences of the dairy co-operatives. The following week was devoted to field service, education, and publicity and drew on the varied experiences of the co-operatives handling potatoes, poultry and eggs, and fruits and vegetables. The concluding week was devoted to a consideration of financing and credit with the commodity emphasis on grain and cotton.

Through federation the co-operative associations handling a given commodity have been able to make scientific studies of consumer demands and with this knowledge have endeavored to produce the types and qualities desired, the dairy co-operatives in particular. These studies have also shown the approximate amounts which consumers use at present prices, so the co-operatives have endeavored to prevent over-production with its resulting wastes. They have attempted to do this by paying their members prices which induce the production of approximately the desired quantity. However, the consumers need not fear that this control will be used to demand high prices from them. The managers of the co-operatives realize that their interests can be best served by retaining the good will of the consumers through fair prices. They are all striving to increase the efficiency of the marketing process so as to reduce the spread between what the consumer pays and what the farmer receives, and an increasing number are becoming convinced that it is only fair to share these savings with the consumers of their products.

The farmers’ co-operatives are placing increasing emphasis upon education of the members in the principles and philosophy of co-operation, the fundamental method of marketing, and in methods of business practice. Financial success is essential for the continuance of a co-operative, but experience has shown that a spirit of legal co-operation among the members is of prime importance. Such a spirit comes as the result of working together and understanding what the group is striving for.
and how it proposes to reach that objective. The more farsighted of the leaders realize that the objective of co-operative marketing is not merely to secure better prices for the farmers, but is to form the economic support for a satisfying rural life. Very few indeed conceive of co-operation as a road to a new social order to replace the decadent capitalist system. But these ideas and ideals are in the minds and hearts of the leaders of the movement and will bear fruit in the course of time.

The Federal Intermediate Credit Banks have not been as helpful to the co-operatives as they could have been and in some places the private banks have been hostile. These circumstances have led the co-operatives to organize their own financing corporations and secure their capital direct from the investing public. In most cases this method has proved very satisfactory and will undoubtedly be more widely used in the future. Credit is of utmost importance to the farmer because of his limited financial resources. Experience has shown the vital necessity of having this credit controlled by the farmers themselves and not by bankers with widely different objectives to be served.

Co-operative credit and banking is bound to expand in the future.

The consumer side of the farmer’s life was not overlooked. This very important problem was opened by Harold I. Nordby with a consideration of supply buying by co-operatives. Mr. Alanne, of the Northern States League, continued with an able discussion of the possibilities of the co-operative store and stressed federation and support of a co-operative wholesale. It was generally conceded that where there was a strong co-operative store in the country town that prices were more reasonable and the quality of the goods and services superior. The relations between co-operatives and consumers co-operatives was examined at an earlier meeting, when it was agreed that a jointly controlled wholesale where equals treat with equals is the most desirable relationship.

The American Institute of Co-operation is a valuable educational organization which is playing a vital part in providing co-operators with the knowledge and inspiration they need to help them win in this struggle toward a new social order.

**WOMEN REAL CO-OPERATORS IN RUSSIA**

Very few traces of the work of women were to be found in the old Russian Co-operative Movement, but now, in line with the astonishing renascence in that country, in the role of women has become immense. The rapid development of the movement in the last few years must be ascribed to the action of the Centrosyn—a central organization—in urging the need for women workers as co-operators. As a result, women, who are really the purchasers at co-operative stores, have taken a far greater interest in the societies. They participate in meetings, attend lecture courses and carry on active work. Sixty thousand women have been drawn into the army of co-operatives; they are better in industry and on the farms in home life and during motherhood.

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<tr>
<th>HOW MANY NECESSITIES DOES YOUR CO-OP SUPPLY?</th>
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<tr>
<td>The United Co-operative Society of Maynard, Mass., handles for its members groceries, meats, furniture and bakes goods in the store. It runs a restaurant and delivers milk and coal in addition. For 1925 the figures ran something like this for business turnover:</td>
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<tr>
<td>Bakery production ...... $ 35,408</td>
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<td>Store sales ............. 190,336</td>
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<td>Coal sales ............... 49,007</td>
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<td>Restaurant sales ......... 24,590</td>
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<td>Milk sales .............. 62,693</td>
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<td>And on the total business these folks made a profit of $15,406. For a town of 7,000 population this is not half bad, do you think? When the Co-op begins to sell shoes, clothing and hardware, and runs its own movie house, the members will need spend almost nothing outside their own co-operative organization.</td>
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**A CO-OPERATIVE CAMP**

Camp Nitgedaiget is one of the largest co-operative institutions of its kind in the country. It is owned and operated by the United Workers Co-operative Association, which also owns and operates co-operative apartment houses.

Now in its fourth year, the Camp occupies 250 acres of beautiful wooded hillside overlooking the Hudson River, near Poughkeepsie, N. Y. There could be no more remarkable location for such a summer camp. At the foot of the hill is the wide Hudson, with the mountains rising to great heights on the opposite shore. High at the back of the land owned by the campers is a reservoir from which the drinking water comes; and back of that more high mountains. The men and women, boys and girls can bathe either in the Hudson or in the artificial pool built on their own land.

There are 300 tents erected, which, with the aid of several buildings, take care of a total of 700 people. The artisans’ dining hall can accommodate 800. The average number of campers during the week is five or six hundred, but over the weekend it runs up to 800 or 1,000. During the summer of 1926 there were altogether nearly 5,000 people accommodated at one time or another.

The charges for adults are $15 per week, and there are extra funds, meals, blankets and all expenses. With this very small charge last year a surplus of several thousand dollars accrued, with which extensive improvements were made. But at still larger surplus this year will permit of even greater improvements. Before the summer of 1927 the camp appeals to the membership. This will be greatly overshadowed by the appeal for new members. This summer the camp is encouraged to give not only a great deal of educational work, but to go far beyond purely on a basis of co-operative interest and loyalty. The fact that there are now more than 1,000 members is proof enough that this appeal is meeting with a great response.

It takes 56 employees to keep the place running, most of them working in the dining hall and the spacious, clean kitchen. The cooks and assistants are given the aid of the most elaborate and costly electric equipment to make their work easier and the handling of the food more sanitary.

An educational director plans meetings, evening tours, lectures. A well known composer gives a great deal of his time to training a chorus, instructing in music, advising individuals who are interested in music. Occasionally talent comes in from the outside to give entertainment, but always without charging any professional fees.

One of the noteworthy features of this camp is the excellent spirit which prevails. There is no lack of friction, and apparently no factionalism. Most of the people are workers in the clothing trades of New York City, though many come from other cities in the East. The members pride themselves on their radical spirit and attitude toward economic problems. In fact, only workers are admitted to membership, and all petty bosses, business men, and others who do not derive their income from labor are excluded. They even expel members who leave the ranks or do not conform to the interests of the organization.

**News and Comment**

The co-operative camp is but one of the activities of the United Workers Cooperative, and will be greatly overshadowed by the still more elaborate housing development which has one complete block of apartment houses, for 340 families, almost completed.
CO-OPERATIVES AID THE PASSAIC STRIKERS

In the eastern part of the United States the co-operatives, comparatively few and small though they may be, are doing their bit for the strikers in the textile town of Passaic, N. J. During the first 25 weeks the Finnish Co-operative Trading Association of Brooklyn has already sent $800 in bread or cash, while the large Purity Co-operative Bakery of Paterson has regularly sent $50 worth of bread each week since the strike began six months ago. The Co-operative Bakery of Brownsville in conjunction with Local No. 87 of the Bakers Co-operative Society is sending 25 boxes of coffee and other merchandise. Over in Union City the Italian Workmen's Co-operative and the Co-operative Italian in modern, two successful small store associations have been sending both groceries and cash to the strikers' relief station. From the Newark Co-operative League Bakery over $300 has been sent regularly. The Co-operative Association raised $130, partly by collection, partly by an appropriation and in addition has collected shoes and clothing for the strikers. The Italian-American Family Association of Clifton is regularly giving relief to many of the strikers living right in the Clifton territory. Meanwhile far off in Utica, N. Y., the Co-operative Society is sending a weekly cash donation to the Co-operative Bakery in Brooklyn to be converted into bread, and sent to the strikers' ideas and stores in Passaic; and from Spokane, Wash., the Co-operative Bakery has recently sent a cash donation. Throughout the East there are many other co-operatives quietly engaged in rendering similar assistance to the heroic strikers at Passaic.

IOWA SERVICE COMPANY DOES BIG BUSINESS

Two hundred and fifty carloads of farm commodities have been handled for members since November, 1925, by the Farmers Union Service Association, Des Moines, Iowa. These goods have been sold to the farmers at practically factory prices. Sales for the period amounted to approximately $250,000, which was nearly $100,000 more than last year. Saving on hinder twin alone is estimated at more than $20,000, using store prices and Service Company's prices for the same grade as a basis for computation. Goods handled include flour, feed, coal, salt, oil, grease, fence posts, farm machinery, and other articles. About 500 farmers have become members and taken advantage of the services of the company. The week of May 17-22 was to be given to an effort to secure new members. A membership fee of $5 provides capital. In addition to furnishing standard farm merchandise at low prices the Service Association also pays patronage dividends.

CO-OPERATION AMONG FARMERS

There is not a place in Oklahoma where there is a farmers' co-operative there is an elevator, that the price of grain does not average ten cents a bushel more than it would if there were no farmers' co-operative there. Many of these places have a million dollars or more in business and can borrow up to $2,000. Loans are made on character instead of property collateral. Experience in co-operative banking leads members to work for improvement. For the past two years this banking association has bought at wholesale the coal for all its members who own their own homes. This will give him $10 a week for ten weeks during a year when he is sick; a payment of $100 when he has to have a major operation; and in case a member contracts tuberculosis he will receive an extra $100. Each member may be examined once a year by a competent doctor. The family of a deceased member receives $100. This credit union is doing what every credit union should do; expand into larger services for its members.

IS LABOR BECOMING LESS MILITANT?

According to Mr. Abraham Epstein, who writes in a recent issue of Current History, it is. As Mr. Epstein has himself devoted years of his life to the labor movement, he should know something about it. And the reasons for this decline of militancy are the increase in welfare schemes promoted by the large corporations of America. His reasoning is as follows:

American labor unionism has never had the idealism and ideology of the European movement. Its chief interests have been in more pay, shorter hours, better conditions.

Since the eight or nine hour day is now almost universal there is no further effort in that direction. The large element of non-union labor prevents any great increase in the scale of union wages. Conditions within the industries have been greatly bettered by improvements voluntarily offered by the capital themselves—improvements of a nature that labor itself never dares to ask for.

All in all, the welfare work done by large corporations has been a tremendous force in stabilizing the industries where such welfare work is done. Such welfare work has spread most rapidly in iron and steel industries, metal trades, transportation, public utilities, paper and publishing. In iron and steel, strikes have dwindled from 72 in 1916 to 7 in 1924. In the metal trades they have fallen from 547 in 1916 to 57 in 1924. In paper they decreased from 54 in 1916 to 12 in 1924.

In such industries as textiles, clothing, building trades and mining, however, where such welfare work is not so extensive, the number of strikes remains about the same from year to year, fluctuations occurring only as economic conditions vary.

The only logical deduction to be made from all this is that company group in

Gin ten thousand bales of cotton. A difference of five dollars on the bale means that the farmers get fifty thousand dollars that they would not get if the co-operative did not buy seed.

The same is true where the co-operative buys produce. The price is always better and the farmers take dividends home with them every time they bring in the eggs, the poultry, and the cream. We maintain that every time you drive into town and up in front of that co-operative elevator, that co-operative gin, or that co-operative store, that you should lift your hat, bow low and be exceedingly thankful that that institution exists, and you should guard and protect it like you would your own family be as loyal to it as you would to your wife—Oklahoma Farmer.

THE AMALGAMATED CREDIT UNION

The states of Massachusetts and New York together have close to 1500 co-operative banks which are called Credit Unions. One of the new organizations is the Amalgamated Clothing Workers' Credit Union in New York. It has over 1500 members. In 1923 it made 1180 loans amounting to $290,831. It paid a 9 per cent dividend at the end of the year. Its paid up capital stock was $155,000 and its total resources were over $150,000. This is a co-operative bank for people of small means. A member joins by buying a share of stock for $10. Having become a member with satisfaction and confidence one can borrow up to $2,000. Loans are made on character instead of property collateral.

Experience in co-operative banking leads members to work for improvement. For the past two years this banking association has bought at wholesale the coal for all its members who own their own homes.

Now the Union is working out a health insurance plan whereby each member will contribute $5 yearly for insurance. This will give him $10 a week for ten weeks during a year when he is sick; a payment of $100 when he has to have a major operation; and in case a member contracts tuberculosis he will receive an extra $100. Each member may be examined once a year by a competent doctor. The family of a deceased member receives $100. This credit union is doing what every credit union should do; expand into larger services for its members.

CO-OPERATION
surance, vacation bonuses, sick and death benefits, company playgrounds, etc., etc., are all devices employed by the corporations to anticipate some of the chief demands of labor unionism, and to help the Franklin in every possible way. On the other hand, the co-operatives help to develop that social idealism so lacking in the American labor movement, yet so essential for all genuine progress.

CO-OPERATIVE BIRTHDAY PARTY

On June 10th, The Women's Co-operative Guild of Minneapolis, celebrated their Fifth Birthday Anniversary by inviting the Directors of the Franklin Creamery and Education Committee to a delightful luncheon. Almost a hundred were seated around the four long tables, the cake was cut by a representative of the Co-operative League, Mrs. M. W. Cheel, who five years ago visited the Guild when it was first started. All the past officers as well as the President spoke of the growth and accomplishments of the Guild, and its desire to work harder than ever to spread the knowledge of Co-operation in the city, and to help the Franklin in every possible way. Mr. Nordby, President of the Franklin Creamery, promised to call on the women oftener in future for definite responsibilities, and regretted that the Board had not fully realized the importance things the Women's Guild was doing and could do for the Movement.

ROLLING STORES

Out in Kennewick, Washington, one of the fertile farming sections of the far Northwest, the co-operative society, which runs a large grocery and general merchandise store, recently equipped two complete stores on wheels which go out every day about 40 miles into the country with a full line of goods, bringing to the farmers' wives every necessity at the same prices paid at the town store. Here is a case of the Co-op getting ahead of the large store and capturing the trade and the friendship of the women by furnishing "quality" and real service at the lowest possible price.

DOLLAR DISTRIBUTION

According to data compiled by the California Fruit Growers' Exchange, the consumer of every dollar's worth of oranges and lemons grown and sold at the exchange pays 25.4 cents to the retailer, 7.5 cents to the jobber, 15.1 cents for transportation, 1.4 cents for selling, including advertising; 8.8 cents for picking, packing, and grading, and 41 cents to the grower for the fruit on the tree.

From the exchange's position as to the destination of the "savings" realized by increased efficiency and lower transportation rates it is quite evident that the consumers must organize their own co-operatives to secure any reduction in prices.

Under the Rochdale system of consumers' co-operatives the workers would appropriate to themselves the 32.9 cents paid to retailers and jobbers, less the actual costs of distribution.

—(Industrial Weekly, Syracuse.)

FARMERS WIN FIGHT FOR OWN BANK

In Cooperation for April appeared the story of the long fight the farmers of Osage County have been making to get permission to run their own bank. Dissatisfied with the service of the private banks, the farmers in and about Lyndon, Kansas, had petitioned for the right to organize a bank of their own and they had twice been turned down by the Banking Commission.

The reasons too old to pass on the matter to the Supreme Court of the State. It declared the Banking Commission and ordered a charter issued to the farmers. The latter held their big celebration in honor of the victory on July 24th.

"BUILDING AND LOAN ASSOCIATIONS"

By Horace F. Clark and Frank A. Chase.

