Russian Cooperative Restaurant in Chicago

Cooperative restaurants are multiplying in the United States more rapidly than any other type of business, with the exception of credit unions. The recent enlargement of the Russian Workers’ Cooperative Restaurant is worthy proof of this statement.

It was in 1924 that a group of Russian workers organized this society. For several years the business went along with fair success and a growing number of members. In April, 1928, they were forced to move into larger quarters in a fine new building at 1628 West Division Street, a few doors away from their old location. The society has a ten years’ lease of the premises, which comprise the restaurant quarters on the ground floor and a large meeting hall and library upstairs.

The new restaurant seats 80 people at one time, having both lunch counter and table accommodations. Eight thousand five hundred dollars was spent on new fixtures and equipment, making this one of the most up-to-date restaurants in that section of the city. There has been an increase of about 100 per cent in sales since the move was made.

About 850 people are being served each day, 1,000 on Sundays. Meals are served the entire 24 hours in the day. Income during the summer months was as follows:

<table>
<thead>
<tr>
<th>Month</th>
<th>Income ($10's)</th>
</tr>
</thead>
<tbody>
<tr>
<td>May</td>
<td>8,460</td>
</tr>
<tr>
<td>June</td>
<td>10,100</td>
</tr>
<tr>
<td>July</td>
<td>9,510</td>
</tr>
<tr>
<td>August</td>
<td>9,300</td>
</tr>
<tr>
<td>September</td>
<td>9,130</td>
</tr>
</tbody>
</table>

Total income for the year 1928 will exceed $100,000.

Several members were enrolled at the end of 1927. Manager Kudo has been on leave visiting relatives in Russia for the past twelve months but is expected back shortly. Secretary Skreeway is the other officer who has been active in his position since the restaurant was first organized.

The unexpected increase in business since entering the new building has encouraged the directors and members to plan for the opening of a grocery and meat market in 1929.

Several cooperators from the East, traveling through Chicago, have stopped to eat and fraternize with the Russian cooperators, and each of them, accustomed as he is to getting large meals at small cost in cooperative restaurants, nevertheless looks with amazement at the size of the dishes served by these workers. It is to eat and fraternize with the Russian cooperators, and each of them, accustomed as he is to getting large meals at small cost in cooperative restaurants, nevertheless looks with amazement at the size of the dishes served by these workers.

It is not money we want, but goods.

How much we get for our produce is not as much as possible in the way of goods for the crops we raise. There is only one way to do this and it is by uniting our buying power just as we have united our selling power.

The farmer in the past has been accustomed to purchase his requirements retail. Of the latter, the vast majority got their information paper, while only one-quarter got well-informed and one-sixth were sure they had no advantage whatever over the members, but 144 felt that they got more money than the cooperators; 92 felt they would join at once if supplied with more food, and 95 are sure they would not; 201 reported that their neighbors who were members were well satisfied and 141 reported that none of their neighbors belonged. Three hundred and three of the non-members admitted they had benefited indirectly by the organization, while 204 found the same benefits. Three hundred and fifty-nine, or considerably more than half of these non-members, agreed that the association had raised the price level for their products and only 147 denied this. Three hundred and twelve admitted that prices had been stabilized by the cooperative, and 432, or more than two-thirds of the entire number of non-members interviewed, said they did not want to see the association discontinued—a really remarkable admission.

Questions regarding attendance at meetings brought forth some more illuminating replies. Nearly three-quarters of all the members questioned had never attended a meeting of their association; 125 gave as the reason “inconvenience,” 48 “neglect,” and 44 “not interested.”

These cooperators were asked for the source of their information about the cooperative organization. More than one-half got their facts from the organization paper, while only one-quarter got them from local meetings. One half of the members considered they were kept well-informed, while one-sixth were sure that they did not get enough information. Of the latter, the vast majority placed the fault upon themselves.

These farmers were also questioned regarding reports made to them by their cooperative organization.

<table>
<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>September</td>
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</tr>
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<td>9,300</td>
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<td>July</td>
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<td>June</td>
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</tr>
<tr>
<td>May</td>
<td>8,460</td>
</tr>
</tbody>
</table>

The recent enlargement of the Russian Workers’ Cooperative Restaurant is worthy proof of the increasing importance of cooperative organizations. The majority believed their organization satisfied the need for these, but 201 said it was much better than the non-members. Three hundred and three of the non-members admitted they had benefited indirectly by the organization, while 204 found the same benefits. Three hundred and fifty-nine, or considerably more than half of these non-members, agreed that the association had raised the price level for their products and only 147 denied this. Three hundred and twelve admitted that prices had been stabilized by the cooperative, and 432, or more than two-thirds of the entire number of non-members interviewed, said they did not want to see the association discontinued—a really remarkable admission.

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News and Comment

NEW DRIVE FOR EXEMPTION FROM INCOME TAXATION

The League started in December its second drive to get from the 1,700 consumers’ cooperatives in the United States exact figures regarding the taxes paid to the federal government in 1928 on the income made during 1927.

More than a year ago the Ways and Means Committee of Congress, in drafting proposals for a new income tax law, suggested to Jules Englander, tax expert for The League, that if he could prove that consumers’ societies were contributing less than $90,000 to the government on income taxes annually, such societies could win exemption. The League sent out a series of emergency letters to all such associations in the United States asking for annual figures. Less than 500 replies came in, and the evidence available for Mr. Englander to present at Washington was insufficient to win the case for the consumers’ cooperative movement.

Every consumers’ cooperative in the country, whether affiliated with The League or not, should reply promptly to this questionnaire. The members are paying taxes, and they have an excellent opportunity to win for themselves exemption. Those that are not paying such taxes should hope to make more money in the future and thus make themselves liable for federal taxes. It is to the interest of every such association in the country to send this small amount of information to The League office.

Readers of COOPERATION are urgently requested to make inquiries at their local societies and if this questionnaire has not been answered, to see that it is answered at once.

WHAT THE CENTRAL EXCHANGE AT SUPERIOR HAS DONE

Eleven years ago there were a number of isolated cooperative stores in the district. They were financially weak. They were operated inefficiently. They were in most cases in the hands of incompetent managers. The lack of knowledge about cooperative principles was glaring. Each store tried singly to work out its own problems.

The most Progressive stores realized that in unity there is strength. They formed their own central organization. Now the Cooperative Central Exchange is a group of about 100 stores that are operated more economically than the competing private stores. It has hundreds of trained executives, clerks, and bookkeepers who are not only technicians but cooperators. It has representatives who direct the affairs of its members. It has a membership of about 20,000. Its store is due to cooperative education. The United States is going on and which makes them feel that they are actively participating in the control of their own institutions.

There is no bill payable and no accounts receivable— a mark which many a store cooperative might advantageously strive to emulate.

At the members’ meeting on October 8th, the directors were authorized to carry out the housing program set before the shareholders, and to invest not over $70,000 in the project. As the cash and securities on hand come to almost

INTERIM DIVIDENDS

Dedicated to Cooperators Who Can Think

Without some sacrifice of self there can lie no true cooperation.

* * *

Cooperation, like Christianity, was born in a stable and will probably perish in a palace.

The ultimate truth of Cooperation must be discovered; it cannot be taught—except by the patient suffering of the one who would learn.

Here is the “Enchanted Twenty-Fourth” comment upon the way in which cooperators of the present generation interpret their modest success.

T. W. Merriam

COOPERATION
Mr. Widoff, manager for the past three years of the Workmen’s Circle Cooperative Bakery, the most uniformly successful Jewish Bakery Society in New England during the past ten years, was severely injured early in December when run over by a large truck, which broke one of his legs at seven different places. He will be out of his position for several months. Meanwhile his place is being taken by one of the directors, Nathan Meyer.

ENLARGED QUARTERS FOR PROLETOS

The Prolet Cooperative Restaurant moved into its new quarters at 28 Union Square, New York City, on Tuesday, November 30th, still retaining its old quarters next door. The new place is far larger than the previous restaurant in the country, having a seating capacity of several hundred, the most modern of kitchen and dining room equipment, and the best of storage facilities in the basement. Total investment in the ten places comes to more than $100,000.

In the old restaurant as many as 2,500 or 2,800 meals were served in a single day. During the first week in the enlarged quarters, from 5,200 to 5,800 meals were served daily. During the four months, July 1 to October 31, 1928, sales totalled $88,000, within the old restaurant. The business from this date forward should nearly double these figures.

COOPERATION AT HANNA, WYOMING

For the first time in the history of the Sampo Cooperative Store, a financial report has been sent to the office of The League by the manager, Kale Aronen, formerly an active cooperator in New York State. This report shows that under previous management the store incurred a deficit of $20,800. During the past six months, with a total business of $42,850, there is shown a clear gain of $5,000 for the association. Share capital is $8,000 and surplus account $6,700.

A letter from Mr. Aronen, appearing in another column of this magazine, hints at some of the difficulties he has met out among the miners in the wild west.

NEW BUILDING AT STAFFORD SPRINGS, CONN.

The Workers’ Cooperative Union celebrated the coming of a new year by moving into its new building on Main Street. For many years this cooperative store has rented its quarters, but recently by one of the co-operatives, bought a piece of land, and began building. The new quarters are also to house a cooperative bakery just as soon as a full line of equipment can be installed.

OPERATING EXPENSES IN INDEPENDENT AND CHAIN GROCERY STORES

(For Year 1924)

<table>
<thead>
<tr>
<th>Item</th>
<th>Independent</th>
<th>Chain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales</td>
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<td>100.0</td>
</tr>
<tr>
<td>Cost of merchandise sold</td>
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<td></td>
</tr>
<tr>
<td>Gross margin</td>
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<td></td>
</tr>
<tr>
<td>Expenses:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total salaries and wages</td>
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<td></td>
</tr>
<tr>
<td>Advertising</td>
<td>0.5</td>
<td></td>
</tr>
<tr>
<td>Taxes and licenses</td>
<td>2.3</td>
<td></td>
</tr>
<tr>
<td>Rent</td>
<td>1.3</td>
<td></td>
</tr>
<tr>
<td>Heat, light, power</td>
<td>2.2</td>
<td></td>
</tr>
<tr>
<td>Insurance</td>
<td>2.0</td>
<td></td>
</tr>
<tr>
<td>Repairs of store equipment</td>
<td>1.5</td>
<td></td>
</tr>
<tr>
<td>Depreciation of store equipment</td>
<td>0.2</td>
<td></td>
</tr>
<tr>
<td>Total interest</td>
<td>1.1</td>
<td></td>
</tr>
<tr>
<td>Miscellaneous expense</td>
<td>1.4</td>
<td></td>
</tr>
<tr>
<td>Looms from bad debts</td>
<td>0.4</td>
<td></td>
</tr>
<tr>
<td>Total expenses</td>
<td>18.0</td>
<td></td>
</tr>
<tr>
<td>Profit</td>
<td>1.8</td>
<td></td>
</tr>
</tbody>
</table>
| *Compiled by the National Chain Store Grocers Association.

My Livest News Item of the Month

TANGIELE FARM RELIEF

The saving possible in cooperative property insurance is well illustrated by Policy No. 1 in the Farmers Union Cooperative Insurance Company of Nebraska. This policy, covering fire, lightning, windstorm, and tornado on $15,000 of farm property, was taken by Mr. J. O. Shoemaker, Humboldt, Nebraska, when the company began business on October 25, 1918. At the end of ten years, or two policy periods, his total cost of carrying this insurance has been $256.53 consisting of the advance assessment of $112.50, two $1 policy fees, for assessments of $1.50 for each 2.1 mills each, and a five-year period, or a total in the ten years of $750. His saving through cooperative insurance, therefore, was $454.37. Here is tangible “farm relief.” It also suggests how we can prevent swollen fortunes.

L. S. H.

HOW THEY RAISE FUNDS FOR EDUCATION

The Women’s Club of the Amalgamated Cooperative Apartments in New York City, recently held a three-day bazaar to raise money for the cooperative library and other educational work. The Treasurer of the Club announces a clear gain of $2,500, $1,000 of which will go for library equipment, $1,000 for books and $500 to assist in the organization of a kindergarten for the children of the members.

C. L.
Northern States Cooperative League

INTRODUCING OURSELVES

The Northern States Cooperative League and its work is not unknown to the readers of Cooperation. The secretary of "Cooperation," has told them from time to time something about our League and its doings. But, up to the present issue, our League has not yet had much in the way of "Capita Reviews." Therefore, we will now be represented by a special section, the material for which has been furnished and edited by ourselves.

The Board of Directors of the N. S. C. L. met at Cloquet, Minn., Sunday, December 2. All board members with the exception of Brother Edberg were present. Over six hours were spent in intensive discussion of matters on the agenda.

The Executive Secretary of the League gave an oral report on the Yearbook, his business in the field of life insurance were brought out during the discussion. The unanimous opinion of those present was that it is the duty of all cooperatives to give their branch members an opportunity to buy life insurance from the New Era Life Association to get business support from the cooperative societies and individual cooperators in the district. Members of the local board of directors of the Cooperative League had been invited to attend this session. Many extremely interesting facts about life insurance were brought out during the discussion.

The Executive Secretary of the League was authorized to attend the convention of the Wisconsin Union of the American Society of Newspaper Editors, to be held at Hotel Plymouth, Wis., Dec. 11-13, as a fraternal delegate.

Later in the evening a cooperative propaganda meeting was held at the Workers' Hall. Directors Bernaud, Branch and Jukulen appeared as speakers and besides this there were several musical and dance numbers. The program meeting was well attended and can be considered very successful in every respect.

CENTRAL EXCHANGE SOCIETIES HOLD DISTRICT CONFERENCES

The Educational Department of the Cooperative Central Exchange has arranged to hold educational district conferences simultaneously in various parts of the territory. Such meetings were held in Minneapolis, December 16, beginning at 8 a.m. at the following localities: Gilbert, Cloquet, Chisago, New York Mills in Minnesota; Ironwood, Mass and Marquette in Michigan, and Superior in Wisconsin. In the agenda for these conferences included: (1) Plans for activities in 1929; (2) Centralization; (3) Standardization of sales and advertising methods; (4) Questions of local nature presented by participating societies. These district conferences are expected to have a great influence in furthering centralization and standardization, as well as in stimulating the societies into greater activity and further accomplishments.

THE NELSON AND ALBIN CO-OP MERCANTILE ASSOCIATION

Much has not been known hitherto in cooperative circles concerning this cooperative store association which is one of the leading ones in Minnesota. It was organized in 1906 by farmers in the Nelson and Albin townships of Watonwan county. Their post office address is St. James, Minn. The business at present being managed by O. G. Fahlke. The membership is nearly all Scandinavian.

During the fiscal year ending Jan. 14, 1928, the N. & A. Coop. Mercantile Association sold merchandise to the amount of $45,608.30. Their net profit for the year was $8,775.50. At the end of the fiscal periods their total resources amounted to $88,076.85. The paid-in capital stock was $42,200.00. Besides a reserve fund of $7,948.94, there were undivided profits ($5,969.42) to the amount of $13,918.36. The balance sheet shows one decidedly unfavorable feature: the accounts receivable ("outstanding book accounts"), Jan. 14, 1928, amounted to the staggering total of $23,869.09, of which there was a doubtful accounts © reserve of only $1,111.97. It appears as if the farmers in the Nelson and Albin townships are not able to pay their account balances. That the farmers in these two townships can be vastly improved and losses from bad accounts eliminated.

There are 203 shareholders in the organization, which owns its own store building.

MISCELLANEOUS NEWS ITEMS

The Farmers' Exchange of Duluth, one of our affiliated societies, is going to change its manager the first of the year. Mr. Fred Strom, a graduate of the Northern States Cooperative League, has tendered his resignation. If the farmers in the Nelson and Albin townships are going to have a cooperative store association, they are going to have to take a more active part.

Not less than 46 different cooperative societies took part this year in the Northern States' Coop. League's fourth yearbook, which has been ready for distribution since November 1. The total income for the League from the yearbook has so far amounted to a little over $22,000. Single copies of the book may still be had from
The office of the Franklin Cooperative Credit Union has been recently removed from the North Plant of the Franklin Creamery to the office of the Northern States' Cooperative League, 2100 Washington Avenue North. The Credit Union has been rapidly increasing its business, the total volume of which this year will exceed $20,000. The assets of the Union are now about $11,000 and the net surplus from this year's business will amount to $800.

A very successful program meeting was arranged jointly by the Franklin Educational Committee and the Credit Union Friday evening, December 7, in the Franklin auditorium. Among the interesting numbers we may mention the showing of the exciting new two-reel Franklin film, called "The Land of Health," song numbers by the Franklin Mixed Quartette, talks by Mr. Nordby and Mr. Brown (treasurer of the Franklin Credit Union) and a highly accomplished whistling number rendered by a student of the University of Minnesota. The meeting was well attended by employees of the Franklin Creamery and their wives and everybody went home that night satisfied and with a feeling of good will toward their cooperative institution which has come to mean a great deal for them.

Mr. Anthony Rad, one of the directors of the Franklin Cooperative Creamery Association, died November 24, 1928, at Minneapolis, in his fifty-sixth year, after a lingering illness. Mr. Rad was very much interested in the Franklin organization but also in the Northern States' Cooperative League and in the Cooperative Movement in general. He attended several of the League's conventions as a Franklin delegate and was one of those keenly realizing the need of education in cooperation.

Problems in Germany

A well managed cooperative organization which has a reasonably large volume of business is a highly profitable undertaking. The German Wholesale Society at Hamburg according to the last report had a turnover of more than 338 millions Reichsmark.

Profits were 20 per cent greater than in 1927. Reports for 1927 and 1928 show sales and profits as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>Sales</th>
<th>Profits</th>
</tr>
</thead>
<tbody>
<tr>
<td>1928</td>
<td>313,272,879.60</td>
<td>75,833,325.16</td>
</tr>
<tr>
<td>1927</td>
<td>42,064,458.83</td>
<td>20,724</td>
</tr>
</tbody>
</table>

Beginning in January the Eastern Wholesale definitely sets up in business, takes over the assets and the business of the Joint Buying Committee of the Eastern States Cooperative League, and proclaims to the world the existence of one more cooperative wholesale in America. Adolph Wirkulla, for the past five years manager of the Cooperative Trading Association of Brooklyn and for the past fifteen years active as a manager in some cooperative society, is leaving his Brooklyn position and taking the wholesale post. This action was definitely confirmed at a meeting of the Wholesale directors on December 12.

William Marttila, formerly manager of Eteipen Publishing Company of Worcester, has been appointed the new manager of the Brooklyn Association.

Lecture Courses Successful

Late in November, Henry Askoli began a series of lecture courses in New England among several of the Finnish Societies. His regular course of twelve lectures is planned to continue one week, six on Psychology, six on Cooperation—one hour on each subject each evening.

At this writing the lectures have already been given in Gardner, Fitchburg, Maynard and Quincy—four weeks in all. In every case the attendance has increased with each lecture. The course will be given at Plainfield, Conn., in January.

Cooperation Abroad

Manager Found for Eastern Cooperative Wholesale

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As reported last month, the International Cooperative Wholesale Society Socialistic, in Canada, has appointed a committee to handle a cooperative wholesale organization in the United States. This committee is now in the process of selecting a manager for the new organization.

As mentioned in the last issue of COROPATION, the work of the new cooperative wholesale society is planned to start January 1, 1929, and the new manager is to be selected in the near future.

The committee has already received a large number of applications for the position of manager. The committee is now in the process of selecting a man who will be able to handle the work of the new cooperative wholesale society.

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The Point of View

By J. P. Warriss

IT'S BETTER TO PAY CASH

People pay for what they consume. There are two classes who think they do not: the thieves and the beggars, but in the end even they, too, pay.

We might as well make up our minds to the fact that we have to pay for all we get. There is no way to avoid paying. Or, to put it the other way around, the seller collects some means or other for what he sells. He collects also for what is stolen and for what he gives away. The consumer pays it all.

The more we think about this the clearer it becomes. Things have to be incorporated and permanent organization. There were present representatives of the United Farmers of Canada, Saskatchewan Section, and of the cooperative stores in the province, executive committee was chosen. Mr. FrankEllison was appointed secretary-treasurer. A board of arbitration was selected to supervise the transfer of the trading department of the U.F.C. to the new wholesale, the actual existence of which will commence on January 1, 1929. The annual trade of the department is in excess of $125,000. It sells to some 1000 local retail units, 300 of which have recently transformed themselves into independent incorporated cooperative stores that will become members of the new wholesale when it comes into active existence.

In England, where religion and the established church still are powers to be reckoned with, two enthusiastic cooperators recently been appointed to the two chief positions in the Church of England. Dr. Cosmo Gordon Lang, the new Archbishop of Canterbury, and head of the church, has written three pamphlets that have been published by the British Cooperative Union, and the new Archbishop of York, Dr. W. Temple, is a former president of the Workers' Education Association. (Coop. Union News Serv., Sept., 1928.)

Every experienced cooperator knows that the chief cause of the failure of cooperative stores in the United States is inefficient management. The second cause is giving credit. But the two are very closely united, for the inefficient management is usually responsible for the big volume of charge accounts. Credit business in a cooperative store is inefficient in management. Credit means additional cost. The credit purchase has to be entered in the books. Bookkeeping is expensive. Credit means a certain percentage of losses from bad debts. It means also loss of members, for the member who gets credit often becomes hopelessly in debt and then he drops his membership. It means bad feeling.

Credit robs the member of his freedom to choose and order as he likes. It obligates him and makes him servile. If he is reckless, it often encourages forbears and to order things he would get along without if he were paying good hard cash. For the manager and clerks, credit spoils the joy of working. It places a barrier between the purchaser and the business of the store.

For the member who owes the store money, it spoils his joy of living by making him constantly carry the burden of debt. It reacts badly on everyone who has to do with it, breeding suspicion and friction.

In the end, credit does not save, but impoverishes. Many a family is driven to ruin by credit.

Credit should help to get rid of debt, the curse of working people. Honest people should pay straight credit cannot be given to any class or society to keep out of debt. No society is fair to its members that encourages debt.

Cash is magic. It can buy better goods. It can buy cheaper goods. It can get better terms and quicker delivery. It can command better quality.

Credit is given by the private merchant only to selected customers. But with the cooperative store gives credit to one, it must give credit to all. Cooperation is democratic and for all alike. Credit given to some and denied to others means dissatisfaction and bad feeling, and store failure. Credit to all is the quick and sure road to failure.

The habit of credit-trading makes no provision for a rainy day. Indeed, it does just the opposite - collapse and disaster are sure to come with the rainy day where a store is deep in credits. The practice of giving credit brings failure at just the time when strength is most needed. The store with its books full of credit goes on the rocks as soon as hard times arrive.

Every experienced cooperator knows the evils of credit. He would like to see it abolished utterly.

Profit business, on its side, is encouraging credit. The competition is so great that credit and installment selling
have become a part of the smart salesmanship used to whip up the consumer to buy. Millions of people are caught in this plan and spend their lives in debt.

Cooperation should move in the other direction, and make for solvency and independence.

The story is true in these United States. It is being done. Cooperative societies with wise guidance are putting their business on a cash basis. In many cases some old fogy head has said, "You will ruin the store if you require cash payment." In no case has a society failed because of changing from credit to cash.

"A few undesirable members have been lost is about all we have suffered" is the worst that has happened. And then the strength of the societies has begun to improve. This is the common experience. Some societies just go ahead, and, by a resolution approved by the members' meeting or by the directors, change their business to strictly cash terms. Even this rather abrupt method succeeds. But the less harsh methods are to be recommended.

In Germany practically every consumer's society has a cooperative bank connected with it. The bank has a branch in every store. The bank pays interest on deposits. The member puts in the bank some of his surplus cash, some of his wages, or the savings-returns paid by the store. Each member makes it his business to have a bank account in the society's bank. There are no safer banks in the country. And the accumulation of funds in these thousands of banks makes credit unnecessary.

The cooperative bank, or credit union, in the United States, is the ideal solution of the problem. In this country the law does not permit a cooperative store to do a banking business, but it does permit all of the members of a cooperative society to organize a credit union and have the office in the store.

If every member of every cooperative society in the United States were a member of a credit union, with its headquarters in the cooperative store, the most important conceivable step would be taken to strengthen the cooperative store movement in this country. And the credit union can be started with less than $100.

Some societies abolish credit trading by asking each charge account member to deposit with the store in advance a sum of money equal to two weeks' trading. Then a credit slip is issued to the member, against which he trades. Some societies have succeeded well with "credit books." The member buys from the store a little blank book for $10. Each time he makes a purchase the amount of the purchase is entered in the book and added to the last amount. When the last entry equals $10 the credit is exhausted and he buys another book.

Another method is to enter the credit of a cash payment in the book, and subtract the total of each purchase from the credit. Then the member sees how much balance he has left against which to trade.

Also books of stamps are sold by some stores for $10. Some sell a $10 book for $9.50, thus giving the member 5 per cent discount for payment in advance. This is not to be recommended, but it is used where the problem is difficult.

For people who prefer to bring the cash and pay the matter is simple. But for families who have goods delivered and who send the children to the store, some form of credit book is most convenient. It may be left at the store.

These methods of advance payment for what is bought are not only good for the members, but especially good for the society, for they provide capital in advance to buy for cash and to get the best prices and discounts. Such a system of business, experience shows, makes all the difference in the world with a society.

Its whole tone and character are changed. It is like a person who gets the ruddy glow of health and the joy of vigor after an illness.

Where are members to get the money to start the advance payment method? The best way to get it is to save it until enough is in hand to start right. This may mean giving up some luxury, like tobacco or the movies, for a while; or it may mean actually depriving the family of some real need for a time.

The "brother-in-law" method is often used. That consists in borrowing the money from some near relative, and then paying him as soon as possible. Well, why not? Is that not better than borrowing it from the society every day? When once started, the cash method runs along naturally. It is a little thing, but it has to be done only once.

It is better to be a week ahead instead of a week behind. Get ahead and stay ahead. Don't let credit command you: command credit. Don't eat other people's food; eat your own food—it is healthier and better. Don't wear other people's clothes; wear your own clothes—you will stand up more erect and look better. Get out of the clutches of credit, and life will be happier and sweeter.

Book Review

The largest single section in the book is that accorded to the Cooperative Central Exchange, which takes 60 pages. Franklin Creamery takes 44 pages. Other institutions which are reported at considerable length are the Cloquet Cooperative Society, Minnesota Cooperative Oil Company, Cooperative Trading Company of Waukegan, Consumers Cooperative Services of New York, New Era Life Association, Workers Mutual Savings Bank and Tomies Society.

The bulk of the book is printed on white paper, the index is on green, and 23 of the advertising pages are bright yellow, an arrangement which makes it easy for the reader to use this as a ready reference guide.

NEW COURSE ENTITLED

"Organization and Administration of Cooperative Societies"

Now Offered by the COOPERATIVE LEAGUE CORRESPONDENCE SCHOOL

It covers all the major problems confronting the organizing committee of a new society, the board of directors of an old society, or committee-members, officers, or ordinary shareholders of cooperatives anywhere, anytime.

For complete information write, LEAGUE CORRESPONDENCE SCHOOL 167 West 129th Street New York City
The directors of the Northern States League and the editor of the book are to be congratulated on the fine job they have done. In 1929, the first Year Book of The Cooperative League of the United States of America is to be published, with Mr. Alanne as Editor-in-Chief.

Golden Rule Cooperation

"The largest Cooperative Immensity in the World," the Farmers' Equity Union Creamery of Orleans, Nebraska, supplies 18,000,000 million pounds of butter annually. It has reached its present size of 15,000 members during eleven years time, through business efficiency and education. It circulates widely through Nebraska and the adjacent states, its year books telling what its farmer members have achieved through cooperation, and urge the farmers to help themselves by joining. These year books also give information about the better returns from proper feeding.

Interim Dividends

"A true Cooperative Movement must be catholic in its scope, democratic in its form, equitable in its results; whatever is less than this is not cooperative.

We honor the Pioneers most when we surpass them.

T.W.M.

Officers

Directors

Managers

Employees

Do You Know What is Going on in the Cooperative Movement in America?

Do you know how other Societies are Meeting Those Problems Which Confront You?

Do you know what the Cooperative League, Federation of Societies in the United States, is doing for the mutual benefit of its members?

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A National Subscription Campaign is to be started soon.

"Every Director and Employee an Intelligent Cooperator"

Get your Subscription in Now. Avoid the Soliciting Letter and the Importunate Cooperative Agent.

Resolutions Passed at the Sixth Congress

The following resolutions were presented by the Resolutions Committee to the Sixth Congress, and with the exception of that concerning the formation of a District League on the Pacific Coast were adopted unanimously.

1. A telegram to Agnes D. Weatherbie as follows:

"We send hearty greetings and deeply regret your absence.

Signature: Sixth Cooperative Congress."

2. Resolution Against Imperialist Wars.

"WHEREAS, with the horrors of life thus brought fresh to the other hand, the many threatening aspects of the world situation on the other hand, unprecedented but increased competition for markets, world power and consequent for supremacy through increased armaments, the question of war and peace is agitating the entire world more profoundly than ever in the past; and

WHEREAS, the consumers cooperative movement, whether on a national or international scale, while in an immediate sense it is an economic movement to better the conditions of life of those elements of society who must secure their necessities of life as economically as possible, is also a movement striving to make the condition of society, its cooperative wealth where production and distribution are carried on, the cooperative society and not the expropriated; be it therefore

RESOLVED, That the Sixth Congress of The Cooperative Consumers League, the Consumers League of the United States, declare, that the Congress of the United States shall recognize the importance upon the nation and the world of cooperative organizations and against imperialist wars. Such wars are only in the interest of that segment of society that exists through the extermination of profit and the exploitation of the working masses."

The resolution was unanimously approved.

Another Resolution "On Criticism of the Action of the Officers of The Cooperative League" was presented, but not pressed for action by a vote from the floor.

Another Resolution asking that the Congress urge the International Cooperative Alliance to discontinue "the attacks against the Soviet Union Cooperative Movement" and demanding that "The United States Government recognize the government of the Soviet Union" was also presented, but no vote requested.

5. A Resolution introduced at a later session (presented to the Congress by S. Oliverman of Los Angeles), was

"WHEREAS, there is a steady growth of cooperative societies on the Pacific Coast; and

WHEREAS, The Los Angeles Cooperative Consumers Education League is one of the most important ones which is also a member of the National Cooperative League; and

WHEREAS, we firmly believe that there is a general tide of various cooperative societies on the Pacific Coast to immigrants; and form a Pacific Coast Cooperative League; and

WHEREAS, such a League would be beneficial to the National Cooperative League; therefore be it

RESOLVED that the Sixth Congress grant the request of Los Angeles Cooperative Consumers League to take all necessary steps to organize such a League and that the Los Angeles Cooperative Consumers League is entrusted to issue call for such a League, to one other League, to be held in the near future, and to the members and officers of the Congress to give the League the needed impetus.

This motion was referred by the Congress to the Board of Directors for consideration.

4. Resolution on New Era Life Association:

"RESOLVED, that this Congress adopt the New Era Life Association as the life insurance society of the Cooperative Movement in the United States, subject to the following terms:

(a) That the New Era Life Association be treated as a non-profit cooperative society which complies with the same terms and conditions of various life insurance societies which operate under the Cooperative Movement; and

"that the insurance committee elected by the Congress be hereby instructed to give effect to this decision; and further, that this adoption be not interpreted to be the recognition of any other life insurance society which complies with the same terms and is not cooperative."

Approved.

5. A Resolution of thanks to the Cooperative Trading Company and the Waukegan and North Chicago Cooperative Association was presented:

"RESOLVED that the Cooperative Trading Company of Waukegan has shown its great interest in the Cooperative Movement by inviting the Sixth Cooperative Congress to be held in their city; and that the members of the Cooperative Trading Company, and especially its officers, have shown their interest in the Cooperative Movement by inviting the Sixth Cooperative Congress to be held in their city; and

RESOLVED that the Congress assembled, express our sincerest thanks to the members of the Cooperative Trading Company and to the members and officers of the Waukegan and North Chicago Cooperative Association for kind hospitality shown, and at the same time wishing them the best of success for the future in their glorious work."

The resolution was unanimously passed.
The Reader Writes

A COOPERATOR IN WYOMING

Extrn, Cooperation:

I certainly am pleased to know that your Eastern Wholesale Department is going ahead. I know the food is good and the cooperators need one there just the same as they do in the central states. Of course, it takes a whole lot of effort if it is left in the hands of a few, but that is the way everything starts; later, those who were doubting Thomases will come in.

I wish you had been able to come to visit us while you were in this part of the country, because that would have given you a real idea of the conditions some of the cooperators are pushing against. We are progressing well. Made nearly three thousand dollars profit for the first part of the year and business is picking up.

I'm enclosing our financial statement for the first part of the year. From that you will also see that last for previous years is over twenty thousand dollars. A huge sum. The former manager had watered the inventories, and accounts receivable were carried at full value, although half of them were bad. But we are getting our head above water and are going to keep it there.

This is a great country here. From my office window I can see snow-topped mountains 18 to 20 miles away. No great big buildings to break the view. No trees, but sage bushes out hunting rattlesnakes, and we got two. We also have bears. Cowboys, with their ropes, have come in.

This is real wild west around here. Of course, they would cut loose from everything and undertake that job. However, I am too much involved in the work of the trade union movement now and I am getting along too late in life to try it. But there is no movement that is needed quite as badly as that, not alone for what it will mean itself, but the added strength and knowledge, and through that, increased membership for the trade union movement as well as for reaching corresponding progress in a practical, effective, political manner in the best interest of the average man.

Will be glad to do anything I can from time to time that will be helpful. I think you have put a good man in my place, who will be able to render you greater service than I could, situated as I am.

Springfield, Ill.

J. H. WALKER

MORE SAVINGS ON INCOME TAX

Editor Cooperation:

About a year ago we gave you the matter of handling the additional assessment for the federal income taxes for the year 1925-26. Mr. Englander now informs us that the case is coming to an end. He has signed an agreement with the treasury on the basis that we are to pay to the treasury for 1924 taxes of $4067.14, but there are to be no additions for 1925-26.

In other words, the saving to us for the two years amounts to $4763.31. He expects to get the papers in the near future.

Mr. Englander is also handling a similar case for the years 1925-26, and he informs us that a conference has been arranged at Washington for Wednesday, November 28th. He seems to be a capable man for handling this case and we believe that he will save money for us.

Years for cooperation,

ROCK COOPERATIVE COMPANY

Arvo N. Rivera

Manager.

According to a recent study appearing in the Survey, an equal distribution of all the physical property in the United States among its people would give each family an estate valued at $16,000. An equal distribution of the national income would give every family an annual salary of $3,135.

Instead of this we have a few hundred multimillionaires and scores of millions with less than a bare living wage.
## PUBLICATIONS

### OF

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<thead>
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<td>$0.10</td>
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<td>Cooperative Movement in U.S., 1928</td>
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#### TECHNICAL

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<td>Sign or Transparency (Of League Emblem), 4 in. diameter</td>
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- Review of International Cooperation | $1.00 per year
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### BOOKS

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- Blaine, ELT.: Cooperative Movement in Russia. $2.00
- Brightwell, L. R.: "Coop" Book—For Children | $0.60
- Chase and Schlink: Your Money's Worth, A Book for Cooperative Commissions | $2.00
- Flanagan, J. A.: Wholesale Cooperation in Scotland, 1920 | $2.00
- Gide, C.: Consumers' Cooperative Societies American edition and notes, 1926, Cloth. | $2.00
- Hall, Fred: Foreword to Members of Cooperative Committees | $2.00
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- Warbasse, J. P.: The Story of the C.W.S. | $2.00
- Webb, B. and S.: The Consumers' Cooperative Movement, 1925, Board, $6.00, cloth. | $1.00
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Ten cents postage should be added for all books.

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**About Cooperation in Europe?**

- Have You a Committee on Education and Recreation?
- Schools and Stores
- A Man's Right to a Job

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**THE BAKERY AT WORCESTER, MASSACHUSETTS**

Pictured above, here's what is probably the most consistent record of financial success over the last six or eight years of the Jewish cooperatives in New England. This is the new building they moved into on the tenth anniversary of their cooperative organization. The manager, Louis Widoff, stands in the doorway.
The Workmen's Circle Cooperative Bakery of Worcester

A little over 10 years ago, on a bright Sunday morning, were one to enter a Jewish baker shop to buy a loaf of bread, he would have been told that the price of bread had gone up from 6c to 10c a pound and that the two-pound bread cost 20c, which meant an increase of 6c on a loaf of bread in practically a few months; for but 10 weeks before they had raised the price of bread from 7c to 8c per pound.

All one heard in the Jewish neighborhood that Sunday was "Bread ... 10 cents ... outrage." Every one thought and was ashamed to say that the bakers were taking advantage of war prices and that something must be done about it.

It happened that on the very same day the branch of the Labor League (now the Workmen's Circle) held its regular meeting. At the meeting members insisted that "since we are a labor organization it should be our duty to study the situation and see if it would be possible for us to bake our own bread."

A committee of 15 were elected at that meeting and a week later at a special meeting the committee reported that they had found that the rise in price of bread was not justified and that there was a bakery shop on Harding street with a store on Harrison street for rent or sale. They therefore recommended that a Cooperative Bakery be founded. They did not forget to mention that at least $5,000 would be necessary to start the bakery shop.

Five thousand dollars was raised at the next meeting; a manager secured from Boston and five weeks after the bakers had raised their prices the Labor League Cooperative Bakery was selling bread at 8 cents a pound to very enthusiastic buyers.

The first thing accomplished for the Jewish population was that a week before the opening of this bakery other bakers reduced the price to 8 cents a pound.

Among the 11 Directors elected to manage the affairs of the Cooperative there was not a single baker or one who knew anything about baking bread; and the small shop on Harding street could not supply the demand for its bread.

It became necessary to change managers and Louis Epstein was chosen. A new location was taken at 106 Water street and the Cooperative now owned two shops and employed the majority of Jewish bakers in the city, but expenses were so tremendous that they had to be cut.

At about that time Edward Dworkin was persuaded to become manager and he insisted that one bakery be built with two large ovens and that the shop on Harding street and the store on Harrison street be eliminated. After the Board of Directors had discussed the question at a meeting, lasting until 2 A.M. and the next night until 1 A.M., they decided to grant the request of the manager.

At this time one afternoon Dworkin called a special meeting of the Directors and explained to them that through some misunderstanding two carloads of flour were ordered and that they were at the freight station needing $6,500 to take them off. There was a balance in the bank of about $500. Where was he going to get the rest of the money? There was no sense in returning one car of flour, for in the first place money could be saved on it, and in the second, the mill would never again sell if such return was made.

The directors started to telephone their personal friends and each one responded with $1,300, one with $1,000, a third with $1,200 and so on with $500 and $200 until by the next morning the $6,500 was deposited in the bank. That not only gave courage but it also established credit with the mill.

A few months later they celebrated the opening of the new bakery shop at 106-108 Water Street. It was the cleanest and most modern Jewish bakery in the city. Things ran smoothly for a while, but the other bakers realized that their money-making days were over. They sold bread at 7 cents a pound. The Cooperative could not do it, lost some trade and profits were very small. Every one in a while it became necessary to borrow money to meet urgent bills, and it became more convenient to buy flour from local dealers in 50 barrels at a time. The profits shrunk still more and at the end of the year the directors were ashamed to tell the shareholders the facts of the situation.

Then manager Edward Dworkin died. It was a blow, for the cooperators loved him as a friend of sterling character.

Samuel Soloway then became manager of the Bakery. He paid up every bill with personal funds and with money borrowed started to buy the way a business like this had to buy and at the end of the first year the results were somewhat different. In the years that Soloway had charge of the bakery, regardless of the fact that the wages paid to workers almost doubled, he managed to achieve a substantial profit.

Soloway resigned his position and Louis Widoff, a worker in the shop and always an ardent supporter of the "Cooperative" became, and is now, manager. Under his guidance the bakery is progressing in the right direction.

The new quarters have three large, modern ovens and all new machinery. The store is provided with cases for the bread, rolls and cakes where no dust can reach them. The walls of the bakery and store are built of white tile.

During the 10 years the Directors have helped every worthy cause, especially the Jewish Home for Aged and Orphans, which receives about $1,000 each year.
The Cooperative Bakery has saved the Jewish population in Worcester thousands of dollars during these 10 years (the difference between what they paid for bread and what they would have paid if the Cooperative Bakery did not exist) and with the new facilities will be able to give the people of Worcester clean and healthy bread, rolls, chale and cakes at prices ever reasonable.

On Sunday, May 27th, the Tenth Anniversary of the Workmen’s Circle Cooperative bakery was observed with a mass meeting in Mechanics Hall, with more than 1000 people to listen to an excellent musical entertainment and speaking. Meanwhile crowds of people had been inspecting the new bakery and store Saturday afternoon and evening and all day Sunday.

This bakery enjoys the special good fortune of being able to do half of its business directly from its own retail store. Thus the heavy expenses of truck delivery are in a large part eliminated. There are twelve full-time and four part-time employees. The membership is approximately 200.

Following is the story of the past five years’ sales and gains:

<table>
<thead>
<tr>
<th>Year</th>
<th>Gross Sales</th>
<th>Net Gain</th>
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<tr>
<td>1923</td>
<td>$75,249</td>
<td>Gain $3,229</td>
</tr>
<tr>
<td>1924</td>
<td>64,369</td>
<td>Loss 1,239</td>
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<tr>
<td>1925</td>
<td>79,257</td>
<td>Gain 962</td>
</tr>
<tr>
<td>1926</td>
<td>84,141</td>
<td>Gain 3,211</td>
</tr>
<tr>
<td>1927</td>
<td>78,806</td>
<td>Gain 2,530</td>
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</table>

Share capital paid in amounted to $1,920 at the beginning of 1928, and reserve fund to $11,586. There were $8,500 invested in credit union shares or on deposit in savings accounts. Auditor’s reports for the past five years show no record of any bills payable.

A CHALLENGE

The Workers Cooperative Union of Lawrence, Mass., claims to have the neatest and most beautiful little delivery truck of any in the country. The Editor of Cooperation has to admit he has not yet found a better one. Still it may exist. There fore the cooperators of Lawrence challenge their fellow cooperators in other parts of the country to show what they have to compare with this bakery truck. And if there are not delivery rigs equally attractive, why not? Cooperation stands for beauty as well as economy. The Editor passes this challenge along and invites pictures from those who dare compete.

INTRODUCING THE NEW EDITORS

With this issue of Cooperation we welcome the following contributing editors, all of them now serving on the board of directors of The League or elected to so serve next year:

V. S. Alanne, Executive Secretary, Northern States Cooperative League.
Otto Endres, President, Utica Cooperative Society, Utica, New York.
L. S. Herron, Editor, Nebraska Union Farmer, Omaha, Nebraska.
George L. Kennedy, President, Central States Cooperative League, Villa Grove, Illinois.
H. V. Nurmi, Chief Accountant for Cooperative Central Exchange, Superior, Wisconsin.
Estel Romm, Manager, Cooperative Central Exchange, Superior, Wisconsin.
Matt Tenhunen, Lecturer and Writer for Cooperative Central Exchange, Superior, Wisconsin.
James P. Warbasse, President, The Cooperative League, New York City.
A. W. Warinner, Secretary, Central States Cooperative League, Bloomington, Illinois.

The national organ of The League should of course have the editorial services of such men as these. The three who are officers of district leagues are at the very forefront of the campaign to create a strong and lasting consumers cooperative movement in the United States, and we need to hear from them often. The three others who speak in behalf of the Cooperative Central Exchange and its affiliated stores in Minnesota, Wisconsin and Michigan, are listed among the ablest executives of that wholesale insti-
THE COOPERATIVE, THE CHAIN STORE, AND
THE ANSWER

By Albert S. Goss

There is nothing new in the chain store idea, but there is something definitely new in its application. Almost overnight there has been developed in America a system of merchandising with a volume of business, running into hundreds of millions of dollars per year. This has been made possible largely through centralized buying, and by doing business for cash. Cooperatives should have been following this system for years (as was originally intended), but they have extended credit too liberally, and, with additional delivery costs, selling prices have been forced higher and buying ability limited to wholesalers willing to "carry" the account. This naturally resulted in higher costs of merchandise, thereby sending the careful cash buyer here and there for so-called special. Result—increased sales and decreased cash sales. The Chain Store has grown by leaps and bounds, while the progress of the cooperative has been slow, and in many instances has suffered a set back by reason of chain store competition.

Two questions naturally present themselves: Wherein lies the difference? And, can the cooperative enjoy the advantages of the chain store and meet its competition?

The answer to the first question is found in a study of American cooperatives and their experience. We find that they do not actually cooperate with each other in buying. We have visioned the day when we would be able to pool a sufficient volume of business to manufacture the product, and 10 per cent to sell the product, which was all handled through the jobbing trade. With the advent of high powered advertising and salesmanship, the competition became keener and keener until fifteen years ago the selling costs had mounted to 60 per cent while the manufacturing costs had actually declined. Today the selling costs approach 100 per cent with the manufacturing costs a trifling lower. Facing such a situation, is it any wonder that when a chain store manager came along with a contract taking the entire output of the cereal factory, that the manufacturer welcomes him with open arms and confines his energies to manufacturing problems, being content with a modest profit, and leaves the selling problems to one who has been able to reduce most of the costs which inexorably piled up on the manufacturer.

What is the American cooperative store set out to do, but how have we done it? A survey of one of the cooperative "chains" recently made showed that less than 16 per cent of the goods sold were bought through their own cooperative wholesale organization, where approximately 60 per cent could have been bought through that organization as cheap, or cheaper, than the prices actually paid. Other chains have fared even worse, so that nowhere in America have the cooperatives placed themselves in a position to get their merchandise at figures as low as anyone of a dozen commercial chains.

A survey of another cooperative chain has shown a high percentage of failures over 50 per cent which are due to the unwise extension of credit. It is too late to establish the stores on a cash basis and absorb the entire output of a line of factories, or to own the factories; and this possibility is absolutely sound.

The writer has had the opportunity to be intimately familiar with a cereal product over most of a period of thirty years, and has watched the changing methods of distribution with keen interest. Thirty years ago the manufacturers used to figure roughly that it cost 10 per cent of the cost of the raw materials to manufacture the product, and 10 per cent to sell the product, which was all handled through the jobbing trade. Almost over night there has been developed in America a system of merchandising with a volume of business, running into hundreds of millions of dollars per year. This has been made possible largely through centralized buying, and by doing business for cash. Cooperatives should have been following this system for years (as was originally intended), but they have extended credit too liberally, and, with additional delivery costs, selling prices have been forced higher and buying ability limited to wholesalers willing to "carry" the account. This naturally resulted in higher costs of merchandise, thereby sending the careful cash buyer here and there for so-called special. Result—increased sales and decreased cash sales. The Chain Store has grown by leaps and bounds, while the progress of the cooperative has been slow, and in many instances has suffered a set back by reason of chain store competition.

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a reputation spells solidity and permanence.

Third,—Better service. Personal service does not follow the cut price plan for. The family atmosphere of the true cooperative store cannot be surpassed as a holder of trade. Deliveries are sound, if prices are based to cover them. A large portion of the buying public are more concerned with dependable goods and good service than with cut prices.

Fourth,—A wise credit policy. The store business is merchandising. The extension of credit is a different business requiring different treatment. A cash trade is most desirable from every standpoint, but there are usually many desirable customers who prefer credit, who can get credit, and who are entitled to credit. If credit can be confined to such and handled on a sound basis, it is the best possible facilities for making such a selection.

First in the credit union type of credit, and handled on a sound basis, it is the best possible facilities for making such a selection. Those who have no accounts or whose accounts are guaranteed by others or their neighbors. So here the cooperative finds another distinct advantage which few are using.

The chain store has come, and come to stay. It will always handle a certain class of trade, and get its share of the business. It is high time that the cooperative store boards of directors recognize this, and prepare to meet the competition by providing equal values for their customers through effective pool buying, and by providing such types of service as the cooperatives furnish particularly well, and better than the chain stores. In this way, they are doing the community a real service by keeping the money at home. They should let this fact be known to all.

It is high time that we stop crying about the unwarranted competition of the chain store and criticizing our members for lack of loyalty. It is rather up to us to practice a little more practical loyalty to the basic principles of the cooperative movement, and to modernize it and keep it abreast of the business developments of the day. Our principles are sound. If whole-heartedly carried into effect, they will provide the remedy for the economic inequalities and injustice which prevail today. There is just as much reason for a religious loyalty to our principles as ever, but there is need for more aggressive and constructive business practices.

Cooperative distribution is a business, not a religion; and sound, strict and efficient business methods must be applied in order to meet present day competition. Here lies the test. Are we big enough to meet the new situation?

KEEPS PRINCIPLES FOREMOST

If cooperators are going to imitate the private traders, they might have spared themselves this trouble of establishing Cooperative Societies, which are not commercial enterprises merely to sell goods least of all the general public. To violate this essential principle would be like cutting off the branch on which they are sitting.

Heinrich Lorenz, President

German C. W. S.

News and Comment

WHO WILL TEACH FARMERS HOW TO THINK?

"Our first and foremost job is to help the farmer think in economic terms."

Fortunately, the economic approach is gradually taking its rightful place alongside the purely production approach in the minds of American farmers." So says the chief of the Bureau of Agricultural Economics of the U. S. Department of Agriculture in speaking to the In this, they are doing the community a real service by keeping the money at home. They should let this fact be known to all.

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COOPERATION

GAINS AT BROCKTON

The Hebrew Cooperative Bakery at Brockton, Mass., is finding its aggressive policy of going after new consumer business a paying policy. During the summer this bakery supplied three camps with bread, the Workmen's Circle Camp at Framingham, the United Workers' Cooperative Camp at Franklin, and the Y.M.H.A. Camp at Middleboro. Though this meant some long and expensive handling with the truck, yet it raised the volume of bread handled so that overhead cost of production was materially reduced. The Hebrew Bakery has also been selling to the United Cooperative Society of Quincy for almost a year, and recently has started a bread route among the consumers of Quincy, thanks to the assistance given by the Quincy Society.

DEVELOPMENTS IN THE CHAIN STORE FIELD

The chain stores in the general merchandise field (excluding the straight grocery chains) now number 12,000, operated by 1,100 separate corporations. In the drug line the big fight at present is going on between L. K. Liggett and Walgreen. The latter corporation still builds its local stores around the registered pharmacist and pays a minimum salary of $40 per week to such men. Six hundred new units have been added to the various chain drug company operations during the past ten months. The McCrory store corporation has recently acquired ten new units. Schulte and United Cigars have combined and are going into the grocery game with 20 stores opening on the first of January. The grocery chains have opened 3,000 new stores during the past year.

One of the new developments in the grocery line is the number of non-grocery items which are being taken on by the chain stores. A list of toilet articles carried by the Piggly Wiggly grocery stores, with a statement of the gross mark-up which they are credited with making on these items, follows:

<table>
<thead>
<tr>
<th>Article</th>
<th>Mark-up % of Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Listerine, 3 oz.</td>
<td>25</td>
</tr>
<tr>
<td>Listerine Tooth Paste</td>
<td>35</td>
</tr>
<tr>
<td>Pyodento Tooth Paste</td>
<td>29</td>
</tr>
<tr>
<td>Ipana Tooth Paste</td>
<td>33</td>
</tr>
<tr>
<td>Multiflex Cocomo Oil Shampoo</td>
<td>22</td>
</tr>
<tr>
<td>Iodon Tooth Paste No. 1</td>
<td>33</td>
</tr>
<tr>
<td>Iodon Tooth Paste No. 2</td>
<td>33</td>
</tr>
<tr>
<td>Velsene Tooth Paste</td>
<td>26</td>
</tr>
<tr>
<td>Hinds Honey &amp; Almond</td>
<td>32</td>
</tr>
<tr>
<td>Pedigoon</td>
<td>23</td>
</tr>
<tr>
<td>Dr. Davis Tooth Brush No. 1</td>
<td>22</td>
</tr>
<tr>
<td>Dr. Davis Tooth Brush No. 2</td>
<td>22</td>
</tr>
</tbody>
</table>

My Livest News Item of the Month

BANNER YEAR AT WAUKEGAN

Total sales for the year 1928 amounting to $670,305.34, or an increase over 1927 that fails only $248.88 of $100,000.00, or 17.21 per cent is the proud record of the Cooperative Trading Company, of Waukegan, Illinois, for what will undoubtedly prove to be the banner year, so far, in the history of the development of this fast-growing society which can now boast of being one of the largest consumers' cooperatives in the country.

The quota set for the year was $850,000.00. This has been exceeded by nearly $80,000.00 and no doubt a much stiffer one will be set for 1929. That it too will be reached and exceeded, no one has intimate knowledge of the spirit and militancy of this organization will doubt.

While it is too early yet to make an accurate estimate of the showing in gross and net savings for the year, it is safe to predict that they will be substantial and satisfactory, as has been the case for a number of years past.

A. W. W.

Northern States Cooperative League

TOURING COOPERATIVE STORES IN NORTH DAKOTA

By V. S. ALANKE

Executive Secretary, Northern States Cooperative League

Touring Cooperative Stores in North Dakota

North Dakota is "organized territory" in the Consumers' Cooperative Movement of the United States. It does not properly belong under the jurisdiction of the Northern States' Cooperative League. But recently the Secretary had an opportunity to do a little cooperative organization work in central North Dakota and at the same time pay a visit to some of the cooperative stores operating in the state. It may interest cooperators in other parts of the United States to know what is going on in the field of consumers' cooperation in North Dakota.

The Northern States' Coop. League office in Minneapolis has had some correspondence with or has known of the existence of about a dozen cooperative stores in North Dakota. During his organization trip, the Secretary learned of the existence of five more cooperative stores (those at Jamestown, Turtle Lake, Garrison, Powers Lake and Woodworth) and actually visited three of these.

Many interesting features were disclosed in regard to these stores. It may be said that with very few exceptions the Consumers' Cooperative Movement has not yet become securely rooted in North Dakota. The movement is still in its infancy and a great deal of propaganda and educational work must be carried on before it can expect to be well established in the state and before further failures can be avoided.

However, the Non-partisan League Movement as well as the recent organization work carried on in the state of North Dakota by the Farmers' Union have helped or are now helping to create a favorable sentiment particularly among the farming population of North Dakota toward cooperative principles and the Cooperative Movement in general, and, although in a smaller degree, toward consumers' cooperation also.

A LEADER AMONG NEBRASKA COOPERATIVES

Ten consecutive patronage dividends, besides 8 per cent interest on shares every year, is the record of the Farmers Union cooperative store of Neligh, Neb., in the 10 years since it opened for business on November 1, 1918. The patronage dividend on purchases has never been less than 4 per cent, and in several years ran up to 6 per cent and 7 per cent.

This is a farmers' store, and operates a cream station in which cream is gathered and shipped to a creamery. The patronage dividend on cream has never been less than 2 cents per pound of butterfat.

For the latest fiscal year, the association has made a patronage dividend of 5 per cent on purchases and 3 cents a pound on butterfat handled in the cream department.

Sales merchandise in the past year totaled $123,922.60, with an operating cost of 14.2 per cent. The association had no bills payable at the close of the year, and its bills receivable were only $1,136.35. Its share capital is $25,630, all but a little more than $5,000 of which has been accumulated from patronage dividends retained or left in for shares. It now has a surplus fund of $5,126, and a reserve for depreciation of $4,214.

A serious fault of this association is that it is built too largely around the manager, A. E. Graybiel, an experienced merchant, and has not given sufficient attention to the development of cooperative morale. As a consequence, it is threatened with a serious slump in business due to the invasion of the community by chain stores.

L. S. H.
Minot Cooperative Company

The only cooperative store society in North Dakota now affiliated with the national movement is the Minot Cooperative Company, located in the northwestern part of the state. This society was organized in 1920 by railroad employees in the towns where transportation was available. They had not been able to obtain cooperative stores, and they therefore decided to form one themselves. The Minot Cooperative Company had, fortunately, developed into a real organization; that is, it had had a few members who actually knew their business and under such leadership even the loss of a good manager could not disturb the steady progress of the organization. The board chose one of the clerks, Mr. J. W. Howe, to manage the store and under him the store has continued to prosper. As the Minot Cooperative Company handles only groceries, there is a good deal of room for further expansion.

Cooperative Cash Mercantile Company of Turtle Lake

Another interesting cooperative store I visited is the Cooperative Cash Mercantile Company of Turtle Lake. This store is also one of the largest in North Dakota. In 1925 its sales were $172,633.11, but on account of the prevailing drought conditions, they dropped to $146,630.80 in 1926 and were only slightly larger in 1927 ($164,045.06). The store has been incorporated since 1921 but the present organization was not incorporated until 1924. Under the guidance of the present manager, Mr. J. Vonderheide, the store organization which was badly in a “hole” seven years ago, has quickly recuperated and accumulated substantial profit accumulations amounting to $21,000.

Railroad Cooperative Stores Company of Jamestown

Another “bright spot” in the field of consumer’s cooperative stores in 1921 is the Railroad Cooperative Stores Company of Jamestown. Organized in May, 1915, this cooperative has gradually become one of the leading stores in the town. It has 325 shareholding members. The total assets of the company at the end of 1927 were reported to be $322,234.64. The store is located in the northwestern part of the state. This society was organized in 1920 by railroad employees in the towns where transportation was available. They had not been able to obtain cooperative stores, and they therefore decided to form one themselves.
Cooperation Abroad

At its last meeting the Executive of the International Cooperative Alliance appropriated $2,400 to the Cooperative Union of Canada to assist the latter organization in its propaganda work. The Canadian Union, now twenty years old, has never had sufficient funds to carry its legitimate overhead expenses, let alone any effective and large scale educational campaigns. This is the first outright grant of this kind that has ever been made by the I. C. A. to a national union.

Canadian cooperators are building their own wholesale societies. Last year the Manitoba Cooperative Wholesale got under way. With the beginning of 1929 similar wholesales opened for business in both Alberta and Saskatchewan. A. P. Moan, formerly manager of the very successful local society at Wetaskiwin, is managing the first. The second was given detailed comment in these pages last month.

In the autumn the Cooperative Union of Great Britain made an appeal for funds to destitute British miners. Up to the middle of December nearly $100,000 had been donated by various local societies. These funds were all distributed through the cooperative stores in the mining areas, the miners receiving vouchers which are exchangeable at the stores for food and clothing.

Much useful work was accomplished at the November meeting of the Central Committee of the International Cooperative Alliance at Geneva. Long standing differences between the Soviet cooperatives and those of Central and Western Europe were composed and a new start made. A special Committee was appointed to consider the future activities of the Alliance, and this was decided to extend immediately the work in the fields of economic research, publicity, and education. Cartels and Trusts were singled out for immediate research. The International Cooperative School, started seven years ago by the British Union and hitherto maintained by joint action of that Union and the I. C. A. was definitely adopted as an integral part of the I. C. A. for the future. Aid was extended the Canadian Cooperative Union. New members were admitted to the Alliance from Latvia and India.

An interesting amalgamation of two important cooperative societies in Glasgow, Scotland, has recently taken place. The Progress Cooperative Society was formed in 1895 by some employees of the Scottish Cooperative Wholesale Society. It began by buying clothes and shoes at cost from the wholesale and retailing them to its members at cost plus overhead. It thus departed from one of the usual policies of cooperatives, but apparently with success, as its low prices met with a heavy response from a public all the more earnestly disposed for the new movement. The society has agreed to absorb the Progress Society and to give its members shares according to the value of their investments. The capital investment may be partially or entirely lost, and with this loss the income sacrificed. The man who invests capital usually gets the income from his investments, but not more. The capital itself, the money that he has set aside for his old age, he does not use. If he should spend some of this capital his income would be reduced. If he should spend all his capital, he would have neither capital nor income left. This means that the man who saves for old age is saving capital that somebody else is going to get and use. He himself never gets the full benefit and use of this capital. All that he has out of it is the income from the age class of each. This is the feature that gives this principle its peculiar strength to this plan of saving. It is sound as well as unique as a method of providing an income in old age.

The income from the investments of the capital of the Brotherhood is paid to each member in proportion to the amount of money that each member has paid into the Brotherhood, and in proportion to the income from the age classes of each. This is reasonably sure, in the beginning, to be 5 per cent or 6 per cent annual divident; later it becomes 10 per cent or 12 per cent, and finally, if the member survives, it may become 50 per cent or more, on his investment. Therefore, as his earning power declines, his income increases.

When the member dies his capital remains in the Brotherhood; and the surviving members get the income from it. This is the feature that gives this principle its peculiar success. As members die, and no longer need money, the living members inherit it. Each member who dies bequeaths as a legacy to the other members all of his investment in the Brotherhood. This method of saving is for the living; dead men need no money.

The depositor in a savings bank gets a low rate of interest for the privilege of not for death. He puts his idea in operation in what he called the Brotherhood of the Commonwealth, which he started in 1894. This is a fraternal organization, now under the "Benefective Orders Law" of the State of New York, Chapter 297, of the Laws of 1910.

In this organization a member each year puts in $5, or more if he wishes. This is called annual dues and buys shares. Every dollar paid in as dues buys one share. Each member is assigned to a class of all the members who were born in the same year in which he was born. Thus the membership is divided into birth-year classes. Anyone, of any age, may join the Brotherhood. There are members who were admitted the day they were born. No medical examination is required.

Some people put in $5 at a time; some put in $100, or $3,000. But here is the interesting thing: nobody ever takes out his invested capital. And it is precisely this fact that gives the peculiar strength to this plan of saving. It is sound as well as unique as a method of providing an income in old age.

SAVING FOR LIFE, NOT FOR DEATH

By J. P. Warner

Security in old age is wanted by everybody. All people think that some people try to do something about it; the great majority fail to attain it, and, consequently, are supported in their old age by friends, family, or charity. The common method of providing for old age is to place some of one's savings in a bank, in income-yielding real estate, or in stocks or bonds.

Banks sometimes fail; property may depreciate in value; heads are not always paid; and stocks often do not yield dividends, or they become worthless. Thus capital investment may be partially or entirely lost, and with this loss the income sacrificed.

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In this organization a member each year puts in $5, or more if he wishes. This is called annual dues and buys shares. Every dollar paid in as dues buys one share. Each member is assigned to a class of all the members who were born in the same year in which he was born. Thus the membership is divided into birth-year classes. Anyone, of any age, may join the Brotherhood. There are members who were admitted the day they were born. No medical examination is required.

Some people put in $5 at a time; some put in $100, or $3,000. But here is the interesting thing: nobody ever takes out his invested capital. And it is precisely this fact that gives the peculiar strength to this plan of saving. It is sound as well as unique as a method of providing an income in old age.

The income from the investments of the capital of the Brotherhood is paid to each member in proportion to the amount of money that each member has paid into the Brotherhood, and in proportion to the income from the age classes of each. This is reasonably sure, in the beginning, to be 5 per cent or 6 per cent annual dividend; later it becomes 10 per cent or 12 per cent, and finally, if the member survives, it may become 50 per cent or more, on his investment.

Therefore, as his earning power declines, his income increases.

When the member dies his capital remains in the Brotherhood; and the surviving members get the income from it. This is the feature that gives this principle its peculiar success. As members die, and no longer need money, the living members inherit it. Each member who dies bequeaths as a legacy to the other members all of his investment in the Brotherhood. This method of saving is for the living; dead men need no money.
being able to withdraw his capital. The depositor in the Brotherhood gets a high rate of interest for not withdrawing his capital.

The dividends which each member receives come from the income derived from the invested capital of the Brotherhood plus that from the capital belonging to his class. His proportional share of this income is determined by the amount of money that he has invested in the Brotherhood.

Each birth-year class is kept separately. Usually the older the group the larger the dividends, because the older the classes the fewer are the survivors. But the last survivor of any year class receives all of the income from all the money that has been paid in by all of the members of his class.

Since the Brotherhood was organized there has been an increase of its capital of an average of 5% per cent each year. As an example of the benefits that have been paid to members, the following table of its year classes shows the increase of capital that the members of each class received in one year. In addition to the regular annual dividend, or income, members in the following birth-year classes had their principal increased by "Increment Dividends", through the deaths and lapses of members in their respective classes that occurred during the year 1927, as follows:

<table>
<thead>
<tr>
<th>Class of</th>
<th>1845</th>
<th>1853</th>
<th>1864</th>
<th>1876</th>
<th>1880</th>
<th>1881</th>
<th>1886</th>
<th>1891</th>
<th>1897</th>
<th>1901</th>
<th>1906</th>
<th>1919</th>
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<tr>
<td>Average</td>
<td>52%</td>
<td>50%</td>
<td>50%</td>
<td>50%</td>
<td>50%</td>
<td>50%</td>
<td>50%</td>
<td>50%</td>
<td>50%</td>
<td>50%</td>
<td>50%</td>
<td>28%</td>
</tr>
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</table>

This percentage of increase in the investment of each class is similar to the declaring of a stock dividend.