The Macmillan Company, 1926. $4.00

One of the most puzzling questions that co-operatives can raise is "Are the Building and Loan (or Savings and Loan) Associations a Part of the Co-operative Movement?" The person who is looking for the answer to that question cannot do better than read this book and then answer the question for himself.

That the Building and Loan Movement is very powerful is evident. There are more than 12,000 of these institutions throughout the country, their assets amount to more than five billions of dollars, and they have a combined membership of 3,500,000 men and women. Almost this entire business has to do with the encouraging of thrift on the one hand, and the building of homes on the other.

There are one-third as many B. & L. associations in the U. S. as there are banks. However, nearly 6 per cent of the banks chartered in this country since 1863 have failed, while less than 1 per cent of the B. & L. Associations have failed.

In many particulars these are thoroughly co-operative in structure. They are, in the first place, owned and controlled by their customers instead of a small group of investors (as is the case with private banks). Though voting is usually by share rather than by person, still the distribution of shares is so wide that the democratic features are pretty well preserved. One of the best definitions of the associations offered in this book is as follows: "A building and loan association is a mutual co-operative financial institution usually operating under articles of incorporation by the state, and composed of members who have associated themselves together for their mutual benefit and financial advantage. They are mostly neighborhood associations and depend very largely upon mutual acquaintanceship and confidence. They are absolutely for non-profit.

Yet in spite of the almost complete co-operative structure of these organizations, we never find them lined up with the co-operatives on issues which seem important to the latter. They go their own way, handling their own business, and associate generally with no other democratically controlled type of business activity.

I think the reason for this lack of cooperative spirit among the leaders of the building and loan movement is to be found in the type of leadership itself. Almost universally it is the "responsible," the "respected" business men of the community who hold the chief offices in the B. & L. Associations. These men support and promote such organizations in much the same spirit as they support and promote the churches, the golf club and the local charities—because all these institutions help to "stabilize" the community, make the less fortunate people more contented and happy. We remember that in Germany it was many of the leaders of the Schulz-Delitzsch banking movement who most bitterly fought what they called the "Socialist" co-operative store movement and refused to become a part of this movement. Which is quite natural, considering that the leadership of these banks was so largely composed of petty business men. Here we find the reason, doubtless, for the lack of the Building and Loan Associations in our own country. Officials of such associations who are at the same time owners of private grocery stores, bakers and department stores are going to be hostile to the co-operative store movement, not with it.

This book is an excellent manual for the students of this interesting movement among business men to "co-operate." The history of the movement is traced carefully, laws of all the states are analyzed, the various types and forms of B. & L. Associations classified and compared in great detail. Those of us who are interested in credit union development can learn a lot from the history of the Building and Loan Associations.

C. L.
District Leagues

FIFTH CONVENTION OF NORTHERN STATES LEAGUE

As was fitting and proper, the Fifth Annual foregathering of delegates of the Northern States League was the biggest and best yet. Fifty-one voting delegates were present, and 12 fraternal delegates and alternates in addition.

One of the important decisions was to employ Mr. Alane, the Executive Secretary, full time after September 1st. Another was to publish the League paper monthly instead of bi-monthly as heretofore.

In addition to taking in the New Era (Insurance) Association with its 34,000 members, eleven other new societies were admitted to membership.

The Directors were empowered to conduct a Training School in 1927, and were authorized to continue publication of a Year Book next year. The Executive Secretary was also authorized to try to arrange local training schools for directors of co-operatives in various parts of the state, as he travels about.

The budget for next year calls for $9,000 and various recommendations were made for increasing the revenue.

Various minor changes were made in the Constitution, one of which increases the number of Directors from 9 to 11.

The newly elected Board is composed of:

H. I. Norby, Minneapolis, Pres.
A. A. Seigler, Duluth, V-Pres.
V. S. Alane, Minneapolis, Sec’y.
E. H. Anderson, Minneapolis, Treas.
F. Burands, Minneapolis.
E. A. Kohn, Superior, Wis.
George Halonen, Superior.
Oscar Corga, Hancock, Mich.
H. V. Nurni, Virginia, Minn.
J. F. Emme, St. Paul.
E. E. Branche, Grand Rapids.

Co-operative conventions of this kind are usually comparatively free of serious controversy. It takes the political parties or the labor unions to develop great factional fights in their conventions. The N. S. League kept up the co-operative tradition of keeping its disagreements limited to two subjects.

Opposing resolutions were presented on the subject of political neutrality in the co-operative movement and the one finally adopted declared the co-operative movement to be a part of the general labor movement. A resolution calling upon the International Co-operative Alliance to organize united action of the Amsterdam International of Trade Unions, the Red International of Trade Unions, and the I. C. A. to fight international Fascism was passed in spite of some opposition.

Reports since August 10th indicate that 14 new societies have joined the N. S. League since April, bringing in an additional 35,823 members.

WHAT DO YOU MEAN—“TURNOVER”

The more progressive managers try to get a rapid turnover of stock. But perhaps they do not know that there is a Turnover that is more important than Stock Turnover. It is Capital Turnover.

Two managers of co-operative stores each did a business of about $50,000 a year. Each carried an inventory of goods which averaged around the $4000 mark. They operated on just about the same gross margin or mark-up. All of which means that their Stock Turnover averaged just about the same.

But the first was doing business for a membership who had $10,000 invested in the business most of it in delivery equipment, fixtures and building. The second had a membership with paid-in capital of only $5,000. So it didn’t mean much after all, that equality of turnover of stock. For the former paid interest on twice as much capital as the latter.

Manager One turned his entire capital only five times a year, while Number Two turned his ten times a year. Some difference!
Minneapolis and Its Many Co-operatives

The Northwest boasts of having nearly half the co-operatives in the United States. Minnesota alone has 1,300 associations, more than 10 per cent of the total. Minneapolis, the chief city in this vast territory, contains more co-operatives than any other city in the West, perhaps than any other city in the entire country. Here is where The Co-operative League is to hold its Fifth National Congress. The following is a brief sketch of the co-operatives in this center of co-operative activity.

First and foremost among the consumers’ associations is the Franklin Co-operative Creamery Association, largest in the country. The history of this institution is interesting not only because it stands alone, a leader among many successful consumers’ co-operatives, but for the good influence exerted in behalf of the thousands whom it serves.

The idea of the Franklin originated in 1919 with a small group of milk drivers and creamery workers. The first Franklin plant was completed and ready for operation on March 25, 1921. On that day 18 milk wagons started on their first trip, delivering milk, cream and butter to Minneapolis consumers.

After only a few months the capacity of this plant was taxed to the limit, and in order to take care of the rapidly increasing demand for Franklin products it was necessary to build a second larger plant in a different section of the city.

The great Creamery at the North end of the city. This is one of the largest and best equipped dairy buildings in the entire Northern part of the country. Visitors from all parts of the United States and from dozens of European countries pass through the doors each year and are shown through the building.

This is the first building erected by the Franklin Association back in 1920, when there was very little money in the treasury, only a small membership, and hopes for little more than enough business to keep half a dozen wagons busy. The plant was running to capacity before that first year was out, and has been running to capacity ever since.

Te-day, with two of the largest creamery buildings in the city; with nearly 200 delivery trucks and wagons covering every section of Minneapolis; with more than 400 employees, the Franklin Co-operative Creamery Association, after four brief years, is acknowledged the largest distributor of dairy products in the Northwest, serving milk, cream, butter, buttermilk, cottage cheese and ice cream to more than 50,000 patrons.

The output of milk and cream, converted into quarts, is 65,000 quarts daily.

The Associated Textiles is a clothing company organized under the co-operative laws of the state in June, 1923. There are 415 stockholders but upward of 30,000 customers for the clothing and other products sold. Most of the selling is done by salesmen working on commission who travel out into the agricultural regions.

The Union Co-operative Bakery was organized only one year ago by striking union bakers. As most of the stock is still in the hands of the bakers.
The Women's Co-operative Guild of the Franklin Association is one of the four or five educational and recreational organizations of the Co-operative. These women have maintained their organization for five years. They meet once a month, read and discuss co-operation, do community work of various kinds, and help promote cooperation in Minneapolis.

themselves, this is more of a co-partnership than a co-operative, but a sincere effort is being made to put the consumers in control.

The Modern Book Store is barely yet established, but is organized as a strict consumers' institution.

The Transportation Brotherhood's National Bank is a labor bank similar to other banks of this character throughout the country, and of course only semi-co-operative. Resources are now in excess of 2½ millions, though the bank is not yet four years old. There are over 5,000 depositors.

The Union Building and Loan Association is more nearly a genuine co-operative than most of our credit associations going under this name. Most of the loans are made for building purposes. The savings department receives deposits in very small denominations and pays 5 per cent interest. Sixty per cent of the 1,600 members are trade unionists.

And then there are the headquarters for extensive co-operative marketing associations. The Co-operative Wheat Pool sells wheat produced by about 20,000 farmers throughout the state. The Twin Cities Milk Producers' Association (source of supply for all the Franklin milk) has its large new headquarters building just over the city line in St. Paul. With a membership of more than 18,000 farmers, an unusually efficient and social-minded leadership, and an excellent system for handling both its fluid milk and its by-products, the association ranks among the very best of its kind in the United States. The relations with the Franklin Association of consumers are most friendly.

The Land O'Lakes Creameries is the largest butter marketing organization in the world, handling the products of 450 local creameries throughout the state.

This picture was taken more than three years ago and, therefore, presents only a small number of the wagons actually in use to-day for the delivery of Franklin milk, cream and butter. Two huge stables house the 800 horses kept on the Franklin payroll.

THE LARGEST CONGRESS EVER

Early returns from the societies affiliated with The Co-operative League indicate a much larger attendance promised for this than for any other national Congress in our history. In the middle of September, when these lines are sent to the printer, there are in the offices of The League credentials from 70 delegates. Forty-five of these are from the territory of the Northern States League; 12 from the Eastern States; 10 from the Central States, and 3 from the far West. In addition to these, there are promises of many fraternal delegations.

Such returns fully a month and a half before convening of Congress are most inspiring. If ever the co-operators have had a chance to do some genuinely constructive legislation in behalf of our movement, they have that chance at this 1926 Congress.

The association sells more than 75,000,000 pounds of its "93 score" (best grade) butter in seventy markets throughout this and other countries. Nearly 7 million pounds is put into prints each week and shipped in carload lots direct to eastern jobbers. Yearly sales total more than $1,000,000.

There have been other co-operatives in the city which have "winked out." And there will be still others in the future. Delegates to the Fifth Congress, however, will find more than enough co-operative sights to keep them busy between the sessions held at the auditorium of the North Plant of Franklin.
There are co-operatives and co-operatives in Minneapolis. Not all are as large and as flourishing as the Franklin. This is the headquarters of the Economy Fuel Company, one of the smallest of them all. The picture shows how humble a beginning many of our societies have.

MANAGERS’ CONFERENCE ON WEDNESDAY

On the Wednesday (November 3d) preceding the opening of the Congress, the Northern States Co-operative League is holding its Fourth Managers’ and Directors’ Conference, and all managers from other parts of the country who are interested to take part in a discussion of the problems of the manager and to meet more intimately the leading co-operators in Minnesota and Wisconsin are cordially asked to attend.

To be sure, this conference will deal in some measure with problems of the stores in the North Central territory. But it will deal in larger measure with problems that are vital to managers in any part of the country. Men at the head of stores in the Eastern, Central or the Western States who are going to attend the Fifth Congress which begins on Thursday morning, November 4th, might profitably start a day early and sit in at the conference that takes place on Wednesday.

The laboratories of the Franklin plants are the pilot houses from which the executives steer the course of this giant co-operative. Raw materials are carefully analyzed and tested for butterfat content, sediment, acidity and bacterial count. It was the publication of these figures for the first few years that awoke the milk consumers to the importance of the great work Franklin was doing to improve the quality of dairy products in the city of Minneapolis.

**Vital Issues**

**THE MIDDLEMAN ENDORSED**

Mr. William M. Jardine, V. S. Secretary of Agriculture, whom Mr. Coolidge might call "Secretary of Middlemen," told the National Association of Credit Men at the Hotel Commodore, New York, that the middleman is necessary. "Agricultural problems," he said, "have shifted from production to the field of distribution." The secretary has to talk about fields even though the farmers do not plow them. He also told the members of the National Association for Collecting the Bad Debts of the Middleman’s Economic System that, "the machinery of distribution is just as essential as that of production."

Of course, the one thing that does not occur to the secretary is that consumption is important too. The idea of these secretary fellows is to get wheels under the farmers’ stuff and get it going somewhere. Pulling and shoving it around is the big game. Give as many people as possible a chance to get their hands on it. Warehouse it, elevate it, refrigerate it—do anything to it, but keep it going somewhere. Pulling and shoving it around is the big game. Give as many people as possible a chance to get their hands on it. Warehouse it, elevate it, refrigerate it—do anything to it, but keep it going somewhere.

**THE FARMERS OF ALBERTA**

Alberta, Canada, is a farming country and the farmers control the politics.

We think this is better than having the politics controlled by bankers and middlemen as is the case most everywhere else. It is the same as a labor government. Since the consumers are not organized to control economic affairs the next best thing is the workers and farmers.

This is good because the farmers or workers think in terms of economies rather than politics. President H. W. Wood of the United Farmers of Alberta knows that politics is dangerous. He says: "The political party is not and cannot be a constructive force. Under the political party, citizenship is divided against itself and forces thus constituted inevitably engage in warfare with each other. A political party beside being a fighting force is not democratically organized or democratically controlled. It can never hope to get the different elements of citizenship together in constructive effort."

Still the farmers of Alberta should be warned against too close contact with politics. Their leader knows the danger. They may, however, take into their own hands the useful things that their political machinery is trying now to do for them.

If they really mean business and are truly conscious of the dangers of politics, we may see them carrying on in their voluntary co-operative societies the
elevator business, the buying and marketing, the banking and credit, and finally the schools, and the recreations.

If they do not do this, the farmers will become more and more ensnared in the tangles of political action until by and by they are split into parties, each seeking privilege, preference, and perquisites; and their end will be frustrated with the wormwood and gall of frustration and disillusionment.

J. P. W.

VOTING BASED ON PATRONAGE RATHER THAN INVESTMENT

The Failsworth Co-operative Society of England has just made a most noteworthy change in its constitution. It has ruled that mere ownership of capital stock is not itself sufficient to qualify one for voting membership in the society. Unless the share-holding member is himself a trader at the co-op store, he is not qualified to vote upon co-operative policies. Therefore, the member who does not spend at least $25 per quarter at the stores is not a voting member.

The actual consumers now control this interesting society, and the mere seeker of interest on investment is disenfranchised. Here is a blow indeed at the capitalist principle which puts the investor ahead of everyone else.

According to one of the members of this co-operative the membership at large is quite committed to this position. "It is the truth of the society that has built up the reserves, which has actually created the capital which each individual member holds in the society." The Failsworth Society is now in the position of being able to pay out every penny of share capital and still retain its business and hold a considerable amount of surplus capital. In other words, the investment of the share-holders has now a specific purpose and could very well be returned to them, and the business could continue to sail along with only its own reserve funds.

The aforementioned member closes his remarks with these significant words: "There is no intention to disparage the value of capital; like every other commodity it is entitled to be paid according to the services it renders, but modern thought is now placing it on a much lower pedestal, and its position in industry generally is more of a servant than a master."

Would that the latter were true! Today it is more of a prophecy of the future we hope for than a statement of fact for today. These pioneers in Failsworth are the kind of men and women, however, who make such prophecies come true. They are hammering out the new economic truths to which a far distant date the economists in our schools and colleges, perhaps even the men that sit in our parliaments and houses of representatives will consent to pay homage.