The above is a practical demonstration of the actual results attained in this short time. The principle may be illustrated as follows:

Eighty per cent of the annual dues received by members are invested at an average of 5% per cent per year, and the income therefore is distributed to the members. A class of 1,000 members, each paying $5 a year for 20 years, would produce this result:

| Years | Dues | Shares | Dividends
|------|------|--------|--------|
| 20    | $10,000 | $20,000 | $2,000

This is distributed each year to all surviving members of the class.

The last 32 living members of the class will each receive a yearly income of $137.50. The last 16 living members of the class will each receive a yearly income of $73.75. The last 8 living members of the class will each receive a yearly income of $36.87. The last 4 living members of the class will each receive a yearly income of $18.43. The last 2 living members of the class will each receive a yearly income of $9.21. The last living member of the class will receive a yearly income of $4.60.

During this entire period each member has received annually at least 5 per cent interest on the money he has paid into the Brotherhood.

The foregoing figures assume that each member puts in only $5 a year. But if any member puts in $10, his income will be double that of the member who puts in $5 a year; and if he puts in $100 a year, his dividends will be increased twentyfold over the dividends of the member who pays in $5 a year. This is perfectly reasonable and just, because in the end he is going to increase the invested capital of which his interest is paid. His dividend rate declared by the Brotherhood has increased and will continue to do so.
every detail of this organization with surprising accuracy. There are no questions that one can ask about it that have not been answered. No advertising has boomed every detail of this organization with surprise. It began with 25 members, and has steadily grown to 1,500 members today. These are in every part of the United States and in many foreign countries. The membership grows largely through the personal interest of members. It is to the advantage of each to get new members because every surviving member is going to inherit a share of the property of every one who dies. The more members, the better for all. The growth is natural.

The assets amount to over $57,000.00, invested in first guaranteed bond and mortgages and in savings institutions, yielding 6 per cent, 5½ per cent and 4 per cent annually—an average of 5½ per cent.

Why does not this organization grow faster? There is no reason except the indifference of the public. People who can little afford it, instead of going into this Brotherhood are investing millions of dollars in all sorts of doubtful enterprises. In twenty-five years only a few discerning people have seen far enough to invest $57,000.00 in an institution which represents the soundest principle in finance.

This is the American improvement of the old Tontine insurance principle, which has been so successfully used in Europe for more than a hundred years. It grows slowly because no outside stockholders, no highly salaried officials, no advertisers make any money out of it. The Brotherhood idea is based upon the fact that people die and leave their property to people who in turn must die; and thus can be built up a joint fund always serving those who make a contribution to it.

The cooperative principle is exemplified in this plan. Each member, by making his yearly payments, is doing something for all of the other members, each of whom is doing something for him.

Here is a plan capable of uniting people into a brotherhood for their mutual advantage and helping toward their financial support in a world in which both of these are sorely needed.

**New Books**

**International Dictionary of Cooperation**, Volumes I and II. By Professor Dr. V. Totomianz. Struppe & Winckler, Berlin W. 35, 1928.

These two volumes of Professor Totomianz’s “Dictionary” should be called “Encyclopedia.” They cover every field of cooperation and consist of articles on cooperative subjects. Some of the articles take several pages.

Professor Totomianz has secured the services of a hundred contemporary authorities on cooperation and assigned the various articles to them for writing. Special attention is given to the international development of cooperation. The subjects are arranged alphabetically. Most are written in German; a few are in other languages.

Not only are articles on the various countries presented, but the various fields of theory, practice, and history are included. Building cooperatives, banking, copartnership, Christian socialism, finance, biographies of outstanding individuals, etc., are examples of the subject matter. The plan of the books is strictly encyclopedic.

The article on America naturally appears early in the first volume. It is written by Professor Totomianz himself and has been compiled from the best available sources of information. Why the development of cooperation in the United States is slow is elucidated by Agnes D. Warbasse.

The articles are well written and contain information which brings them up to date. The second of these two volumes is carried as far as “I,” the final articles dealing with “International Cooperation.”

Professor Totomianz deserves the thanks of all cooperators for this important piece of work that he has undertaken. It is a highly valuable contribution to the literature.
PUBLICATIONS

THE COOPERATIVE LEAGUE

HISTORICAL

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BOOKS

About Cooperation in Europe: (40) Maria Yes, a Committee on Education and Recreation; (45) School and Stores; (47) A Man's Right to a Job.

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IN THIS ISSUE

The Uncooperative Manager
When Poultrymen Cooperate
My Point of View: —Watch Business

Cooperative Insurance
Comparative Figures for Largest Societies

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

Published Monthly by
THE COOPERATIVE LEAGUE OF THE
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167 West 12th Street, New York City
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Vol. XV, No. 3
MARCH, 1929
10 CENTS
Editorial

THE UNCOOPERATIVE MANAGER

Is there “such an animal”? Yes, he is still common in our neck of the woods. In fact, I am tempted to say he is even more common in our parts than the honest-to-goodness cooperative manager. We are not yet fully civilized, in the cooperative sense of the word. We in the Northwest are still living in a cooperative wilderness, with the outpost of civilization rather few and far between.

In fact, some of our so-called cooperative managers are even found in a wild state. In one locality, north of Minneapolis, we had about a year ago the unheard-of experience of being shown to the door by the manager of the local cooperative store, simply because he was our friend, and, by the force of logic, all representatives of the cooperative central organization his enemies. His gruesomely uncooperative attitude is illustrated by his muttered explanation: “We can take care of our own business.”

The Earnmarks of an Uncooperative Manager

How can an uncooperative manager be identified? Here are a few of the characteristics by which he will be known. If you find a manager to have all or most of these characteristics, he is of the uncooperative type.

The uncooperative manager sees no difference between cooperative business and ordinary business.

He sees no need for cooperative education and severs at the efforts of cooperative central organizations to carry on such educational work.

He feels very much his own importance and looks down on his board of directors as “a bunch of ignorant farmers” or “men who know nothing about business.” At the store he tries to put up a front of a “dignified businessman.”

He joins the local businessmen’s clubs and goes to their conventions but never attends any meetings or any headway meetings. From the latter he thinks he has “nothing to learn.”

He fails to understand the necessity and the advantages of a cooperative wholesale and views its representatives with suspicion and distrust. He advocates that his society join the “Independent Grocers’ Alliance” or some similar organization, but thinks it had better keep away from any genuinely cooperative wholesale organization.

He considers the traveling salesman of the private jobbers his good friend, and, by the force of logic, all representatives of the cooperative central organization his enemies. His grossly uncooperative attitude is illustrated by his muttered explanation: “We can take care of our own business.”

He opens a book on cooperation and spends a penny on cooperative magazines and periodicals.

Where Does the Uncooperative Manager Come From?

He comes from the world of the old-fashioned business methods, such as premium sales, bargain counters, giving cigars to “good” customers, etc., and thinks a cooperative store can not get along without such methods. He does not think much of such cooperative advertising methods as arranging of educational meetings with cooperative speakers, mailing circular letters to members and customers, displaying cooperative slogans at the store, etc.

He never opens a book on cooperation and spends a penny on cooperative magazines and periodicals.

What Is the Uncooperative Manager Good For?

His value for the Cooperative Movement is not only nil, but has a distinctly negative and detrimental value. In many instances it would be much easier to reform a non-cooperative store if it were not for the influence of the uncooperative manager. It is much easier to win over a non-cooperative manager than a cooperative manager, as a cooperative manager cannot make it go, but if he manages the same store as his own he is able to make a success of it.

The uncooperative manager is certain to gravitate out of the Cooperative Movement sooner or later—provided he does not have a complete change of heart. Such a change of heart would be almost a miracle; most of the uncooperative managers are looking for the first chance to get out of the Movement; they feel rather out of place in it. Some of them—the dishonest ones—don’t even hesitate to make an offer to the board of directors of the store they are serving. They manage the store in such a manner that it is soon on the verge of bankruptcy, and then make an offer to the board and the membership to take the store over. What a glaring inconsistency! When the uncooperative manager his store does not work, he can’t make it go, but if he manages the same store as his own he is able to make a success of it.

What Influence Has the Uncooperative Manager Over His Directors and His Membership?

It is deplorable that in many instances the influence of the uncooperative manager over his board of directors and the membership is still unduly great. However, he can last only in places where the level of cooperative education among the membership is low and the knowledge of the true nature of cooperative business hazy and insufficient. In such localities the membership has the tendency to leave everything to the manager. The members themselves are interested chiefly in dividends. They do not want to take upon themselves any responsibilities or worries for the welfare of the business.

And where the membership feels and sets this way, the board of directors is likely to follow suit. There are many instances in our district where the directors of the cooperative store are mere figureheads, they do not direct. They may meet three, four times a year, but only to spend a couple of hours in talking over their own farm problems, the latest news or—the weather. There are cases where the directors never meet. Board meetings are often subject to the call of the manager and if the manager feels that he can get along without the aid of the board, he never calls his directors together. In such cases the manager is “the whole cheese” and the cooperative store is only a sorry shadow of what it should be.

To break the detrimental influence of the uncooperative manager on his board of directors and on the membership, our task must be to make the directors really ambitious of directing, and to arouse among the managers sufficient interest in the affairs and welfare of their own store so that they begin to attend meetings and assume a real responsibility on the control of the store. This is an arduous and difficult task—but it can be done and must be done.

Herein lies the uncooperative manager, if he proves incapable of reforming! Let’s continue our cooperative training schools and turn out of these schools those cooperative managers capable not only of making the societies in our district financially successful but also making them true and live cooperative societies, keen on joining forces with other genuine groups for the purpose of building a real, solid consumers’ Cooperative Movement in these our United States.

V. S. ALANNE
"It is forbidden for any society affiliated with the Cooperative Union to organize businesses in such a way as will place it in competition with another affiliated society. Furthermore, it cannot open new stores within the radius of activity of another society. In case this rule is broken, the Cooperative Union is obliged to discontinue all relations with the delinquent society."

Translation from Rules of Cooperatives for the Bild of Sweden

The foregoing is only a sample of the kind of rule which is strictly enforced by the central unions or wholesale sales of many of the countries of Europe. The responsible cooperators do not intend to have local societies using their valuable energies and material resources to compete against other cooperative associations when there is the entire capitalistic system still unconquered and requiring all the attention which cooperatives can give to it. If a cooperative society wishes to test its strength in competition with other business, let it be careful in the selection of its antagonist. It would not seem that in the United States this was yet a serious problem. And in general it is not. But there are many definite communities where cooperatives are actively competing one with another. Waukegan, Second, has had two Finnish organizations (one of them only semi-cooperative) situation side by side on the same street for many years. The former of the two companies last year bought out its competitor. Brooklyn has two Finnish restaurants only one block apart. One Eastern town of only seven thousand inhabitants has four cooperative butcher shops, three operating bakeries, five operating grocery stores. But they are scattered geographically or they are catering to distinctly different consumer demands; they are not in competition. The same situation exists in other large cities like Chicago and Cleveland. When these societies have extended their activities to the place where they are competing for the business of the same public, then it will be necessary to plan for amalgamation.

Should The League establish such a rule as is common to most of the cooperative movements of Europe? Some will reply that the score that we would be interfering with the liberty, infringing upon the local autonomy of independent societies. But, on the other hand, it is the duty of The League to remind the cooperators throughout the country that their job is not that of attacking other cooperative societies.

C. L.

HOLDING TO FUNDAMENTALS

The true meaning of the Movement cannot be raised in pounds, shillings and pence, but only in the everlasting sacrifices of our veterans who have made it possible for our Movement to be the result of the labours of our veterans and of ourselves. A small group of progressive co-operators in the northern part of the valley concluded that a cooperative had adopted marketing organization to sell the local market and ship to eastern markets when the market was too small. These organizations should be realized by a cooperative.

G. Booth, President
C. W. S. of New South Wales

When Poultsmen Cooperate

The fastest growing poultry coopera- the country's Movement is the story of the cooperative method of solving economic problems.

In 1923 the volume of business topped the 300,000 case mark, and the association was expanding rapidly, much faster than the local market. New outlets in the East had to be opened up to absorb this growing surplus. These Washington cooperatives, founded by the cooperative method, had established associations to the south facing a similar problem. So the Washington Cooperative Egg and Poultry Association, The Pacific Poultry Producers Cooperative of Portland, Oregon, the Poultry Producers of Central California, and the Poultry Producers of San Diego organized the Pacific Egg Producers Cooperative with headquarters in New York as their eastern cooperative sales agency in April, 1922. In the nine months of that year PEP was as is known through the egg trade, handling some 170,000 cases for the member associations. By 1926 PEP was selling 900,000 cases and in 1927 reached 1,216,000 cases, or more than 100,000 per month.

PEP is developing markets outside New York as rapidly as possible to keep its members in red ink with fancy white eggs at adequate prices. In 1927 disposed of nearly a fourth of the eggs handled. The extent of the service rendered by PEP to the member associations can be judged by the fact that each of the eggs handled by the Washington Association were shipped east for PEP to sell. To assist its members in reducing their cost of production the Washington Association established a Feed Department four years ago. During the period of its operation this department has saved the members about $8 per ton on the feed it has supplied, as compared with prices charged by private dealers. These savings have aggregated nearly a million dollars, most of which has been used in building and equipping mills.
and financing the operations of the department. But the members have been issued interest-bearing stock for their savings and this stock will be retired in rotation and replaced by new stock covering current savings as soon as sufficient capital has been accumulated.

There are Unit Mills operating at Bellingham, Everett, Lynden, Seattle, and Tacoma on a very efficient basis since they must run to capacity almost all the time. In June, 1928, they handled 19,000 tons of wheat feed of the very finest quality obtainable. Chemists are continually testing the ingredients to make sure that only the best grains are used in compounding the rations according to the formulas scientifically developed by the Agricultural Colleges for growing strong healthy birds and enabling them to do their best in egg production. This cooperation between the Feed Department and the colleges has not only greatly benefited the producing members, but has produced the phenomenon of 2,500,000 birds being fed approximately the same rations and handled according to substantially the same methods. As a result the Association receives eggs of approximately the same quality from almost all the members. This volume of eggs of uniform quality has never before been achieved, except by another cooperative, the Poultry Producers of Central California. This latter association uses substantially similar formulas and feeding practices. As a result Pacific Egg Producers handles for these two associations the largest volume of eggs of uniform quality of any marketing agency in the world.

The eggs are delivered at the twelve association packaging plants two or three times a week, and in many instances more frequently. The weekly volume is now averaging about 18,000 cases of 30 dozen each, or over half a million dozen. Every one of these eggs is carefully inspected and graded according to the rigid standards maintained by the association. The best eggs are separated into four main grades, according to size and color. These grades are known by the blue, red, green, and black colors of the labels on the cases. Between 60 and 65 per cent of all the eggs received can be shipped east in these grades, so that from two to six cars are ready eastward every day to keep the consumers of fancy white eggs supplied.

To prevent evaporation and deterioration egg handlers have for a number of years been dipping in hot mineral oil many of the eggs they wanted to store from the spring until the following fall and winter. The member associations of PEP found that this process sometimes overheated the eggs so they have improved the processing by spraying the eggs instead of dipping them. This seals the pores of the shell and keeps the contents in excellent condition. Because this protecting preserves the fine quality the eggs possess when laid until the housewife uses them, PEP is trying to educate consumers to the superior quality of eggs which have been "protected." At the packing plant soon after being laid.

To help maintain the excellent quality of the eggs when delivered to consumers, the Traffic Department has induced one of the railroad companies to build 140 special refrigerator cars for use by the Washington Association. Through cooperation with the railroads the time for crossing the continent has been reduced twenty-four to forty-eight hours so the eggs arrive in 11 to 12 days after leaving the packing plants. The Washington Association also worked out an improved method of packing the cars so that breakage has been very greatly reduced.

In recent years the Poultry Department of the association has expanded greatly, marketing both the old birds that have ceased producing and young birds marketed as broilers. The Seattle plant alone can feed 14,000 broilers at one time. In the spring of 1928 the poultry sales managers for PEP spent several months with the Association and developed methods of feeding, handling, dressing and packing the birds. The result of the combined efforts was a remarkable improvement in the quality of PEP broilers. Distributors pay a substantially higher premium for them. The application of scientific research has developed birds of very superior eating quality.

But if the broilers are going to stand up under this intensive milk feeding and if the laying birds are going to produce fancy quality eggs, they must have superior stamina and vigor in their constitution. Some of the members of the Association, who are interested in this research, have developed the Washington Cooperative Chick Association. This independent association supplies members of the Egg Association and others with large numbers of superior white chicks a year, or about half of those hatched in its territory each spring. It is now developing a Master Breeding Farm to develop strains of superior laying birds with stronger constitutions to stand up under intensive methods. The various activities of the Washington Coop. Egg and Poultry Association naturally require considerable capital. There is $2,000,000 of stock authorized at $1 per share par value. This capital is largely paid in and is surplus of $350,000 has been accumulated. Besides being invested in buildings and equipment, the funds of the Association are used to pay the members cash for the eggs delivered each week. The prices for each grade are determined each week by market conditions, allowing sufficient to cover expenses. Usually, however, there is a gain, especially on eastern shipments and often on eggs stored until fall. These savings, or excess deductions, are returned to the members at the end of the year and often amount to over 1 cent per dozen.

While the Washington Association is naturally trying to secure the full market price for its members' eggs, it aims to give consumers full value for their money in eggs of reliable fancy quality. The Association realizes that its continued existence depends upon serving its consuming customers as well as its producing members. To this end it is striving to stabilize the prices of eggs at levels which are equitable to both parties. Whenever the consumers are ready to purchase eggs in volume through cooperative wholesale, the cooperative poultry associations of the Pacific Coast will be glad to supply their needs.

A PROTECTION FOR CONSUMERS

Stuart Chase and F. J. Schlink, authors of the well-known book, Your Money's Worth, with the office aid of Edith Copeland, started some time ago "The Consumers' Club." To-day the membership is large and growing at a satisfactory rate. The aim of the club is to provide its membership with scientifically accurate information about the commodities in everyday use. Its little prospectus of 50 pages does not pretend to list all the various makes of every kind of food, toilet article, kitchen utensil, furniture, farm machinery, heating appliance or automobile; but it gives some information on many of these items. For instance,

What bottled beverages are good and what bad?
What coffee offer the most value?
What sugars are really sugar syrups?

News and Comment

How distinguish between good and bad oil filled heaters?
What is the best buy in thermometers?
What are relative values of various iceless refrigerators?
How select the best vacuum cleaner?
What brand of shaving is best?
Are there good and bad lubricants?
Should you buy Coca Cola or Lemon Oil?
Where do you find the best insecticides?
What is the most economical of the good radio sets?
What low priced automobile offers the best service?
What are the best buys in second-hand cars?
Which explosives are the ones to keep away from home?
How about the various makes of typewriters?
What motor blende is best?
What watch is a really good watch?
And how about cosmetics!!

All this and very much more. The League recommends the Consumers' Club to consumers who are bewildered and bedazzled by the conflicting claims of the advertising profession.
COOPERATION

COMPARATIVE FIGURES FOR A FEW OF THE LARGER COOPERATIVES

<table>
<thead>
<tr>
<th>Cooperative</th>
<th>Year</th>
<th>Income</th>
<th>Net Gain</th>
<th>Members</th>
</tr>
</thead>
<tbody>
<tr>
<td>Detroit Co-op Lumber Co.</td>
<td>1927</td>
<td>89,142</td>
<td>8,641</td>
<td>5,700</td>
</tr>
<tr>
<td></td>
<td>1928</td>
<td>95,547</td>
<td>9,295</td>
<td>6,350</td>
</tr>
<tr>
<td>Farmers Union State Exchange</td>
<td>1927</td>
<td>1,618,888</td>
<td>49,096</td>
<td>*</td>
</tr>
<tr>
<td></td>
<td>1928</td>
<td>1,775,383</td>
<td>62,680</td>
<td>6,900</td>
</tr>
<tr>
<td>U.S. Cooperative Central</td>
<td>1927</td>
<td>1,250,609</td>
<td>31,840</td>
<td>t</td>
</tr>
<tr>
<td></td>
<td>1928</td>
<td>1,577,630</td>
<td>51,311</td>
<td>t</td>
</tr>
<tr>
<td>Superior, Wis. (Wholesale)</td>
<td>1927</td>
<td>579,618</td>
<td>24,340</td>
<td>1,240</td>
</tr>
<tr>
<td></td>
<td>1928</td>
<td>679,014</td>
<td>35,170</td>
<td>1,200</td>
</tr>
<tr>
<td>Seco Cooperative Mercantile</td>
<td>1927</td>
<td>602,847</td>
<td>28,883</td>
<td>560</td>
</tr>
<tr>
<td></td>
<td>1928</td>
<td>545,966</td>
<td>37,031</td>
<td>585</td>
</tr>
<tr>
<td>Consumers Cooperative</td>
<td>1927</td>
<td>520,150</td>
<td>34,611</td>
<td>2,028</td>
</tr>
<tr>
<td></td>
<td>1928</td>
<td>631,844</td>
<td>34,066</td>
<td>3,102</td>
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<td>Cooperative Library Fund</td>
<td>1927</td>
<td>516,728</td>
<td>16,988</td>
<td>1,117</td>
</tr>
<tr>
<td></td>
<td>1928</td>
<td>645,152</td>
<td>17,884</td>
<td>1,576</td>
</tr>
<tr>
<td>North Star Cooperative Store</td>
<td>1927</td>
<td>446,283</td>
<td>17,284</td>
<td>*</td>
</tr>
<tr>
<td></td>
<td>1928</td>
<td>450,154</td>
<td>14,241</td>
<td>*</td>
</tr>
<tr>
<td>Farmington Harbor, Ohio</td>
<td>1927</td>
<td>428,283</td>
<td>11,730</td>
<td>1,968</td>
</tr>
<tr>
<td></td>
<td>1928</td>
<td>451,070</td>
<td>17,735</td>
<td>2,114</td>
</tr>
<tr>
<td>United Workers Cooperative</td>
<td>1927</td>
<td>200,358</td>
<td>11,266</td>
<td>1,900</td>
</tr>
<tr>
<td></td>
<td>1928</td>
<td>413,600</td>
<td>9,783</td>
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<tr>
<td>Cooperative Bakers of Brooklyn &amp; E.</td>
<td>1927</td>
<td>394,709</td>
<td>4,807</td>
<td>1,300</td>
</tr>
<tr>
<td>N.Y. Borough, Brooklyn, N.Y.</td>
<td>1928</td>
<td>371,015</td>
<td>1,815</td>
<td>1,100</td>
</tr>
<tr>
<td>Work People's Trading Co.</td>
<td>1927</td>
<td>245,677</td>
<td>15,232</td>
<td>561</td>
</tr>
<tr>
<td></td>
<td>1928</td>
<td>273,677</td>
<td>16,875</td>
<td>593</td>
</tr>
<tr>
<td>United Cooperative Society</td>
<td>1927</td>
<td>325,698</td>
<td>12,354</td>
<td>755</td>
</tr>
<tr>
<td></td>
<td>1928</td>
<td>300,000</td>
<td>15,505</td>
<td>666</td>
</tr>
<tr>
<td>United Cooperative Society</td>
<td>1927</td>
<td>225,249</td>
<td>10,490</td>
<td>600</td>
</tr>
<tr>
<td></td>
<td>1928</td>
<td>219,352</td>
<td>10,628</td>
<td>606</td>
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<tr>
<td>New Co-operative Company</td>
<td>1927</td>
<td>276,196</td>
<td>11,216</td>
<td>416</td>
</tr>
<tr>
<td></td>
<td>1928</td>
<td>218,735</td>
<td>7,460</td>
<td>350</td>
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<tr>
<td>Grange Warehouse Co.</td>
<td>1927</td>
<td>196,085</td>
<td>6,917</td>
<td>250</td>
</tr>
<tr>
<td></td>
<td>1928</td>
<td>196,896</td>
<td>6,287</td>
<td>250</td>
</tr>
<tr>
<td>Russian Worker Cooperative</td>
<td>1927</td>
<td>106,264</td>
<td>3,200</td>
<td>1,600</td>
</tr>
<tr>
<td>Stores Brooklyn, N.Y.</td>
<td>1928</td>
<td>182,193</td>
<td>2,313</td>
<td>1,188</td>
</tr>
<tr>
<td>Rock Cooperative Company</td>
<td>1927</td>
<td>344,964</td>
<td>13,272</td>
<td>274</td>
</tr>
<tr>
<td></td>
<td>1928</td>
<td>175,560</td>
<td>10,115</td>
<td>336</td>
</tr>
<tr>
<td>Curt Bragg Cooperative Merc.</td>
<td>1927</td>
<td>285,454</td>
<td>13,480</td>
<td>288</td>
</tr>
<tr>
<td>Company Fort Bragg, Calif.</td>
<td>1928</td>
<td>275,290</td>
<td>12,950</td>
<td>250</td>
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<tr>
<td>Amalgamated Cooperative Service Corp.</td>
<td>1927</td>
<td>102,747</td>
<td>7,823</td>
<td>133</td>
</tr>
<tr>
<td>New York City</td>
<td>1928</td>
<td>152,274</td>
<td>12,722</td>
<td>159</td>
</tr>
<tr>
<td>Farmers Cooperative Trading Co.</td>
<td>1927</td>
<td>151,061</td>
<td>5,544</td>
<td>772</td>
</tr>
<tr>
<td></td>
<td>1928</td>
<td>143,017</td>
<td>6,855</td>
<td>772</td>
</tr>
<tr>
<td>United Cooperative Society</td>
<td>1927</td>
<td>313,741</td>
<td>1,371</td>
<td>200</td>
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<tr>
<td></td>
<td>1928</td>
<td>310,182</td>
<td>1,025</td>
<td>205</td>
</tr>
<tr>
<td>Grange Cooperative Wholesale</td>
<td>1927</td>
<td>366,861</td>
<td>1,786</td>
<td>171</td>
</tr>
<tr>
<td>Seattle, Wash.</td>
<td>1928</td>
<td>119,663</td>
<td>1,231</td>
<td>151</td>
</tr>
</tbody>
</table>

* Figures not available
1 Shareholders are societies rather than individuals
2 Store department only
3 Operated for only a few weeks in 1927

AMALGAMATED EXPANDS ITS HOUSING DEVELOPMENT

On January 13th, in the presence of hundreds of members, ground was broken for the new group of apartment buildings to be erected at Van Cortlandt Park South, and later in the day, a sumptuous banquet was attended by the Cooperators, their friends, delegates from other societies, and officers of the Amalgamated Clothing Workers Union. The new buildings will be six stories high and equipped with self-service elevators. Monthly rental charges will average $41 per room. There will be 192 apartments. Only 50 per cent of the land will be built upon, the remainder being vacant as park space. When these buildings are completed, the total investment in this and the old group of buildings will be approximately $8,500,-000, and the housing capacity of the apartments will be nearly 2,000 people. Members of any labor unions are welcome to the new apartments, but preference will be given to members of the Amalgamated Union.

Meanwhile, the educational work in the first group of houses is receiving much emphasis. One-half of the $1,000 recently awarded to Sidney Hillman, the President of the Union, by the Harmon Foundation, he has turned over to the Cooperative Library Fund, the other going to the Workers Kindergarten in Korea, where Mr. Hillman was born.

The A. C. A. Community Theater is putting on some interesting little plays. Study classes, lecture courses, a regular open forum, a kindergarten and other community activities are in full swing. The Association takes a bundle of 100 copies of the magazine, "Cooperation," each month and distributes them free of charge from the library and the Tea Room.

FAIRPORT HARBOR, OHIO

The North Star Cooperative Store Company of Fairport, though not known well to the readers of this magazine, is one of the larger societies in the country. Some figures for the past two years tell the story in outline.

<table>
<thead>
<tr>
<th>Year</th>
<th>Sales</th>
<th>Net Gain</th>
<th>Capital Stock</th>
<th>Surplus</th>
</tr>
</thead>
<tbody>
<tr>
<td>1927</td>
<td>$460,963</td>
<td>$3,084</td>
<td>$12,370</td>
<td>$19,765</td>
</tr>
<tr>
<td>1928</td>
<td>$550,314</td>
<td>$6,216</td>
<td>$14,340</td>
<td>$22,400</td>
</tr>
</tbody>
</table>

COOPERATIVE CHAIN STORE IN BROOKLYN

There are several cooperatives in the U. S. which now house enough branch stores to warrant the title "Cooperative Chain Store." One such is the Russian Workers Cooperative Meat & Grocery Stores Association of Brooklyn, which did a business last year through its five stores of $185,191, with a net gain of $3,135. The association expects in the near future to open its own smoke house.

THE CURE FOR DRY ROT

Measures were adopted by the annual meeting of the shareholders of the Farmers Union State Exchange of Omaha, Neb., in January, to prevent "dry rot"—the slow, but deadly, disease of cooperatives which consists of a constantly declining number of shareholders, an increasing proportion of whom are no longer active or potential patrons of the society or association.

The Farmers Union State Exchange, which is a cooperative wholesale serving cooperative stores and other cooperatives handling merchandise, Farmers
COOPERATION

Northern States' Cooperative League

2160 Washington Ave., N.
Minneapolis, Minn.

ANOTHER GOOD YEAR FOR THE FRANKLIN CREAMERY

The Franklin Cooperative Creamery Association continued to show very satisfactory progress during 1928. For the first time in 1924 the Creamery’s sales showed an increase over the previous year. The total net sales in 1928 amounted to $4,410,306, or 5 per cent above the net sales of 1927. The total sales for the year were $73,506.62 worth of Coop. Creamery sold $73,506.62 worth of cream sales, and 7 per cent ice cream sales. The total sales in 1928 were $68,656.66, or 25 per cent higher than in 1927, the greatest increase being in the milk sales. It is interesting to note, in the way of comparison, that the total milk sales of the Franklin Creamery alone were nearly as large in 1928 as the average sales of the 116 co-operative stores in Minnesota (the Franklin Creamery sold $75,506.62 worth of buttermilk in 1928), and still the buttermilk sales made only 1 per cent of the Creamery’s total sales in 1928.

The net gain from the year’s business amounted to $56,623.36. As the consumers’ cooperatives in this country are not exempt from federal income tax, Franklin has to pay this year to Uncle Sam $1,144,317.64. In other words, the present capital investment for 1928. As the paid-in capital at the end of last year amounted to $943,000, nearly $60,000 had to be paid to these members in interest alone.

The original book value of the property (buildings, lots, machinery, fixtures, and equipment) of the Franklin Coop. Creamery amounted now to $1,439,501.00 in interest and patronage dividends, that is, more than one-half of its total paid-in capital stock. The total interest paid so far on the capital stock for the year was $1,144,317.64. The corporate net worth of the business, Dec. 31, 1928, amounted to $1,102,780.50. The net total of all assets was $1,439,504.39. The corporate net worth of the business, Dec. 31, 1928, amounted to $1,102,780.50. The net total of all assets was $1,439,504.39. The corporate net worth of the business, Dec. 31, 1928, amounted to $1,102,780.50. The net total of all assets was $1,439,504.39.

This increase of membership may be said to be the only undesirable feature in the development of the Franklin organization. The prosperous condition of the Creamery enabled the Board of Directors to retire in the past year $100,000 worth of bonds which had been paid to the members of the Creamery.

EDUCATIONAL AND ORGANIZATIONAL WORK AT MILWAUKEE

At the behest of the Milwaukee Consumers’ Cooperative Association, Mr. Geo. W. Jacobson, a graduate of the University of Minnesota as well as of the Northern States’ Cooperative League, was the first store to take 100 per cent individual memberships. The plan is to send during the year a sample copy of the magazine to every member of the Franklin organization, in an effort to make them regular subscribers.

News from the Field

The individuals membership campaign for 1929 is in full swing. The other day R. A. Nurre, one of the Michigan Central Exchange fieldmen, sent in 177 memberships in one bunch.

The Prentice Cooperative Supply Company of Prentice, Wis., was the first store this year to take 100 per cent individual membership in the League. All five employees were enrolled.

The Prestice Cooperative Supply Company of Prentice, Wis., was the first store this year to take 100 per cent individual membership in the League. All five employees were enrolled.

Sam Sahlman, manager of Union Consumers’ Cooperative Society of Duluth, spent two weeks in January at Willmar, Minn., taking an inventory of the stock of merchandise of the Willmar Cooperative Mercantile Company at the request of the N. S. Coop. League. The Willmar store joined the League last year and is the first society to ask the League to supervise the taking of an inventory at their store.

The Board of Directors of the Franklin Cooperative Creamery Association recently ordered 300 copies of the national magazine, Cooperation, for the whole year, through the Northern States’ Coop. League. The plan is to send during the year a sample copy of the magazine to every member of the Franklin organization, in an effort to make them regular subscribers.

The Annual meeting of The Cooperative Society of Wausau, Wis., was held at the city hall, Thursday, January 17th. Eakel, Renn and V. S. Alanson representing the Wausau Cooperative League, were present at this meeting and spoke to the members. The Wausau society has recently changed managers and wishes to get on its feet under the guidance of the present manager, Mr. Roy Schumacher. The Wausau meeting was well attended.

J. D. Dahlstrom, well known to those close to the activities of the Northern States’ Cooperative League, is now managing the store of the Cooperative Farmers’ Co.-operatix Association of Iron, Minn., to organize a branch store at Forbes.

* * *

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J. D. Dahlstrom, well known to those close to the activities of the Northern States’ Cooperative League, is now managing the store of the Cooperative Farmers’ Co.-operatix Association of Iron, Minn., to organize a branch store at Forbes.
The Franklin Educational Committee has elected D. Leuchovius, a director of our League, their chairman for the year, and F. F. Burndt, another director of the League, treasurer. Miss Alice Johnson was elected secretary of the Committee. The last annual meeting of the Franklin organization appropriated $3,000 to the Educational Committee. They have been kept extremely busy since the first of the year auditing the accounts of cooperatives, and the reports of their associations in the district. The department is now in charge of Walter Jacobson, since the resignation of O. J. Arness last fall. Mr. Newell, auditor of the Minnesota Co-op. Oil Co., and Mr. Brown, office manager of the Franklin Co-op. Creamery Association, have assisted Mr. Jacobson during the worst rush, taking care of a few audits.

Mr. A. L. Newcom, secretary of the Railroad Cooperative Store Co. of Jamestown, N. D., was a caller at the Northern States League office February 11th. The League has helped the board of directors of the Co-op in the demonstration to find a new manager for their store, which is doing a business of over $200,000 a year.

Mr. W. F. Ramsay, secretary-treasurer of the Manitoba Cooperative Wheat Producers (the Manitoba Wheat Pool), Winnipeg, Canada, was also a recent visitor at the Northern States' League office. Mr. Ramsay, while active largely in the producer movement, is greatly interested also in the consumers' movement and thoroughly understands the consumer philosophy.

H. I. Nordby, Eskel Ronn, E. G. Cort, and V. S. Alanne attended the annual conventions of the Farmers' Educational and Cooperative Union of Nebraska, which was held at Omaha, Jan. 9-10th.

The four representatives from the Northern States League district were all deeply impressed by the sincerity and enthusiasm of the Nebraska movement as well as by their remarkable achievements.

Secretary Alanne has, during the months of December and January, attended two conventions (as a fraternal delegate), six membership meetings, and eight board meetings of various local societies in the district.

Milwaukee is finally enrolled among the family of Northern States societies. The Commonwealth Mutual Savings Bank affiliated in January, and the new manager of the Milwaukee Consumers Cooperative Association voted for similar action at their January meeting.

Cooperation Abroad

The cooperators of England, Ireland, Scotland and Wales spent one billion dollars in their own stores in 1927. It's a large amount of money which if composed of $5 bills placed end to end would reach more than three-quarters way around the world. The average purchase per member was $80.00 per week. One-half a million new members were added during the year and approximately half the families in Great Britain are now affiliated with the cooperatives.

Ten years ago the Cooperative Wholesale Societies of Sweden, Norway and Denmark organized the Scandinavian Cooperative Wholesale Society with its head office in Copenhagen. It is the first and only genuine International Cooperative Wholesale. In the autumn of 1928 the two Finnish wholesales, S. O. K. and O. T. K. also joined the Scandinavian C. W. S., and the managers of these two wholesales of Finland were added to the board of directors of the International organization.

No cooperative movement has ever successfully attacked and defeated powerful trusts than has the Swedish. Prices of flour, margarine, groceries, formerly dictated by the trusts, are now controlled by the cooperatives.

The Swedish Wholesale is now launching an attack on the Scandinavian electric lamp bulb trust. An ordinary bulb costs about 35 cents in Sweden, 25 cents in Denmark, 36 cents in Norway, 35 cents in Finland, 27 cents in Germany, less than 25 cents in France and nearly 40 cents in England. The new factory of the Swedish Wholesale will have a capacity of two million bulbs annually, will employ about 100 persons, and will be able to retail its bulbs at 20 cents and still realize a surplus.

Up to November, 1928, more than $15,000 had been subscribed to the Bulgarian Co-operators Earthquake Relief Fund organized by the International Cooperative Alliance; and many national or local unions had sent additional relief directly to Bulgaria.

District Leagues

The Executive Committee of the Board of Directors met on February 4. The Treasurer's report showed total income of $8,129, $1,968 of which was from membership dues and $269 from the joint buying commissions. The largest item in expenditures was $872 for executive salaries. There was a balance on hand at the end of the year of $929, with all bills paid. The budget for 1929 calls for several hundred dollars more from affiliation fees and for expenditure of larger amounts for salaries, field work, and Year Book.

A delegate was present from the Paterson Butchershop to ask for assistance to that organization in its fight against another cooperative in the same city. The Committee explained that it could take absolutely no part in any factional fights between cooperatives, except to aid in arbitrating such disputes. Funds were appropriated to send an adviser to Utica Cooperative Society if the right man could be found. It was decided that two days should be allowed this year for the Annual Convention, one for the league meeting and one for the meeting of the Eastern Cooperative Wholesale; and directors are being consulted with reference to exact time and place.

The Board of Directors of the Eastern Wholesale met on February 6th to take up again the question of manager.
COOPERATION

My Point of View
By J. P. Waibelase

WATCH BUSINESS

Distributing goods for service or for use receives comparatively little attention in this country. Selling goods for the purpose of making money from the consumers is the big thing. Many colleges have a professor of merchandising, and courses are given in advertising, selling, and salesmanship. Dr. Paul H. Nystrom, who occupies the chair at Columbia University, classifies retail trade in the United States in seven divisions. He estimates the amount of business done by each in 1928.

<table>
<thead>
<tr>
<th>Department stores including general merchandise stores</th>
<th>Chain stores including all stores under one ownership</th>
<th>Mail order houses including about 12,000 concerns doing a mail order catalogue business</th>
<th>Company stores — Stores owned and operated by industrial concerns primarily for their employees</th>
<th>Consumers’ cooperative stores</th>
<th>Independent stores not in department store or chain store type</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>6.5</td>
<td>16</td>
<td>15</td>
<td>.4</td>
<td>14</td>
<td>14</td>
<td>61</td>
</tr>
</tbody>
</table>

This table shows that the independent private distributor still holds out against the invasions of the department store and the chain store. At the end comes consumers’ cooperative stores with one-fourth of 1 per cent of the retail business of the country. That is not big, but it may grow bigger.

Professor Nystrom told his students in a recent lecture that, if in the future any dominant method of retail business should grow careless in its effort to suit the consumer, either in service or in price, then the time will come for a rapid development of consumers’ cooperative stores. That situation will bear watching, he says.

Perhaps the time is already here when the situation will bear watching. We are now in the era of large scale manufacturing. "Mass production" is the great goal of business. The necessary companionship is "intensive selling." The two have to go together.

A recent writer has said, that if you pay $5,000 for a car, about $1,800 goes to pay labor in the automobile factory and $1,200 goes to pay other people for selling it to you. This $1,200 pays for advertising, showrooms, salesmen, fancy rugs, padded plants, and other sundries that cost 40 per cent of the list price.

An automobile accessory is mentioned by the same writer, of which the actual labor cost is less than 35 cents. The manufacturer sells for $2, and the retail list price is $30. We are told that the difference is due to the expense of selling the article—plus, of course, some profit.

We have long known that the farmer who produces the food gets the small end of the consumers’ dollar. Whatever price he gets, the farmer’s commodity goes out into the market; and, outside of the cooperative societies, the consumer is still at the mercy of the traders who are interested in selling at the highest price possible.

We have now the vegetable circle of prosperity. To make more profits require more production; more production requires more sales; more sales require more buying power; more buying power require more wages; more wages require more production. The circle is completed. The snake’s tail is in its mouth.

This is called prosperity. Everybody has a job, and the material prosperity is gliding through his fingers. But everybody getting more real prosperity more life?

Plants are equipped to produce more than the people need. Salesmanship is counted as the result of which was the appointment of a Committee to look into the entire situation under cooperative control and to report to the next Congress of the League. Such a committee was appointed by the League. Such a committee was appointed by the Cooperative League.

Who can tell what it may yet do for us?

The mortality rate is very high in keeping prosperity going. In this situation, we have the Secretary of Labor, James J. Davis, appealing to the national inventive genius to keep itself inventing new wares and hoping to create new demands, in order to make jobs for the workers who have been thrown out of work by labor saving devices. And a presidential candidate has spoken glowingly of the wonderful prosperity that transfers to commercial employment hundreds of thousands of workers who have lost their jobs in productive industry. Farmers and factory workers become clerks and salesmen.

This is the New Industrialism. America also has its "New Economic Policy." Our "nepmen" are rising on top.

Report of the Committee on Cooperative Insurance to the Sixth Congress of the Cooperative League

At the Fifth Congress of The League, held in Minneapolis in November, 1926, a part of one session was devoted to a discussion of cooperative insurance, the result of which was the appointment of a Committee to look into the entire situation under cooperative control and to report to the next Congress of The League. Such a committee was appointed by the report in as follows:

As it was impossible to get a meeting of the Committee, the question has been carried on by correspondence.

It was assumed from the beginning that the function of the Committee was to investigate possible ways and means of developing cooperative insurance, national in scope, and other directly under the control of our consumers movement or else very closely allied with it. Immediately the question arose: Should the start be made with life insurance or fire insurance; which is the greater demand; and which offers the fewer organization difficulties? That question has been before the Committee for the entire two years, and we have not disposed of it yet. The cooperative movements of Europe have almost universally gone first into fire insurance, for the financial problems are not so great, and there is a far greater demand among farmers and workers for protection against fire than for protection against death. A man usually takes out life insurance only once and keeps that same policy for life; whereas fire insurance has to be renewed each year. In Russia it was just that which saved the people from utter destitution in the winter of 1917. Who can tell what it may yet do for us?

The Cooperative League
be insured against fire: dwelling houses, barns, garages, livestock, crops, household furniture only, and only in communities which are protected by a fire department, its rates being based on the losses in the entire county. The New York Branch (which comprises about half of the entire membership) holds the same principle. The officers are elected by vote of the organization and elects the governing bodies. The Society affiliated with The Co-operative League, comprised of small cooperative plans, is recognized and in many instances legally forbidden to overlap the boundaries of the little territory allotted them which is a great handicap. Most of the mutuals are very efficient; and no large nation-wide company can begin to compete with them. For the consumers' insurance societies in the Midwest, it is possible to organize a local fire company, therefore, would seem to be feasible, for most of the consumers' cooperative governments are still very young, poorly organized, and, as a united movement, do not have the strength which would qualify us for getting insurance in these states at a later date.

One of the most interesting aspects of the last six months which is worth mentioning is the cooperation movement. A committee was appointed by the Fifth Congress has gone with its study of the possibilities of developing insurance directly under the control of the consumers cooperative movement in the United States. Before going further we will find out how our members themselves feel on the various problems here presented.


Huston Thompson.
COOPERATION

COMING
A Series of Debate articles. Subject: Shall we Promote Cooperative Brands or Shall We Push the Nationally Advertised Products?

By four or five managers of the Largest Societies in the country, wholesale or retail.

WATCH FOR IT!

CAN CAPITALISM PROMISE MORE?
A Saskatchewan man joined the Young Cooperative Society in 1914, buying a $50 share. He bought supplies through the society and each year left his patronage dividends with the organization until the share was worth $100, the limit set. Then he continued to leave his annual dividends as loan capital until the sum reached the limit of $400, since which time he has drawn his dividends. He now owns $100 share capital, $400 loan capital, and has received $350 cash as interest and dividends.

The Reader Writes

FROM ONE OF THE PIONEERS IN THE MOVEMENT

Editor Cooperation:
The mining conditions in Eastern Ohio are now about the same as they are in West Virginia. Working under open shop conditions where they have started operations, only in communities where our stores are located the miners are still idle with the exception of Bradley where the U. S. Fuel Company started with non-union labor a year ago. Such are the facts. The Jacksonville Scale Co. issued their death knell. The good wages miners are still idle with the exception of Bradley where the U. S. Fuel Company started with non-union labor a year ago.

WHOM FELL DOWN ON THE INCOME TAX JOB?*
We expected you to be able to get an exemption for us this year, but I guess you fell down on your duty.

You know as well as we do that we have to pay Income Tax on dividends paid on Capital invested and also on any amounts put into the Surplus account. And we have over $50,000 Capital Stock on which we pay 9½ dividend, so there is no way out of it except to pay the Income Tax until such time when you can get the law changed so that Cooperative Stores will be exempt.

We do not feel that we should pay an Income Tax, but under the present law there is no way out of it.

Very truly yours,
CRISTAL FALLS CO-OP.,
Andrew Ostrand, Manager.
Crystal Falls, Mich.

* Several hundred dollars worth of printing and postage went into a series of begging, entreating, pleading letters to 1700 cooperative societies throughout the country in the autumn and winter of 1867-8, asking for a little information which would enable us to get that exemption. And the final result of all those letters was only slightly more than 400 replies—not enough to convince the Ways and Means Committee of Congress that the cooperatives of the country were interested in getting exemption.

COOPERATIVE DEMOCRACY

Second Edition completely revised by
JAMES PETER WARBASEE
President of The Cooperative League of the United States of America
Member of the Central Committee of the International Cooperative Alliance

A Discussion of the Consumers’ Cooperative Movement In Its Relation to the Political State, to the Profit System, to Labor, to Agriculture and to the Arts and Sciences

"We hope Dr. Warbasse’s book will find readers throughout the world.—J. D. C. Goodhardt, ex-President International Cooperative Alliance

The Macmillan Co., New York, Publishers

Wishing all of you in the League a Happy New Year.

Yours for Cooperation,
Peter McNeath, Mgr.
Pinney Forks Branch
New Cooperative Co.

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Its rates are the lowest

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#### THE COOPERATIVE LEAGUE NOW HAS ITS NEW HEADQUARTERS AT 167 WEST 12TH STREET, NEW YORK CITY

The unique and highly successful Consumers Cooperative of Chicago, which operates without capital stock, without patronage rebates, and with a limit placed upon number of members, has moved to new quarters at 167 West 12th Street. This building houses the large restaurant, the cafe, the library and reading rooms, the lecture hall, and the bakery of the society.
The Cooperative Temperance Café “Idrott”

Without exaggeration we may state that the Cooperative Temperance Café “Idrott” of Chicago, Ill., is one of the most unique and interesting cooperative business organizations in the country. It has retained several features which are not practised by most of the other cooperatives here. For example, it is incorporated under the non-profit corporation act of the State of Illinois, not under the regular cooperative law. It has no capital stock. The members, by-laws. Any person wishing to join the organization has to present an application in writing which the annual meeting may either approve or reject. During the fifteen years of its existence the organization has never paid any patronage rebate. Practically all of the yearly surplus used for educational purposes has been transferred to a surplus fund which at the end of last year amounted to $72,039.06, while the paid-in membership fees totaled only $1,005.00.

None of the various committee members, including the board of directors, receives any fixed compensation for his work, but in recent years an honorarium has been voted at the annual meeting to the various committee members on whose shoulders the brunt of the administrative work falls during the year. Otherwise all the surplus is used for expansion, as working capital, and for educational purposes. In this respect the “Idrott” follows the so-called Belgian plan, that is, its surplus is used collectively, never related to the individual members or customers.

The “Idrott” Society has also retained the somewhat ultrademocratic feature of letting the membership decide by ballot whom they want to select for important boards, a branch manager, etc. In such cases the board of directors usually makes a definite recommendation and under normal circumstances the membership is likely to adopt the recommendation.

The Cooperative Temperance Café “Idrott” was organized in the fall of 1913.

The following year, its sales were $17,461. In 1926 when the branch restaurants were in operation for the first full year, the sales took another jump; increasing from $168,563.06 in 1925, to $270,906.17 in 1926. During the past two years the volume of business has further increased at a rate of about $10,000 a year, the figure for 1928 being $329,160.49.

At the end of 1926 the Cooperative Temperance Café “Idrott” had 291 members. At the annual meeting held February 17th, 13 new membership applications were considered and three of these were rejected in accordance with the provisions of the by-laws. The organization now gives employment to 53 men and women to whom a total of $71,175.91 was paid in salaries during the year of 1928. The two restaurants cater to at least 1,000 people while less than one-half of the 201 members are said to patronize the business of the organization.

The educational activities of the “Idrott” Society are quite widespread. There is a “Literature Committee” taking care of the Society’s library and reading rooms. In 1928, 1,800 books were loaned from the library and 350 new volumes acquired. For the reading room in the main café building, 42 different papers and periodicals are subscribed to, 28 of these being published in the Swedish and 14 in the English language. A special “Entertainment and Lecture Committee” puts on programs from time to time under the auspices of the organization.

In 1928 the Literature Committee spent $1,213.81; chiefly for books and periodicals, while the “Entertainment and Lecture Committee” spent only the modest sum of $10.70. Besides these expenditures for educational work, the organization donated last year $150 to the Scandinavian Workers’ Educational Fund.

The “Idrott” Society has found a unique way of financing part of the activities of its energetic Literature Committee. In connection with the café rooms located on the second floor of their Wilton Avenue building, they have established a veritable branch post office, with some 300 individual mail boxes to be used by their members and customers. These people pay $1.50 a year each for the privilege of using such mail boxes. All the money collected from the rent of these boxes is turned over to the Literature Committee, while the employees and officers of the organization take care of distributing the mail.

All the business in the restaurants and bakery shop is done on a strict cash basis. The total net gain last year amounted to $12,569.17. The bakery manufactures bread, toast and pastries, but no hardtack. The sales of the bakery have been steadily on the increase since its establishment in 1924. Last year these sales amounted to $38,545.49.

It is an indication of the “Idrott” Society’s up-to-date methods that it has published every year, since its very beginning, a comprehensive report of its activities in booklet form. This “yearbook” however, has been always printed in Swedish which has made the report rather inaccessible to cooperators who do not know that language.

The “Idrott” Society was organized by young Chicago Swedes, most of them single men who were interested in temperance work and athletics (“idrott” means “sports, athletes”) and wanted to have a rallying place where they could spend their evenings and discuss things in their own language. They have remained a rather exclusive group. They are not yet connected with any cooperative central organization nor with the movement at large. However, last fall, the “Idrott” Society was represented by a fraternal delegate at the National Cooperative Congress and its board of directors is now considering affiliation with the Central States’ Cooperative League.

We certainly would like to see this interesting and vigorous organization join forces with the national and the international cooperative movement.

V. S. A.
Editorial

VISION AND LOYALTY, TOO

As I meet business and professional men who know of my connection with the cooperative movement I am forever hearing the old song: "The trouble with cooperation is that you don't pay your managers enough to get good men. You need good business men for managers." This unctuous advice is always offered with such an air of certainty that further discussion of the question is quite foreclosed.

The United States Department of Agriculture, in its flood of "educational" matter on cooperative marketing, keeps singing the same song. The chief of the Division of Cooperative Marketing has declared that the success of cooperation depends mainly upon business management. One of the "experts" of this division went so far as to attribute the success of a certain cotton-mill to the efficient pool payment machine used in figuring payments on pooled cotton!

The retail grocery associations of various kinds last autumn held a "Grocery Trade Practice Conference" in Chicago. At that conference a Code of Ethics was drawn up, and among the practices which the grocers promised to give up were secret rebates, premiums and prizes, bribery, misrepresentations, false advertising, kickback packages, sales below cost, abuse of power, specialty orders, drop shipments, diversion of brokerage, substitution, and discount for cash. At any rate, so runs the report of Charles W. Dunn, counsel for the American Grocery Manufacturers' Association and the National Association of Retail Grocers.

It seems to us that any group of business men which has to promise to stop lying, cheating, thieving, and otherwise knife one another and the public at large, is damning itself pretty effectively. The cooperative movement can never be charged with having to call such a conference as this.

But more significant are the promises that were left unspoken. These private business men and corporations said nothing about eliminating the profit element which is the underlying reason for all these outrageous practices. They did not offer the consumers control of their stores, nor even participation in control. They made no mention of putting service to patrons ahead of profits to stockholders or owners.

A Code of Ethics judged by what the code says may look very fine. But when judged according to what it promises to do, it may look very hypocritical, after all.

C. L.

Which Should We Use?

Nationally Advertised or Cooperatively Labelled Package Goods

USE OUR OWN LABELS TO PROMOTE QUALITY GOODS, HONEST BUSINESS, AND COOPERATION

By C. McCarthy, Manager

Farmers Union State Exchange of Nebraska

Should cooperatives build up sales for nationally advertised products, or should they develop the field for products under the cooperative label?

Nationally advertised merchandise is usually controlled and financed by a group who have a monopoly of that particular product. You buy it from them or not at all. Since they have a monopoly, there is no price competition until a rival concern enters the field with larger campaign funds and more attractive displays to attract the public eye. The gullible consumer pays the cost in ever increasing prices. A cooperative may find it easier to sell nationally advertised goods—the brands are familiar to patrons. They may ask for them, and it is so easy to hand a customer what he asks for. But other merchants in town have the same article at the same time. If competitors cut prices, the cooperative must also or lose his
trade. No attention is paid to values. Advertising sells it to the merchant, and he depends upon advertising to sell it for him. Advertising agencies and manufacturers, newspapers and magazines grow rich at the consumer's expense, who is paying an exorbitant price for ordinary goods in a fancy package.

National advertising is fast becoming the finished art of catching suckers. Now your cooperator does not enjoy being played for a sucker. Cooperators are folks of independent spirit—they have the necessary courage to desert the beaten path, they refuse to be led if they were otherwise, they would not be cooperators. Any organized move of profit business naturally arouses their doubts and suspicions. They well know there is no altruistic motive back of advertised goods. They recognize it for what it is—another cold-blooded desire for more profit. Not only does the consumer pay the advertising bill, but he is aiding a monopoly, and giving it greater power to squeeze more profit out of him.

A cooperative must be something more than a dispenser of merchandise. Not only must we teach the theory and practice of cooperation while serving our patrons, but some way must be found to teach merchandise values. Our work is well worth while, it is much better to stick to the open market, choosing the brands that meet requirements. The State Exchange sells its best grade of coffee under the brand “Co-op.” This brand has been blended for us by the same firm for many years, and is the most satisfactory piece of merchandise we have in our grocery department. Our members are packed under our own Co-op label. We have a Co-op brand of flour. We have found our own label a particular advantage in flour. We have a number of mills in the immediate territory. We need only demand Co-op quality and buy from the mill that offers us the most in quality and price. We find it important to deal with only reliable firms. An unscrupulous miller killed our flour business at Sault Ste. Marie, Michigan, and private firms have repeatedly tried to win him away from the Soo Cooperative Mercantile Association. This association for several years did the largest business of any cooperative store in the country, until the Cooperative Trading Co., of Washtenaw went ahead in 1908.

AMERICAN PEOPLE ARE SOLD ON THE HIGHLY ADVERTISED BRANDS—GIVE THEM WHAT THEY DEMAND

By Leo LeLievre, Manager
Soo Cooperative Mercantile Association

For several years we have been in the mercantile business in this city, and from time to time we have taken on privately labelled merchandise. Very little salesmanship could be built up on private labels on account of the extreme demand for the nationally advertised lines, especially in the past few years when so much advertising is being done over the radio.

If the cooperative membership is of one class I believe that privately labelled merchandise can be handled, but when a cooperative store is catering to all classes it is very difficult to “put over” privately labelled merchandise. When a customer nowadays orders corn flakes, she will nine times out of ten say “Kellogg’s”; if she wants jelly powder she says “Jello” and the same with many other items. It is, therefore, very hard to try to talk to customers with many other items. It is, therefore, very hard to try to talk to customers and have them change their brands. We have tried it and find that if you want to progress you must sell the housewife just what she wants and not try to talk her into buying a brand of merchandise she is not familiar with.

The large grocery chains today seem to be drifting away from their private brands of merchandise and going strongly to the nationally advertised; and why should we, the cooperative stores, try to accomplish something that has proven a failure by these large organizations? We, therefore, feel that the nationally advertised merchandise is the line for the cooperative stores to handle.

There are some exceptions in communities where all the customers of the store might belong to the mining or farming class and where meetings can be held. These places are people and where it can be explained to them that they can buy as good an item for less money under private labels. So, if I believe, privately labelled merchandise could be sold in such a cooperative store which is trying to cater to all classes is better off with the nationally advertised lines.

WHO GETS THE RETAIL BUSINESS OF AMERICA?

Dr. Paul Nystrom, well-known authority on merchandising, says that retail sales in this country amount to $61,000,000,000 annually, divided as follows:

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<td>Independent retail stores</td>
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<td>Department stores</td>
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<td>Chain stores</td>
<td>5,250,000,000</td>
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<td>Mail order houses</td>
<td>1,400,000,000</td>
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<td>Consumers cooperatives</td>
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News and Comment

Apparently he finds plenty of room for development of cooperative stores.

But the most interesting part of his study is the comparison of the rise and fall of different types of merchandising. From 1914 to 1922 department stores nearly doubled their business, but since then have gained very little, and have probably reached the height of their development. Chain stores, on the other hand, have quadrupled sales since 1913, most of the gain coming since 1921. Mail order houses made big gains up until the World War but since 1920 have barely held their own; probably this is the reason Sears Roebuck and Mont-
grocery Ward are entering the chain store field. House to house selling has had three periods of active expansion, each of them immediately following a business depression: from 1894 to 1899, from 1908 to 1912, and from 1921 to 1925. But this form of business has declined rapidly since 1925, just as it did after 1899 and 1912.

Independent and cooperative stores have experienced three great waves of alarm. In 1900 it was the department stores which seemed to be engulfing the country and threatening the very existence of the independent merchant. From 1910 to 1915 it was the mail order houses which threw a great scare into these merchants, so that the latter even tried to suppress the new form of business octopus by means of legislation. From 1921 to 1925 it was the house canvassers who seemed to be undermining retail trade.

And now we are in the fourth phase—an attack of fear lest the chain stores monopolize the retail sales of the country. Dr. Nystrom believes that just as the independent retailers have lived through the former crises, they will live through this one, and will see the chain stores lose their terror.

The following observation by such an expert in the field is interesting to cooperatives. "If, in the future any single type of retail institution, such as the chain stores, should assume management in the latter part of 1927, sales increased by $110,340.05, including $12,764.42 worth of produce sales. This leaves a gross gain of $15,957.52, from merchandising activities, and as the operating expenses were $11,721.59, the net gain for the year is $4,236.93. The total assets of the Dorchester Co-op Company at the end of 1928 were $53,798.74. The paid-in capital was $23,100.89 and the net worth of the business of the society amounted to $40,596.89.

The gross profit percentage (14.5 per cent) and the expense percentage (10.6 per cent) both indicate efficient management. As the net worth is 176 per cent of the paid-in capital, the society is in a good financial condition. This is reflected also in the fact that the current assets ($31,620.96) are nearly two and a half times as large as the current liabilities ($13,199.85). Considering the fact that the Dorchester Co-op Company operates a general store, handling groceries, dry goods, hardware, etc., the inventory value of its stock of merchandise, as of Dec. 31, 1928, amounting to $23,721.59, does not appear excessive.

The store has been in operation for 18 years and during this time its total net earnings have amounted to $112,551.62 or a sum nearly five times as large as the total paid-in capital. Not less than $85,032.73 of this has been paid back to members and customers in form of patronage dividends and interest on capital stock.

The present manager is L. C. Pranzien, who assumed management in the latter part of 1927. That the society is progressing under his management is indicated by the fact that in 1928, as compared with 1927, sales increased by nearly $18,000; both the accounts receivable and the merchandise inventory were decreased as were also the accounts and notes payable. While operating expenses, as expressed in percentage, remained about the same in both years, the gross gain in 1928 was considerably higher than in 1927, when an operating loss appeared, evidently because of cuts in the inventory values.

Another Record Year for Farmers' Union State Exchange of Nebraska

The largest cooperative wholesale in the country continues to push up its figures for 1928, and reaches the total of $1,773,450 for sales through its wholesale and retail outlets. Net gain was $37,930 as compared with $49,096 in 1927. Gross profit for the year was 8.61 per cent of sales, and net, 2.14 per cent. By paying cash for all goods, the Exchange earned $23,000 in discounts. Grocery sales fell off $22,000, but this was more than made up on increase in oil and gasoline business. The total assets are now $293,537, more than half of which is represented by current assets. There is $150,623 invested in the equipment of the ten branch or 'chain' stores belonging to the wholesale. Current liabilities are only $47,788. Paid in capital is $325,637, and surplus or undivided profits $37,070.

Northern States Cooperative League

2100 Washington Ave. No.
Minneapolis, Minn.

Our Individual Membership Campaign

Up to March 10, our annual individual membership campaign had brought in 302 individual members who had paid their membership fee for the calendar year of 1929. These members were obtained with the assistance of the following cooperative managers whose names we publish here on the honor list, giving the number of individual members obtained by each:

- F. A. Fawer, Superior, Wis. ... 177
- W. A. Harper, Superior, Wis. ... 74
- T. J. Tenkamp, Superior, Wis. ... 50
- E. F. Durandt, Minneapolis, Minn. ... 31
- Joe Plue, Minneapolis, Minn. ... 4
- Walter Jacobsen, Minneapolis, Minn. ... 4
- Alice Johnson, Minneapolis, Minn. ... 2
- E. E. Seivert, Superior, Wis. ... 2
- Edel Rome, general manager of the Cooperative Central Exchange and a director of our League, has managed the campaign in the Central Exchange territory, which so far has brought such encouraging results.

The Prentice Cooperative Supply Company, of Prentice, Wis., has this year the distinction of being the first cooperative store in the district at which every employee has taken an individual membership in the League for 1929. Of course, most of the Cooperative Central Exchange societies are now also 100 per cent in this respect, after the three energetic fieldmen of the Exchange sent in their heavy bunches of memberships as given on the above honor list.
If every member of our own Northern States' Cooperative League army of some 150,000 or more has a good appreciation of them, he would realize how gratifying and fruitful the results of the task of securing individual members for our League and the educational work of the N.S.C.L., are. And when he hears that he doesn't stand to gain very much personally out of it, it doesn't give him much concern where the money goes. But if the individual is 'tied up,' then you're due to conduct a session of cooperative education from A to Z.

The third question is a much more complicated one to answer, than either of the first two. Those who ask that third question are practically without exception class-conscious workers. They insist on knowing definitely for what purpose their dollars are to be used. Are they to be used to organize such as the above-mentioned bakery proprietor and his kind, whose interests are opposed to the interests of real wage-earners, or are they to be used to build a cooperative movement of the genuine worker elements. Once they feel assured of the latter, the dollar is given generously. But they are to be used to many more of them if necessary. They understand they must bear the financial burden of the work. Their workers who still ask: "What will I get for my dollar?" It is natural that the number of cooperative store societies whose accounts have been audited by the League's auditing department is still small. However, more stores will come in during the year.

Interesting developments have occurred during the past twelve months in the Willmar Cooperative Mercantile Company, one of the oldest and strongest cooperative store societies in Minnesota. A year ago progressive elements gained control of the board of directors of the said society, with the result that they voted to join the N.S.C.L. These directors had suspicion that the inventories of their store society had been valued too high, and they desired to send a competent man to take an inventory at their store the first days of January. The League secured the services of two managers from the northern part of the state to do the inventoring and he found that the value of the stock was actually several thousand dollars less than what it had been represented to be at the previous inventories. However, the manager did not want to accept the valuation of the League's representative, because if that value had been accepted, the company's business would have showed a loss over $5,000 for last year. The manager raised the inventory as an issue at the annual meeting and the directors who were responsible for bringing in the League were all defeated in the election. The vote stood about 50 for the manager's faction and 30 for the directors, who wanted the interests of the members rather than to try to please the manager. However, only one-fourth of the membership took part in the election.