LABOR BANK AGAIN ON THE WRONG SIDE

The staunchest supporters of the labor banking idea constantly tell us that we should not worry over much that these banks are not co-operative. "They are co-operative in spirit, and as soon as the laws permit, will be co-operative in structure." We have always been doubtful of these rosy predictions. And every few months a new story comes to our attention to prove that our doubts are, at least in part, justified.

The latest tale is from Seattle. An article in the Illinois Miner informs us that a subsidiary of the labor bank owned by the Brotherhood of Locomotive Engineers of that city has just perfected a merger of eight of the largest steam laundries in the city, with a capitalization for the new company of $2,000,000. The item includes this statement: "No announcement has been made by the new corporation as to wage relations."

Who is going to gain from this kind of business? The workers? Not by a jug full. The consumers of the laundry service? Perhaps, to a minor degree, if the new company is more efficient than the eight old ones. But the chief winners are the bankers and other investors.

Of course it is the trend of the times: This creation of more and better mergers. But it is a sorry business for Labor to be freezing into.

C. L.

The Producers and Consumers in the Co-operative Movement

FROM THE VIEWPOINT OF THE CO-OPERATIVE ORGANIZER

By A. W. Waring

Educational Secretary, Central States Co-operative League

Co-operation is a theory of economics which, so far as it has been tried, has proven to be a highly practical and workable one. To the vast majority of the people in America it is comparatively a new movement. Most of them never heard of it until a few years ago and their present knowledge of it comes largely from the publicity that has been given the producers' co-operative movement, especially as applied to the marketing of farm products.

Knowledge of the consumers' co-operative movement, which has not enjoyed this publicity, is confined almost entirely to comparatively small groups located in our industrial cities and towns. The exceptions are the few states in the North and West where the farmers, through the efforts of a small group of intelligent leaders, are beginning to understand the real significance of consumers' co-operation.

There is such a vast difference between the aims and purposes of the two movements that it is really unfortunate that they should be known by the same name. The so-called "co-operative authorities" as loudly proclaimed by some of our so-called "co-operative authorities" as the panacea for all the workers' economic ills. A secondary object in both forms of organization is the improvement of working and living conditions. Some of them carry on educational and social activities, but the primary object, that of increasing profits or the individual's income from his labor, remains paramount always. The syndicalist likes to express it in higher sounding terms such as: "Giving the worker the full social product of his toil."

Both of these phases of producers' co-operation are based on the theory that our economic ills are all due to exploitation at the point of production." Their remedy lies in increasing the income of the worker. Their knowledge of economics seems to begin and end there. It seems never to have occurred to them that there is nothing in their system to prevent the tradesman, the distributor of their products, from taking their increased incomes away from them in increased profits. Neither does it seem to have occurred to them that whenever the price of any commodity is increased it is the consumer who pays the bill, and that they are a
part of the universal body of consumers. An increase in the income of any group means that every consumer will have to pay a higher price for the product of that group, thus reducing the purchasing power of a consumer’s income.

The defenders of this theory offer as a solution of this problem the elimination of the middlemen. They contend that by dividing between the producer and the consumer the profit that he now takes, the producer will receive more for his product and the consumer will not be required to pay a higher price. Some of them even go to the ridiculous extent of advocating direct trading between the producer and consumer—an utter impossibility so long as we have concentrated volume production and a widespread distribution to individual consumers.

Consumers’ co-operation is founded on the moral principle that the necessities of life should be produced and distributed by the people and not to make profits; that because it is necessary for the people to have these things in order to live and continue to live, the producers should own and control all production and distribution for profit. Because the consumers are everybody; because they must consume every day that they live; because they must have these things in order to live and enjoy life; because it is they who must pay the cost of all production and distribution; because the cost to live is the deepest rooted and the strongest of man’s instincts; these are ample moral and economic reasons why the consumers and not the producers should own and control all production and distribution.

So much for theories. But what about the practical side of co-operation as applied to our present day economic problems? At present we are living under a capitalistic system founded upon the sacredness of private property and private profit. Comparatively few people own the machines of production and distribution, and they make private profit out of their operation by purchasing labor and raw materials as cheaply as possible and selling them at the highest possible price.

Because the industrial worker is forced to organize to protect his interests when he goes to sell the only thing he has to sell, his labor, we have trade unions. Because the speculators, distributors, and manufacturers purchase farm produce and raw material as cheaply as they can and sell for all they can get, to make private profits for themselves, the producers are forced to protect their interests when they go to sell the only thing they have to sell, their produce; we have producers’ co-operative and marketing organizations. The trade union, the co-operative producers’ organization and the marketing organization are all absolutely essential to the well being of the producers under a capitalistic profit system, and all are organized and maintained for the same purpose, i.e., increasing the income of the producer.

But what will it avail the producer to increase his income through organization, if he is immediately compelled to pay more for the things he has to consume in order to live and continue to produce? Is he any better off when he has an income of $8 a day and it costs him $10 to live properly than he was when his income was $4 a day and it cost him $5 to purchase the necessities of life? Then is it not obviously just as necessary that he organize just as efficiently to get his interests as a producer as he does to protect his interests as a consumer? Is it not even more so inasmuch as he is compelled always to be a consumer whether he is a producer or not?

Our public agencies for the dissemination of information and propaganda realize that producing private profit does not menace private profit but that it serves rather to foster and perpetuate it while at the same time quelling the economic restlessness of the exploited. That is why they give all this publicity, as well as the approval of the whole capitalistic world (excepting the speculators who are very much in the minority). The Press of the United States has put the stamp of its half-hearted approval on it, and a Republican Congress recently came near subsidizing it.

This will never be the case with consumers’ co-operation. Its publicity must come from within itself. This can be accomplished only by establishing and maintaining our own agencies of publicity and propaganda and a strong educational movement to develop its cultural side.

### Foreign

Europe were shown. Such was the success, however, that the Chief of Police declared it to be a political society and no woman was allowed to be a member.

After this difficulty was evaded the movement went ahead rapidly and in 1895 had 8,000 members. In 1897 a reorganization took place and the constitution was temporarily under a cloud. After this difficulty was evaded and finally Dr. Bruno Wille made an appeal for a Free Stage Society to escape the censorship and to bring greater realism and sincerity to the German theatre. Some of the men who contributed to the early work were Zola, Ibsen, Tolstoi, and Hauptmann. Eight performances were given annually.

The backing of this venture was largely that of middle class intellectuals, and finally Dr. Bruno Wille made an appeal for a Free People’s Theatre which should be strictly co-operative and which should be within the means of the average worker.

By a monthly payment of 12 cents, a member could now see one play a month, and the very greatest dramas of Europe were shown. Such was the success, however, that the Chief of Police declared it to be a political society and no woman was allowed to be a member.

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enterprise. The opening celebration was held on December 13th, 1914, and soon after that there were 50,000 members. Program charges were abolished and members took turns acting as ushers. Back in the early days the charge was fixed at 12 cents per performance, with extra charges for front room and pro-
gram. Now the charge is about 37 cents for each performance; and drawing for seats is by lot. Thus for the small sum of 12 cents a member may go to hear the best of the plays to be found in Europe, and from the front seats in the orchestra (if he’s lucky enough to draw such a seat).

In addition to its own huge theatre, the society has acquired for constant use two others, and occasionally hire eight additional buildings. More than 200 district offices are used for organization purposes in various parts of the city. Members may go to the theatre only in rotation, though by paying a slightly larger fee they may go out of turn. Non-
members, however, may only after the demands of members have been met, and only on the payment of a larger fee.

Symphony concerts are now being given. A unique feature is the fact that the German government has asked the People’s Theatre to put on Opera as well.

CO-OPERATORS OF CANADA MEET

The Co-operative Union of Canada held its Congress early in August, meeting for the first time in the western part of the country. A number of the best known co-operators present were John H. Walker, President of the Illinois State Federation of Labor and a Director of The Co-operative League of the U. S. A.; John Penny and Charles Darch, directors of the British Co-operative Wholesale Society; A. C. Wieland, Canadian re-
presentative of the C. W. S.; J. G. Alex-
ander, representative of the Scottish C. W. S.; President Farnullo of the Ed-
monton Trades & Labor Congress, and others well known to the world of labor and co-operation.

The opening meeting were sent from many of the Co-operative Unions of other countries and from The Co-oper-
ative League. The chief speakers were

John Walker, George Keen, General
Secretary of the Canadian Union; John
Penny of England; C. Wieland and
one or two others. A long letter was pre-
sented from the President, W. C. Good,
who was unable to be present.

An interesting talk was given by J. T.
Holl of the Manitoba Wheat Pool, in
which it was shown that this marketing
organization last year spent $23,000 for co-operative education, or an average of $1.50 per member. The speaker claimed that this was the largest appropriation for educational work to be found any-
where among the co-operatives of the world, if reckoned in proportion to membership.

Much discussion was devoted to joint
or wholesale buying, and the representa-
tives of the British C. W. S. contrib-
uted a great deal to the subject. Pre-
ferrous to the opening of the conference a day was devoted to a Conference of Managers of co-operatives in Sas-

katchewan.

CO-OPERATIVE SHAVES AND
HAIRCUTS

Following the example of other Brit-
ish societies, the Halt-whistle, Green-
head and District Co-operative Society of England, has recently opened a hair-
dressing department and is doing a large business with the men and women, boys and girls of the community. Hair bob-
ing, shingling, and cropping compose a large proportion of the work, although the old-fashioned shave and straight haircut is not neglected.

But the interesting feature of this co-
operative service, to us in America, is the remarkably low price charged. Shaves are twopence (four cents) each, haircuts fourpence (eight cents) each and still this society pays an annual purchase rebate of more than 10 per

cent. And it guarantees to pay the rail-
road fare to Newcastle of any member who buys $50 worth of goods.

News and Comment

ILLINOIS MINERS GOING IN HIGH

Two of the miners’ co-operatives of Illinois show very fine returns for the first six months of 1926. They are the Hillsboro Co-operative Association of Taylor Springs and the Riverton Co-

operative Society.

The Hillsboro Association, under the
fine management of T. P. Testa, did a business of almost $20,000 on an average inventory of only $2,800. This in itself means a stock turnover of almost ten times during the half year. And it is stock turnover which makes profits. But these co-operators also made a net savings of profit of $1,406, which en-
abled them to pay a rebate of 8 per cent on members’ purchases and still have something left for reserve after paying interest on members’ stock. If the same gain is made in the second half of the
year, the return to members for the ent-
tire 12 months will equal the entire cap-
ital stock invested by these members.

As an example of the good work of these mines have not been working. Yet
of this fact, the semi-annual report shows a net savings of nearly $8,000 on a business of $44,000, and a return to members of 7 per cent on their purchases. Many of these miners in a

town where all the members are working full time at good wages would be proud of such a co-operative business record based on such loyalty of the membership.

Rumor now has it that Riverton mines are soon to reopen.

ROANOKE, ILLINOIS

The Roanoke Co-operative Association, composed of miners in the town of that
name in Illinois, is one of the little store

societies that has been plugging along a

good many years, and making good.

Report for the first six months of 1926
shows a gain of $1,413.58 from sales.
Assets are just over $8,000, but nearly
$7,000 of this is inventory and members’
accounts receivable.

On the liability side, the largest item
is $4,124 of Reserve Fund. As this com-
sists more than half of all the liabilities,

nothing more need be said about the sound financial condition of the business.

Some of the principal workers in the society are Italians.
WHAT CHEER, IOWA

It is a peculiar name for a town, isn’t it? But from the co-operators’ point of view the answer to the name is “Much Cheer.”

Farmers in and about What Cheer, Iowa, in February, 1925, opened a store to sell their produce and buy for them farm supplies, groceries, etc. The first year’s business was $108,000.

Like many of the other little stores in Iowa, this one is organized on the non-stock, non-profit plan, which means that no stock is sold and no profits therefore can be distributed to stockholders. Each member pays a $1 membership fee and the balance of the funds needed was borrowed from the bank or from members. Every member promises, on joining, to turn back into the business all purchase rebates paid to him during the first five years of business, taking notes from the Association in return. Thus the rebates are converted into loan capital. There are about 500 members.

Sales for the first eight months of 1926 are about $85,000. Yes, there is money enough to run a small town store, provided the village co-operatives in the Northern territory.

The People’s Co-operative Society of BEARCREAK, MONTANA

The People’s Co-operative Society of Bearcreek, Montana, was organized by the local of the United Mine Workers of America in 1926, because the miners felt they were being fleeced by the local merchants and the company store.

During the first 2½ years the store went into debt to the tune of nearly $9,000, as so often happens when a co-operative is started with little other capital than enthusiasm and dollars. Much of the original $20,000 of capital was eaten up by poor management, and the members and directors were fairly discouraged. The store has been making progress, and now has unpaid bills of less than $3,000.

HOW LABOR AND CAPITAL CO-OPERATE

The visitor to a certain section of the Bronx, New York City, might enquire himself as to how some labor co-operation is sold to the workers. A very large new apartment house is just approaching completion. Once it is completed, the apartments are to be sold to all comers. Embazoned across the side of the building is a mammoth sign, containing the following words:

THOMAS GARDEN CO-OPERATIVE APARTMENTS

LABOR AND CAPITAL UNITED IN ERECTING CO-OPERATIVE APARTMENTS AT COST

For Families of Working People Labor—ALL TRADES

CAPITAL—JOHN D. ROCKEFELLER

Architect—Andrew J. Thomas

The $500,000 of common stock is purchased by the worker-tenants and carries no voting privileges. The $50,000 of preferred stock is all held by John D. Rockefeller. The selection of the Board of Directors and complete control of the corporation is retained for the first 15 years by the holder of the preferred stock.

DOES IT PAY FOR CO-OPERATIVES TO CO-OPERATE?

There has been no co-operative wholesale society in the Eastern part of the United States for several years, so each store or bakery manager has to buy from the private wholesalers and get the best prices and best treatment he can.

But recently a group of the strongest co-operatives in New York and New England have formed the New States Co-operative League, and one of the first activities is to help the managers pool their buying. A Joint Buying Committee was appointed, consisting of the managers of two large bakeries. The Utica Co-operative Bakery offered a carload of flour from this Committee and saved $174 over the prices quoted in Utica. A couple of months later the same bakery saved $160 by buying another carload from the New York office of the same Buying Committee.

Other bakeries will take up the good work. Then will come joint buying of coffee and other foodstuffs. And gradually the foundation for a genuine Co-operative Wholesale will be built. This is the slow but sure way that the co-operative movement advances.

BOOK REVIEWS

YEAR BOOK OF THE NORTHERN STATES LEAGUE

The Second Year Book of the Northern States Co-operative League is a great advance over the one published a year ago. It is more complete in the information it carries; it is much better in appearance and no expense was spared in securing the following.

The first 34 pages are devoted to a history and description of the Northern States Co-operative League and its work, with statistics of its membership. The next twenty pages are given over to special articles by members of the staff of the Co-operative League of the U. S. A. and articles about the national organization and the Eastern States Co-operative League.

The finest statistical work is contained in the 24 pages taken by the Co-operative Central Exchange (Wholesale). We have yet seen nothing in this country better than this study of financial statistics, figures regarding membership, comparison of the various member stores, etc.

The next 30 pages (bringing us to page 100) are given to more contributed articles by leading co-operators and to the stories of certain of the larger and more prominent local store societies in the Northern territory. Franklin Creamery Association takes 24 pages for a careful description of its business, its educational work, the social organization of members and employees, its health clinic, and other aspects of its varied work. The New Era Life (Insurance) Association takes 8 pages and the Workers’ Mutual Savings Bank 3. Fourteen pages go to the story of co-operative stores in Minnesota. Many societies have contributed advertisements to the latter part of the publication.


THE CO-OPERATIVE LEAGUE.

The Co-operative Union of Great Britain and Ireland has issued the first number of a new magazine, *The Co-operative Review*. This is to be the official organ of the Union. It is intended also to serve as a medium through which original information can be conveyed to officials and students of co-operation, and new ideas on the subject can be recorded.

This magazine will give more attention to the intellectual and cultural side of co-operation than is given by other periodicals. The French have the *Etudes Co-opératives*. The British movement is in need of such a publication.

This first number looks promising. An article on, “The Educational Work of the Co-operative Union,” by Professor Hall gives an idea of the extended and diversified work of that organization. Mr. Alexander has an article on, “The Co-operative Movement and the New Protection,” which shows how British bungling politicians are trying in their desperation to place protective tariffs on British industries. He shows how fatal protection would be to the
country. An article on "Co-operative Societies and the Income Tax," by Mr. Palmer shows the struggle the societies have had to beat off this attack instigated by profit business. Mr. Redfern's article on "Disclosures for the Nation" suggests what the co-operative movement has revealed to the British people. Unfortunately most of them have failed to be impressed by the revelation. Mr. Redfern is hopeful that the lessons will make their impression even though, as he says, "Sometimes it seems more likely that co-operative ideas, instead of being discovered and adopted by the nation, will be driven out of the Co-operative Movement's own conferences and boardrooms."

The Educational Needs of Committee Members," by Mr. Dowie contains sound practical advice. When Mr. Alfred Barnes, M.P., discusses "The Consumers' Place in Politics" he shows what seems to him the importance of political action for co-operatives. Mr. Barnes believes that co-operatives should belong to the Labour Party, he asserts. While there are many co-operators who will not agree that the place of co-operatives in any political party, there are plenty who will rejoice that Mr. Barnes has laid emphasis upon the Co-operative movement to politics. Every understanding co-operator will agree with his statement: "We labor to live, and Co-operation has shown that the aspirations of Labor can best be realized by organizing production from the consumers' end."

"Good sound co-operation like this is encouraging, for we are always getting the idea that the leaders of the British movement are political socialists at heart rather than co-operatives." Hans Müller, in his article on "The Co-operative Idea," comes to the conclusion that it is of religious origin, and the religious community in which the co-operative idea was born was that of Quakers.

The magazine closes with reports upon the important resolutions passed by the last British Co-operative Congress. It is a welcome addition to the current literature of Co-operation.
For the Quarter ending July 31, 1926.

Central States Co-operative League

During October, several of the societies in Illinois expect to receive a visit from Mabel W. Cheed, of the National office in New York. It is now more than two years since Mrs. Cheed has been among the miners' stores. Letters are being mailed to all of the affiliated societies of the Central States League. As Mrs. Cheed cannot spend more than a week in the state, it will be impossible for her to get to more than six or seven of these towns.

The work of the Mutual Aid Guild still continues to occupy a great deal of the attention of the office of the C.S. League. The membership is slowly mounting every month. Multigraphing work for affiliated societies is also an important part of the work of the staff.

The financial report for the three months ending July 31, follows:

Report of Receipts and Disbursements of the Central States Co-operative League

For the Quarter ending July 31, 1926.

Receipts:  
- Dues From Affiliated Societies $ 78.56
- Dues from Individuals .... 23.00
- Joint Buying Commissions .... 51.11
- Multigraph Service for Affiliated Societies .... 51.00
- Sales of Literature .... 4.10
- Contributions .... 1.00
- For Services Rendered to Central States C. W. S. .... 100.00
- For Services Rendered to B. B. B. Consumers Mutual Aid Guild .... 515.27
- Miscellaneous Receipts .... 16.43
- **Total Receipts** .... **$840.47**

Disbursements:  
- Salaries .... **$400.00**
- Postage .... 46.68
- Freight, Drayage & Express .... 27.43
- Office Supplies .... 2.95
- Traveling Expenses .... 6.56
- Insurance & Bond Premiums .... 22.80
- **Total Disbursements** .... **$506.41**
- **Balance** .... **$334.06**

Northern States Co-operative League

Recent meetings of the Executive Board of the Northern States Co-operative League have taken up some interesting matters. Ten thousand copies of the N. S. Year Book are now off the press and are being distributed (see details in advertisement on another page).

The Secretary reported the total individual membership of 329 paid up for 1926. Since June first, there have been procured seventeen new constituent memberships and one new fraternal membership. If the individual member societies of the Central Exchange are taken as indirect membership of the Northern States League, the total constituent direct and indirect membership is about 90 societies representing 53,766 individuals.

Mr. Carl Lunn has done some very effective field work during the summer and has lined up many new members for the League. The last three which he brought in during August were the Minnesota societies in the towns of Princeton, Aitkin, and Henning. It is the aim of the Secretary to get 270 more individual memberships in the League and a few more society memberships before the close of the calendar year.

A Joint Committee on preparations for the Fifth Co-operative Congress has been organized, the membership of which is made up of delegates from the Northern States League, Franklin Creamery, and other local co-operatives. The N. S. League is represented on the Committee by Messrs. Burandt, Emme and Alanne.
Dr. James P. Warbasse has been President of The Co-operative League of the U. S. A. (formerly the Co-operative League of America) since March, 1910. 

Cedric Long, Executive Secretary of The League since January, 1925, first joined the staff of The League in October, 1921.

Harold I. Nordby was one of the 13 members who attended the first meeting of shareholders of the Franklin Creamery Association, back in Oct., 1919, when only $631 worth of stock had been sold and there were no buildings, no delivery wagons, no employees. He has been President ever since. This year he is also President of the Northern States Co-operative League, and he has been a Director of The Co-operative League of the U. S. A. since January, 1925.

As President of the first two organizations, both of which are hosts to the Fifth Co-operative Congress, Mr. Nordby will be much in evidence during the various sessions, both on the floor during discussions and behind the scenes where he serves as a member of the Committee on Arrangements. His duties as administrative head of a four million dollar business and nearly 500 employees qualify him to take on a few more activities during Congress Week!

A. W. Warinner (below), at present Executive Secretary of the Central States Co-operative League, has seen all sides of the movement. He has managed several stores (in Minnesota and in New Mexico), was on the staff of The Co-operative League for some time as a district adviser in the central part of the country, worked closely with the Central States Co-operative Wholesale Society, and when the Educational Department of that institution was organized became its Secretary. It is due chiefly to his energy that the Central States Co-operative League was organized last summer. He has been a Director of The Co-operative League of the U. S. A. since 1923.

V. S. Alume (above) has been associated for many years with the Co-operative Movement of the North Central States. He was in 1921 Educational Director of the Co-operative Central Exchange in Minneapolis, a position he continued to hold until 1922 when he succeeded in getting a conference of co-operatives which organized the Northern States Co-operative League, of which he was Executive Secretary. He was also Educational Director of the Franklin Creamery Association during 1925 and 1926. The success of the Co-operative Training School held in Minneapolis for three years is due chiefly to his effective work. He is a Director of The Co-operative League.

Y. S. Alume (above) has been associated for many years with the Co-operative Movement of the North Central States. He was in 1921 Educational Director of the Co-operative Central Exchange in Minneapolis, a position he continued to hold until 1922 when he succeeded in getting a conference of co-operatives which organized the Northern States Co-operative League, of which he was Executive Secretary. He was also Educational Director of the Franklin Creamery Association during 1925 and 1926. The success of the Co-operative Training School held in Minneapolis for three years is due chiefly to his effective work. He is a Director of The Co-operative League.

Albert W. Goss (above). President of the Washington State Grange, was formerly a successful farmer, then a business man in the commercial world, then Manager of the Associated Grocer's Warehouse. Since 1924 he has been a member of the National Executive Committee of the National Grange, and also a member of the Board of Directors of The Cooperative League. He is a man of sound business acumen, knowledge about the economic problems of the farmers, and is an enthusiastic practical co-operative administrator as well. He speaks at Minneapolis on "The Relation of The Co-operative League to The Cooperative Marketing Movement."

Fifth Co-operative Congress
Minneapolis, November 4, 5 and 6, 1926

Program

THURSDAY, NOVEMBER 4TH
9 a.m.
Opening Session

Reading of the Call to the Congress.

Address of Welcome by Harold I. Nordby, President, Northern States Co-operative League, and Franklin Co-operative Creamery Association.

Election of Committees on Rules, Credentials, Nominations, Resolutions.

Greetings from Foreign Unions.

Greetings from Labor and Fraternal Organizations.

President's Address.

Report of Committee on Credentials.

Two Minute Reports of Delegates.

Program continued on page 204
This trio comes from the Co-operative Central Exchange, Wisconsin, Wholesale for Co-operative Societies in Michigan, Wisconsin and Minnesota.

The first is Eskel Ronn, Manager of the Exchange since 1922. Under the guidance of Mr. Ronn, the business has leaped from annual sales of a couple of hundred thousand to approximately one million in 1926. Ronn has been a Director of the Northern States League since it was organized, and a Director of The Co-operative League since January, 1925. He speaks at the Congress on Co-operative Banking.

Matti Tenhunen, in the center, has been President of the Co-operative Central Exchange since its organization in 1917 and one of the outstanding leaders in the Finnish movement in that part of the country. He has also for more than 12 years been the Manager of the Times Publishing Company, a labor paper co-operatively owned. As this paper carries a weekly co-operative section which goes to Finnish co-operatives throughout the central (and other) parts of the country, it has become a powerful factor in strengthening the movement. Mr. Tenhunen has been a Director of The Co-operative League for more than a year.

George Halonen is one of the younger men in the movement. For several years he worked on various labor papers, and in 1924, when Mr. Alanne gave up his position with the Exchange, Mr. Halonen was made Educational Director; the position he now occupies. He conducts the educational work of the Exchange and also edits the new monthly, The Pyramid Builder. He was at one time the representative of the Karelian Government in the United States. He speaks at the Congress on Co-operative Banking.

Senator Smith W. Brookhart is so well known throughout the country as the militant Senator from Iowa, that he needs no special introduction to the ordinary reader. Cooperatives generally, however, may not know that he is one of the foremost authorities in this country on Co-operative Banking, and few people can tell him much that is new about the consumers' movement generally. He speaks at the Congress on Co-operative Banking.

Roy F. Bergengren has been Executive Secretary of the Credit Union Extension Bureau, with headquarters in Boston. It is primarily because of his efforts and constant journeys about the country that we now boast of having credit union laws in 24 of the states of the Union. He also speaks at the Banking Session of the Congress, and it takes no prophet to guess what his particular emphasis will be.

FRIDAY, NOVEMBER 5TH

9 a.m. Policies and Practices of Societies


Celebration of International Co-operative Week. Frederick Burandt.


Relation of Consumers' Co-operative Movement to the General Labor Movement. George Halonen, A. A. Siegler.

2 p.m. Banking and Insurance

The Relation of Co-operative Insurance to Our Distributive Movement. Should the League Undertake the Organization of a Co-operative Insurance Society, or Should It Throw Its Support to Existing Societies? Milo Reno, E. E. Branch

Or Should It Promote Legislation to Authorize Existing Consumers' Societies to Accept Savings Deposits from Members?

Supper. Committee Meetings. Round Table Discussions.
Mr. Olaf Halten, leader of the Franklin Male Chorus and the Franklin Band, as well as an active member of the Educational Committee of Franklin for nearly three years, will be seen or heard from at the Congress on "International Co-operative Week." (See page 209.)

Second Administrative Session
9 a.m.

Toward a National Co-operative Training School and Correspondence School.
Toward a National Co-operative Year Book. What Progress Are We Making?
Report of the Nominating Committee.

Third Administrative Session
2 p.m.
Shall Local Societies Hold Direct Membership in the National League, in Districts Where a District League Exists?
Election of Directors and Auditors for 1927 and 1928.
Election of Delegates to International Congress, 1927.
Report of Committee on Resolutions and Action thereon.

Vital Issues

OUR FIFTH NATIONAL CONGRESS
November fourth opens the Fifth Congress of The Co-operative League of the U. S. A. Many of us can think back to the Congress of 1924 in New York or the Congress of 1922 in Chicago. A few go back to the Convention of 1920 in Cincinnati; and a very few to the first convention held in 1918 at Springfield, Illinois. (Previous conferences for consumers' co-operatives in the East have been called by the "Consumers' Co-operative Union."—See page 209.) As we look over the list of delegates to that first convention, we find scores of names now unfamiliar to the movement, names of men and women who rose to temporary prominence in their local societies, were sent to the national convention, and then disappeared when their societies died. But there are also in that list names of men who continue their work in the movement: Felix Bertolino, Manager at Fitchburg; George Keen, Secretary of the Canadian Co-operative Union; Carl Mattilla, Director at Worcester and Manager of Finnish Co-operative Trading Association. Only four of these men are to-day associated with the same co-operative they were with at that time.

The shining peaks of the American movement in those days were the Tri-State Wholesale at Pittsburgh, the Pacific Co-operative League of California, the powerful movement in Seattle, the Central States Wholesale in Illinois, the Co-operative Central Exchange at Superior, the National Federation of Finnish Societies. During the intervening years all except one of these have thrust themselves up District Leagues in North Central, Central, and Eastern States, the powerful movement among the farmers with wholesales in Washington and several of the Central States, training schools, the development of national unity, membership in the International Co-operative Alliance. The Co-operative Central Exchange has proved to be one of the very few large federations of societies with foundations sufficiently well laid to withstand the storms of these years. It has gained strength and wisdom during its struggles for survival.

There is cause for much humility at
The latter is not sold to the public. Many stockholders of most corporations are so scattered that a quorum of them never has been present at a meeting. They send their proxies to the directors and the majority of the members of the boards of directors keep the control as well as the manage- ment of their corporations. Prof. W. Z. Ripley, of Harvard, told the American Academy of Political Science that Wall Street must devote its attentions and its energies to the making of closer co-operative unity in the United States. May their labor be well rewarded.

C. L.

STOCKHOLDERS’ CONTROL

Stockholders are losing control of the corporations. One reason for this is that the stockholders of most co-operative corporations are so scattered that a quorum of them never have been present at a meeting. They send their proxies to the directors and the directors keep the control as well as the management of the corporations in their own hands. There is another reason by which the big corporations are getting control over the hands of the stockholders: They sell to the public stocks which have no voting rights, and they retain the stocks which have voting rights. The promotion of Dodge Bros., the automobile manufacturers, is an example. The business was bought by a syndicate for $1,460,000,000. The bankers reorganized the concern. To raise this money they sold to the public bonds, preferred stock, and 1,500,000 shares of “non-voting stock.” They retained for themselves 500,000 shares of “voting stock.” The latter is not sold to the public. Many corporations now practice this method. This puts squarely the control where it will be used. Stockholders are not, and never have been, interested in control and administration of their corporations. They want dividends, not responsibility. Let the responsibility go to those who want it and who are competent to administer it, is the feeling of the average stockholder.

Now suppose a service corporation in which the stockholders are not looking for dividends in the hands in which each stockholder has one vote only, is formed. Here is the possibility of equal control by stockholders.—provided that the stockholders do not get so far apart and can readily meet to discuss their interests. But even here, in the co-operative service corporation, the same lack of interest may exist and the stockholders may not use their right of franchise. They are not deprived of the right but they may voluntarily forego it. This is all too commonly the case. The great problem of the large co-operative societies is to get control out of the hands of the managers and a few officials and into the hands of the members. Many of these are run by a small autocracy. Often the manager is the controlling power, largely because of the indifference of the members.

Danger threatens any enterprise that is not controlled by the owners. In the profit corporation, the controllers are apt to become the owners, if they wish. In the co-operative corporation, indifference of the stockholders allows the control to drift into the hands of a small group of officials. Often the manager is the controlling whole, and there have been many cases in America and in England where he has used his control to make himself the owner.