As an aftermath, the new board has notified the League of their withdrawal from the N.S.C.L. In the hope that they may be persuaded to reconsider their action. The sales of the Willmar Cooperative Mercantile Company at one time exceeded $300,000 a year. Last year they were $146,000. For the last six or seven years things have been on a downward slide for them and it was in an effort to put a stop to this that the directors last year resorted to the steps related above with such disastrous results to themselves. Overstocking and an uncooperative management have been the bane of this society, and there are no isolated cooperative store societies in Minnesota.

January 11, 1929, a meeting of the members of the Modern Book Store, Inc., of Minneapolis voted to dissolve the organization and return the share money to the members. Ninety per cent of the money paid for shares, 10 per cent having been spent in efforts to organize. This decision was reached after persistent efforts to raise enough money to open a progressive book store to be operated on the lines related above. Those still interested in the project succeeded in raising more than one-third of the money considered as a minimum required to open the store.

District Leagues

Adolph Wirkkula to begin work as full-time manager on March 11, temporary offices to be in the Brooklyn building of the Cooperative Trading Association until a permanent office can be found in the market district of Manhattan. The First Annual Meeting of the Wholesale was set for Monday, April 29, to be held in Maynard, Mass. Campaign for stock-
Cooperation

The past two years should remain the property of the Eastern League or be turned over as initial working capital to the new wholesale. Mr. Regli, the accountant, pointed out the value of starting the wholesale with a substantial reserve fund in addition to such capital as might be contributed by its members. Others agreed that the money belonged logically, if not legally, to the Wholesale Department. Those who contended for retaining it in the Eastern League treasury based their arguments on the fact that the wholesale would make profits anyway while the Educational League would always be handicapped for funds. Finally it was unanimously agreed that the money should go to the wholesale but with the understanding that after a year or two, if financial conditions warranted it, restitution should be made to the League. There is in excess of $800 in this fund.

The date for the Annual Convention of the Eastern League was set for Sunday, April 26th, and the place Maynard, Mass. The Secretary was instructed to draw up a tentative agenda to present at the next meeting of the Committee, and Mr. Long was instructed to make a two-weeks survey trip among the Eastern societies, the results of this survey to be written up and presented at the Convention as a basis for discussion of the Cooperative Movement in the East. Several directors urged that the newly organized wholesale be given a prominent place on the agenda. The Secretary presented a tentative budget for 1929 which was approved in principle and also a statistical table showing relative volume of support given various League activities by the member societies. He also reported application for membership from the Cooperative Auto Services of Brooklyn. Applications for managers are in hand from Utica, N. Y., and from Plaistfield, Conn.

Considerable discussion was given to the financial difficulties which have plagued two of the larger New York housing societies into receivership, and a committee to delve more deeply into this entire situation was appointed; namely, Mr. Long, Miss Arnold, Mr. Kazan, Mr. Robinson and Mr. Wirkkula.

The Secretary and the Accountant were instructed to prepare for presentation at the next meeting of the Committee, recommendations as to the societies which should receive the League Certificate of Merit, and also a schedule for the statistical information to be prepared for the eastern section of the National Cooperative Year Book.

The Educational Committee has undertaken plans for a Cooperative Institute to be held at Brookwood for one week in late July and early August. Particulars are given on another page of this issue of Cooperation.

New District League

In January, a conference of cooperators, most of them active leaders in various Finnish societies of Oregon and Washington, was convened at Astoria, Oregon, to consider the work done by their informal committee appointed one year earlier to carry on centralized cooperative education. Seventy delegates were present and a decision was made to attempt the formation of the "Pacific Coast Cooperative League." An executive committee of fifteen members was elected, three of them from Astoria and two from Svensen, constituting the Oregon and Washington Emergency Committee. Officers elected were: Alex Piippo, president; A. N. Koskela, secretary; Richard Wirkkula, treasurer.

Although the national office of The Eastern States Cooperative League knew nothing of this conference for several weeks after it had been held, it is now in touch with these cooperators and if the basis for this League is made broad enough to include all nationalities and all kinds of cooperatives, there should, in the near future, be another flourishing district federation in the United States.

Central States League

The Cooperative Trading Company of Waukegan made March its "expansion month" opening with a great propaganda meeting, March 20, and closing with a similar meeting on March 30th. Prominent leaders of the cooperative movement from other cities were invited to speak on these occasions. Prizes of $25, $15 and $10 were offered to the members or employees who brought in the largest number of new customers or members during the month.

The sales in 1928 were $680,000, the quota set for 1929 is $765,000. A new branch store on Grand Avenue is opened this spring to handle groceries, meats, dairy and bakery products.

ONE WEEK COOPERATIVE INSTITUTE
IN THE FOOTHILLS OF THE BERKSHIRE MOUNTAINS
At Brookwood Labor College
Katonah, New York

The Eastern States Cooperative League is arranging, exclusively for cooperators, an opportunity for combining study and play in the beautiful hill country 40 miles north of New York City. Open to directors, employees, plain rank-and-file shareholders, or miscellaneous enthusiasts for the cooperative movement.

Mornings will be devoted to study and class work in the History and Theory of Cooperation; Practical Problems of Administration and Organization; Relation of Cooperation to Other Radical or Progressive Movements.

Afternoons will be left open for tennis, baseball, basketball, hiking, swimming, and miscellaneous social recreation.

Evenings will be divided between more formal lectures by visiting leaders from the cooperative, labor or political movements, and informal debates or round-table discussions among the cooperators themselves.

Some of the foremost cooperative leaders of the country will be present to give special lectures and to take part in discussions.

Katonah is on the Harlem Division of the New York Central R. R. Single fare one way from New York City is $1.49. The Institute runs from Sunday morning, July 28th to Saturday night, August 3rd. Twenty dollars covers entire cost of tuition, room and board for the week.

For further information, write to:
THE EASTERN STATES COOPERATIVE LEAGUE,
167 West 12th St., New York City.
My Livestock News Item of the Month

**STEPPING ON IT**

Farmers Union members at Osmond, Nebr., have a thriving cooperative gasoline and oil business built entirely from savings.

During the spring of 1924, Wm. H. Schulz, business agent for one of the locals, advanced the money to purchase a bulk storage tank for gasoline, and ordered a car of gasoline from the Farmers Union State Exchange of Omaha. The capital Mr. Schulz advanced was repaid from savings, and the cooperative line and oil business was begun.

Farmers at Osmond, Nebraska, are tributary to the State Exchange of Omaha. The capital was returned as patronage dividends.

The business is not incorporated. The members are considering incorporation, however, in order to get away from the unlimited liability of a partnership.

L. S. H.

**HOW OUR INCOME IS DISTRIBUTED**

The People's Lobby of Washington, D. C., has compiled some interesting figures showing the aggregate and the average net income for various classes within the population of the United States in 1927. These figures are for 11,000 people who received over $100,000 of income in that year and for several million wage earners employed in various industries. The average year's income for individuals in each class works out as follows:

- Persons with incomes of over $100,000...
- Wage earners in food factories...
- Wage earners in textile mills...
- Wage earners in iron and steel mills...
- Wage earners in lumber and allied products mills...
- Of all wage earners in all industries...
- The average net income per farm...

C. L.

**PIONEERING IN CANADA**

The United States was once an agricultural country. It is now a commercial country. Trade and commerce have superseded agriculture as the chief occupation.

During the last seven years three million people have left the farms. The farmer's debts now have reached fifteen billion dollars. The farmer in the United States is at the mercy of commercial forces which he seeks to get enough to keep alive and productive, but the big rewards are found in trading in the products of labor rather than in producing.

The three Prairie Provinces of Canada—Manitoba, Saskatchewan, and Alberta, are still pristine agricultural areas. Wheat farming is the dominant occupation. The farmers are well organized, dignified, intelligent, and progressive.

I have recently been lecturing at the three Universities of these provinces. The students who are preparing to go into agriculture represent a high grade of intelligent interest in their studies. Most of the students have come from the farms. They have not been sent to college; they go to college, and they are trying to get as much out of education as possible. Canada has a much higher percentage of university graduates who go into agriculture than the United States ever had. The popular degree is the Bachelor of Science in Agriculture. These students study the economics of cooperation.

The farmers of the three Wheat Provinces average high in education and intelligence. They have met many who were once occupied in farming in the United States. They have no desire to go back, and they all express regret that they did not come to Canada sooner.

Their marketing organizations are superior to those in the States, and embrace a larger proportion of the producers.

The Wheat Pools are successful. Sixty per cent of the wheat growers of the three wheat provinces are in the pools, last year marketed 210,000,000 bushels of wheat for which they received $290,000,000. In addition to this, the Pools handled over $16,000,000. In addition to this, the Pools handled over $16,000,000.

The Alberta Pool has 36,000 members; the Manitoba Pool has 85,000, and the Saskatchewan Pool has 20,000.

The Wheat Pools represent the most efficient large-scale marketing the farmers of this continent have ever developed. They carry on their business through a central selling agency, the Canadian Cooperative Wheat Producers, which handles most of the wheat of the Provinces.

The Pools own over 1,400 county elevators and several large storage and transfer elevators at the wheat shipping terminals. Besides their many offices in Canada, they maintain offices in New York, London, Paris, and Argentina. They export wheat to twenty countries. Their chief customers are Great Britain, Holland, Italy, China, and Japan. Each of the three Pools has its own organized central offices; and the central marketing organization, which sells the wheat for all, maintains a complete equipment of high class executives.

I have met the leaders of these four organizations, and have been impressed with their efficiency and earnestness. There is something peculiar about their attitude toward cooperation. They are not only interested in the farmers' marketing organizations as economic enterprises, to get the farmers better rewards for their labor, but they are interested in them as social forces for improving rural life.

They are getting results. Before me lies a booklet on "Lavor Improvement." It is not a discussion of the mechanical equipment of these great grain stores; it deals with the beautification of the grounds about the elevators. Plans are shown for landscape gardening, flower beds, hedges, trees, and walks. "Better grounds, better business, better homes," is the slogan of the Pools. At the many agricultural schools the girls students take not only courses in agriculture but also home-making. Domestic economy is the specialty for the girls. They prepare dinners and work in the presence of beauty in a dining room and kitchen which would do credit to a refined house. It is a pleasure to see the boy students in the agricultural schools come in from the barns, shops and fields, and sit down to dinners at small group tables with the girls. They wash, clean up, wear costs...
and collars, and eat their meals in an atmosphere of beauty, due to the cleanliness, attractive lunch and flowers at each table. The farmers at present elect the president and control the governments of the three provinces. Recently their leaders have come to see the danger in not developing the economic organizations with politics. And they have gone so far in their thinking that they realize the necessity of developing consumers' cooperation as an essential adjunct to their marketing machinery.

Here are farmers, with political power in their hands, who seem to be wise enough to turn to consumers' cooperation as the field in which to work out their further prosperity. In the United States, the Farmers' Union and the Grange and Washington are about the only state-wide farmers' groups interested in consumers' cooperation. But here in Canada are the wheat growing farmers, as a mass, giving consumers' cooperation their approval and making ready to take hold of it in earnest. Each of the wheat provinaces is pretty well blanketed with consumers' societies—in all there are about seventy-five store societies and hundreds of cooperative buying locals. A cooperative wholesaling society has been organized in each province and is now functioning.

It is interesting that the Wheat Pool has efficient educational departments which are keenly sympathetic to this consumers' movement and stand ready to give it assistance. The same is true of the chief educational organization, the United Farmers. No such situation exists, or ever has existed, in the United States, on so large a scale.

The American farmers have started farmers' stores, which they called cooperatives. Most of them were doomed. But they have never, or rarely, called upon experts in consumers' cooperation for advice.

The Canadian farmers are doing otherwise. The literature of the Wheat Pool of Manitoba contains every important book on consumers' cooperation to be had in the English language. Twenty-five copies of a recent work on the subject were placed in the hands of twenty-five executives for their reading. Not only do cooperative executives read this book on consumers' cooperation, but they are disposed to keep their larger opportunities.

It is possible that in this field, cooperation may become established before commercialism gets control. It is possible that the farmers may be stopped by the development of marketing organizations and of ultimately becoming commercialized themselves, but they may perfect their cooperative movement and get control of their spending power also.

It is possible that the quest for high prices and profits may not become the main interest of the farmers, to the exclusion of their larger opportunities. It is even possible that, having tasted political power and having discovered its dangers, the farmers may turn to their economic organizations for the solution of their larger problems, and may use their political control only to keep in check the monstrous State organism.

In the United States it is now too late. Commercialism is in the saddle and is riding with boot and spur to its end. Eastern Canada is rapidly going the same way, in testimony of which the recent establishment in Montreal of a branch of the great Barclays' banks, with two billions of capital. Where commercialism once became dominant, there it remains the master until it collapses or until the slow and doubtful force of education may cause it to be supplanted by something else.

The wheat provinces of Canada are yet virgin and unspoiled. It is conceivable that here may witness another outcome of the face of the agricultural world where the farmers may build a civilization of their own!

Cooperation Abroad

COOPERATIVE PIONEER DIES

Sir William Maxwell, who died several weeks ago, is one of the last of the Pioneers of the British Movement. Born three years before the Rochdale store was opened in 1844, he lived to see the ideals of those twenty-eight weavers achieve international significance and himself contribute as much as any other man toward that end. What Mitchell was to the English C. W. S., Maxwell was to the Scottish. It was his work which produced the group of great cooperative productive societies of the Scottish Wholesale in Glasgow and he assisted in forming the enormous joint tea department of the English and Scottish consumer. As President for many years of the Wholesale in Scotland it was but natural that he should be promoted to the presidency of the International Cooperative Alliance. In 1918 he was knighted by the British Government.

The life of this man, one of the last to span the period between 1844 and 1918, has just closed. But they B. Elliott, well known cooperative journalist of England, under the title, "Sir William Maxwell; a Pioneer of National and International Cooperation."

SWEDEN

Cooperative Housing in Stockholm, Sweden, is offering some remarkable advantages. The three latest buildings to be erected by the Stockholm Tenants' Cooperative Society contain between 600 and 700 flats of two rooms and kitchenette. Rents will be at least 25 per cent lower than for similar flats elsewhere in Stockholm. Each building contains a large central court with park and child-

COOPERATION
them in the theory and practice of cooperation. These men then help select the charter members who elect the officers, executive committee and council of supervision. Unlimited liability attaches to membership; so that great care is used in accepting members, in making loans, supervising their use, and in collecting money. One-fourth of the profits go into a reserve fund.

Success in this field led to cooperation in securing fertilizer, reconstructing irrigation reservoirs, growing better crops, and marketing them. In Shan-tung province seven societies have formed a Union and have purchased over 80,000 mulberry trees which the members have planted on the hillsides where mulberry trees will not grow, thus diversifying their farming by adding silk culture. These societies use and demonstrate the superior seeds developed by the University. They are beginning to buy modern machinery for cooperative use. There is a healthy growth toward a cooperative agriculture in China.

ITEMS

According to Nicholas Zawoyko, the Ukrainian cooperative movement which is within the province of Polish rule is again being persecuted, the cooperative wholesale’s creamery at Lembergh being broken into in November, goods destroyed, and a woman official who protested against the outrages being murdered in the presence of thousands of people.

At the Forty-First Congress of Centralcoyus last year, many interesting reports were rendered covering the size and rapid development of the Russian movement. Membership had increased by 41 per cent, from 16,000,000 to 22,581,000, while the number of shops had increased from 75,000 to 85,000. The trade turnover for the country jumped 23.6 per cent, and that for the whole sale alone by 43.5 per cent. Three years ago the consumers movement handled 33 per cent of the total retail trade of the country; two years ago this had increased to 42.3 per cent, and last year to 53.5 per cent.

Private mining of coal in England seems to be at a standstill, yet the cooperative movement, far from being frightened by this fact, goes on extending its holdings of coal property.

It is eleven years since the C. W. S. of England purchased and began operation of the Shilbottle Colliery at Alnwick. An additional purchase of the South Shilbottle Collieries at Newcastle has just been completed—one of the most up-to-date in the country from the point of view of working conditions for the miners. The entire Shilbottle Seam is now controlled by the C. W. S.

Equipment includes 4 1/2 miles of railway, aerial ropeway, electric and steam plant, eight houses, twenty-five cottages, and mining rights over 4,000 acres. There are said to be 31,974,000 tons of virgin coal in this property.

Cooperative Radio Talk

On Friday, April 12, at 5:50 p.m., the Cooperative Correspondence School of the League will be explained over Station WCFL of Chicago by Colston E. Warne, director of the school. On Thursday, April 11, at the same hour, the consumers cooperative movement in the United States will be described by Cdrice Long, Executive Secretary of the Cooperative League. All those in the central part of the country who are interested in hearing these talks should tune in.

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Cooperation

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MANAGEMENT COMMITTEE OF THE COOPERATIVE CENTRAL EXCHANGE

Wholesale at Superior, Wisconsin. From left to right they are: Irven Lunds, Peter Kolskoven, Henry Kosh, Secretary, Oscar Cogan, President, Matti Tenhunen, Esko Roos, General Manager, George Holomen, Educational Director. This Committee is appointed by the Board of Directors to exercise close supervision over the affairs of the Exchange.
A Progressing Cooperative Wholesale

THE 12TH YEAR OF THE COOPERATIVE CENTRAL EXCHANGE

A review of the activities of the Cooperative Central Exchange during the past year, with some comparative reference to its modest origin and upward struggles during the past twelve years, gives an encouraging and at the same time instructive picture of the consumers' cooperative movement in the northern central states.

Operating as a cooperative wholesale, the sales of the Cooperative Central Exchange totaled $1,517,818 in 1928. In the American private business world this might be considered an almost insignificant sum, but, when it represents cooperative efforts in centralizing the buying power of consumers' cooperatives in the Northwest, it becomes significant evidence of the progress of the cooperative movement.

The Cooperative Central Exchange was organized at Superior, Wisconsin, in 1917, through the joint action of a small number of local cooperatives in the district. The working capital given to this wholesale at the first meeting represented a collection of about fifteen dollars. When business was started one cooperative after another bought a hundred dollar share. For the greater part, the present capital of $61,700 has been 'made' by the wholesale itself through stock dividends.

The growth of the C. C. E. has not been phenomenal, but steady, its sales increasing annually by about 25 per cent over each preceding year. The net gain for 1928 amounted to $33,894.18.

The policy followed by the C. C. E. has been to pave the way through persistent educational work rather than through spectacular maneuvers. Expansion on too fast a scale has its dangers. The American cooperative movement has seen many cooperative ventures which, started on a big scale and expanded too rapidly, go down as suddenly as they appeared. The C. C. E. has expanded its activities a line at a time. After enough preparatory work has been done and previously adopted lines of merchandise have become established and recognized, only then have new fields been entered.

This cautious course has been necessary on the one hand because of lack of capital and, on the other, on account of the lack of experience in solving the different problems coming up with expansion. The functionaries have grown up with the growth of the business.

Some of the Old Difficulties

Lack of capital and experience are not the only difficulties a cooperative wholesale must face. From the beginning the Cooperative Central Exchange has been forced to fight private business interests that have tried everything to hinder the progress of the cooperative wholesale. First the C. C. E. was boycotted. It was not able to secure a place on a direct list with manufacturers. Nationally advertised goods especially presented a serious problem. However, this boycott could not prevent the cooperatives from fighting their way forward. The biggest part of the problem was solved by resorting to our own cooperative label. Perhaps the cooperators' best brand would not have been such a success as it is today without this boycott by the private interests.

Most of the merchandise handled by the C. C. E. now carries the cooperators' own label. Our own label has been a powerful factor not only in building the wholesale, but also in helping the local societies in their fight against the competition of chain and private stores. Cooperators now know what they buy. The price question becomes clearly a question of quality. Standardization under our own brands helps to lower the expenses and in many other respects makes the cooperatives different from private stores.

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Naturally the fight is not yet ended. Continuous attacks are being directed at the cooperative wholesale as well as against the movement as a whole. Where an open attack is doomed to failure, all kinds of underhand methods are resorted to by the private business interests. Rumors, misrepresentations and outrageous lies are spread among the members of local cooperatives. Thus bitter factional fights are frequently instigated among the membership in some places. So far all these attempts have failed to prevent the cooperative movement in the Northwest from steadily strengthening itself organizationally and directing its efforts towards better centralized activity.

Educational Work

Last year the C. C. E. used over $5,000 in educational work in addition to sums paid directly by the affiliated societies for the same purpose. The educational work consisted mostly of speaking and lecturing, visiting local societies, holding conferences with local Boards of Directors and employees, and by holding several successful district cooperative conferences. The monthly magazine, The Cooperative Pyramid Builder, has been of great help to the stores in expanding among the non-Finnish elements. During the year five branch stores were opened. Ten new members were accepted, bringing the number of affiliated share-holding societies to 84.
The question of changing the local stores from the credit basis to a cash-trade basis has been one of our biggest problems. The Educational Department of the C. C. E. is helping to solve this problem by furnishing speakers and localized circulars. As a result of this propaganda against credit business, the majority of the member stores are now on a cash basis.

Auditing Department

The income of the auditing department was a little over $10,000 during the year. Accounts are now kept in a first class manner in the majority of the stores. Having an auditing department connected with the wholesale has proven of great benefit not only to the local societies themselves but to the wholesale as well, since it has been a very practical connecting link between the central organization and the local cooperatives.

Merchandise Policy

As already stated, the merchandise policy has been to expand along our own label line, based on quality. A few figures showing the extent of certain annual sales might be interesting. Thus, Cooperators' Best flour and feed were sold to the amount of 562 carloads; own label coffee, 342,568 pounds; Red Star matches, 1,498 cases; own label canned goods to a total of 1,555 cases of fruits and 5,284 cases of vegetables; Red Star canned milk, 2,000 cases; Red Star rolled oats, 7 carloads; Red Star oil, 9 carloads, etc.

Employees

The total number of employees of the C. C. E. is 46 at present, with 15 in the bakery department, 8 in the warehouse, auditing department 5, general office 15, and with 3 traveling salesmen.

The activities of the C. C. E. in 1928 merely give further proof that the cooperative movement has possibilities of success. The road is, indeed, difficult, with the profit system obstructing the way with all sorts of obstacles. However, by connecting itself in a practical way with the working masses, educating them to understand the class character of the present system of society, the movement is bound to go forward.

G. H.

MURDER AND ROBBERY

We have all heard of the cooperative store manager who consistently reports to the members year after year that the business cannot be made a success, who finally undertakes to buy up the store personally, and who thereafter makes it highly successful as a private concern. We have also heard about the cooperative which accumulates such a large reserve fund that the members finally vote to dissolve the association and divide up among themselves the proceeds—each winning a return of four or five hundred per cent on his investment. In each case the cooperative is murdered in order that robbery may be committed. Eastern Pennsylvania has one small town where the manager and the members together committed the murder, robbery being the motive of the accomplices in crime.

The workers and farmers in this community organized their store soon after the war and made it a success from the start. Within six years the reserve fund was several times the paid-in capital, and still the consumer-members were getting a neat little purchase rebate every six months. At the close of the eighth year the officers and manager, patterns of the manager, were boasting that "each original $5 share of stock is worth $25." The member who put in $200 began taking an eager interest in the lines of cars that can be purchased for $1,000. The woman who held $10 worth of stock revived her old hopes of the fur coat she had so many times grasped at and lost. The considerate manager sympathetically encouraged them both—and by a good deal of tactful but persistent questioning discovered that many other members also hungered after costly necessities or luxuries, some of which seemed almost fantastically out of reach of the poor workers that they spoke only jokingly of their desires—until the thoughtful manager showed them how through the thrift of the community, the dream of yesterday might become the reality of tomorrow.

And then the business began to slip. The chain stores were proving sharp competitors. Somehow the wholesalers' bills were not discounted as regularly as they had once been and wholesalers' service fell down while their prices went up. Wages in the store had to be raised, new repair bills met out of earnings, retail prices must be cut to meet competition. The next year showed a substantial net loss—and the manager reported that future prospects were not at all bright.

Other cooperative stores in the state had kept up the fight against losing odds year after year until all the original investment was dissipated and bankruptcy descended upon them. Would it not be better to get out while the getting was easy and profitable? There could be only one answer to such a question.

The thousand dollar car is now two years old and about ripe to turn in for a 1930 model. That fine coat has weathered the storms of two severe winters and is a trifle shabby. And, alas, there is no other such financial windfall in sight. The cooperative is long since dead and buried. The good workers and farmers are chasing the chain stores, or trying vainly to drive sharp bargains with their old friend who formerly managed the Co-op. There's a new coat of paint adorning the building that once belonged to the consumers, and business is brisk behind the painted front. In fact, it is reported that the proprietor is pulling down some eight or ten thousand dollars a year—which is really not half bad for a business of only $120,000 a year gross, and having to compete with those bothersome chain stores which put up such a stiff fight for the town's trade.

G. L.
Which Should We Use?  
Nationally Advertised or Cooperatively Labelled Package Goods

(Continued from Cooperation for April)

KIDDED BY EXPERTS

By Eskel Ronn
Cooperative Central Exchange, Superior, Wisconsin

Ain't it the berries, how the American people love to be kidded? The best trained talent among writers, painters, and cartoonists is employed to kid the public. But the saddest part of it is that, despite our reputed American sense of humor, very few realize that they are being kidded.

Take this advertising game for example. Can you think of any bigger hoax? By advertising we are made to buy certain styles of clothes, eat certain foods, yes—and even chew gum. There isn't a human emotion or instinct that the expert advertiser doesn't appeal to.

The purpose of all this advertising is to sell products to the consumer for a profit. The most extravagant claims are made, in fact anything is fair as long as it creates a demand and thus brings a profit. The consumer is constantly taught to think of a certain brand name as being the case. With the aid of advertising, a demand can be created for very mediocre products.

The purpose of the cooperative store is not to make profit, but to serve its members, to get quality goods as economically as possible. Therefore, we must first learn what it is that constitutes quality in the merchandise we sell in our cooperative stores.

How many times do you hear well meaning managers of cooperative stores saying, "We must give the people what they want." These managers never take into consideration that the people do not really know what they want. When they specify certain brands, it is with no more reason or knowledge than the lady who inquires at the post office if they have 2 cent stamps, and when the clerk produces a sheet of a hundred stamps, she looks intently at them, and finally points at one in the middle, and says, "I want that one." It is the duty of every manager to teach his customers the value of merchandise and to build confidence in the products handled by the store. But this of course presupposes that the manager is familiar with merchandise and knows what constitutes quality. And if we are honest with ourselves, the most of our knowledge is based on the advertising we have read, and not on facts that we have learned by study, examination and laboratory analysis.

We can serve our customers much more economically if we can get them products that do not bear the tremendous cost of national advertising. Just keep in mind that the advertising appropriation for 1929 "Lucky Strike Cigarette" alone is $12,000,000. The consumer pays for it.

With hundreds, yes thousands of articles to be sold in a store, it is impossible for any one manager to know all the merchandise he is called on to buy, no matter how much he may pride himself as a buyer. It can't be done.

Well, then, how are we going to solve this problem? First of all we must remember that no matter how strong a cooperative store may be alone, it has not the buying power to dictate to manufacturers as to the quality of the merchandise. It would be too expensive a proposition for them to have chemical analyses made of the small quantities they buy. Our only hope lies in centralizing and forcing strong wholesales, which again will centralize among themselves and finally go into manufacturing. They can afford to hire experts to buy for the needs of all cooperatives. All this so far has been more or less theorizing, but very sound and tested theories they are.

The Cooperative Central Exchange has put these theories into practice. The 86 stores affiliated with it to-day form a network of retail stores with an average of 12.8 per cent on cost and insurance costs, dead stock, etc. The savings the Cooperators are able to make by the use of their own labeled goods is from 5 per cent to 31 per cent with an average of 12.8 per cent on the following examples alone.

| Cooperators’ Nationally Advertised | Rolled Oats........ 2.20 per case | Corn Flakes........ 2.60 “  “ | Wheat Cereal...... 2.00 “  “ | Pork & Beans—large ....... 1.95 “  “ | Apricots—choice No. 2 3.38 “  “ | Sliced Pineapple standby, No. 2 2.55 “  “ | Strawberries No. 2—40%..... 3.75 “  “ | Soap ....... 0.95 “  “ | Raisins—1 lb. pkg. ...... 0.60 “  “ | Medium Motor Oil ......... 0.47 gal. | Mustard ......... 1.15 “  “ | Catsup—pints .......... 1.05 “  “ |

The above prices are those prevailing in the Cooperative Central Exchange territory. Every case listed above the "Cooperators' Best" merchandise has been tested and found to be equal or better, than the most widely used corresponding nationally advertised product.

Then there is the added advantage that no one manufacturer can dictate prices and commissions, for it is possible to get competitive prices from different manufacturers when you control the label and formula.

From the retail point of view the "Cooperators' Best" goods also eliminate competition, to a great extent, because they are only sold by cooperative stores. It is possible for the cooperative stores to build a reputation for quality goods. But when they handle nationally advertised products, they cannot offer anything that their competitors cannot offer.

There are of course a lot of other savings made by standardizing stocks, such as smaller inventory, lower interest and insurance costs, dead stock, etc.

The purpose of the cooperative movement is to get a more equitable and economical distribution of the necessities of life, and surely in achieving that aim we shouldn't allow these advertising experts with their bully-boys methods to fool us with pretty labels and tinsel paper.
**News and Comment**

**SOO’S BIGGEST YEAR**

The Soo Cooperative Mercantile Association at Sault Ste. Marie, Mich., in spite of the increased competition by the big chain stores, continues to show that cooperative chain stores can make progress also. Sales of $646,000 in 1928 mark an advance of $45,000 over the figures for the previous year. Thirty-eight thousand dollars in cash were taken back to stockholders, customers and employees and $1,000 was placed in the reserve fund. Five hundred eighty-five members are now enrolled on the books and their paid-in capital is more than $48,000. The reserve fund is $88,000. Two-thirds of the business is done with non-members.

The Soo Association is unique in the fact that it operates a cash-and-carry store next door to the main building, thus enabling people who want to get all the advantages of low prices to get service from the cooperative which is operated by the same people who own the chain stores. Meanwhile anyone who wants delivery and credit can get that also. The Association is operating ten delivery trucks for the benefit of the latter.

Two proposals are now on foot for expansion of this business: The first is for the organization of a savings and loan association, approved by the membership and to be operating this spring. The second suggestion is for the opening of a gasoline and oil station. Farmers throughout Michigan and adjoining states have organized hundreds of these cooperative oil companies and there is no reason why city workers can not do the same.

**AMERICAN INDIANS AS COOPERATORS**

The Indians of North America were probably better cooperators than any white men have ever been, way back in the days before our ancestors of Europe knew there existed any country farther West than Ireland. But the immigrant whites in America broke up that old Indian civilization and forced the red men into a machine made capitalist way of life, from which there seemed no escape.

Thousands of white Americans now are themselves seeking an escape from capitalism by way of the cooperative movement, and although many of the Indians in the central and far west have as individuals taken out membership in white men’s cooperative societies, it is the Indians of the St. Regis Reservation, near Malone, N. Y., who claim to be the pioneers in starting the first all-Indian cooperative society for marketing and purchasing of agricultural products and supplies. The group first organized as milk producers and became a branch of the Dairymen’s League. Later they will market cooperatively their other crops. The Cornell Agricultural College is helping them get started.

The leaders in the new movement are descendants of historical characters. Chief Albert Shenandoah of the Oneidas, champion of the Iroquois Indians, is the great grandson of the man who took 600 bags of corn to Valley Forge to feed Washington’s army. La Fayette White is grandson of the noted chief by whose son LaFayette acted as god father at baptism. Walter Kennedy is president of the Cornell-Indian board.

"**COOPERATIVE SOCIETY OF AMERICA**’S ACTIVE"

The “Cooperative Society of America,” organized ten years or more ago by Harrison Parker, obtained from consumers in various states, thirty million dollars worth of subscriptions to stock and actually took in thirteen million dollars in cash before the notorious bankruptcy debacle. Not only was this society quite uncooperative in structure but almost entirely so in spirit, and after the bankruptcy proceedings there were widespread suspicions that Mr. and Mrs. Parker had gotten away with a vast landsliding of stock.

Four or five years ago Seymour Steedman and two other trustees undertook the task of rehabilitating the Society. Ninety thousand people had originally joined, and 30,000 of these continued to stand by the plan for reorganization either voluntarily or because they had no method of repudiating their contracts to buy stock. The only properties left after the collapse were the City-State Bank of Chicago, the People’s Life Insurance Company, and an equity in the People’s Life Building which had been erected on leased land in the loop district of Chicago. The Bank was small with deposits totalling less than $300,000 and the Life Insurance Company had approximately $6,000,000 of insurance in force. The equity in the building was approximately $400,000.