LOTS OF GROCERS

In the United States there is one wholesale grocer for every 56 retail grocers, and one retail grocer for every 73 families. They are all very busy. The wholesale grocers are busy chancing around to get the orders from the 56 retail grocers, as some British societies are now beginning to do, then we have bread produced for use. This course of things is developing in many lands and one such system is indeed being “bombarded with leaves of bread,” as the Belgian co-operators say. It works where combined with efficiency.

J. P. W.

SALE OF CO-OPERATIVE LITERATURE

One of the chief worries of the secretaries of most co-operative educational leagues or unions is the distribution of co-operative literature. Co-operatives do not seem to read their books, papers and pamphlets. What is the reason, and what is the cure?

The offices of The Co-operative League have suffered from this apathy. The Staff has asked itself and asked out wide what is the cure. Many copies of my books were sold and most superficial reason given is that co-operative reading is uninteresting reading. But this does not necessarily hold. We have books which are more interesting than many of the books on serious subjects selling by the hundreds of thousands.

Recently the Publications Department of the Co-operative Union of England has begun to agitate this question and try to get a more widespread distribution for its publications.

And now Professor Gide, the eminent economist and grand old co-operative of France has expressed his thoughts on the subject in the latest issue of The Co-operative Official, as follows:

“If my two books ‘Co-operation’ and ‘Co-operative Societies’ found a publisher it was only because he was the same person who, having already published numerous editions of my books on political economics, could not decently refuse the others. I myself published, at my own expense, the last edition of my book ‘Co-operation’, and I have not yet recouped myself for the outlay.

Perhaps malicious persons may say that if books on co-operation do not sell well it is simply because they are dull. But it is not the same everywhere. The number of book ‘Co-operation’ sold in Russia has been, to the best of my knowledge, ten times larger than the number sold in France. Is it not surprising, and humiliating to a country where three-fourths of the population are illiterate, that a country where three-fourths of the population are still illiterate should evince such a thirst for co-operative literature? And then Japan sets an example to us. It has set itself to print, to translate, and even to import books on co-operation in foreign languages. Of the 255 copies of my ‘Co-operation’ sold by my publisher last year, fifty were ordered from Japan,
Making History

(This article describing the congress of consumers' co-operatives called by the Consumers' Co-operative Union held in October, 1914, is of interest to co-operatives throughout the country.)

The writer of these lines has never been accused of being over-optimistic. Eight years of experience in the co-operative movement, especially during the state that our movement is now going through, is a training from which you do not graduate with a superabundance of confidence in the speedy progress of democratic action. The individual whose interest survives such a depression was partly due to the fortunate impression was established. . . .

Yet to those of us who have pushed the flag. It is quite another thing to carry the enemy's stronghold. Yet he has done without one dissenting voice, the program proposed by the organizers of the program calling for a federation of all the societies for the purpose of propaganda and wholesale purchasing, was adopted by the assembled representatives of those societies. The proposal to organize such a federation was also carried unanimously. Since this plan was announced some time before the actual meeting, there can be no doubt that this action on the part of the delegates constitutes a pledge on the part of the societies themselves that they will support the plan.

It was in the field of wholesale buying that the assembly showed itself inclined to move slowly. Federation for that purpose was declared for in principle, the "in principle" being added as an amendment to the committee's recommendation, but weakening it somewhat. Probably the record of many failures in this field is restrained influence on the delegates, but it should be remembered that such failures in the past have been those of enthusiastic individuals rather than attempts backed by the whole democracy. However, the committee elected to prepare plans for action in this field has definite work before it. Much will depend on the activity it shows. It is to be hoped it will show a stronger sense of responsibility than was shown by a committee elected by the co-operative societies of Scotland, convened for the same purpose. Months passed and no report was forthcoming, but every member of the committee who emigrated to America. For all that the Scottish Wholesale Society was eventually organized, it was in the field of propaganda that the most definite work of the convention was done. So far as the limited time would permit, a general plan was even outlined. Qualifications for membership to the federation were clearly defined and an organization committee of seven was elected to prepare a set of by-laws for the proposed federation, to become the law of the land in the co-operative societies. But most promising of all, definite financial support was voted, advised by the committee at one cent per member per year and doubled by a majority vote of the delegates.

The work of the organization committee is especially hopeful. With over a dozen examples in other countries to draw from, it should not be difficult to prepare a constitution for an organization corresponding to the Co-operative Union of Great Britain that will be acceptable to all the societies.

Once every member from all the organization committee should have immediate results. Having pledged themselves to support a federation, the societies cannot consistently refuse to join what they have themselves created. Some societies may indeed find the revised rate of dues proposed too heavy for their treasuries. Should this prove to be the case, any large number of steps will have to be taken toward a reduction; the amendment increasing the rate proposed by the convention committee was not carried unanimously. Yet even at the basis of 12 cents per member per year, the working funds of the federation will amount to approximately $30 a month, providing that a great majority of the societies fall in line. That is not
enough to rent an office, not to speak of salaries to working officials. For some time to come we must still depend on volunteer labor.

Note.—The only provision for this convention was Emerson F. Harris, president of the Consumers' Co-operative Union and also of the Montclair Co-operative Society, with offices at Montclair, Paterson, New Jersey, and Passaic, all in New Jersey; Albany, Schenectady, New York; Philadelphia, Pa.; Greyston, R. I. A Committee on Propaganda was elected, also a Committee on Wholesale Organization. Extensive recommendations were brought in by the former committee. The Committee on Wholesale recommended an investigation of the existing "Co-operative Wholesale Corporation." It also recommended that a standard set of co-operative accounting forms be published.

Two eminent visitors were granted the floor: Prof. John Graham Brooks, veteran student and teacher of the Co-operative Movement, from Cambridge, Mass., and Dr. Boltzen, from the co-operative at Manchester, England. In the evening many of the delegates attended a banquet given by the co-operative restaurant situated near the assembly hall.

Foreign

CO-OPERATORS BEAT PRIVATE MERCHANTS IN REDUCING PRICES

Consumers in all countries have to thank the International Labor Office for the excellent study made of comparative prices of goods in co-operative and in private stores in many countries. The greatest care has been exercised in every case to see that the comparisons are absolutely fair. The results in all instances reflect greater credit upon the co-operatives.

For instance: In Lower Normandy 3 chain or "multiple" stores, 3 private independent stores, and the co-op were compared as to prices of 20 standard articles of food. Prices at the chain stores averaged 6.3 per cent higher than at the co-operative, while in the independent stores 13.2 per cent higher than at the co-operative.

A similar study made in Switzerland compared prices in the societies affiliated with the Swiss Union of Consumers' Societies with those in the stores which are members of the Swiss Grocers' Association. In October, 1925, the Co-ops' prices beat the prices in private shops on 18 commodities, held even with them on 3, and were higher on 8. In November the Co-op prices were lower on 25 articles, even on 3 and higher on only 1.

A third study made in France compared prices charged on 30 articles of food in the central co-operative with prices charged in the private stores of several of the surrounding towns. The first town was that in which the Co-op had its headquarters; the second was a town where the co-operative had no branch store; the third and fourth were places in which co-op branches existed; the fifth a town where a co-operative is just being opened; and the sixth a community having no co-operative store. In every single article in every town, the price charged by the private or the chain stores was higher. But the more interesting discovery was this: that in towns where the co-op was well established, the prices in all other stores were uniformly low (though still higher than they should be), while in the town where the co-operative is just being established the prices in the private stores average considerably higher; and in the town where there is no co-operative branch at all, the prices are sky-high. All of which shows that the co-operatives not only reduce the prices to co-operators, but bring down the general price level for everyone.

A somewhat similar study in Hungary compares prices in private butcher shops before the co-operative started business with prices in the same private shops six months after the co-operative had opened its own meat stores. The private meat dealers reduced their prices on an average of 20 per cent during these six months.

Studies of this nature have been made by municipal and state authorities as well as by co-operatives. In Essen, for instance, such a statistical study showed that prices charged by the consumers' societies were lower than those in private stores in 74 instances and higher in only 11 instances.

The State also made comparisons of bread prices in Stockholm and in Goteborg, Sweden, and found co-operative prices very much lower. As a result, recommendations were made to the King that 10,000 crowns be appropriated to promote the co-operative movement, and that in addition, instruction in co-operation be instituted in certain central schools. In England the Royal Commission on Food Prices studied delivery and service costs in co-operative and in private stores and found the former lower in every instance.

A similar study made of the Coal Trade by the British Government resulted in figures wholly favorable to the co-operatives selling coal.

THE IDEAL CO-OPERATIVE SOCIETY

"So far, I am glad to say that all attempts to govern co-operation by other than our own ideals have failed. Here, as in no other organization, we are bound by a common mind and unity of purpose superior to any other organization whose objects and programs in a state of constant flux. Party views always narrow the mind and temper. From The Ideal of Co-operative Society, By Sir Thomas Allen.

CO-OPERATIVES IN RUSSIA

The consumers' co-operatives in the Soviet Union now have a membership of 11,000,000, according to a bulletin received by the Russian Information Bureau, Washington, D.C. The system embraces 26,457 societies which conduct 53,466 stores as compared with about 42,000 stores a year ago. The turnover during the fiscal year ending Sept. 30, 1926, is estimated at upwards of three billion dollars as compared with $2,008,000,000 during the fiscal year 1924-25.

A STUDENTS' LIST OF WORKS ON CO-OPERATION

The Heraea Plunkett Foundation, London, has just issued (through the Co-operative Reference Library) one of the best bibliographies of co-operative
reading that we have seen for a long time. There are six sections to this little 20-page pamphlet, as follows:

Section I. Agricultural Co-operative (General Works, Theory, Organization, etc.).

Section II. Industrial Co-operation (Productive and Distributive).

Section III. Co-operation in Specific Countries (Principally in the Agricultural Movement).

Section IV. Co-operation in Marketing.

Section V. Co-operative Credit (Mainly Agricultural).

Section VI. Miscellaneous, e.g., Rural Economics, General Economics, Agriculture, Land, Country Life, Labor, etc.

The pamphlet may be procured from The Co-operative League.

MAMMOTH EDUCATION FUND IN MANITOBA

The Manitoba Co-operative Wheat Producers, Ltd., makes the boast that it devotes a large sum of money to educational work, in proportion to its membership, than any other co-operative in the world. This Association sets aside one-tenth of one cent per bushel of grain handled for its educational and publicity department. In the season just closed this amounts to $25,000, or an average of nearly $1.50 per member for the 17,500 members.

A large library is being built up and members encouraged to borrow books by mail. The Scoop Shirt, official organ of the association, is one of the best edited and liveliest papers in the co-operative marketing field.

The Rochdale Pioneers was the first Co-operative Society established on the principles of a fixed rate of Interest on Shares, the division of the surplus on Members' Purchases, and the method of trading for Cash Only.

Their first shop was the first "Store" opened. Their first year's Sales were 710 pounds, the members numbered 74, and their capital $21.50 per share. In 1919 Sales were 668,291 pounds, the members 25,225 and the Capital 450,206 pounds.

News and Comment

FARMERS IN REVOIL

By JAMES D. GRAHAM

The first sign of rebel action on the part of the farmers of the Northwest to right their grievances took place in Sheridan County in the northwest part of Montana, when a mob of farmers forcibly made a deputy sheriff, who was trying to evict a mortgaged farmer, swallow a pint of castor oil.

Oscar Collins, deputy sheriff, had been sent by District Judge Frank P. Leiper to dispossess Melvin Grandrud, a mortgaged farmer. The farmers of the surrounding counties, hearing that the officer of the court was about to eject their neighbor from his home, gathered in force on the ranch of Grandrud and demonstrated with the officer that it was not right to dispossess the farmer before his crops were harvested, even if the mortgage on the farm had been foreclosed.

The officer took a firm stand and told the farmers that he was going to do his duty and evict Grandrud. Then the farmers took a firm hold of the officer of the court and forced him to swallow a pint of castor oil and sent him back to the court and forced him to swallow a pint of castor oil and send him back to Judge Leiper to report progress.

The affair is the culmination of a long series of fights between eastern bankers and insurance companies, on the one side, and the farmers on the other, to get possession of the farms just before the crops have been harvested, thereby getting possession of the fruits of a year of toil on the farm as well as the mortgaged land.

What action is being taken against the farmers who prescribed the castor oil is unknown, as a censorship as rigid as existed during the war is now being exercised by the legal authorities and the corporations concerned. Only one daily and a few weekly newspapers carried stories of the event. Since then complete censorship has prevailed.

PRODUCERS' CO-OPERATIVE INDUSTRIES IN THE UNITED STATES

The editors of the Monthly Labor Review (T. S. Dewey, Editor) have just completed an interesting study of co-operative workshops in the United States. Here are some of the facts set forth.

Thirty of the 69 societies investigated have failed during the past few years, or have become ordinary joint-stock companies; 21 of the remaining 39 rendered reports. Of these, 12 are in the far Northwest, 3 in the Central States, 3 in the Northeast, and 1 in the South.

The average age of the societies is ten years. Total employees number 1,300. All but four of the societies observe an eight-hour day, and 15 pay the union scale of wages. Average paid-in capital is $1,275; average annual business during 1920, $337,500; average annual profit for the year (for 12 societies making profit) $30,760. Average number of shareholders is 156; average non-shareholder employees number 57 per shop.

The industries are as follows:

- Shingle mills: 6
- Cigar factories: 4
- Fish canning and sales: 3
- Glass factories: 2
- Shoe factories: 2
- Potteries: 1
- Veneer factories: 1

Average sales per society were $190,000 in 1920; 17 of them have declined rather steadily since then, until the present low figure of $275,500 was reached in 1923. In all but two of the societies profits are divided on stock rather than upon wages.

The editors of the Monthly Review make the following interesting comment upon the workshops:

"The co-operative workshop is exposed to a temptation not present in other forms of co-operative or other society, it is to the interest of the members to enlarge the membership, for each new member helps to increase the business of the society. The increased volume of business reduces the overhead expense and increases the savings. . . . In the workers' societies the situation is exactly reversed. Every additional member increases the number who must share in the profits, though not necessarily increasing the business done or the amount of profits to be shared. Each new member, therefore, is apt to be looked upon as taking profit of the others. Especially if the society achieves business success, there may develop an increasing tendency among the members to limit their numbers so as to retain all the savings from the business for themselves, and if additional workers are needed, to secure these as employees, not as members . . . an exclusive membership policy is not only undesirable and excusable. In direct proportion as this occurs, however, the society loses its co-operative character."

"These societies could not, therefore, be judged by the same strict standard as the consumers' societies. In the consumers' movement, while material benefits are desired, there is usually also a strong ethical quality, a vision of something above and beyond the shopkeeping activities, with shopkeeping simply a first step toward a better ordering of society to be striven for patiently but hopefully in the interest of all consumers. This may not be true of all co-operators nor of each individual society, . . . but it is true of the consumers' movement as a whole. This wider vision seems to be less characteristic of the workers' productive societies. It is true that difficulties of organization or lack of co-operative spirit even in the small sphere within the company. One report states that the greatest difficulty is making the stockholders work toward the success of the business and not just a job. It is hard to convince them after a few losing years that the success of the business will mean theirs . . . About the easiest thing they do vote for a raise in wages. . . ."
joint educational and propaganda work in conjunction with the six other co-operatives in the immediate vicinity. Classes will be held one night each week in the following subjects: Ama and History of the Co-operative Movement; American Social and Labor History; English. Four leaflets are to be published and distributed broadcast as propaganda material. They are to appear in five languages. A Junior Co-operative League is being planned for the children.

Meanwhile sales for the Trading Company climbed. Business in the Dairy department, the Grocery department, the Meat department, and the Branch Store increased during the first half of 1926 by nearly $39,000 over that of the same period in 1925. Every department showed a gain. Sales during 1926 should go above $550,000.

WAGES AND DIVIDENDS ON THE NEW YORK TIMES

There is no greater newspaper in the world than the New York Times. Re-

cently this enormous institution celebrated its 75th birthday with a special rotogravure supplement of 75 pages. From the great mass of statistics there presented, the following has been extracted:

16 stockholders receive an average of $111,900 each year.
25 (approximate number) executives receive very fat salaries.
3,000 employees receive an average of about $2,900 per year.
600,000 consumers receive 70 or 80 pages of news, opinion and advertisements, at the cost of 2 cents per diem.
The stockholders invested $1,000,000 originally and have received more than 1,000 per cent dividends for owning the paper.
The workers invest their time, their labor, their very lives and get something less than $40 per week.

The reader drops 2 cents in the box each morning and gets the largest dose of capitalist propaganda and commercial advertising ever administered at so low a rate.

From The League Office

BOOKS FOR CHRISTMAS SALE BY THE CO-OP

There are two books just off the press which make excellent co-operative literature for stores to carry in stock for co-operators who want appropriate Christmas presents.

CO-OPERATIVE DEMOCRACY, by Dr. J. P. Warbasse, President of The Co-operative League, has been revised during the past summer and will be off the press early in December. Current information about the movement has been brought strictly up to date. This is the outstanding authoritative book in the United States for students of co-operation, for workers in co-operative business, and for people generally interested in present day economic and social problems.
The new edition is one-third shorter than that of 1923; the treatment is much more concise, and thus better adapted to the use of the person who "reads as he runs." The publisher's price will probably be at least $2.50 retail. The offices of The League will have copies which can be sold to co-operative stores or to others interested in procuring this book for Christmas gifts at $1.50 each.

THE ANIMALS' CO-OP BOOK: OSWALD AND OLIVER. This is a beautifully colored edition of the original booklet by this name which was published several years ago by the Co-operative Wholesale Society of England. It is the humorous portrayal in word and picture of the adventures of a whole zoo full of animals who first experiment running their own co-operative store and then start off on a world tour to investigate the co-operatives of other lands. The experiences in the store are very interesting. The Secretary Bird keeps the books. The squirrel, when he cashed (Concluded on page 218)
in his divi checks at the end of the summer, received nuts enough to carry him through the winter. The elephant family couldn't carry enough money to pay for all the turnips it carried home, so volunteered to "lend a foot" at the co-op farm. When the monkey chattered too much in the annual meeting, the giraffe picked him up and dropped him into the pelican's pouch where he was confined till the meeting adjourned, etc., etc. Thus the animal co-op solved its many problems.

This, the third edition of the booklet, 54 pages in all, profusely illustrated in color and outline suitable for paint and crayon, sells from the offices of The League at 15 cents per copy. There is no co-operative store which could not afford to try a small order, display them prominently on the counter early in December, and dispose of them easily to the mothers and fathers who are looking for presents for the children who will have educational as well as amusement value.

Directors' Page

DIRECTORS' PAGE

STABILIZING THE TRADE OF THE CUSTOMERS

The Producer, one of the co-operative papers published in England, has an excellent suggestion in a recent issue and invites criticism or suggestion. It runs as follows:

The absolutely loyal purchaser is the bulwark of the successful society. Every Director, every manager, prays that the Co-operative may find or develop more of this type of patron—the man or woman who comes into the store as regularly as he (or she) gets out of bed in the morning. Most of our so-called co-operators order this week they buy most of their goods at the co-op; next week they try the chain stores for a change.

How can we set about the difficult task of converting many of these irregular patrons into regular patrons? The following plan is worth considering:

1. Let it be advertised that members placing weekly orders in any of the departments will be allowed a discount of ½ per cent on such orders.
2. Take these orders on a printed form with an agreement signed by the member in which she binds herself to give two weeks' notice in writing of the suspension or cancellation of any article on that order, or failing to give such notice, she allows the discount allowed for the past four weeks to be charged to her as a debt.
3. Have distinctive forms for weekly, bi-weekly or monthly orders which show what day of the week (or month) the orders are to be delivered (or called for).
4. Keep these orders on file in the manager's office.
5. Permit members to place two or three different orders for various days in the week, if they so desire, but have a different form or contract for each separate order.
6. In advertising the scheme advise the members not to over-estimate their requirements, since ordinary orders will be received as usual and given the same treatment as always. These regular orders are only for the staples or other goods which are purchased so regularly that the housewife knows she will use a given quantity every week or every month for the next year or perhaps longer.
7. As an alternative to each discounts, credits for purchases at the store could be given.

There are many advantages to such a plan as this. First, it spreads the business out more evenly over the month or the season.

Second, it increases the sales, for the member who is under such a contract will not go shopping around among the private stores as she has been accustomed to do.

Third, it greatly assists the manager in his buying, for he knows with much greater degree of accuracy what demands there are going to be for his goods during the week or the month just ahead.

We shall be interested to hear of the first co-operative in the United States to try out this Plan.

Statement of the Ownership, Management, Circulation, etc., Required by the Act of Congress of August 24, 1912.

Of Co-operation, published monthly at New York, N. Y., for October 1, 1926.

State of New York,
County of New York, ss:

Before me, a notary public in and for the State and county aforesaid, personally appeared J. N. Perkins, who, having been duly sworn according to law, deposes and says that she is the business manager of Co-operation, and that the following is, to the best of her knowledge and belief, a true statement of the ownership, management (and if a daily newspaper) the circulation, etc., of the aforesaid publication for the date shown in the above caption, required by the Act of August 24, 1912, embodied in section 443, Postal Laws and Regulations, printed on the reverse of this form, to wit:

THE HOME CO-OPERATOR
A four-page magazine for use in co-operative societies.
Issued monthly, in bundles, $1 per hundred.
Published by The Co-operative League

Co-operative Central Exchange
Wholesale Grocers and Jobbers,

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.

Office and Warehouse:
Winter Street and Ogden Avenue
Bakery Plant
North Fifth Street & Grand Ave.
SUPERIOR, WISCONSIN

Co-operative Year Book
Northern States Co-op League
1926

Every co-operative needs this book. It is not a report, but a fascinating story of the progress of co-operation in the Northern States. The illustrations are splendid. The general articles are snappy and interesting.

Price 25 Cents Each

The Canadian Co-operator
Brantford, Ontario, Canada

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

Published monthly $1.00 a year.

CO-OPERATION, 167 West 12th Street, New York.
Please send CO-OPERATION for one year to
Name
Address

Published monthly $1 per annum
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.

Vol. XII, No. 12 DECEMBER, 1926 10 CENTS

HOUSE OF THE UNITED WORKERS' CO-OPERATIVE ASSOCIATION. This is the largest co-operative housing development yet attempted in the United States. The houses shown above cover an entire city block. Beginning early in December the first families will move in, and within a few weeks the entire 250 apartments will be occupied. The Association also owns four more blocks to the North of this one and already has members who have put down money enough to engage most of the apartments in the second block of houses and part of the third.

In the foreground is the edge of the beautiful Bronx Park. All five of the pieces of land owned by these co-operators are bordered by this Park.

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.

CO-OPERATION

PUBLICATIONS

THE CO-OPERATIVE LEAGUE

HISTORICAL

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Co-operative Housing De Luxe

In the September number of *Co-operation* appeared the story of the co-operative camp which is being so successfully run by the United Workers Co-operative Association. The camp is of secondary importance to the Housing Department of the Association's work.

For many years a small group of workers leased an old apartment house on Madison Avenue and experimented with the co-operative housing idea on a small scale. At the beginning, in fact, it was only one floor in a privately owned house. As new members came in, the group not only took over the whole house, but started a co-operative restaurant for its members, organized a library and music room, and extended the social features of the institution. Three years later the camp at Brooklyn was started; and the camp at Poplar Valley, which was encouraged, nay, forced the Directors to consider expansion not only of the camp but of the city apartment side of the work as well. The present rapid development of the work in the Bronx section of New York City is a result of a series of earnest consultations.

More than one year ago the Association purchased an entire city block closely abutting on Bronx Park, and both members and friends were informed of plans for a huge housing development. The response was so immediate and large that the Directors at once decided to obtain an option on a second block, then a third, finally a fourth, fifth and a sixth. To-day payments have been made on all this land (and some additional land in an unrestricted neighborhood nearby where stores, playgrounds, and other features may be developed).

About a year ago architect's plans were approved and work started excavating for New York's largest single co-operative housing colony. To-day the housing on the first floor of land are completed and tenant-members are moving in. At the same time plans are perfected for the second block of houses and members are already signed up for most of the apartments there as well—though they know that they cannot move into their new homes before the end of next summer. In fact, there are members signed up for the third block of houses, which will not be ready for more than a year yet.

**What the Houses Are Like**

The first group of houses contains four units surrounding a large central garden. There are sixteen entrances; 963 rooms are divided between 339 apartments. Most of these apartments contain three, four or five rooms, including a kitchen and a bath. But in one unit there are “Bachelor Apartments,” designed exclusively for single men or women or married couples without children. There are fifteen entrances; 963 rooms are divided between 339 apartments. Most of these apartments contain three, four or five rooms, including a kitchen and a bath. But in one unit there are “Bachelor Apartments,” designed exclusively for single men or women or married couples without children. Fifty-seven rooms are devoted to these “bachelors,” who will live one or two in a room. There are 12 rooms and one kitchen to a floor in this department, the kitchen privileges available to every person on the floor.

The first floor is set fully ten or twelve feet above the ground level, thus removing the people on the first floor from the immediate contact with the street and sidewalks. At the same time this feature makes it possible to have basement rooms which are wide open to light and air. In the basement are located an Assembly Hall, a Dining Hall, a Library, a Gymnasium, and electric laundries. Two oil burning heating plants keep the buildings warm in winter, and four water heaters supply the apartments with hot water. All apartments have cross-ventilation, large windows, all the most modern conveniences.

One of New York's well known doctors, Dr. Liber, is to live in the buildings and have offices there. A dentist's office will also be maintained. A kindergarten day nursery will be organized and the members have decided to leave their children during the day and be assured that they are well cared for physically, mentally, and morally. The roofs will later be used for a roof garden, but this feature must wait upon the more pressing demands on the executors.

**What of the Financing?**

The total cost of the first block of houses is $1,525,000. Negotiations are now on for a first mortgage of $1,150,000; $250,000 is being paid in by the tenant-members. The balance is being raised by a bond issue to which either member or non-member co-operators may subscribe. Tenants make an initial payment of $250 per room ($60 extra in the case of kitchenette apartments, of which there are a few). Those living in the Bachelor Apartments will pay $250 down for the room plus $25 per person for furniture.

Monthly charges, covering upkeep and maintenance plus capital charges and amortization of mortgages amount to $13 per top floor room or $14 per room on first or second floors. This is for ordinary apartments with full-sized kitchen. Kitchenette apartments will carry monthly charges ranging from $15.50 to $18 per room for the two-room apartments, and charges from $14.50 to $16 for the three-room apartments.

The Financial Report of the Association for the half year, ending June 30, 1926, is an imposing document of nine closely typewritten pages. Older and more experienced co-operators might be justified in viewing with some skepticism such rapid expansion into large figures and large operations on the part of workers so new to large-scale co-operative business. Total assets for House No. 1, House No. 2, the Finance Corporation, and the Camp are $889,297.30; $117,517 of this is listed under Current Assets and the rest Fixed. Capital Stock outstanding is $13,754.70, and members' investments $215,052.57 (most of which is in the Houses).

Income from the Camp for six months is $21,475. There is no income yet from operations of the houses. The Finance Corporation has taken in $6,266.75; has had expenses of $1,735.45, and the net gain from date of organization is $4,531.30.

**Other Activities of the Association**

The Camp run by these 1,800 co-operators has been already mentioned. The subsidiary “Consumers’ Finance Corporation” was organized last year to assist in the financing of the houses and the Camp; $60,000 of common and preferred stock has already been issued. All the common stock is held by the United Workers Co-operative Association. The Swimming Pool, originally planned for the basement under the first set of houses, had to give way to other demands, and is now being planned as a part of the second group. The Children's Playground will be laid out on a separate strip of ground purchased for the purpose and situated a block or two to the east of the land occupied by the houses.

Plans are now being formed for the starting of stores and a bakery in the near future. Meanwhile a moving picture is being made of the entire development to date; considerable publicity is being given to it in the Freiheit and other workers' papers.

**Who Are These Folks and What Are They Aiming At?**

Most of these young men and women are Jewish workers in the clothing and allied trades of Greater New York. However, there are Gentiles among the members, and there are even one or two Negroes. Furthermore, there are workers coming from as far West as Pittsburgh and Chicago who have joined the organization. A membership costs only $5. Only members may live in the houses, and they must put down the larger payment of approximately $290 per room to procure that privilege, but no stock is issued for this larger payment.
In other words, these co-operators have an “All-Purpose” Co-operative such as may be found in all parts of Europe, and in a few places elsewhere in the United States. Cost of membership is set low so as to be within the reach of everyone. Then the various activities must be financed separately by those who use them. The entire membership, however, in the central United Workers Co-operative Association owns and ultimately controls all the activities through its Board of Directors. The President is G. Halpern; the Organizer, D. Gerson; the Secretary, S. C. Cohn.

These people are frankly and openly apostles of the Struggle of the Working Classes to gain emancipation. They admit to membership none but those who are primarily wage workers or salaried workers. Private business men or employers of labor are excluded from participation in the activities of the organization. Thus the members, or the leaders at any rate, while they aim at the complete co-operative control of the housing, feeding and credit requirements of their respective communities. And this failure of our so-called “leaders” to recognize the essentials is the chief cause for the slow growth of co-operation among these 110,000,000 people in the United States.

In all sections of the country we find earnest souls, presidents of large societies, ardent propagandists for the movement, men and women, seeking short cuts to co-operative success. This one is making a diligent search for a manager who is just a little cleverer than the private merchant across the street. That one is trying to devise a short route from the consumer, hugging the fond delusion that co-operative success may be built up upon favorable buying. A third is putting his time and energies into devising a snappy set of advertising stunts to attract the crowd of fickle shoppers. And a fourth relies entirely upon the tricks which were popular before the days of Adams and Eve of bally-hoing throughout the community—advantages, the premium or the little gifts which the co-op hands out to those who are good enough to buy its wares.

Meanwhile there are a few Uncle Joe Critchleys or President Keeneys preaching the true gospel of co-operation. We need many more of them. Can we get them?

**VITAL ISSUES**

**PROFITABLE INDUSTRY**

"Industry should be profitable," Mr. Owen D. Young, head of the General Electric Company, told the National Industrial Conference Board. He further said, "I have no sympathy with individuals. They are the motive power of our economic system, and why deny it or apologize for it?"

That is right: industry should be profitable. And what is more, we will go Mr. Young one better, and say, it should be profitable to the owners. We have no quarrel with Mr. Young in this matter.

However, we do think industry is unnecessarily complicated and indirect. It fails to hit the mark.

All sorts of industries are run to produce things which the people use. But the purpose of those industries is not to produce the things for use. Instead, the industries are run to produce profits, and with these profits the people buy the things they want to use.

What would Mr. Young say to expanding the owners to include the users of the products of industry, and making the working of industry direct and to the point? Most likely he would approve of the theory for service; but he would say, "It can’t be done." That is what many are saying who do not know that fifty million people are doing it.

**IS THE AUTO AN INDEX OF PROSPERITY?**

In that otherwise excellent book, "Principles and Practices of Co-operative Marketing," published this year by Ginn and Co., we find that the authors make the popular mistake of holding up the auto-owning farmer as an Exhibit I of prosperous American agriculture.

It is a very easy fallacy for anyone to fall into. Merely quote the number of automobiles owned on American farms and you have established your case. Is not the automobile an expensive luxury? And are there not more of them in the agricultural districts of America than in all the countries of Europe, Asia, Africa and South America combined, rural or urban?