The new trustees immediately launched a program of expansion for these three properties. To-day the bank has deposits of nearly $5,000,000, there being approximately $2,000,000 in savings, $3,000,000 commercial accounts, and 1,300 Christmas Club accounts. The insurance company has made corresponding progress. Of the overwhelming indebtedness which the society had five years ago, the trustees claim now to have cleared away everything except $25,000, and a refinancing scheme is being planned which will eliminate that debt also. The latest development is the organization of another subsidiary known as the “Randolph Drug Company” which handles not only drugs but a large line of general merchandise from rattles to billets each quarter and the latest development is the organization of another subsidiary known as the “Randolph Drug Company” which handles not only drugs but a large line of general merchandise. The Randolph Drug Company is housed in the City-State Bank Building.

From the information obtained in the magazine published by the society, it appears evident that this organization is to-day no more cooperative than it was in the days of Harrison Parker. The directors are still elected by a Board of Trustees, which automatically limits the control of the general membership.

**WOMESDORF, PENNSYLVANIA**

The Womesdorf Cooperative Association started in 1919 in a small town, with a small membership doing a small business. The town and the membership are still small, the latter only 92, but the business has been growing steadily until today only three of the five members of the American Stores Co., pretends to the match the volume of trade of the cooperative. For the first few weeks after that "yellow front," the cooperators experimented with the penny bargains, but the speculative fever did not last long and they are now back at the Co-op better than ever. In fact, 1928 sales show an increase of $10,000 over those of 1927.

These people are Pennsylvania Dutch folk who after living in America for hundreds of years still speak the peculiar German-English dialect. And they do know how to work together. The store carries not only groceries, but all lines of general merchandise, for the baby up to the large drugs, shoes, clothing and linoleum to card tables and fishing tackle. On sales of $55,202 last year they paid 2 per cent purchase rates each quarter and left $2,163 to go into the reserve fund. The land and buildings, valued at more than $11,000, stand clear of all indebtedness except a small mortgage loan of $2,000 procured last year to make extensive improvements possible. The balance sheet shows no accounts receivable and none payable. The business is run on strict cash and carry principles.

Some "financial advisor" induced these folks to return to stockholders each year out of earnings, not only the 6 per cent to which they were entitled but also a stock dividend of one $5 share to each, regardless of what previous investment each of these members might have. The reason for such advice was ”that it is illegal to accumulate a large reserve.” The directors are wiser this year and are going to put the larger share of the 1928 earnings into the reserve fund.

The President is Ralph Anderson, the recording Secretary, Harry Heist, the Financial Secretary, George Rabold. The hustling young manager and treas-
Northern States Cooperative League

2100 Washington Ave. No.
MINNEAPOLIS, MINN.

OUR INDIVIDUAL MEMBERSHIP CAMPAIGN

Our individual membership campaign for 1929 received a great push during the month of March. Up to April 10 we had received 330 individual members. This is the highest figure so far in the history of our League. We have never before reached the 500 mark. And the campaign is still going on, so that at this writing it looks certain that we will reach at least the 600 mark, if not the coveted 1000 mark, before we are through for this year.

These brilliant results are due to the efforts of a dozen or more enthusiastic cooperators who have put their shoulder to the wheel and helped us in the campaign. Below we publish an honor list giving the names of those who have turned in ten or more individual memberships each. This list now contains ten names as against four published in the April issue of Cooperation.

K. A. Norum, Superior, Wis. 120
Toivo Tasahalin, Superior, Wis. 120
W. A. Hurja, Superior, Wis. 97
F. F. Burnest, Minneapolis, Minn. 77
L. Losch, Minneapolis, Minn. 54
A. H. Beier, Bock, Mich. 53
V. S. Alanne, League Office, Mpls. 46
Walter Jacobsen, Minneapolis, Minn. 46
Emil Baken, Minneapolis, Minn. 40
Guy Lauzade, Superior, Wis. 10

Total 537

The League office expects to send out a circular letter to the boards of directors of all affiliated societies of the district reminding them of the fact that the Seventh Annual Convention of the League, held at Burlington, Iowa, August 28, 1928, urged all directors of the affiliated societies to take an individual membership in the League. If this wish of our last annual convention can be carried out, there will be no difficulty in raising the total number of individual members to 1000, as there are now a hundred affiliated societies in our League and the most common number of directors in each society is seven.

The League office wishes to thank cordially all of those members who have assisted us in getting these splendid results.

ANNUAL MEETING OF FARMERS' UNION TERMINAL ASS'n

The annual meeting of the Farmers' Union Terminal Ass'n of St. Paul was held in that city the 20th of March. As the territory covered by this organization extends not only to Minnesota but also to North Dakota and Montana, there were shareholders present from these three states, the bulk of them baling from North Dakota. There were altogether about 70 people in attendance.

The Farmers' Union Terminal Ass'n, which is organized under the cooperative laws of Minnesota, did a large business during its past fiscal year, considering the youth of the organization. During the last "crop year," extending from August, 1928, to February 28, 1929, the association handled 16,000 bushels of barley, its volume of business during this period running up to the very respectable figure of nearly $200,000. Its total operating income during the period was $17,500 and its operating expenses amounted to $75,479. The paid-in capital stock of the organization is $170,000 and its total assets at the end of February were $78,932. The fact that the current assets of the Farmers' Union Terminal Ass'n are somewhat larger than its current liabilities and that during the last "crop year" its business showed a net gain of about $100,000, indicate that this young organization got off to a good start in the business way and has rapidly conquered a great deal of field.

So far only individuals are owning shares in the organization and its capital stock is divided into common (voting) and preferred stock. It is planned for the future that both and county organizations of the Farmers' Union in the northwestern states should take shares in the Terminal Ass'n.

A new board of directors of nine members was elected at the meeting, five of these directors representing shareholders in North Dakota, while the other directors come from Montana. The directors of this board will serve as the board for the Farmers' Union Exchange of St. Paul, as all the
shares of stock in the Exchange are now held by the Farmers' Union Terminal Ass'n. The business of the Farmers' Union Terminal Ass'n is being managed by William Tkatcher.

WHAT'S GOING ON IN THE N. S. C. L. DISTRICT

The Cooperative Central Exchange is the largest dues-paying affiliated society of the Northern States' Cooperative League. And, it is the Exchange that is being managed by William Tkatcher. The newly affiliated Minnesota societies are: Bivabik Co-op, Mecum, Square Lake; Farmers' Co-op, Co. of Mecum, South Lake; Farmers' Co-op, Prochube Ass'n, Moose Lake (previously affiliated with the N. S. C. L.); Farmers' Co-op, Trading Co., East Lake; and S. C. L. Co-op. of Wright, Minn., has amalgamated with the Farmers' Co-operative Company of Wright. This store in the Sturgeon township with Andrew Voimala, formerly from the International Store, has been elected their manager. The new organization is Workers' Cooperative Association. We wish the group good luck! 

The Cooperatives in the N. S. C. L. district is making actual headway and conquering new fields is proved, among other things, by the fact that within the last three months several new cooperatives have been organized in Minnesota. On March 18 there was held at Kettle River an organization meeting which resulted in organizing a new district cooperative, for which the name of "Cap" was selected. The first letter in this word stands for Carlton, the second for Aitkin, and the third for Brule. This new cooperative society represents co-operatives from four counties. Delegates from five cooperative stores and one farmers' cooperative store (one each to take $250 worth of shares in the new oil association which is going to erect its first bulk station at Kettle River. Later on, in June and July, Brother Jacobson is scheduled to do educational and organization work for several Upper Peninsular societies.

The League office is now working to arrange a district conference of Central Wisconsin Co-operative store societies which will be held at Madison, Wis., May 22d. Provided that the local society agrees to help the League in arranging the meeting, it will undoubtedly prove a very good move for both the store and Wright, Minn., has been elected their manager. The new organization is Workers' Co-operative Association. We wish the group good luck! 

The Czecho-Slovakian workers at Kewatin, Minn., have recently opened a cooperative store in that town. They have decided to join the Central Exchange and on the recommendation of the Exchange Paul Voimala, formerly from the International Co-op. Stock, has been elected their manager. The name of the new organization is Workers' Co-operative Association. We wish the group good luck in their co-operative venture. As far as we know this is the only cooperative store in existence in our district formed by this nationality group.

The Orr Farmers' Co-op, Trading Co., of Orr, Minn., expects to open a branch store. The Northern Farmers' Society of Angora, Minn., has already opened its second branch store in the Sturgeon township. Andrew Voimala, formerly from the International Co-op. Ass'n of Iron, Minn., has also opened a branch store at Forbes. Cooperative store societies in the Mesabi Range, Cloquet and New York Mills districts are also busy taking steps to organize district co-operative associations. Committees are already working on the preliminaries. This may mean the formation of three or more district co-operative associations this spring or summer, each of which is to be organized at Kettle River. All these oil associations expect to join the Minnesota Co-op. Oil Co. and buy their gasoline through them.

The work on the First National Yearbook is in full swing at this writing. Circulars have been sent out to all societies in the N. S. C. L. district asking them to take space in the yearbook. The New Era Life Ass'n was the first affiliated society of the Northern States' League this year to return its contract in its entirety, and we trust that we can have at least two further responses from our members. Other societies are expected to follow suit.

Several of our active cooperatives have been struck by illness recently, which naturally has tended to retard the movement. H. L. Nordby, president of the Northern States' League and general manager of the Franklin Co-op, Cray Ass'n, has been confined for several weeks to a sanitarium at Milwaukee where he was visiting when he fell ill with pneumonia. However, Brother Nordby is again back in Minneapolis and is expected to assume his duties shortly. We wish Brother Nordby a speedy and complete recovery.

Elked Ronn, secretary of the Cooperative Central Exchange and a director of our League, was detained at an Isolation Hospital in Superior, Wis., for a period of two weeks the first part of March on account of an attack of diphtheria. Fortunately the victim is not a very serious one and Brother Ronn is back on the job with unabated vigor.

We are very glad to report that Gordon Edberg, also a director of our League and formerly chairman of the Educational Committee of the Franklin Co-op, Cray Ass'n, has been released from the hospital where he had been confined since the early part of November, as a result of a very serious accident. With his return to the Exchange the Wright, Minn., has been restored to his normal condition, he is already back at work in cooperative doings in Minneapolis. You can keep a good co-operative operator down very long!

JUST A FAIR DEAL

The relief that farmers need is relief from exploitation. Most of this relief—perhaps all of it—we shall have to get for ourselves, through cooperative marketing and cooperation in obtaining our farm and household equipment and supplies. The best relief the government could give would be to quit aiding the exploiters.

Price disparity started this farm relief effort. The question then arises of how we can exchange for much less of other commodities than before the war. This is largely because exporters are entrenched behind law-made privileges, especially entailed by tariff duties. The logical course would be to remove these privileges. But the farm-relief discussion has been taking place for some time.

L. S. Herron
(Nebraska Union Farmer)
My Livest News Item of the Month

A BLOW TO THE MOVEMENT SUCCESSFULLY THwartED

Farmers' Exchange of Duluth, Minn., is a retail store organization started in 1919 under the cooperative laws of the state. They are located in West Duluth, three blocks from the store of the Union Consumers' Co-op Society. The Farmers' Exchange has over 400 members, all farmers from the southern part of St. Louis County.

Due to a recent change in management and perhaps to certain unfavorable external conditions, the sales of the Exchange dropped considerably during the first two months of this year and its financial condition became such as to make the new manager pessimistic as to make the new manager pessimistic about the possibilities of continuing the operations of the Exchange without heavy losses. But instead of thinking of using cooperative methods to correct the situation, Mr. Larson, the manager, began to confer with a local feed merchant who naturally was interested in seeing the Exchange discontinue its operations as a cooperative. The feed merchant made an offer to put in $35,000 of his money, on condition that the Exchange was to become a feed company, all of the stock in his own hands.

Fortunately the board of directors had no legal power to effect such a thorough change of organization without considering the membership, so a special membership meeting was called, and held in Duluth, March 28th. The relative merits of a cooperative organization, as contrasted with those of a stock company, were thoroughly discussed from the floor, and afterward the membership proceeded to vote on the proposition. The proposition of the board of directors to make the Farmers' Exchange a stock company was overwhelmingly voted down. The vote stood 61 to 16.

The Farmers' Exchange has now put one of its employees temporarily in charge and has requested the Northern States' Co-op League and the Co-op Central Exchange of Superior, Wis., to recommend a cooperative manager. Under this new management, it is hoped, the Farmers' Exchange will again be brought upon its feet and steady progress made in the future.

PERMANENT TAX EXEMPTION FOR ONE WHOLESALE

The Farmers Union State Exchange, Omaha, Nebr., the cooperative wholesale associated with the Farmers Union of Nebraska, has been notified by the Internal Revenue Department in Washington that it is exempt from income taxes for the years 1925, 1926, 1927, and 1928 and that it will continue to be exempt, even from filing income-tax reports, so long as it is operated on the present basis. Based on the 1926 net savings of the State Exchange, this exemption will mean a saving of about $2,500 a year.

This exemption was obtained under the provisions of the revenue act of 1926 and the regulations made thereunder applying to farmers' cooperatives. Briefly, the requirements for exemption are as follows: 1. Substantially all of the shareholders must be producers. 2. Interest on share capital must not exceed 8 per cent. 3. Patronage dividends must be paid or credited to shareholders and non-shareholders alike. 4. Business with non-shareholders who are not producers (farmers) must not exceed 15 per cent of the total. 5. Business with non-shareholders who are not producers (farmers) must not exceed 15 per cent of the total. 6. Patrons must be of the same class and interest. 7. The capital must not exceed 8 per cent of the total. 8. The Board of Trustees, of three men, should be elected every two years and, in addition to being elected, the Board of Trustees must be elected by the shareholders. The Board of Trustees is elected by the shareholders. The Board of Trustees must be elected by the shareholders.

On taking care of capital.

Some people sneer at the capitalist because he not only lays stress upon the accumulation of capital but emphasizes taking care of it after it is acquired.

Working people have never taken to heart the lessons they might learn from the capitalist in what is really his specialty. It is always the part of wisdom to respect the specialist, the person who knows the most about any subject.

The way people learn how to take care of capital is by taking care of it. And the most competent are those who have the experience. It is the same with everything. Many a man from the East goes to the plains of the West to become a ranchman. He gets a flock of sheep. But if he has never before had any sheep to take care of, his sheep die, are stolen, run away, and disappear. Presently he is bankrupt of sheep. A man who has had large experience in taking care of large herds of sheep gets along best taking care of sheep. Blackguarding him by calling him a sheep capitalist does not detract one jot from his ability to take care of sheep.

During a big strike. I once visited the strike headquarters, and asked to see the treasurer of the strike committee. I went into his stock company which some he to assume its management and to leave the majority of stock in his own hands.

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He had complete control over these funds. He kept all the books. He acted as secretary of the Executive Committee and wrote up all the minutes of meetings. He acted as secretary of the Board of Trustees and virtually told that Board what powers it should confer upon itself. He alone had access to the safe deposit box. This man was one Walter Danforth, an insurance agent, and hardly the sort of man to be accorded such trust. In fact the man does not live whom a decent capital organization would have given such confidence.

Nor did the Trustees protect the funds by having a properly executed surety bond.

Without complete auditing, the Brotherhood went on, year after year, collecting money from its members. It made application to The Cooperative League for membership. The League agreed to accept it, but only after its accounts had been audited by the Accounting Bureau of The League.

When everything had been done by The League except this final auditing, the Secretary of the Brotherhood began to put obstacles in the way. He saw that The League audit meant business. It not only meant examination of the books but examination of the securities.

Refusal to permit The League's auditor to have access to the books and securities was finally met by legal steps to compel placing them in the auditor's hands. The next morning Mr. Danforth, the Secretary of the Brotherhood, was found dead in his home. Suicide.

The officers of the Brotherhood had told the officers of The Cooperative League that the auditing had been done. It was unthinkable that it had not been done. When we came to make the final test, before admitting the Brotherhood to The League, the unexpected and astonishing truth was found. Naturally, the Brotherhood was not admitted.

Any people, however, who have joined The League as a result of the article in Cooperation, February, 1929, will have their money returned. The League was deceived by men who were untrue to a great trust and opportunity. It will do everything possible to protect others from further losses.

The application of this organization for membership in The League was a most fortunate circumstance. Just that step made us aware of the splendid possibilities of the Brotherhood's general plan of organization. The League's auditor waked up a sleeping and stupid lot of Brotherhood officials, shook out a shabby secretary, and brought to an end the flow of funds into a treasury that was bankrupt, unmended, and utterly incompetent to be trusted with a penny.

I myself should not have published the Point of View article on the Brotherhood in the February number of Cooperation. It was premature and should have been deferred till the completion of the audit. But had that been done, the article would never have been written. Now we know. And the readers of that article, and of this, now have more reason for auditing than they ever had before.

THE READER WRITES

THE JAPANESE COOPERATIVE CONGRESS

We are glad to announce to you that the 25th National Congress of Cooperative Societies in Japan under the auspices of Sangkumi Chosha, will be held on the 30th and 31st of April at Shiroyama, Matue-shi, Shimane-ken.

More than 25,000 Societies will assemble from all the parts of Japan in which the cooperative veterans of the country are also contained. Many important questions shall be introduced, and we believe enthusiastic discussions shall be contended about the cooperative problems.

On this occasion Cooperative Propaganda and Educational Exhibitions and other works will be successfully held.

It is very regretful to us owing to the reason that the situation of our country is very far from America, the difficulty to invite you to our country is very great. But we are very obliged if you will send us your congratulations' address for the 25th Annual Congress.

K. SENJOKI
General Secretary
Sangkumi Chosha
Central Union of Cooperative Societies of Japan.

HOW MANY COOPERATIVES THERE ARE JUST LIKE THAT?

We have finished our Inventory and have had a very satisfactory year: we have handled 10 tons of flour, sugar, potatoes, etc., besides our regular groceries.

What is lacking here and I am of the opinion that the trouble anywhere lies education among the menies (our customers). We need more leaflets for general distribution.

K. SENJOKI
Manager
Cresco Cooperatives
Cresco, Iowa.

ANOTHER COOPERATIVE CALENDAR

In spite of the lateness of the season at which this first notice of a cooperative calendar was sent out from The League office in the autumn of 1928, the response in the form of orders was so immediate and satisfactory that another calendar is to be issued for the year 1930. The same artist, Henry Askel, has just finished the new painting and complete description will be mailed to all affiliated societies in the near future. The office of The League requests managers of all cooperatives to refrain from copying from this calendar until they hear further from The Cooperative League.

THE CHINESE COOPERATORS IN AMERICA

DEAR COOPERATORS:

Upon application for the cooperative information of the United States at International Labor Office Geneva, I was told to write to you for the said information.

I am, being the editor of the Chinese World, planning to introduce the Cooperative to our Chinese people and will organize a cooperative society here at the nearest automation. Hoping to get your aid and sending the said information to me at your earliest convenience.

D. M. LEE,
The Chinese World,
San Francisco, Calif.

ANOTHER CALIFORNIAN HEARD FROM

The January number of Cooperation is full of good information. I am very grateful for it. I am tremendously in sympathy with the Consumers' Cooperative Movement, and think that the principles can be applied in all directions.

I am interested in the idea of the Pacific Coast organizing a Consumers Cooperative Educational League. Will you please send me the complete information of the New Correspondence Course entitled "Organization and Administration of Cooperative Societies."

LAURENCE E. McCRAY
Oakland, Cal.

CHAIN STORES CANNOT SCARE THESE PEOPLE

I am enclosing you herewith our annual statement, which we think a pretty fair statement, considering the fact that we have had stronger competition during 1928 than any time since our organization.

We now have six chain stores doing business in this City, three of which handle groceries, and arrangements are now being made for an establishment of A. & P. and Company.

I wish to draw your particular attention to the increase in business over last year in spite of all this competition, also to the fact that we have paid back the people since organization, over four times our original capital stock, and have at the present time $35,162.31 in the reserve fund.

While we have no outside speakers at our annual meeting we had a good attendance and much interest was shown.

W. H. CLOSSER
Hoping The See Office, Imperial S. A.,
HERE'S ENTHUSIASM FOR THE INSTITUTE

Your letter of the 6th instant [about the Cooperative Institute at Brookwood] was received and acted upon. The Board of Trustees has been fired with enthusiasm, and will, no doubt, send its representatives to the Institute, in July.

However, in order that all may be cleared effectively, please send us further particulars, as soon as possible.

JOSEPH R. SALENO, Manager, Workers Cooperative Union, Lawrence, Mass.

A GOOD CHRISTMAS PRESENT, TOO

Editor, COOPERATION:

I just gave Mr. Alasme an order for one hundred copies of each of the December and January issues of "Cooperation." It is our plan to use these specimen copies to build up a subscription list among the directors of the cooperative oil associations in our territory. As much as we have no publication of our own, I feel that "Cooperation" comes the nearest to any publication that we want in the hands of our members. I believe that we need such articles as you wrote in the December issue. Most of our members do not realize the importance of a cooperative wholesale as their source of supply, and anything in the editorial policies of "Cooperation" along that line is very acceptable to us.

I believe that there is a great opportunity for consumers' cooperatives in the northwest as we already have the groundwork laid to a fair number of the consumers' cooperatives with a copy of "What is Cooperation," as our Christmas gift for this year.

MINNESOTA SOAP OIL COMPANY
Minneapolis, Minn.

E. G. COOL, Manager

STATEMENT OF THE OWNERSHIP, MANAGEMENT, CIRCULATION, ETC., REQUIRED BY THE ACT OF CONGRESS OF AUGUST 24, 1912.

OF COOPERATION, published monthly at New York, N.Y., for April 1, 1929.

State of New York, County of New York,

Before me, a notary public in and for the State and County aforesaid, appears J. N. Perkins, who has been duly sworn according to law, depose and say that she is the business manager of COOPERATION and that the following is, to the best of her knowledge and belief, a true statement of the ownership, management, and circulation of the said publication, as required by the Act of August 24, 1912. A true copy of the report filed with the Postmaster General of the United States is hereto attached.

1. That the name and address of the publisher, printer, and selling agent are: Publishers, The Cooperative League, 167 West 12th Street, New York, N. Y.; S. F. Wachter, 167 West 12th Street, N. Y. C.; Managing Editor, none; Business Manager, J. N. Perkins, 167 West 12th Street, N. Y. C.

2. That the owner is: (If owned by a corporation, its name and address must be stated and immediately followed by the names and addresses of stockholders owning or holding 1 per cent or more of the total amount of stock if not owned by a corporation, the names and addresses of the individual owners must be given. If owned by a firm, company, or other unincorporated concern, its name and address, as well as those of each individual must be given.) The Cooperative League, 167 West 12th Street, N. Y. C.; President, E. G. Cort, Mpls., Minn.; Vice-President, H. I. Nordby, 167 West 12th Street, N. Y. C.; Secretary, Cedric Long, 167 West 12th Street, N. Y. C.

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

4. That the two paragraphs next above, giving the names of the owners, stockholders, and security holders, if any, contain only the list of stockholders and security holders as they appear upon the books of the company but also, in cases where the stockholder or security holder appears upon the books of the company as trustee or in any other fiduciary relation, the name of the person or corporation for whom such trustee is acting is given; also that the said two paragraphs contain statements substantially correct of all statements required by the law which stockholders and security holders who are trustees, and hold stock and securities in a capacity other than that of a member, and the affidavit has no reason to believe that any other person, association, or corporation has any interest, direct or indirect, in the said stock, bonds, or other securities than as so stated by him.

5. That the average number of copies of each issue of this publication sold or distributed through the mails or otherwise, to paid subscribers during the six months preceding the date shown above is......

6. That the number of copies printed in each issue of this publication is......

(J. N. Perkins, managing editor.)

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Second Edition completely revised

by JAMES PETER WARBASSE

President of The Cooperative League of the United States of America

Member of the Central Committee of the International Cooperative Alliance

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[97x338]their source of .supply, and anything in the
[97x363]line is very acceptable to us.
[98x429]the importance of a cooperative wholesale as
[98x437]ber issue. Most of our members do not realize
[99x456]EDITOR COOPERATION:
[99x538]effectively, please send us further particulars,
as soon as possible.
[99x530]as soon as possible.
[99x564]STATEMENT OF THE OWNERSHIP,
[99x565]MANAGEMENT, CIRCULATION, ETC., REQUIRED BY
[99x573]has been fired with enthusiasm, and will, no
doubt, send its representatives to the Institute,
in July.
[99x582]the Board of Trustees has been fired with
enthusiasm, and will, no doubt, send its
representatives to the Institute, in July.
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167 West 12th Street, Bloomington, Ill.
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2. Co-op and Consumer Credit: (23) Resolution Adopted by A. W. L.; (26) Factory Workers Cooperative; (27) Do You Know About Cooperation in Europe?; (40) Have You a Committee on Education and Recreation? (45) Schools and Stores; (47) A Man's Right to a Job.

MONTHLY PUBLICATIONS

Cooperation—(In bundle lots, $7.50 per hundred)

ADVERTISEMENTS

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

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AUTOMOBILE RIDING is one of America's most popular sports. And within the cooperative movement cooperative buying of gas and oil is becoming the most popular form of expression. The Freedom County Cooperative Oil Company, Albert Lee, Minn., has 900 shareholders, 2,000 patrons, and maintains several stations like the one pictured above. Organized in 1925 by farmers, its gross sales in 1928 were $257,879. Net points for the past 3 years have been 12½ per cent, 14½ and 4.7 per cent respectively. This is but one of the associations affiliated with the Minnesota Co-op Oil Company described on the following pages.
Cooperative Distribution of Oil

The Cooperative plan of buying gasoline and lubricating oils by farmers has become firmly established in Minnesota and surrounding states. Over ninety cooperative oil associations are now in operation in this territory.

The movement had its beginning in Western Minnesota, Lyon County, in the village of Cottonwood, where a number of farmers organized the Cottonwood Oil Company on the cooperative plan, July 7, 1921. This company has had a success from the start, paying back in patronage dividends to the farmers of that community several times original investment.

The following year a group of Steele County farmers, after learning of the success of the Cottonwood Company organized the Central Cooperative Oil Company of Owatonna. This association has been an outstanding success. The 1926 sales were $222,927.71, with a net profit of $37,278.77. The patronage dividend in that year, which has always been paid on sales to patrons, was 14.4 per cent of the sales and amounted to $33,050.89. When a cooperative association can save this amount of money to the farmers of a community there is no question as to the service it has rendered.

The principle back of the movement is the well known Rochdale Cooperative method in which a limited rate of interest is paid upon the capital stock and, after setting aside a sinking fund, the balance of the net profit prorated to the members and patrons on the basis of patronage. The amount of stock held by each member is usually limited to two or four shares, with always one vote per member regardless of the number of shares held. The most successful companies have their stock widely distributed, each share having a par value of $25. In most companies all the stockholders are farmers.

Farmers have learned, in their cooperative creameries, elevators, and live stock shipping associations, to work together in a cooperative way in marketing their farm products; but the cooperative oil associations constitute the most successful general move on the part of the farmers to seek to obtain for themselves a part of the profits to be had in the purchasing end of the farm business. The amount spent by the average farmer for petroleum products has become an important factor on the modern farm. The purchasing power of the farmer's dollar can be stretched by cooperative buying to equal the saving made to the farmer by any cooperative marketing organization. The buying dollar is just as important as the selling dollar.

The oil business readily lends itself to the cooperative plan. Gasoline, kerosene and lubricating oils are used in large quantities by practically all farmers. Gasoline and kerosene are bought on government specifications in tank cars and the oil in drums. Sales are usually made on the commission basis which makes the selling expense proportionate to the size of the business. The customers of the cooperative associations are mostly farmers, and sales are made by truck tank deliveries. In most associations the truck drivers are responsible for the collections. The distribution of petroleum products is a comparatively simple business. But few items are handled, two grades of gasoline, one of kerosene, about fifteen grades of lubricating oil and four grades of grease. The cost of sales is small in comparison to the volume of business. An inventory of the average bulk station can be taken in half an hour. Nothing becomes out of date or shop worn. Evaporation in a well managed company should not be over two per cent. Every sale is recorded, and at the end of each month, with the amount of the inventory, the purchases, sales and expenses for the month, it is a simple matter to arrive at the net profit for each thirty day period. Most of the companies follow the plan of having a directors' meeting each month, and have the secretary give them a profit and loss statement of the previous month together with a list of all checks issued. In this manner a close check is kept on the business, and the directors become familiar with the details of the organization.

In a survey conducted by the Wisconsin State Bureau of Markets of eleven cooperative associations in Minnesota and eight in Wisconsin that had complete operating statements for 1926, some interesting figures were secured. The producing statements of these nineteen companies showed an average net profit of 11.7 per cent of Sales; 33.6 per cent of Assets; and 69.5 per cent of Owner's Net Worth at the beginning of the year. The report said: "We do not believe that a sound cooperative oil association, exercising due care in keeping expenses down, can be put out of business by anything short of a long continued price war that would drive all the private independent oil companies to the wall also. The whole history of oil marketing down to the present demonstrates that this will not take place for many years to come, if ever."

One of the valuable features of the cooperative oil associations is that when the competing companies cut the prices and even sell below cost the members of the cooperatives will benefit even though they close their plant, as all they are seeking is to get their petroleum products at cost. There is not a farmer but who can afford to lose the interest on his $25 investment in order to get his gasoline and oil at cost. However, the cooperative oil associations have successfully met all competition and have still been able to show a nice patronage dividend.

In the fall of 1926 the directors of a number of the cooperative oil associations held several informal meetings to discuss their problems and exchange experiences. As a result of these meetings the Minnesota Co-op Oil Company was organized and incorporated to serve as the purchasing agent of the cooperative oil associations and to protect and defend the cooperative oil association system.

The Minnesota Co-op Oil Company is a cooperative organization incorporated under Chapter 326, Laws of Minnesota of 1923. An office has been established at 3011 Como Ave. S. E., Minneapolis, Minn., with E. G. Cort as general manager. Only associations organized on the cooperative plan are eligible to membership. Each member association has one vote and all profits are prorated on the patronage basis. It is a service organization and is seeking to assist the patronage associations in the set-up and bookkeeping methods that other cooperative oil associations have found profitable, and to act as a purchasing agent for the member associations. An auditing service for the members was added in the fall of 1928. A detailed audit by an experienced cooperative...
auditor is very essential in maintaining the confidence of the members in the organization and as a protection to the directors against errors. No charge has ever been made for organization work, although twenty-five associations have been given assistance.

The sales of the Minnesota Co-op Oil Company for 1927, the first year, were over $260,000 and for 1928 over $400,000.

The cooperative purchasing of petroleum products is an excellent illustration of the advantages of one phase of the consumers' cooperative movement. By their own efforts the cooperative associations of the northwest have increased their purchasing of petroleum products from five to fifteen per cent. These results have not been obtained, however, without a struggle. In nearly every association there are a few broad minded, public spirited men who as leaders are doing much work for which they are never adequately paid. Shares must be held, reserves must be built up and above all the membership must have an understanding of the principles of cooperation and a loyalty that will not be shaken by a few pennies lost.

A list of 90 cooperative oil associations in the states of Minnesota, Wisconsin, Iowa, and the Dakotas was compiled in the summer of 1928 and fairly accurate statistics gathered for 27 of these. The 27 had total sales in 1927 of almost two million dollars and a net gain of one quarter of a million. The consolidated balance sheet of 40 associations shows total assets in excess of one million dollars and capital stock of $850,000. Reserves and surplus are $425,500 or an average of $11,600 per society. A check of a few of the older oil associations show customers' patronage rebates running all the way from 1 to 14 per cent, non-members having their rebates credited to the purchase of stock. At the annual meeting of the Minnesota Co-op Oil Company held in June, 1928, 20 societies were entitled to a vote, having paid the membership fee. The manager's report to that meeting was most comprehensive, covering the purchase and sale of gasoline, kerosene, lubricating oils, and miscellaneous equipment; the special organizing work carried on; the work of the educational department; the visit of the manager to annual meetings of the various local associations; the centralized insurance feature and security bonds offered by the Company; and the development of the cooperative brand of oil products.

At the close of 1928, the net worth of the Company was $7,363. Total sales during the year were $618,000 and the net profit $3,926.