Mahatma Gandhi, the great prophet and social leader of India, would tell us that the very large number of autos owned by our farmers is an indication of our spiritual poverty. But this is not what we mean, either.

In competitive business there is an iron law which compels the crowd to follow the user of the advanced invention. Men do not to-day send their freight to Europe in steamers rather than in sailing boats merely because they are more prosperous; they do it because they could not compete with other business firms if they used the antiquated square rigger. The city milkman does not deliver your milk by horse-drawn wagon in preference to the old oxcart, merely because he wants to display his fine stock of horses. He has given up oxen because he would be in the bankruptcy courts in a few months if he tried to use the ox cart in competition with the horse drawn delivery rig of his rival.

Doubtless there are plenty of farmers who have automobiles merely for the pleasure they get from riding them and their wives in them. But to-day the automotive vehicle has become an absolute necessity on most of our farms, and on most of the small farms as well, if they are located at a distance from town. They are as necessary as the iron plow, which supplanted the wooden plow centuries ago. If the average farmer gave up his Ford he would not be saving money; he would merely be driving himself still faster toward the foreclosure court.

**GETTING CLOSE TO THE FUNDAMENTALS**


A year or so earlier at a luncheon in Omaha several of us had been discussing the limitations of the co-operative movement in the United States. Just how far could it go anyway? What were the insurmountable obstacles? Some spoke of management; others of competition by great capitalist corporations; still others of incompetent boards of directors.

"There are no limits to co-operation except the limits of co-operative understanding among the members," remarked President Keeney of the Nebraska Farm Bureau. "The Cooperative Movement will go just as far as our co-operative education goes; and no further."

These wise statements are not new to old and experienced workers in the movement. They have been said many times before. But they are new to very many directors, managers, and chairmen of educational committees in the co-operative societies of America. There is a pitiful lack of appreciation of one simple but profound truth on the part of hundreds of men and women who consider themselves co-operative leaders in their respective communities. And this failure of our so-called "leaders" to recognize the essentials is the chief cause for the slow growth of co-operation among these 110,000,000 people in the United States.

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**WE LOSE A FRIEND IN EUGENE DEBS**

Since the organization of The Co-operative League, Gene Debs has been one of its staunchest friends. At each Congress (until this last one) greetings came from him to "the co-operative comrades." And between Congresses we always knew that he would send the hosts of others who cherished his friendship, we share in the tributes to this Radical, Humanitarian Friend of Peace.
Ten years have passed since The Co-operative League began its work. There has been an important ten years for the Co-operative Movement in this country. It has learned much and made some progress.

As we look back over the period before this time, we see a country in which every imaginable experiment in the field of co-operation has been tried. Most of these have been made by well-meaning enthusiasts who understood the need for co-operation better than they understood co-operation itself; and it was the need for co-operation that prompted them to make use of a remedy which they were but poorly qualified to administer.

We all know what happened from 1846 to 1918. It was not peculiar to the United States; every country in which co-operation has made great progress has passed through a period of bungling, groping and experiment. But in no country has the trial and error stage lasted so long as in this land famed for its efficiency and practical sense. In no other country has the need for co-operation better than they understood co-operation itself; and it was the need for co-operation that prompted them to make use of a remedy which they were but poorly qualified to administer.

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The answer to the question: Have we gotten beyond the experimental stage or not? is not of great importance. The important thing is this: Do the experimenters know at what they research, and are they working with due regard for the importance of co-operative action? It is for us who are gathered here to see to it that our experimenters are making available for co-operative development the truths thus acquired.

The progress has been slow, arduous, and at times discouraging. Nevertheless, it has continued to expand. And the result has returned to the everlasting advantage of the Co-operative Movement in the United States.

At this point we may, with some profit, survey the field in which this work is going on. Here is a country made up of 55,000,000 males, who regard themselves as material for sectors boss, alderman, sheriff, mill superintendent, pastor, senator, pound-keeper or president of the United States, and 55,000,000 odd females who stand ready to marry them. The laws of the country, the teachings of the schools, the practices and traditions of the people, and the prevalent methods of business are all in the interest of carrying on the economic affairs of society as a profit-making enterprise with the pursuit of privi lege as an adjunct to the undertaking.

Thanks to the inestimable richness and the natural resources of the country, this method of business has made us the wealthiest nation in the world, and has brought the possibility of a comparatively high standard of living in the grasp of the majority of the people. Profit-business functions to the satisfaction of the masses, the constitution and the laws are interpreted in the interest of the profit system, and the power of police and arms serve it. The vast majority of people are satisfied with it.

Under these circumstances, what has Co-operation to expect? What hope is there for a movement which would change this picture, which would substitute human service for the profit motive in business, which would abolish privilege, which would install equality of rights where autocracy now reigns, and which would rob the politician of his power to hold up the glittering baubles of promise before the eyes of the people and which would render his periodical can-can dances uninteresting or even ridiculous?

We look about the world and see in many other countries a great Co-operative Movement. We see it challenging profit business in every field. We see countries in which it embraces the majority of the people and supplies them with not only the necessities but the luxuries of life. We see many lands in which co-operative business and co-operative factories are greater than any which profit business can boast. We see it even challenging the socialist state. It demonstrates that the unpolitical organization of the people can perform every useful social function that profit business or the state could administer.

But in the United States these observations are not pertinent. Here Co-operation is a child crying in the wilderness. It is very small. It can scarcely be seen for the trees. Its voice hardly rises above the noise of the wind in the branches, the crashing of limbs, and the howls of the animals. Still this wandering child is growing stronger; it is finding its way; it begins to know what it needs.

There are two conditions under which Co-operation can get strength to go forward in a masterful way in this country. These are (1) by education of the people to want Co-operation and to know how to make it succeed; and (2) by failure of the capitalist system to satisfactorily perform its services.

The first of these is in process of development. A steadily increasing number of intelligent people are coming to understand the meaning and methods of Co-operation. Already it is possible to find in many communities, wise and capable leadership and groups of individuals who believe in Co-operation and who successfully enter upon co-operative undertakings. We have training schools to teach co-operators. In American colleges and universities instruction in the principles of co-operation is given by a large proportion of the professors of economics, and a steadily increasing number of young men with trained minds are going forth into the world with an understanding of this subject. It is gratifying to find that books written by American co-operators are used as textbooks in these institutions and complete files of The League's magazine, Co-operation, are kept in college reference use. Education is doing its work, but it is well to grow into a tangible plant unless the ground is fertile. And the only fertility in which Co-operation will grow is that in which there exists a real need for Co-operation to perform services which are not satisfactorily performed by other means.

As a matter of fact, this need exists in the United States. Goods of poor quality are sold at high prices. Landlords charge for housing more than it is worth. Credit at the banks is sold for prices which yield enormous profits to the bankers. Co-operative societies are needed in every field in the United States to-day, and if efficiently managed and controlled, they can save the people the millions of money that profit-business costs them and at the same time can give them an example of a better life. But if the people are not that they are overcharged, and if they are satisfied with the services of profit-business, then these must be regarded as satisfactory, and, so far as the average public is concerned, it must be admitted that the need for the development of Co-operation does not exist.

Thus the progress of this movement in the United States is still slow and fraught with uncertainties. But who are gathered here in this Congress can guide it and help make ready the way in which it can move onward.

It may be expected that circumstances will develop in which Co-operation is urgently needed to give the people access to the essential things of life. The people may grow to a consciousness of that need and a desire to meet it by their united co-operative action. It is for us who are gathered here to see to it that this bright country shall be covered with a network of co-operative organizations, to work steadily and wholeheartedly to the end that this land shall be rich with people of clear co-operative understanding, men and women who can lay their hands to the task of making the Co-operative Democracy come true.
The Fifth Co-operative Congress

For the fifth time The Co-operative League has held its National Congress: this time in Minneapolis. Preliminaries began with the meeting of a quorum of nine members of the Board of Directors on Wednesday evening, November 3; and the final meeting of ten Directors again on Sunday morning (and part of the afternoon) closed the Congress.

The Opening Session

When the Congress proper opened up for business in the East Room of the Curtis Hotel on Thursday morning, there were, according to later reports of the Credentials Committee, 65 regular voting delegates, 7 alternates, 41 fra- terial delegates and many visitors present. The 65 who wore the red badges represented 132 consumers' societies having an individual membership of 64,700. People present at that meeting from Massachusetts, Washington, Canada, and Louisiana, and many points between. Co-operators from 16 States and two of the Canadian provinces had assembled at Minneapolis to deliberate on the future of our movement.

The local address of welcome by Harold I. Nordby, President of the Northern States Co-operative League and of the Franklin Co-operative Creamery Association, was followed by election of the various necessary committees. Then came the reading of greetings by Dr. Warbasse reviewing the past of the League, the delegates again assembled covered, made suggestions for the future. Warbasse reviewed the past of The League, surveyed the field still to be covered, made suggestions for the future.

In the Co-operative accounting discussion on Co-operative Accounting and Auditing. The former outlined some of the difficulties that have hitherto been encountered in trying to introduce some uniform practices into accounting in various co-operative societies. Mr. Regli took the theme that uniform ac-

counting practices must wait upon the development of uniformity in management practices, buying methods, even uniformity of terminology. Today we use widely different words in talking about the same things.

CO-OPERATION AND THE LABOR MOVEMENT

The first talk on this subject was given by James Halonen, Educational Director for the Co-operative Central Exchange. His emphasis was very largely upon the legal implications of parts of it, this was on the importance of co-operation to the unionist in his daily economic life. At this juncture other matters claimed the attention of the delegates, but in the evening the discussion was resumed, centering chiefly about two resolutions submitted by members of the Committee on Resolution. As the delegates disagreed on the resolution of the majority of this committee because of the non-co-operative implications of parts of it, this was finally withdrawn, after many of the regulations had expressed their feelings on the subject.

ON CO-OPERATIVE INSURANCE AND CREDIT UNIONS

The subject of cooperative insurance was first brought in by Milo Reno, President of the Farmers' Union of Iowa and also of the Farmers' Union Life Insurance Company which now operates for the co-operatives in those States. Mr. Reno expanded on the injustices under which the farmers are now laboring, and tried to show what this Insurance Company is doing to lessen the injustices. E. E. Brincker, President of the New Era Life Association, who followed, gave a very clear and forceful exposition of the entire old-line life insurance game of overcharging policyholders for the protection they get, and showed how these practices are now made virtually compulsory by the form of insurance law written into the codes of various States. He outlined the progress and the form of organization of the New Era Association which, according to his claim, is one of the very few strictly democratic organizations of its kind which is at the same time entirely on the non-profit basis. The delegates were much impressed with the case as presented by Mr. Brincker. After others had talked briefly on the subject, a resolution calling for the appointment of a committee to study the entire insurance subject and to make constructive proposals or recommendations to The League was presented.

The two chief speakers under the title Co-operative Banking were Eskil Rønn, Manager of the Co-operative Central Exchange, and E. F. Bergengren, Secretary of the National Credit Union Extension Bureau. The former picked all possible holes in the credit union theory as now practiced in this country and recommended a drive for legislation permitting co-operative stores to accept savings deposits from members. Mr. Bergengren portrayed the credit union movement as a school in which future administrators of genuine co-operative banks are getting their training, and called for more vigorous support for this type of co-operative credit organization.

There was much discussion from the floor, most of it enthusiastically in favor of the credit union movement. Senator Brockhart, who was to have spoken on national legislation for co-operative banking, was prevented from being present by sickness in his family.

AND WHAT OF FARMERS' CO-OPERATIVE MARKETING?

The Marketing Movement and its Relation to the Consumers' Movement first came on the floor under the sponsorship of A. E. Cotterill, Vice-President of the Iowa Farmers' Union, during the Friday night session. Mr. Cotterill emphasized the difficulties under which the farmers are working and the necessity for their marketing program. The subject was continued the following morning by Albert S. Grey, Master of the Washington State Grange, who insisted that the consumers' movement and the producers' marketing movement should work hand in hand. This was ably supported by such other men as George Keen of the Co-operative Union of Canada.
Mr. J. T. Hull, Educational Director of the Manitoba Wheat Pool, and Mr. F. W. Rasmussen, Secretary of the same organization, were the last three men who were finally instructed to bring in a resolution on the relationship of the two movements which they did at the next session of the Congress.

More Co-operative Education
Mr. Alanne, Mr. Woodcock, Secretary of the Eastern States League, Mr. Warinner, Mr. Nurmi and others talked on the Co-operative Training Schools, and a Committee composed of Mr. Long, Mr. Nurmi, Mr. Warinner and Mr. Alanne was finally appointed to deal with the larger and more permanent changes of this nature made in the organic Insurance, Mine Disaster, Consumers' Co-operation, Co-operatives of Other Countries, International Co-operation and the progress of Consumers' Co-operation in the United States.

The Actions of the Closing Session
At 2 p.m. on Saturday the delegates went into the final session of the Congress. Dr. Warbasse opened what proved to have been a lively and highly controversial discussion of the subject 'Should Local Societies Hold Direct Memberships in the Co-operative League or Should They Belong Directly to District Leagues First.' As the discussion was not organized with an idea of getting definite changes made in the constitution, no final action was taken.

Resolutions covering many subjects were introduced by the Committee on Resolutions. Some of these subjects were: Relationship of the League to the Co-operatives of Other Countries, Injunctions in Labor or Co-operative Disputes, Relationship of Consumers' Co-operatives to Producers' Marketing Movement, Co-operative Insurance, Mine Disaster in Northern Michigan, etc., etc.

The Elections
The election of Directors who are to serve for three years went through in conformity with the recommendations of the Committee on Nominations. The Committee, after January 1st, 1927, will be composed of Messrs. Alanne, Warinner, Endres, Goss, Hellen, Long, Niemela, Nordby, Ronn, Tenhumen, Walker, Warbasse, Warinner, Warname and Wirihala, all of whom have been on the old Board; and in addition, Mary E. Arnold, Manager of Consumers' Co-operative Services, New York; Jacob Linkku, Manager of Cooperative-Operating Co-operative Society, Waukegan, Illinois; and O. Saari, Manager of United Co-operative Society of Norwood, Mass. The new members of the Auditing Committee are: L.-E. Graudahl, Member of the United Co-operative Society of Fitchburg, Mass., A. Solten, President of Co-operative Bakers of Brownsville, N. Y.; and Otto Arlund, Manager of Brooklyn Workers' Co-operative Home.

The following were nominated to act as delegates to the International Co-operative Congress at Stockholm next summer. If the trip can be arranged: Dr. and Mrs. J. P. Warbasse, National office, Messrs. Warinner and Linkku, of Central States League, Messrs. Tenhumen, Alanne and Nordby, of the Northern States League.

Social Events at the Congress
They included a Banquet on Thursday evening at the Elks' Club, a Bus Trip about the city, a Mass Meeting on Saturday evening, and an endless number of informal sessions at various times and in the various committees. Several hundred people filled the hall at the Banquet; music was provided by the Male Choir of the Franklin Association and by a Trio from the Minneapolis Symphony Orchestra; Harold Nordby presided as Toastmaster, and short speeches were made by a dozen people, among them being Dr. and Mrs. Warbasse, George Kee, A. W. Warinner, Leroy Bowman (Director, Consumers' Co-operative Services), A. Burundt (Chairman, Educational Committee of Franklin Creamery Association), Albert S. Goss.

Two large buses carried the delegates about the city on the afternoon of Thursday and brought them back strictly on time for the opening of the second session. The program for the Mass Meeting was unusually well planned. Music was provided by both the Franklin Male Chorus and the Franklin Band, and various other musical numbers were supplied by individual co-operators. A group of young people from the Central Exchange at Superior gave several excellent solos and a piece of interpretative dance was excellently performed. Co-operative dialogues and songs with words composed by the co-operatives themselves added to the gayety of the occasion. Mr. Burrandt, who has been Chairman and introduced as speakers Eskel Ronn, J. P. Warbasse, Harold Nordby and Cedric Long. The closing event of the evening was the showing of the seven-reel movie 'The New Disciple' which held the crowd until midnight.