The officers of the Company are C. D. Clippell, Redwood Falls, President; W. G. Boyle, Mora, Vice-President; F. H. Osborne, Albert Lea, Secretary; and E. G. Cort, Minneapolis, Manager.

Interesting Facts About Cooperative Oil Associations in the North Central States

Average number of members in 19 cooperative oil associations furnishing us data about their membership at the end of 1927 360

Total membership of 52 oil associations in Minnesota as estimated on the basis of the above average 18,720

Average paid-in capital per each oil association (average of 40 associations) $9,611.07

Average paid-in capital per each oil association (average of 40 associations) $20,673.39

Average number of employees in 17 oil associations furnishing data 5.4

Estimated total number of employees of 52 cooperative oil associations in Minnesota (figured on the basis of the above average) 280

WHAT A BIG DIFFERENCE THERE CAN BE!

What a big difference there may be sometimes between the results obtained in two cooperative stores by two cooperative managers operating under very much the same conditions! It is the financial statement that tells the story. Below are, as far as we know, the only audited financial statements of the over 500 cooperative retailers in southern Minnesota. Let us call them Store A and Store B.

These results have not been obtained, however, without a struggle. In nearly every association there are a few broad minded, public spirited men who as leaders are doing much work for which they are never adequately paid. Shares must be held, reserves must be built up and above all the membership must have an understanding of the principles of cooperation and a loyalty that will not be shaken by a few pennies lost.

A list of 90 cooperative oil associations in the states of Minnesota, Wisconsin, Iowa, and the Dakotas was compiled in the summer of 1928 and fairly accurate statistics gathered for 27 of these. The 27 had total sales in 1927 of almost two million dollars and capital stock of $385,000. Reserves and surplus are $442,000 or an average of $14,800 per society. A check of a few of the older oil associations show customers' patronage rebates running all the way from 1 to 14 per cent, non-members having their rebates credited to the purchase of stock. At the annual meeting of the Minnesota Co-op Oil Company held in June, 1928, 20 societies were entitled to a vote, having paid the membership fee. The manager's report to that meeting was most comprehensive, covering the purchase and sale of gasoline, kerosene, lubricating oils, and miscellaneous equipment; the special organizing work carried on; the work of the educational department; the visit of the manager to annual meetings of the various local associations; the centralized insurance feature and security bonds offered by the Company; and the development of the cooperative brand of oil products.

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The following facts about cooperative retail oil stores in southern Minnesota illustrate this statement:

Store A has for the last three years been managed by a highly individualistic person who knows very little about the principles or ideals of the Cooperative Movement and who cares less. He thinks that he is a first-class manager as far as efficiency is concerned. He thinks that he should have "free hands" at the store. He does not think that his board of directors, consisting of local farmers, can control anything through supervision of the affairs of the business. He considers democracy in business a foolish notion or at least an impractical scheme which won't work. He believes firmly in the old-fashioned methods of advertising, in "leaders," premium sales, etc. He spends $800 a year for ordinary advertising but not a cent for cooperative educational work. He is in the habit of publishing his financial statement in such a manner as to reflect how wonderful a manager he is and he has his own name printed in capital letters and heavy type under the statement. He claims so and so much net profit each year but his accounts have never been audited by a competent auditor. To make his profits show bigger, he makes no yearly depreciations, and takes his inventory at unduly high values. His bookkeeping methods are antiquated and he does not care to have his books audited as that would involve "unnecessary expense."

Let us now turn to Store B. That store has for the last three years been managed by a man of an entirely different type. He is quiet and unassuming. He never flaunts his financial statements. He believes in cooperative methods, instead of old business methods, and practices these new methods at his store. He willingly submits to the supervision of his board of directors and actually helps this board to get a firmer hold on the business. He believes in cooperative education and knows that democracy in business can be realized only to the extent the members of the organization become educated in cooperation and business. He is a staunch supporter of cooperative central organizations because he realizes the necessity for such organizations. He realizes the great importance of up-to-date accounting and competent auditing in the control of cooperative business.

He never tries to represent the condition of the business in a better light than it really is. Therefore, he makes his annual depreciation a possibility and believes in making ample reservations for future contingencies. He is a really efficient, progressive and far-seeing manager, but he is also an unselfish idealist.

And what condition of the business does the financial statement disclose in each case?

Here is Store B, doing business to the amount of $65,000 in 1926 with a paid-in capital of $3,300, while the sales of Store A, with a paid-in capital of $8,000, were only $2,000 more in 1928. The total operating expenses at Store B for 1926 were only slightly over $5,000 (more exactly 7.75 per cent of the net sales) while in the case of Store A they were more than twice as much ($11,300), making 16.8 per cent of the net sales. At Store B the manager sold merchandise at such a low price that his gross profit amounted only to 11.64 per cent of his sales while the manager at Store A, in order to show profit in spite of his high expenses, had to charge much higher prices, bringing him a gross profit of 19.7 per cent. If the manager...
of Store A had charged off the usual depreciations on his buildings and store fixtures, his net gain for 1928 would have been less than $2,000, in spite of the unduly high prices charged at the store, while manager B, in spite of his low gross profit and after making heavy depreciations on the buildings and equipment, still was able to show a net gain of $2,500 for the year. Had Store A been managed as efficiently as Store B was, their net gain for 1928 would have been $8,000 or more than four times as large as it was under the present management. The manager at B turned his merchandise stock over seven times during the year while the turnover at A was only a little better than two.

No wonder then, that the sales of Store A decreased during the last year by $13,500 while at Store B they increased by $10,300.

No wonder that while the book value of the shares of Store B is now 290 per cent, as compared with 100 per cent at the start, the shares at A are worth only 67 per cent of their original value. Also, while the manager at A in his printed statements claims that he has made a net gain at the store during the last three years of over $10,000, his "outside" liabilities have actually increased by $8,000. In spite of the fact that the sales at A dropped from $98,-500 in 1926 to $67,300 in 1928, his merchandise inventory has increased from $9,400 to $11,300 and goodness knows how much "water" there is in this latter-mentioned inventory value.

By comparing the financial statements of these two stores one gets a very eloquent lesson of what benefits can really be obtained by true cooperation and what heavy penalties the farmers and workers are called upon to pay in localities where true (cooperative) methods are not practiced. In the little rural community at A alone, it has been $6,000 a year. And many of these farmers still believe that they have a wonderful manager and are paying him some $700 a year on top of a good-sized salary for his alleged "services" to the store and the community.

V. S. A.

ANOTHER ATTACK ON THE CONSUMERS OF AMERICA

A new tariff schedule presented to Congress in April increases the penalties imposed upon consumers for the crime of being unorganized in a country where all the other economic forces are banded together. We shall without doubt backlog because of these increases in the tariff pay more for our daily supply of sugar, butter, milk, cream, cheese and eggs, beef, pork, bacon, ham and lard, corn and buckwheat, woolen manufactures, building materials, and much else. Incidentally, one gifted with a sense of humor might wonder why we are also paying a tariff tax on such items as trouser buttons, grindstones, umbrella ribs, doll clothes, corset steels, ox slacks, swords, baseballs, dice and custard pears.

That the industrial interests and the bankers who are behind them should have taken part in this raid upon the householders of America is understandable. That the organized industrial workers should increase the penalties imposed upon consumers in the country and that the organized farmers should seek to better their conditions at the expense of the consumers of food throughout the land, is a sad commentary upon their understanding of elementary economic laws. When the workers of city and country start such a tariff war upon each other, both are losers.

The time will inevitably come when our consumers cooperative movement will be strong enough to raise an effective voice in behalf of free trade between the peoples of the world, as it does already in England, Denmark, and many other countries. Perhaps these very increases now being imposed will hasten in small measure the development of consumers' cooperatives. Our protest to Washington today may be utterly ineffective. Let us take our protest to the consumers in every community where our voices may be heard, that cooperation may gain in power and hasten the day when these tariff walls may be levelled.

C. L.

Which Should We Use?

Nationally Advertised or Cooperatively Labelled Package Goods

(Continued from Cooperation for May)

By W. O. Dickinson, Manager

Grange Cooperative Wholesale
Seattle, Washington

In deciding which policy a Consumer Cooperative should adopt with reference to Nationally advertised brands vs. Cooperative brands, all factors should be carefully considered as each have certain apparent advantages upon which to base a sound argument.

As in any proposition of interest to a large number of people, we should examine not only the cause or reason for certain actions and policies but the possible and probable effect and results. Naturally any one going into the business of retail distribution of food products desires to attract as many people to his store as possible. It follows that one will advertise, display and otherwise feature commodities that are best known and have the greatest drawing power. This is the argument for the Nationally Advertised Package Goods.

Prior to widespread chain store distribution of food products, many of the largest and most successful service food stores built and held their trade by reason of quality, dependability and service; price and brand were not the all important consideration so long as the management knew what to buy and where to buy it and had a knowledge of products other than that gained by reading advertisements and labels.

During the rush and hysteria of the early war period when wages were doubled and trebled, the Cash & Carry Chain Stores obtained a start, self-service and inexperienced, untrained help forced consumers to select only such brands as they personally knew to be good; and the chains, following the lines of least resistance, featured and cut the price on well known popular brands. That condition has obtained up to the present time and will continue. However, the dealer who discontinued the more profitable lines and concentrated on popular brands on which the chains were cutting prices found he could not make a profit, and therefore either he was forced out or through his merchandising ability he redeveloped his business on profitable lines by gradually adding good values in various commodities and eliminating most of the so-called "loss leaders" or brands constantly featured at cut prices.

In a large center it is impossible to meet the requirements of all customers, as many regularly make the rounds picking off the bargains wherever found. Naturally this class of business is unprofitable for the honest dealer who will not permit short weights, short change and other sharp practices.

In building a truly Cooperative business, logically there should be at all times and without variation or change just two outstanding principles.
A cooperative organization cannot survive by reason of its name only. It must not be at a disadvantage in buying, accounting or management and should make possible a return to its members either in stock or dividends as well as interest on invested capital. It should not be asked or expected to meet cut-throat competition by unscrupulous dealers who adopt questionable methods of making their profit.

Therefore, if the Consumers Cooperative Movement is being built for to-day only, then we must go after all the people with the easiest selling products obtainable regardless of comparative value and the effect on the products of many producer consumers. But if we of the Cooperative Movement are sincere and in reality trying to build a truly cooperative method of distribution to replace the profit system we cannot consistently throw most of our support to controlled private local or national brands.

We may lend our purchasing and selling power to a private jobber or manufacturer and temporarily do more business; but we cannot escape the fact that the future success of our movement will be largely determined by education of the consumers so that they will buy value instead of advertised brands, and this education must start from within the movement.

I fully realize the impossibility of replacing for many years to come certain well known nationally distributed products with Cooperative brands; still there are many other staple commodities under private brands now being sold in Cooperative stores which could be replaced either by Cooperative brands or at least by brands representing concerns that are not openly and actively fighting both consumer and producer Cooperation.
Northern States Cooperative League
2100 Washington Ave. No.
Minneapolis, Minn.

LEAGUE'S CONVENTION TO BE HELD IN JULY

The eighth annual convention of the Northern States Cooperative League will be held at Superior, Wis., July 21-22. If necessary for finishing the business before the convention, there will be a morning session on July 23. The convention will open Sunday morning, July 21, at 10 o'clock.

Educational features (discussion of various cooperative topics, addresses by cooperators active in different branches of the movement, etc.) will be given more time at the Superior convention than has been the case with previous conventions.

The Cooperative Central Exchange will be the host of the convention, the sessions of which will be held at the local Workers' Hall, corner of Tower Avenue and Fifth Street. Sunday evening the local cooperators will arrange an entertainment and program meeting in connection with the convention and Monday evening the Central Exchange will banquet the delegates and guests at the Workers' Hall.

As mentioned above, the educational features will be very intensive and highly educational, both in the cooperative and the business sense.

The Northern States Cooperative League was represented at the Exchange meetings by the League's executive secretary. Telegraphic greetings were sent by the meeting to J. P. Warsasse, president of the Cooperative League and H. I. Nordby, president of the Northern States League, who both had been on the sick list lately.

THREE NEW SOCIETIES JOIN THE LEAGUE

The Minot Cooperative Co. of Minot, N. Dak., previously affiliated directly with the Cooperative League of U. S. A., recently notified the N. S. C. L. office that they had decided to affiliate with our League.
The Board of Directors has formally accepted this company as a member of our District League. We welcome the Minot society into our midst.

Two farmers, cooperative cranberry growers, the Kettle River Coop. C'ry Ass'n and the Mebasa Range Coop. C'ry Ass'n of Virginia, Minnesota, have been accepted as fraternal members of the League. We now have 12 organizations in fraternal membership.

WHAT'S GOING ON IN THE N. B. C. L. DISTRICT?

The annual meeting of the Minnesota Coop. Oil Co. will be held Tuesday, June 11, in St. Paul. At least one matter coming up at this meeting is the reorganization of the cooperative. The par value of the shares will be $1.00 and every affiliated cooperative association is expected to take as many shares in the central organization as they have individual stock in their own local association. The same proposed is "Cooperative Wholesale Association." It is also proposed to incorporate the new central organization under the cooperative laws of Wisconsin. The Board of Directors of the Minnesota Coop. Oil Co. has not been developed as far as is the corresponding law of its neighbor state.

The Minnesota Coop. Oil Co. now employs two fieldmen, one office assistant, besides the manager. A year ago the manager and the office assistant were the only employees. Since the first of the year the Minnesota Coop. Oil Co. has assisted in organizing eight new local cooperative gasoline and oil associations in the state of Minnesota.

The League has received the proposal of the Grand Rapids Farmers' Mutual Union to move its headquarters to the town of Grand Rapids, Michigan. The Grand Rapids Farmers' Mutual Union has been in existence for 19 years and has been a most successful cooperative association. It is now planning to move its headquarters to Grand Rapids, Michigan, where it will be in closer touch with the farmers in that part of the state.

The League Office has learned from a reliable source that the Minnesota Farmers' Union has decided to hold the conference of Central Wisconsin societies till June. It is now planned to hold the conference of Central Wisconsin societies till June. It is now planned to hold the conference of Central Wisconsin societies till June 11, in St. Paul. The conference will be held in Minneapolis, Minnesota, and will be attended by the officers of the various societies in the district.

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introduce Cooperative Credit in the United States. This pretty piece of business of Mr. Taft would be amusing were it not tragic.

So, David Lakin, submitted and upheld by his own country, established the International Institute of Agriculture in Rome, which organization was successful in showing the farmers of all countries how better their economic condition. Rome gave welcome by international collaboration of agricultural producers, which found America ineptible.

Things continued bad in our agrarian world. They cannot provide the farmers with control of their credit and to place in their hands the power to expand rural cooperative banking. Out of this arose the Federal Farm Loan system in 1917. Now we have the Federal Farm Loan Board, controlling the Federal Land Banks. Thereby this is a model organization. The bill creating it is the same sort of bill as that which Congress is now about to pass to give the farmers more relief. But how does the law work when in operation?

The Federal Farm Loan act in operation is a colossal fraud upon the farmers. This is because the administration of the law is entirely in the hands of an autocratic Board appointed by the President. Here is a machinery for farm relief dealing with hundreds of millions of dollars. It is administered wholly by political appointees, answerable, of course, to the President.

Members of the Board appoint their relatives. President Harding put in his cousin, a retired minister, as Reviewing Appraiser of property. One Commissioner appointed by his own country, established the Inter-American Institute of Agriculture, which had as its object to introduce Cooperative Credit in the United States. The exodus from the farms goes on steadily.

Now comes Mr. Hoover. The present modification of the McNary-Haugen bill, which will become a law, provides for governmental control of the marketing of farm crops and a subsidy of $500,000,000 to smooth the way. The administration and control of the whole business is to be vested in a Federal Farm Board with six members, all to be appointed by the President.

The bill will be passed with modifications. There is much fuss being made over the question of "debentures" and other minor matters. The big thing is the Board. The rest is red herring.

When all is said and done and the Farm Relief machinery is to start, one significant point will be noticed. The Board will be seen to be the big element, but they will not be farmers. In all the long history of this country's essays at farm relief, Relief is the farmers has always been delegated to those who were interested in making money out of the farmers.

Let us not be confused in our study of this situation. Whatever may be the provisions finally approved by Congress in the form of relief, there is a very much greater possibility that the farmers the provisions may seem, than the one significant provision of this bill, the provisions of the Board. This Board will be appointed by the President, who himself has been appointed by the central financial hierarchy.

And this Board will possess autocratic power, answerable, of course, to the President. And with this autocratic power, one provision of the bill will be clear voting delegates, representing 21 of the societies affiliated with the Eastern League. In addition to the routine reports of officers and the spirited contest for positions on the Board of Directors and the Educational Committee, there were several other features to enliven the convention. The Secretary read a long report containing, in survey form, a bird's eye view of the Eastern Cooperative Movement, the strength and weaknesses of its best known societies and recommendations for bettering consumers' cooperation in the territory. This report will be published in abridged form in the Cooperative Year Book for 1929.

A lengthy controversy ensued over the seating of delegates from the United Workers Cooperative Association, whose dues were not fully paid for 1928. A compromise was finally effected under which the delegates were seated on the pledge of two other organizations who guaranteed the payment of the dues within three years.

L. E. Woodcock, treasurer of the newly organized Eastern Cooperative Wholesale, reported for the organization. Henry Askelni related in detail the progress of the Joint Educational Committee and Barrow Lyons presented the enlarged "Eastern Cooperative" under its new name, "The Cooperative News," which was received most favorably. The Committee was instructed to publish this paper, in its larger form, quarterly thereafter and to send fifty copies to each society and such additional copies as they may wish to purchase. The pro-
posed Cooperative Institute was also presented.

A telegram received from the Hotel, Restaurant, and Cafeteria Workers’ Union, reported that the main branch of the Consumers Cooperative Services was being picketed and employees were on strike. The manager of the C.C.S. denied that a single worker was striking, but said that a picket had been placed in front of the cafeteria after an organizer had issued peremptory demands for organization of all employees within 24 hours. A special sub-committee was appointed by the Board to meet with directors of the Consumers Cooperative Services and also with representatives of the Union to see what could be done to effect harmony.

The most animated discussion took place regarding the election of officers and the report of the Resolutions Committee. Of the eight or ten resolutions turned over to the Committee, only four were presented to the Convention officially and the others were offered in peremptory fashion by E. Wattenberg of the United Workers Association. These four covered the relation of the Cooperative Movement to Youth; the relation of Cooperatives to their employees; the relation of the Cooperative Movement to Women; and the relation of the Movement to Negroes; in all instances calling for aggressive action in favor of more active organization.

The discussions on these resolutions were more frank and openly of a political character than ever before in the history of the Eastern League. In fact, the entire Convention was constantly being divided on political issues which, while they may have enlivened the various sessions, at the same time restored the political character than ever before in the Eastern League. The most animated discussion took place regarding the election of officers and the report of the Resolutions Committee. Of the eight or ten resolutions turned over to the Committee, only four were presented to the Convention officially and the others were offered in peremptory fashion by E. Wattenberg of the United Workers Association. These four covered the relation of the Cooperative Movement to Youth; the relation of Cooperatives to their employees; the relation of the Cooperative Movement to Women; and the relation of the Movement to Negroes; in all instances calling for aggressive action in favor of more active organization.

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The newly elected Board of the Eastern Cooperative Wholesale held its first meeting on Wednesday, May 8, all the old officers being reelected, namely, A. E. Kazan, President; M. Robinson, Vice-President; Cedric Long, Secretary; L. E. Woodcock, Treasurer. The manager reported progress toward getting malt syrup, spices, jelly powder and canned soups under our own label. A detailed discussion on the question of establishing a coal purchasing department brought out the fact that orders for six thousand tons can already be counted upon. An agreement will be made with some large distributor under which the Wholesale will receive a commission upon the business until the business is well enough established so that we may buy in barge lots. One candidate for position of office secretary was authorized to employ an office secretary. The manager's report showed increased sales of butter, eggs and general groceries. The Union Stores in the Bronx offered temporarily the services of their buyer in the early morning produce market, to buy fruit and vegetables for several other societies in the Harlem and Bronx district and this offer was accepted. The Secretary reported an interview with the head of the Westfield Testing Laboratories of Massachusetts, one of the few well-known and soundly established impartial institutions for making chemical analyses of foodstuffs. The manager has already sent several samples to these laboratories for analysis. A sub-committee was appointed to study the question of printing advertising signs and posters.

AWARDED CERTIFICATE OF MERIT

More than a year ago, the Board of Directors of The League voted to prepare a special Certificate of Merit to be given every year to the societies in affiliation with the League which measured up to the highest standards of cooperative principle and business practice. The Eastern States League was the first District League to present recommendations for this Certificate. Those recommendations were passed upon by the National Office and the Certificate was actually awarded at the time of the Eastern Convention, the latter part of April. The following are the societies in the East which received this award:

Consumers Cooperative Services, New York City.
Spencer Cooperative Society, Spencer, N. Y.
United Cooperative Society, Fitchburg, Mass.
Workers Credit Union, Fitchburg, Mass.
Workers Cooperative Union, Stamford Springs, Conn.

COOPERATIVE DEMOCRACY
Second Edition completely revised by

JAMES PETER WARBASSE
President of The Cooperative League of the United States of America
Member of the Central Committee of the International Cooperative Alliance

Discussion of the Consumers' Cooperative Movement In Its Relation to the Political Economy; to the Profit System; to Labor; to Agriculture and to the Arts and Sciences.

We hope Dr. Warbasse's book will find readers throughout the world."—E. A. D. Goddard, ex-President International Cooperative Alliance

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CEDRIC LONG, Editor

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Vol. XV, No. 7
JULY, 1929
10 CENTS

NORTH PLANT OF THE FRANKLIN COOPERATIVE CREAMERY ASSOCIATION of Minneapolis. It is the second and larger of the two milk plants of this, the largest consumers' cooperative in America. Behind this building is another almost as large, housing the horses, wagons, automobiles, and repair shops.
Franklin Cooperative Creamery Association  
“A BUSINESS WITH A HEART”  
By H. S. Borman

Information as to the record of this Association has been published from time to time and most of the readers are familiar with the progress of the Creamery, but it might be well to briefly summarize this data here. The sales for 1928 were $3,410,936.74, or an increase of $386,306.66 over 1927. The net earnings for 1928 were $85,521.30, as compared to $67,499.29 in 1927. Our bonded indebtedness was reduced in 1928 by $100,000 (due in 1933) and an additional $65,000, also due in 1933, was called in on June 1, 1929. This has brought our bonded indebtedness down to the low sum of $75,000, payable at the rate of $25,000 per annum. Inasmuch as the resale of our products has never allowed for more than a very narrow margin of profit, this redemption of bonds, more than four years before the due date, is, to say the least, a very creditable showing and indicates sound and conservative management.

At the present time the Franklin Creamery is serving approximately 40,000 patrons, including homes, schools, shops and stores; 165 milk routes and 10 ice cream routes are operated, covering every section in Minneapolis and outlying districts.

ELECTRIC TRUCKS

In delivery equipment, as well as in other fields, the Franklin Creamery is maintaining leadership. Our milk wagons and gas trucks are gradually being replaced with electric trucks. Several electrics are already in operation and a few more contracted for.

EMPLOYEES

Employees number at present about 415, all of whom are members of some labor organization and at the same time stockholders in the Association.

In 1925 an insurance policy on the life of every employee was taken out by the Association. This policy started with a principal sum of $500, with an increase of $100 for each additional year of service until the full amount of $1,000 is reached. An additional policy of $1,000 was issued in 1928, the premium of which also is carried by the Association.

The Franklin Creamery is also one of the few organizations carrying its own compensation insurance. This, of course, is under the supervision of the State Industrial Commission and the amount of compensation is set by state law, but the savings effected through not having to pay the premiums to an insurance company amounts to several thousand dollars annually.
COOPERATION

NEW FRANKLIN FILM

The new Franklin film, "The Land of Health," has proven a valuable and effective medium in bringing the Association to the attention of the public. This is a two-reel film portraying in detail the essential operations in all departments. The picture is in story form, featuring the healthfulness of the products, together with the spirit of romance of the dairy industry and the cooperative movement, and makes an unusually interesting publicity medium, different from most commercial productions.

BAND AND CHORUS

The Creamery maintains both a Band and a Male Chorus. The Band consists of 33 members and the Chorus 32. Both of these organizations have played an important part in our organization. The Chorus, besides giving a large concert each year, usually to an audience of over 2,000, is requested to appear at many community gatherings, churches and lodges, and sings to thousands of people annually. The Band, like the Chorus, is kept busy continuously, especially during the summer months, in giving concerts in parks, community picnics and many other organizations, and is usually booked for several months in advance. For the last three years the Franklin Band and Chorus have been honored in being requested to open the musical season in our municipal parks, usually playing to an audience of several thousand.

BASEBALL TEAM

For the last four years the Franklin has entered a Baseball Team in the Municipal Commercial Amateur League, and this team won the Minneapolis Amateur Baseball Championship for three successive years—1926, 1927 and 1928. It is too early to forecast what the success of the nine will be this year, but it is safe to say that it will making a showing creditable to the Association.

EDUCATIONAL COMMITTEE AND WOMEN’S GUILD

The Educational Committee of 11 members are elected by the membership annually, and the activities of this committee, as well as of the Women’s Guild, are covered in separate articles.

COOPERATIVE PRINCIPLES MAINTAINED

Most cooperators are familiar with the unusual growth of the Franklin Creamery. The obstacles have been many and the task of keeping its members together and working harmoniously has been no easy one. The phenomenal success since its very beginning has been due in a large measure to the strict adherence to the principles of cooperation upon which the Franklin was founded. The fact that it has been possible to maintain these principles and still meet successfully the keenest kind of competition and opposition from many sources is tending to weld the membership more closely into one common bond.

Franklin Educational Committee Activities

By GIDEON EDBERG

The methods of carrying on the educational activities by the Educational Committee of Franklin have been varied. On account of the large number of shareholders and employees it has been difficult to install the spirit of "I know you, you know me, let us all work together for the cause of cooperation"—the idea that is so prevalent in smaller societies. But the consistent efforts of the

Women’s Cooperative Guild

By MRS. C. R. NELSON

The Women’s Cooperative Guild of Minneapolis held its annual meeting on Wednesday, June 12th. A luncheon was served at noon with the presidents and secretaries of all the Trades Union auxiliaries of Minneapolis, the board of directors of the Franklin Cooperative Creamery, the editor of the Labor Review, and the secretary of the Northern States Cooperative League as guests. This was a celebration of the eighth birthday of the Guild, and it also marked the closing of a very profitable year educationally and cooperatively.

At every meeting of the year it was the aim to present to the members something educational, yet interesting. Political leaders, charity workers, and cooperative speakers were included among the list of speakers. Entertainment has been in the form of card parties and a costume dance. The money obtained from the bazaar held in the fall has been used for charity work. Baskets of food and clothing were distributed at Christmas and throughout the winter.

A complete report of the Women’s Cooperative Guild for the year 1928 will be published in The Cooperative League Year Book.
Editorial

LABOR UNIONISM AND COOPERATION

Every few years some wing or faction of the American Trade Union Movement comes out with a new statement about consumers cooperation, found on another page of this magazine. A few cooperators who are at the same time trade unionists were present at that Conference.

And now, in his "Reply to Progressives," Matthew L. Well attempts to refute the charges brought against him by his fellow members of the Central Council of the Federation, and among other things says: "As for furthering genuine cooperative enterprises among the workers, no American authority on the cooperative movement has ever said or can say that American labor has ever neglected any possible effort to help their cause."

We regard to differ rather sharply with Brother Well, but he is all wrong. And we believe it that just about every cooperative authority in the country will concur in the statement. At this moment we can think of no well known official of higher rank in the A. F. of L., other than John Walker, President of the Illinois Federation, Andrew P. Bower, Vice-President of the Pennsylvania Federation, and Thomas J. Donnelly, Secretary of the Illinois Federation, who has conscientiously and consistently worked for the establishment of cooperative enterprises and has those that can be available, no American authority on the cooperative movement has ever said or can say that American labor has ever neglected any possible effort to help their cause.

So it says, for profit. Not so a cooperative non-stock corporation. The Court can understand that such a corporation is "not conducted for profit." But when it comes to a stock, as distinguished from a non-stock, cooperative corporation, it finds a home of another color. According to the Supreme Court "it does business with the general public for the sole purpose of making money." Its members may be bankers or merchants or capitalists having no interest in the business differing in any respect from that of the members of an ordinary corporation. The limited dividend feature is treated as though it were of no consequence. The voting feature of one-man one-vote is dismissed without comment. The rebate system, based upon purchases, is brushed aside with impatience. "The provision for paying upon the amounts of their sales to or purchases from the corporation, is a feature which is treated as though it were of no consequence. 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CHAIN STORES IN LARGE CITIES

Studies made by the census bureau show that chain stores develop most rapidly in the large cities. Twenty per cent of the retail trade is handled by these concerns in cities of more than 250,000 inhabitants. Chicago gives 37 per cent of its business to them.

In the grocery field alone the figures are much higher. Seventy per cent of the grocery business of New York and Philadelphia goes to the chain stores; 64 per cent in Atlanta, 52 per cent in Providence, 47 per cent in Baltimore, 42 per cent in Chicago.

George L. Knapp, writing on this question recently, points out that the chain store business is still in the hands of its inventors, and he questions whether it will continue to expand at the present rate when the second or third generation takes control. He believes that in rural districts there may be developed consolidated stores similar to the consolidated schools now so common to all parts of the country; or failing that possibility, a development of cooperative stores such as has taken place in England.

From this exposition of cooperative economic theory, Justice Brandeis proceeds to a survey of the development and growth of cooperative corporations in this country. Most of them are of course farmers, some of them consisting of producers, others of consumers, groups. He shows that the great majority of them are stock corporations and that the non-stock type of cooperative is not adapted to enterprises which like gains (the business under discussion) require large investments in plant and hence considerable fixed capital. He also touches on another one of the many sources of confusion as between the cooperative and the ordinary business corporation when he says, "Experience has demonstrated, also, that doing business for non-members is usually deemed essential to the success of a cooperative. More than five-sixths of all the farmers' cooperative assets are in the United States do business for non-members." And he winds up by saying, "A denial of cooperative character to the stock cooperative is inconsistent with the history of the movement in other states and countries. For the stock type of cooperative is not only the older form; but is the type more widely used among English speaking peoples."

The oracle has spoken. The campaign of education is afoot in the high places. But that still it has a long way to go is evidenced with dramatic force by this regrettable six to three decision.

COOPERATION

COOPERATION pursues its purpose by organizing, on a mutual basis, the production and distribution of commodities of the highest quality and at a just price; by sharing the gains or savings of its enterprise amongst those who made them; by the exercise of a free and open democracy in the direction and control of all its undertakings; by the cultivation of the social virtues and the highest standard of citizenship.

INTERNATIONALLY, the COOPERATIVE MOVEMENT stands for the removal of all economic barriers and other hindrances to the free intercourse of the peoples of every land; for the establishment of economic cooperation between the nations; and—as a natural corollary—UNIVERSAL PEACE.

On the occasion of its Seventh Festival the International Cooperative Alliance calls with satisfaction the steady advance of its principles and the progressive realization of its aims; it calls upon its constituent members to demonstrate everywhere the Unity of Our Movement, Confidence in its Power to Raise the Standard of Life and Civilization to a Still Higher Plane and, Ultimately, to Realize the Cooperative Commonwealth.

On behalf of the International Cooperative Alliance, VINO TANNER, President. HENRY J. MAY, General Secretary.

UNITED STATES THE LARGEST COUNTRY IN MAN POWER

Dr. David Friday, economist and author, in a recent speech before the Foreign Policy Association in New York, adopted a unique method of comparing the real wealth of the United States with that of several European countries. Due to the efficiency of management, intensive use of machinery, newer methods of production, and prevalence of fertile agricultural land, America can feed and clothe each 100 of its population out of the labor of 24 persons. This means that 76 persons in every 100 are free for the purposes of manufacturing, transportation and development of service or for leisure.

By this scale of values, Germany requires 40 workmen to produce food and clothing for every 100 persons; France requires 50; Italy 65; England 35; and Russia 70. If these figures are at all accurate, America has more than twice as much wealth measured in terms of labor power as France, Italy or Russia.
Northern States Cooperative League
2108 Washington Avenue, North
MINNEAPOLIS, MINN.

THE EIGHTH ANNUAL CONVENTION OF THE N. S. C. L.

With seven years of more or less intensive activity accomplished in the field of cooperative education, the Northern States Cooperative League is to hold its eighth annual convention in Superior, Wis., July 21, 22 and 23.