The Committee Work
Exclusive of the regular committees necessary for business conventions, special committees were appointed or elected to handle League Finances, Training Schools, Constitution, Co-operative Insurance, Health Standards in Co-operative Institutions and Relationship of Co-operative Marketing to the Consumers' Movement. The Committee on Societies held one meeting, appointed a sub-committee on Courses in Accounting and Bookkeeping. This committee tentatively put the date for Northern States Training School in May-June, and that for Eastern School in April. The committee also had under advisement the organization of a National Co-operative Correspondence School.

The Committee on Finances held several meetings and finally reported on a budget of $8,300 for the fiscal year ahead. Dr. and Mrs. Warbasse, George Kee, A. W. Warinner, Leroy Bowman (Director, Consumers' Co-operative Services), A. Burundt (Chairman, Educational Committee of Franklin Creamery Association), Albert S. Goss.

Hundred of colored propaganda, educational and advertising posters sent to The League by a dozen of the unions and wholesales of Europe (and from Japan) were on display during the Congress and many a delegate went home well loaded down with samples of this kind of co-operative art.

The Fifth Congress is over. May its work increase the prosperity of these societies tentative pledges of the balance. The Committee on Constitution recommended several changes and these recommendations the Congress approved for publication for future action.

Board Meetings
Of the many items of business taken up by the Directors in their two meetings, the following are the most important: Recommendations were made that the societies in the United States be advised to join the Central States Co-operative League, if they were not able to maintain an Ohio League.

Considerable attention was also given to the matter of income taxes levied against co-operatives, and to the liberalized interpretation of the rulings made this year as applied to consumers' co-operatives.

The national office was authorized to proceed with a survey of the member societies to see if sufficient financial support can be raised to make possible a test case.

The officers elected for the ensuing two years are: J. P. Warbasse, President; Harold I. Nordby, Vice-President; Cedric Long, Secretary, and Mary E. Arnold, Treasurer. The Executive Committee of the Board is composed of Messrs. Warbasse, Long, Niemela, Saari and Miss Arnold.

The Meeting Places
Excellent preparatory work was done by the Committee on Arrangements. Literature tables and stands were provided and the Auditorium of the Creamery Building was decorated in green and gold.

In addition to the banquet and mass meeting planned by this committee, arrangements were also made so that the delegates could lunch Saturday noon in the Franklin restaurant.

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Of the many items of business taken up by the Directors in their two meetings, the following are the most important: Recommendations were made that the societies in the United States be advised to join the Central States Co-operative League, if they were not able to maintain an Ohio League.

Considerable attention was also given to the matter of income taxes levied against co-operatives, and to the liberalized interpretation of the rulings made this year as applied to consumers' co-operatives. The national office was authorized to proceed with a survey of the member societies to see if sufficient financial support can be raised to make possible a test case.

The officers elected for the ensuing two years are: J. P. Warbasse, President; Harold I. Nordby, Vice-President; Cedric Long, Secretary; and Mary E. Arnold, Treasurer. The Executive Committee of the Board is composed of Messrs. Warbasse, Long, Niemela, Saari and Miss Arnold.

The Meeting Places
Excellent preparatory work was done by the Committee on Arrangements. Literature tables and stands were provided and the Auditorium of the Creamery Building was decorated in green and gold. In addition to the banquet and mass meeting planned by this committee, arrangements were also made so that the delegates could lunch Saturday noon in the Franklin restaurant.

Hundreds of colored propaganda, educational and advertising posters sent to The League by a dozen of the unions and wholesales of Europe (and from Japan) were on display during the Congress and many a delegate went home well loaded down with samples of this kind of co-operative art.
Producers and Consumers in the Co-operative Movement*

FROM THE VIEWPOINT OF A NATIONAL CO-OPERATIVE EXECUTIVE

By GEORGE KEEN
General Secretary-Treasurer, The Co-operative Union of Canada

The object of production is consumption. If mankind were not under the necessity to consume commodities there would be no purpose in producing.

Does it not seem rather strange, therefore, that most of the ideas advanced for the redress of economic injustice are from the viewpoint of the producer? In this age the interest of the producer in what he produces is almost entirely connected to its exchange values, or, in other words, to the access it will give him to the productions and services of others. The real interest of the producer in his own productions consequently is not equitably entitled. It is quite right that they should. But they maintain economic injustice between different classes of producers.

There was, perhaps, a time in the early days of capitalism when an increase in wage scales represented a distinct advantage to the workers in the industry without injustice to the consumer. It meant only a more equitable division between employer and worker of the price received from the consumer for the article produced. Those days have gone. The employers are just as closely concerned as the workers of the profit incidence, is usually, not at the expense of the employer. It is passed on to the consumer. In the upward revision of prices following an increase in the cost of production, owing to augmented wage-scales, the employer of today feels he is entitled to his usual margin of profit on such increased cost. The profit incidence is pyramided by the manufacturers and the distributers until it reaches the ultimate consumer.

If there were an equality parity of increase in wage scales and of all workers, agrarian and urban, organized and unorganized, the augmented costs of commodities and services would not be so objectionable. Unfortunately, even among organized workers, there is a great divergence in wages and in purchasing power accruing from the economic problems of mankind. It is the only plan calculated to reconcile the demand and spending much of its resources in seeking to satisfy it in competition with other producers' organizations and unorganized producers. The organization of consumers' productive industries produces commodities in an economical and orderly manner and solely to satisfy ascertained human needs.

The organization of production by and on behalf of the consumers of the world is a logical and equitable solution of the economic problems of mankind because 'it makes petty employers and capitalists themselves, setting them up as 'bosses' over employees in co-operative stores, factories.' But is it not clear that final voting authority is vested in all the consumers as consumers of goods and services and not as capitalists and mere owners of the industry. The financial
advantage accruing to a member of a consumers' society, if he is fully loyal to it, is small as a capitalist, compared with what he realises as a consumer. If, and when, the time arrives each consumer can adequately finance his society by his trading operation there will be no need to recognize him as a capitalist at all by the payment of interest on his investment. The authority that organized consumers exercise as employers will have to be vested somewhere, no matter how industry is conducted. Workers must recognize the foreman or managers placed over them by democratic authority.

The real objection to the capitalist is not because he possesses capital, but that he uses it to direct and control the energies of his fellow citizens, and to deplete them of the greater part of the produce of their labors. The obvious duty of all who visualize with satisfaction the realization of a co-operative commonwealth is not to quarrel and obstruct each other as to the manner in which co-operative principles should be applied, but to lend a hand, or a good word, for any co-operative organization calculated to substitute the native of social service for private profit, leaving the co-ordination of the whole economic structure to ever-growing experience.

The capitalist system, so-called, was not built up accidentally, but by systematic organization. It developed as the result of practical experience, and as an expression of human trends. The co-operative commonwealth will no doubt grow out of the present system in a similar manner. The rate of progress is to be determined by the quality of the social intelligence, interest, and energy of the people.

News and Comment

CENTRAL COMMITTEE OF I. C. A.

MEETS

The Central Committee of the International Co-operative Alliance is composed of 42 members representing the various national unions and wholesales affiliated to that body. At the annual meeting held in Hamburg October 12 to 16, 41 of these members answered the roll call. They came from 20 different countries.

A representative from the co-operative movement of Spain was stationed on the Committee for the first time; and the Union of People's Banks of Sofia was admitted to membership in the I. C. A. The proofs for the International Co-operative Press Directory were inspected and approved. Some considerable discussion took place over the question of setting of additional deputes from the Union of Soviet Socialist Republics, but the Committee finally voted to uphold the decision of the Executive, which was to the effect that the U. S. S. R. should be treated as one country and its delegation given representation accordingly.

Plans for the International Congress to be held next summer at Stockholm were presented and approved, also plans for the International Summer School and special conferences on International Co-operative Banking and Insurance.

A detailed and lengthy report of persecutions of co-operatives in Italy by the Mussolini government was presented and adopted. A resolution submitted by the Russian members of the Committee asking for formal support to the British miners was tabled with the understanding that such a request would receive due and careful consideration should be presented by the co-operators from Great Britain, where the strike is taking place. The next meeting of the Committee is called for next April in Brussels.

GREAT MINE DISASTER HITS CO-OPERATIVE

The recent mine disaster in Ishpeming, Michigan (only one of several in that territory during the past few months) was a distinct blow to the Ishpeming Consumers' Co-operative Store, which lost two of its directors and several of its members and customers. Most recent reports indicate that 61 miners were killed. How seriously this affects the co-operative is still a debatable question.

But there is no debate at all about the seriousness of the situation which confronts the community as a whole and the widows and orphans of these people in particular. One verbal report which came to The League would seem to indicate that the majority if not all of the miners were co-operators.

The Executive Staff of The League therefore urges strongly in a letter sent out to its member societies, that aid be sent at once to the widows and orphans of these co-operators. Mr. Jalmar Nukala, whose address is c/o Ishpeming Consumers' Co-operative Store, Ishpeming, Mich., is General Treasurer to receive all relief funds from co-operative sources. Cheque orders should be made out either to him or to the Co-operative Store and mailed to this address.

A Short Survey of the Wheat Industry

By Werner E. Riehl

Accountant for The Co-operative League

Geography

Climate.—Wheat is produced in moderately dry, temperate climates. At present it is not grown in warm, humid regions, principally because of the wheat diseases which thrive under such climatic conditions. Of these diseases, rust, smut and bunt fungi are by far the most common and most destructive. All of these diseases are epidemic and are caused by parasitic organisms which prey on the plant tissues. Norway is the most extensively cultivated in regions having a growing season of less than 90 days or an annual rainfall of less than nine inches. The most important wheat regions have an average precipitation of less than 30 inches. The seasonal distribution of rainfall is as important as the yearly amount. A cool, moderately moist growing season, emerging gradually into a warm, bright and preferably dry harvest period, favors the formation of a hard wheat high in nitrogen. Coastal regions having the Mediterranean type of climate and the interior of continents are the best locations for wheat producing.

Distribution.—The world map shows eight important and distinct wheat regions:

1. The plains of southern Russia and the Danube Valley;
2. The countries bordering the Mediterranean;
3. Northwestern Europe;
4. The central plains of the United States and Canada;
AGRICULTURE

The wheat grown in the United States is of two distinct kinds. One is the large-kernel winter wheat of the Eastern wheat region in the United States; the other is the hard spring wheat. The "blue stem" and the "Scotch fife" are native varieties of the latter kind grown in Minnesota and the Dakotas for flour making; this wheat is considered the best in the world.

Ploughing.—The first step, after the burning of the old straw of the previous year, is ploughing. The men who do the ploughing are called, are found along the Red River where it flows between North Dakota and Minnesota.

Harvest.—The harvest laborers begin to arrive from the south about the middle of July because by the end of this month the harvest is at its height. A farm of 5,000 acres will use from seventy-five to a hundred extra men. The wheat is cut and stood upright in shocks. The grain cures very rapidly in the dry climate. The shocks are then hauled directly to the thresher and fed into the feeder. One thresher is needed for every 2,500 acres. The time element is very important in threshing, since the rain might spoil in one night grain amounting to the cost of several machines. The grain falls from the spout of the thresher into a box wagon which carries it to the elevator. The flour that passes through the great mills from the time that the sheaves of wheat are tumbled into the wagon until the flour reaches the hands of the cook is untouched. When the box wagons reach the elevators the loading of a bolt dumps the grain into the bin, where it remains until the pulling of a lever lets it into the cars. Every pound of it is charged. The men therefore who do the threshing, the sifting, and cleaning, and grading of wheat under state supervision.

Inspecting and Grading.—The great wheat growing states like Minnesota have established systems of inspecting and grading wheat under state supervision. At present there are eighteen grades recognized in Minnesota: 1. Hard spring wheat, sound, bright and well cleaned, composed of the hard and soft varieties of spring wheat. 2. Northern spring wheat, sound and well cleaned, composed of the hard and soft varieties of spring wheat. 3. Northern winter wheat, sound and well cleaned, composed of the hard and soft varieties of spring wheat. 4. Medium winter wheat, medium, sound and well cleaned, composed of the hard and soft varieties of spring wheat. 5. The Columbia basin of the United States; 6. Northwestern Indiana; 7. Arkansas; 8. Southern Australia.

Transportation.—Most of this wheat goes by way of the lakes through the Saint Sauveur Marie Canal to Buffalo, where it is shipped to New York, Philadelphia and Baltimore. The railroads of the northwest have a monopoly of the business of hauling wheat, with the result that it costs as much to ship a bushel from Dakota to Duluth (Lake Superior) as it does to ship from Duluth to Liverpool.

Process of Milling

History of Grinding.—The ancestor of the millstone was apparently a round stone about the size of a man's fist with which grain or nuts were pounded and crushed into a rude meal. The saddle-stone is the connecting link between the primitive pounder or miller and the quern, which was itself the direct ancestor of the millstones still used to some extent in the manufacturing of flour. The saddle-stone consisted of a stone with a more or less conical face on which the grain was spread—in and around it, when it was rubbed and ground into coarse meal. The quern, the first complete milling machine, originated in Italy and is probably not older than the second century B.C. Querns are still used in most primitive countries. The rotary motion of millstones became the essential principle of the trituration of grain and exists to-day in the rolls of the roller mill. The waterwheel is credited to the Romans, but long after millstones had been harnessed to water power slave labor was still largely employed as a motive force. Steam power was first used in a British flour mill towards the close of the eighteenth century. The introduction of the blast and exhaust to keep the stones cool was a great step in advance.

Most flour consumed to-day is ground in roller mills; that is, mills in which the wheat is rolled by means of rollers, some grooved in varying degrees of fineness, some smooth. Their work is preceded and supplemented by a variety of machinery. Modern roller mills are completely automatic.

It will be convenient here to explain the meaning of three terms constantly used by millers, namely, semolina, middlings, and dust. These products of the roller mills are practically identical in composition but they represent different stages in the process of reducing the endosperm of the wheat flour (a wheat berry is covered by several layers of skin under which is the floury kernel or endosperm). This the break or grooved rolls tend to tear and break up. The largest of these or more cubical particles are known as semolina, whilst the medium sized are called middlings and the smallest sized termed dust.

It must be remembered that the wheat as delivered to the mill is dusty and mixed with sand and even more objectionable refuse, and that it also contains many light grains and seeds of other plants. It is therefore not sufficient for the miller to reduce the grain to flour under the most approved conditions. He must also have at command the means of freeing it from foreign substances and of further conditioning it, should it be damp or over-dry and harsh.

Dry Cleaning.—Wheat cleaning has been well called the foundation of all good flour milling. In the screen house the wheat cleaning department of the mill is termed, will be found an array of machinery almost equal in range and variety to that in the mill itself. The wheat is first treated by a warehouse separator. This apparatus works by means of sieves and air currents. It serves to free dirty wheat of such impurities as roots, straw, sand, and other seeds. Then the
which are longer. Scourers are machines whose function it is to free the wheat from extraneous impurities. They are followed by brushing machines, whose function it is to polish the wheat and remove further adhering impurities. To remove such metallic fragments as nails, pieces of wire, etc., magnets are used.

Washing.—Certain of the wheats are washed to free them from extraneous matter such as adherent earth and similar impurities which could not be removed by dry cleaning. The washer is followed by a whizzer, an apparatus which frees the berry, by purely mechanical means, from superfluous moisture. However, there still remains a certain amount of water which has penetrated the integuments more deeply, and to condition the berry it is treated by steam.