This convention is expected to surpass all previous conventions as far as attendance is concerned. The Cooperative Central Exchange alone will be represented by 43 voting delegates, the Franklin Cooperative Crexery Association by 15, the New Era Life Association by some 10 or 12, the Cloquet Cooperative Society by 4, and so on.

Among guests expected to attend but not appearing on the regular program, the following may be especially mentioned: F. G. Sweboda, Editor, "The Federation Guide," the organizer of the National Cheese Producers' Federation, Plymouth, Wisconsin; F. W. Raincom, Secy-Treasurer, Manitoba Wheat Pool, and J. T. Hall, Educational Director of the same organization. Guests and fraternal delegates from several other organizations not affiliated with the Northern States Cooperative League, are also expected to attend.

Unlike most of the previous conventions of the League, purely educational features are to be given a prominent place this year on the program of the convention. Not less than 11 men prominent in the American Consumers' Cooperative Movement and in the activities of the League will address the convention on various cooperative subjects.

An interesting feature at the convention will be the awarding of a Certificate of Merit from the National League to 16 or less than 11 men prominent in the American Consumers' Cooperative Movement and in the activities of the League. The earlier conventions of the League will address the3

WHAT'S GOING ON IN THE N. S. C. L. DISTRICT

The Women's Cooperative Guild of Minneapolis celebrated its eighth birthday on Wednesday, June 13. The Guild had invited its members and a number of its friends to an early afternoon dinner held in the Franklin Auditorium which was followed by an annual business meeting of the organization.

Mrs. C. E. Nelson was re-elected president of the Guild. All other offices were also re-elected, with the exception of Mrs. John A. Mattson who resigned as secretary of the organization. In her place Mrs. Paul Rodell was elected secretary. Mrs. Mattson was elected fraternal delegate to the Eighth Annual Convention of the Northern States' Coop. League.

The Minneapolis Guild now has about 100 paid-up members and is quite active, holding regular monthly meetings, arranging picnics and socials, etc.

A well-attended joint meeting of the membership of the Cooperative Supply Co. and the Clifford Coop. Assn. was held at Brantwood, Wis., June 1, to discuss paragraphs of amalgamation and expansion. An overwhelming majority of the members present voted in favor of amalgamation and instructed their boards to work out the practical details of such a move. The meeting also decided in favor of cooperating with the Prentice Cooperative Supply Co. to establish a bulk gasoline and oil station in the district.

C-A-P Cooperative Oil Association of kettle River, Minn., is the latest consumers' cooperative to apply for constituent membership in the Northern States' Coop. League. Their decision was made at the first annual meeting held June 8.

The cooperative stores of Cloquet, Brantwood, Motley, Brainerd and Virginia, and (Continued on page 132)
News and Comment

PROGRESS OF THE COOPERATIVE CENTRAL EXCHANGE

The Cooperative Central Exchange has recently sent out to its patrons a report showing how their last year’s net surplus, available for distribution and amounting to $17,296.10, has been divided between the member and nonmember societies. From this report we gather the following interesting facts about the progress of the Exchange during 1928:

1. Six cooperative societies trading with the Exchange have automatically become members of the wholesale organization, their patronage dividends having been issued in form of share credits. These new societies are: Aurora Cooperative Mercantile Association, Aurora, Minn.; Farmers’ Cooperative Sampo, Menahga, Minn.; Farmers’ Cooperative Store, Nisula, Mich.; Finish Cooperative Mercantile Association, Toon, Wakefield, Mich.; Frederick Cooperative Mercantile Co., Frederick, S. D., and Heinola Farmers’ Cooperative Association, New York Mills, Minn. This makes the total of cooperative organizations officially listed as shareholding members of the Exchange 90. However, eight of these (all harmony clubs) were inactive during 1928 and most of them must be considered extinct.

2. The number of cooperative societies trading with the Exchange in 1928 was 76, or more than in 1927.

3. Trade or patronage rebates paid to 76 active member societies on their 1928 purchases totaled $16,445.46. Rebates due to 36 non-member societies (all payable in shares only) amounted to $800.84. The Exchange formerly used to pay its non-member societies only one-half of what the member societies were getting in patronage refunds, but now both groups are paid on an equal basis, all refunds having so far always been paid in shares instead of cash.

4. Four member societies now have a share-capital investment in the Exchange in excess of $10,000 each. The Cloquet Cooperative Society is the owner of 92 shares (of the par value of $100 each); 28 member societies own 10 shares or more, and 48 societies own not less than five shares each.

5. Interest paid (at 6 per cent) on share capital owned by the 84 member societies amounted in 1928 to $3,680.91.

The above figures prove conclusively, on the one hand, that the Exchange has continued to progress in 1928, and on the other, that the cooperative societies which are wise enough to give all possible patronage to their own wholesale are getting genuine benefits.

PRENTICE CO-OP SUPPLY COMPANY

The Prentice Co-op Supply Co. of Prentice, Wis., was organized in 1921. During the eight years of its existence the Prentice store has gradually but steadily been increasing its sales, as well as its membership. Whereas at the end of 1921 they had only 46 members, the membership figure December 31, 1928, was 294. In 1923 the sales of the Prentice Co-op Supply Co. were $60,259.41; in 1928 they amounted to $284,176.80.

Since 1921 the Prentice Co-op Supply Co. has distributed to its patrons in patronage rebates a total of $10,313.90, most of this having been wisely distributed to nonmember customers in share credits, thus automatically making them shareholders. Besides this, the store has paid $8,048.80 in interest on the share capital.

The Prentice organization affiliated with the Northern States’ Coop. League in 1928. That they are not only a nominal member, but really intend to work with the League, is indicated by the fact that they have taken the League’s auditing service, are taking space in the 1929 Yearbook, have ordered the magazine Cooperation for all their directors, and a special collection is being taken among the tenants. These farmers have organized a “Grange” which meets on Sundays in one of the apartment buildings. All seeds are purchased through the Grange. Seed catalogues are on file in the library.

ROCK, MICHIGAN

The Rock Cooperative Company is another that is now publishing a neat little mimeographed news sheet for its members. A recent number reports that the cooperators of Rock have now started a Credit Union, the first to be organized by consumers cooperative of that state.

Sales for the first five months of 1929 were $246,800, an increase of $26,650 over those of the corresponding period of 1928.

ANOTHER ENDORSEMENT FOR COOPERATION

A meeting was held in New York late in May by labor leaders who are at the
same time out of sympathy with the official leadership of the American Federation of Labor and with the policy and program of the Communist Party. Out of this meeting developed the newly organized Conference for Progressive Labor Action, which will attempt to "wake up" the leaders of the A. F. of L. Among many other resolutions, the following on the subject of consumer cooperation was unanimously adopted:

Resolution on Consumers' Cooperation Passed by the Conference for Progressive Labor Action,

WHEREAS: One of the fundamental objectives of Progressive Labor everywhere is the reorganization of industry, commerce and credit upon democratic, non-profit and non-exploitative principles; and

WHEREAS: It is imperative that the workers should get actual personal experience in the administration of business and industry so organized; and

WHEREAS: The Consumers' Cooperative movement is based upon the principles above-mentioned, and at the same time does provide the workers such training in the administration of economic life; therefore

BE IT RESOLVED: That this Conference for Progressive Labor Action urge active support to the organizations of cooperative credit, housing, insurance and distributive societies wherever and whenever possible.

District Leagues

The New York Educational Committee has been busy during the past month with plans for forthcoming activities. The Cooperative Institute to be held at Brookwood from July 28th to August 3d is now an assured reality, with many enrollments already in hand before the middle of June. Two chief instructors will be Edward Cohen, teacher in the Brooklyn High Schools, and Cedric Long, Secretary of The League. Occasional lecturers are invited in for special evening discussions.

Immediately at the close of the Institute, on August 3, the Fifth Week-End Conference will be held at Brookwood, with delegates from most of the societies of Greater New York in attendance. Subjects up for discussion: 1. Reports of educational activities of the various societies; 2. Cooperation and war; 3. An examination and criticism of the five largest societies in New York.

International Cooperators' Day this year was observed earlier than usual, on June 23d, at the Amalgamated Cooperative Apartments. Combined with the observance was a tour of inspection of this highly successful cooperative housing enterprise. Its many subsidiatory cooperative enterprises and activities. Progressive labor leaders as well as cooperators were invited to attend.

The newly elected Educational Committee for New England societies held its first meeting at Salem Park, Fitchburg, during the Cooperative Festival at that place, on June 16th.

EASTERN COOPERATIVE WHOLESALE

At the last Board meeting, on June 12, it was reported that more than 1,700 tons of coal have been handled during the first four weeks this department has been working. Mail supper under the cooperative label is on the shelves of many of the stores. Labels for soup and gelatine powders have been approved. Manager has been instructed to get figures on costs of putting white and brown rice under similar labels.

The auditor's report for the first three months of operation showed gross sales of $31,000, exclusive of coffee, coal and purchases from Wallace Brothers, jobbers. If these items were to be added, the total would come nearer $50,000. Net earnings were $8, exclusive of income from coal sales. Cooperative Trade Association is by far the largest purchaser, with more than $12,000 worth of goods bought. There are 10 stockholders and 23 purchasing societies. Capital paid in amounts to $1,150 and the reserve fund to $1,000. This was considered an excellent showing for the first four weeks this department has been working. Malt syrup under the cooperative label is now on the shelves of many of the stores. Labels for soups and gelatine powders have been approved. Manager has been instructed to get figures on costs of putting white and brown rice under similar labels.

DECIDING FIRST WHAT TO DO

"The enormous toll taken from industry by the various classes of middlemen is now fully realized. The astonishing difference between the price received by the producer and that paid by the consumer has become a scandal of our industrial system. The obvious and direct means of reducing this discrepancy and abolishing unnecessary middlemen is the operation of retail and wholesale mercantile concerns under the ownership and management of the consumers. This is no Utopian scheme. It has been successfully carried on in England and Scotland through the Rochdale system. Very few serious efforts of this kind have been made in this country because our people have not felt the need of these cooperative enterprises as keenly as the European working class, and because we have been too impatient and too individualistic to make the necessary sacrifices and to be content with moderate benefits and gradual progress.

"In addition to reducing the cost of living, the cooperative stores would train our working people and consumers generally in habits of saving, in careful expenditure, in business methods, and in the capacity for cooperation."

Here is a clear statement. It is the program issued by the Bishops of the Catholic Church of the United States through the National Catholic Welfare Conference, at Washington, D. C., which organization is making every effort to give this program wide publicity and to prepare the millions of Catholics in this country to put it into operation. It is the basis of cooperative action. It contains sound reasons for the cooperative faith.

The scandal of our industrial system is profit. The seeking after profits sets neighbor against neighbor and nation against nation. Profit is not only the cause of adulteration and short weights, it is the cause of placing upon the backs of the people an army of government officials made necessary by the profit system.

To prevent some degree of cheating and poisoning of the public, an army of law makers and their laws, inspectors, courts, fines, and jails are required. All to bolster up and keep going the profit system of business.

To say that it is a rule of business to give good value and service is nonsense. This rule in business applies to the small proportion of intelligent and discriminating buyers, but most of the public is gullible and easily fooled. The government, or some other paternalistic agency, has to stand between profit business and the consumers or the poor consumers would be cheated and poisoned to death.

When we say middleman, we mean the profit-maker who stands between the point of production and the point of consumption and takes all that he can get. To abolish the middleman and the profit motive in industry requires that distributive stores and wholesale concerns shall be owned and controlled by the consumers.

It does not suffice alone to say that we are in favor of "genuine farmer and labor cooperatives." This means little and is extremely vague. The labor leaders probably had in mind "producers' cooperatives." Consumers' cooperation definitely states who should establish cooperatives. "Cooperatives" established by producers, on the other hand, to sell...
their products to the public, are a part of the profit system.
It is true that the people in this country have not felt the need of cooperative enterprises as keenly as have the working classes of Europe. It is also true that we have been impatient, not cooperative in spirit, unwilling to make the slight sacrifices, and not satisfied with moderate benefits and gradual progress.

How important it is not only to reduce the cost of living, but to train the working people and the consumers generally in careful business methods which can be learned only by carrying on their own business.

Deciding definitely what to do before taking action is an essential to cooperative success.

For many years in this country cooperative enterprises were started and run by people who had not taken the pains to find out some of these principles. Their efforts failed.

Now we are learning that it is important to have very definite ideas of the sort of cooperation we are going to establish; and, what is also important, the sort of people who are going to establish it.

Clear understanding of what we want and how we are going to get it is a first essential.

One great difficulty remains to be overcome. We have not yet enough trained executives who can put their hands to the job and make the dreams come true. But the cooperative training schools are helping. They are a step in the direction of creating experts in business administration. When we have these, cooperation will be prepared to go forward upon a sound basis.

But first must come the clear statement of what we want. The quotation at the beginning of this article shows that we are developing an understanding. Next must come the trained executives who can put these ideas into operation.

While such a program is apparently a bit too radical for our great labor organizations, it is encouraging to know that the Catholic Bishops stand shoulder to shoulder with those who are working for the abolition of the dominance of the profit system and for the establishment of an economic organization of society through which the people can supply their own needs and administer their own affairs.

My Livest News Item of the Month

HOW TO DEMOCRATIZE

Fruits of the growing cooperative spirit are shown in the action of the shareholders of the Farmers Union Cooperative Supply Company of Stanton, Nebr., in reducing the denomination of the shares of the association from $100 to $10. This was done in order that non-shareholder patrons might sooner and more easily become shareholders through crediting their patronage dividends on shares.

This association was organized 10 years ago. Already symptoms of "dry rot" were present. That is, the number of shareholders was declining, through death and migration, and an increasing number of those left, because of retire-
Cooperation Abroad

Thirty-nine cooperative organizations in 33 countries, which are affiliated with the International Cooperative Alliance, report a total individual membership of 31,025,000. More than one half of this total, 51 percent, to be exact, represents the membership of the movement in Soviet Russia. The membership of the Cooperative League of the U. S. A. is one-fourth of one percent.

The United Farmers of Canada, Saskatchewan, has recently been the center of a violent controversy between advocates of the present voluntary membership in the wheat pool of that province and those that advocate a provincial law making it compulsory for all wheat growers to join the pool. As a result of the controversy a number of the officials of the organization have resigned in protest.

Meanwhile the official publications of the sister wheat pools in Manitoba and Alberta are strongly opposing any move toward compulsory membership in cooperative associations in Canada. They base their objections, first on the fact that Cooperation itself, in principle, is committed to the voluntary method of association; and second, on the contention that the apparent benefits of a 100 percent membership in a wheat pool would be more than offset by the friction within the organization caused by a large number of unwilling and dissatisfied members.

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J. B. Smith, recently elected a committee member of the Ramsbottom Cooperative, England, was expelled from the committee after attending two Board Meetings on the ground that he had not given the required amount of patronage to the cooperative store. Mr. Smith called a special meeting of the members in protest, refusing to withdraw from the committee, and a deadlock has arisen in the society.

The British movement is to have a new cooperative newspaper. The National Cooperative Publishing Society has recently brought out the well-known "Sunday Illustrated News" from Lord Daniel, for £750,000.

The previous owner of the paper has long been sympathetic to the cooperative and labor movements and has refused offers from other parties for his paper. The British movement will now have two weekly papers. The Cooperative News has for many years been the official purveyor of news to the general membership. Presumably the new journal will cater more to the demands of the public at large.

SASKATCHEWAN WHOLESALE CO-OP ONE YEAR OLD

The Saskatchewan Cooperative Wholesale is one year old. It held its first annual meeting recently with 27 delegates present, representing 27 trading societies which have taken stock in the Wholesale. The first 21 societies to join are well established and have a combined turnover of $2,100,000. The delegates went on record as endorsing the principle of a cooperative training school and instructed the directors to work out a plan for providing instruction for young people who want to make cooperation their life work.

The new Labor Government of England includes nine members elected on the ticket of the Cooperative Party. A. V. Alexander, the newly appointed First Lord of the Admiralty (corresponding to Secretary of the Navy in the U. S.) is one of the leaders of this Cooperative Party in England.

COOPERATIVE DEMOCRACY

Second Edition completely revised
by
JAMES PETER WARBASSE
President of The Cooperative League of the United States of America
Member of the Central Committee of the International Cooperative Alliance

A Discussion of the Consumers' Cooperative Movement in its Relation to the Political, Social, and Economic Problems of the Laboring People; Also articles on the Arts and Sciences. (We hope Dr. Warbassee's book will find readers throughout the world."

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Charles E. Tomlinson
The Workingmen's Cooperative of Cleveland

Back in 1912 a small group of Bohemians, after considerable effort and a discouraging inertia on the part of many of their people, succeeded in organizing and launching a cooperative store. During the seventeen years which have elapsed, the development has been constant and though occasional mistakes were made in the management of the branches, the losses sustained have been slight. Today there are seven stores operated throughout various sections of Cleveland by this cooperative, in fact there are eight stores at this particular writing but one is a new location just established to which one of the old stores is to be moved. The headquarters are at 5726 E. 131st Street.

The size of this business entitles it to a chain store rating, and J. Elsner, the manager, is able to do most of his buying directly from manufacturers. This is, on the commercial side anyway, the secret of its success. Their financial statements and merchandising advantages are not the whole story of cooperation. Like the Finnish, Scandinavian and several other immigrant groups, the Bohemians have a very highly developed cultural life which welds them into a compact unit and provides the background for successful cooperative enterprises. The Bohemian newspaper in Cleveland has for years not only given active support to the cooperative, as well as to the other activities of these people, but has regularly, each issue, published a cooperative column. Joseph Martinek, the editor, is the president of the store company for many years past. Dramatic and social organizations of various kinds contribute to the general solidarity of the group and the Gymnastic Union of Young People has done much to maintain the interest not only through helpful exercise but outdoor life in general. One of the latest developments is the camp, promoted by this Union, known as D. T. J. and located in Auburn, Ohio. Here there are 100 acres, half of which are sold in small parcels to individual campers and the other half maintained for common social use. Incidentally, it is interesting to note that one of these lots is owned by the cooperative store company which has the exclusive privilege of building a store and merchandising goods.

The Workingmen's Cooperative Company probably has one of the most successful smoking and curing houses to be found anywhere in our movement, dealing in boiled ham, bologna, wiener, spiced ham, veal loaf, cottage ham, salami, blood bologna, head cheese, black bologna, bacon, frankfurters, smoked liver sausage and any number of other products of excellent quality. The entire output of this plant is sold through the stores of this association and people from all parts of the city go to the Cooperative for these prepared meats.

**CHAIN STORE COMPETITION**

Is the chain store competition to be considered as an evil or a blessing to our cooperatives? There are, of course, two sides to this question, depending from what angle we analyze the problem.

In the first place, is chain store distribution a serious factor in our economic life today? Yes, indeed. Some of the biggest chain mergers are reporting doing as much as $800,000,000 worth of business annually, and there are new chain store organizations springing up in every line of retail business like mushrooms after a rain. We can be sure that the individual merchant—whether we call him the corner storekeeper or the "salary-c Glover—is doomed to go in time. He may be able to stand the chain store and cooperative store competition for awhile, providing he is intelligent enough to band together with his fellow merchant in order to improve his buying status and otherwise to put his business on a modern merchandising basis.

In thinking of the fate of the individual merchant, there is plenty to think about for us cooperators. If we expect to hold our own against the chains we must study, and study the situation they have created in the distributive field. By closely analyzing the question from all sides, we must admit that the chains are now a step ahead of our cooperative stores in organizing their business in such a way that with the least stock-turn. They have modernized the arrangement and equipment of retail stores. They are striving for cleanliness and sanitation in handling merchandise. They have been able to systematize and centralize their record-keeping methods in such a fashion that with the least amount of expense they are able to tell from time to time the progress of each establishment. No doubt, this gives the chains a great advantage over the individual merchant who in many cases is only keeping a day book or some sort of ready-made income tax record.

Another important factor which has contributed to their hold on the trade is the centralized buying for hundreds of retail outlets. The management of chain organizations does not believe in each man's ability or fancy to choose goods, not mentioning the saving they can effect by pooling their purchases for a large number of stores. They have also taken into account the importance of having goods produced, packed and manufactured under their own label. The individual merchant is an important factor in present day whirlwind competition.

It is fair to fight an enemy with his own weapons. Therefore, we cooperators should study all the advantages enumerated in the foregoing. That is how we can combat chain store competition, and if we do watch chain store business methods we surely will have no further trouble in holding our own. Furthermore, merchandising methods are acceptable to our cooperatives; we simply have too slow in putting our cooperative house in order—and the chains have gained a temporary advantage. Besides, in some cases we have been asleep or fighting over petty theories.

There is one advantage that the chain stores never will have over the cooperatives, namely, the goodwill of the members and customers. If the cooperatives have confidence in the management of the establishment, it creates good will in ever increasing amounts.

Cooperative store managers must make it plain to patrons that a cooperative
store guarantees quality goods without exception, and honest measure and weight. What inducement would there be for a cooperative store to try to cheat its customers? At times it seems that in addition to good business methods cooperators should also apply a dose of dictatorship in handling their help. It can be carried out to a reasonable extent. Of course, cooperators do not want their store help to be considered as slaves, but they do expect a certain amount of loyalty from every employee. The first approach to loyalty is education, but there are times when education does not work fast enough, and there are individuals who are almost immune to education.

Another important factor in successful cooperation is the enlightening of members as to their duties and loyalty to their own enterprise. There is no room for traitors which we cannot reach and which only comes to honesty, square dealing, democracy and other economic virtues—then all at times up to the cooperative to set the pace for the chain store corporations.

H. V. Nurmi

A Cooperating Community

By OLIVE D. CAMPBELL

Three years ago, December, 1925, saw the beginning of a unique experiment, known as the John C. Campbell Folk School, in the community of Brasstown, North Carolina. Brasstown is not a town, but the post office for a small rural community at the junction of Big and Little Brasstown Creeks, in the southwestern corner of North Carolina, on the borders of Cherokee and Clay Counties. The John C. Campbell Folk School is not a school in the ordinary sense of the word, but a kind of rural education which has many different phases of activity. Community and school are one as far as possible, in an effort to secure a better life in the county.

The school proper is, as yet, only in its beginnings, although a demonstration farm is well established, and a big partly-finished building gives promise of the use of the school that is to come in the future. This winter in spite of inconvenient living conditions, a group of young people is in attendance. Singing and gymnastics form an important part of the curriculum. The December activities closed with a Christmas play presented by the students and some of the community young people. A large and appreciative audience came to the big room of the Community House to see it. During the last two months of the winter term, January and February, the boys had, in addition to the previous subjects, surveying, agricultural projects, and construction work; the girls, dietetics, sewing, and weaving.

There are no requirements for admission, except that students shall be at least seventeen, and better twenty or more, years old, and shall have a desire to learn in order that they may live a fuller and more useful life. No examinations or credits are given.

In the way of community activities, while the school is a definite part of the community, there are other subjects. Regular work is given in reading and writing and the most practical kind of arithmetic. Singing and gymnastics form an important part of the curriculum. The December activities closed with a Christmas play presented by the students and some of the community young people. A large and appreciative audience came to the big room of the Community House to see it. During the last two months of the winter term, January and February, the boys had, in addition to the previous subjects, surveying, agricultural projects, and construction work; the girls, dietetics, sewing, and weaving.

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News and Comment

AN EXCELLENT ANNUAL MEETING

The annual meeting of the Cloquet Co-op. Society, held on Sunday, indicated that the membership of the Cloquet Co-op. Society is vitally interested in the affairs of its society. The fact that on the second day 357 shareholding members (28% of the total membership) were registered as being present at the meeting. As the bulk of the membership of the Cloquet Co-op. Society are industrial workers, it was considered necessary to start the meeting on Sunday and continue it Monday evening. Whether it was due to the fact that the event fell on Easter Day, or to some other reason, this meeting was one of the most peaceable and constructive on record in our Northern States’ League district.

Comprehensive written reports were presented to the meeting not only by the auditors, but also by the board of directors and the manager. These were read to the members both in the English and the Finnish language.

Perhaps the most interesting question brought up at the meeting was the distribution of last year’s surplus. After setting aside the proper amount to the permanent reserve fund, there was $13,500 available for distribution. The board of directors submitted to the meeting a written proposal according to which the Cooperative Co-op. Society should float a bond issue for a period of ten years, one-tenth of these bonds becoming redeemable every year. The idea was presented to members as a subsidiary. This subsidiary arrangement was considered necessary to start the meeting on Sunday and continue it Monday evening. Whether it was due to the fact that the event fell on Easter Day, or to some other reason, this meeting was one of the most peaceable and constructive on record in our Northern States’ League district.

The meeting also authorized the board of directors to invest $1,500 in shares of a new district oil association of which the cooperative stores of Cloquet, Brookston, Floodwood, Wawa and Core and the Arrowhead Co-op. C. R. As’n of Cloquet are to be the prospective shareholders. The plan is to erect two bulk stations at the start, one at Cloquet and the other at Floodwood.

Free luncheon was served to the attending members on both days. The sales of the Cloquet Co-op. Society for 1928 were $545,157.00, representing an increase of nearly $30,000 over the sales in 1927. The total net gain for 1928 was $1,058.02 larger than that for 1927. That the Cloquet Co-op. Society is still capable of expansion not only in regard to its volume of business but also in regard to its membership, is proved by the fact that its membership increased in 1928 by 158, the total membership at the end of last year being 1,275; of these 303 are women. The women took very active part in the annual meeting, several of them taking the floor during the discussions.

The management of the affairs of the Cloquet Co-op. Society, which now operates three grocery stores, two meat markets, a dry goods department, a coal department and an insurance agency, has for many years been in the hands of Peter Kolkman, who is also a director of the Cooperative Central Exchange, the cooperative wholesale of Superior, Wis., of which the Cloquet Co-op. Society is the largest shareholder. In our opinion the Cloquet Co-op. Society is well upholding its prestige as the largest cooperative store society in the State of Minnesota.

WHAT IS INFLATION?

Recent figures published by the Cleveland Trust Company shed a great deal of light upon modern tendencies in the inflation of credit in the United States. In 1890 there was $7 of bank credit in use for every one dollar of gold money in our possession. In 1900 there was $8 of credit and in 1910 there was $10 of credit for each dollar of gold. In 1910 there was $10 of credit for each dollar. After the war inflation became more rapid, and in 1920 there was $14.50 of credit for each actual dollar in our possession. In other words, bank credit had been stretched to cover twice as much actual financial operation as thirty years earlier.

During the depression of 1920 and 1921, deflation set in and the ratio went back to a ten to one basis, but since 1924 the figures have been climbing again more rapidly than ever, and at the beginning of 1929 there was more than $15 of credit outstanding for every actual dollar. How much further strain will our monetary system stand before something breaks? Apparently the leaders of the Federal Reserve System, as well as other fiscal experts, are very much worried.

Radicals have said for many years that capitalism has within it the seeds of its own destruction. The futile struggle against such cooperatives as the National Undertaker—there appears an attack upon such cooperatives:

"The five years in the community covered by Carlisle, Berdell and Gilkespie, Illinois, a coal-mining region, a burial association has become more or less prosperous. Unionism has entered the area to which the members of the medical association are given an opportunity to earn their shares in the federation. The Radicals have said for many years that capitalism has within it the seeds of its own destruction. The futile struggle against such cooperatives as the National Undertaker—there appears an attack upon such cooperatives:

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MORE FEDERATION IN NEBRASKA

The Farmers Union of Nebraska is taking the lead in the organization of a federation of cooperative grain elevator associations, to be known as the Union Cooperative Elevator Federation. Shares in the federation will be held only by cooperative associations. Meetings of the federation will consist of delegates from the shareholder associations. Each association will have only one vote.

The Farmers Union of Nebraska now owns all the stock in the National Grain Commission Company, a sales agency with a seat on the Omaha Grain Exchange. Under the plan, the new elevator federation will gradually take over from the Farmers Union of Nebraska the stock of this company, making it a subsidiary. This subsidiary arrangement is necessary to comply with the rules of the Grain Exchange. Local elevator associations are given an opportunity to earn their shares in the federation by means of patronage dividends on business transacted through the grain-selling subsidiary.

Twenty-seven elevator associations were represented at the preliminary meeting, at which articles of incorporation, by-laws, and the general plan were approved.

COOPERATIVE BURIALS

The National Undertakers Association is becoming alarmed at the spread of cooperative burial associations. A recent number of their official journal—the National Undertaker—there appears an attack upon such cooperatives:

"The five years in the community covered by Carlisle, Berdell and Gilkespie, Illinois, a coal-mining region, a burial association has become more or less prosperous. Unionism has entered the area to which the members of the medical association are given an opportunity to earn their shares in the federation. The futile struggle against such cooperatives as the National Undertaker—there appears an attack upon such cooperatives:

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Ambulance service is furnished gratis. That is the mark of competition for the legitimate funeral director at these points. It needs no argument to prove that no funeral directors, or embalmers, poorly as many are paid, can equal the efficiency of the membership fee of such an organization year after year.

But prices in burial associations are not renewable. The question now is that of getting people into what appears to be a good thing. The general run of association caskets and other burial goods is of the cheapest quality, and in the mining section, as in all others, there always is plenty of people who will not demand them, and by laying away their family members in the cheapest of pine boxes. They lay away something better, and burial associations always have the better goods to sell, knowing full well that they will be asked many times for something better. It is on these sales that they are able to reap the difference between a real cheap funeral and a common hearse.

Of all the games in this country today the average burial association is the rattiest. It is the most matured field of philanthropy that such organizations are maintained, but by a greedy desire so intense as to be a stranger to the average mind is the profession not in such a combination.

This burial association situation here and there throughout the country should receive the attention of our state and national organizations. It is not enough to say that each one is a scoundrel, for the spreading of the idea has become so general that the average member of the profession does not know how to combat it.

This writer has a great deal more to say in condemnation of cooperative funerals for which there is no space here. However, the Illinois Miner gives us the reply made by the cooperators themselves:

"The auditor for this association reports that business to the total of $20,000 has been transacted. Though they started with a deficit, there is now a reserve fund of $2,211. This association was started by members in the lespie and five surrounding towns. Local unions of the United Mine Workers, as well as locals of the store clerks, barbers, teamsters, railway employees, metal and auto mechanics, assessed their members $1 each at the beginning. Each local union sends one representative to the monthly meetings and these delegates elect officers and a special purchasing committee.

IS THE FACTORY FARM COMING?
A recent article in the "Communist" contains an interesting statement which predicts the inevitable industrialization of agricultural production and the organization of huge factory farms which will supplant the individual farmers. The reasons given for these conclusions are:

(1) The factory farm has already reached the point of bankruptcy.

(2) American capitalism is now preparing to reproduce the same phenomena of industrial factory lines and will attempt a policy of production of raw products as required by the commerce and industry of the country. The writer attempts to show that the present bankruptcy of individual farmers is due to the inefficiency of the producing unit. So long as there was a surplus of free land, farmers were able to make a living on farming alone. Parallel with this movement is the increase in landlordism and absentee land ownership. Nearly half of the farmers of the country are now working land which does not belong to them and nearly 30 per cent of the value of productive land is in the hands of landlords and bankers.

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GROWTH OF FARMERS MUTUAL FIRE INSURANCE
The U. S. Department of Agriculture reports that although the number of mutual fire insurance companies among American farmers has not greatly increased between 1916 and 1926 (the number of newly organized companies being offset by consolidations of old ones), yet the amount of insurance in force has increased enormously. For the approximate 1,900 companies for which figures were obtained, such insurance increased in volume from six billions to nearly ten billions of dollars. The average membership of these one thousand companies was 1,762, which is more than 200 above the figure for 1916; and in 1926 the average cost of doing business was about 26 cents per $100 of insurance in force. About 13 per cent of the fire companies write combined protection covering wind storms as well as fire.

OF OUR NATIONAL DEBTS
By G. J. D. C. Goudhart
Ex-President of the International Cooperative Alliance.

The world "wealth," is used in various significations. The great public thinks of wealth as a multitude of banking notes, or State or Municipal securities. Of course, this is not so. These notes have no other value than that of the paper on which they are printed. The real wealth of each country exists in its commerce and so the wealth of the world was so when the State debts of the whole world were approximately one hundred thousand milliard guilders, a tremendous sum of which nearly 880 milliard represents the amount which was burned, annihilated, and shot away during and after the war.

The total amount of national obligations is equal to seven times the entire yearly revenue of the indebted States. The payment of an interest of 5 per cent on this sum would demand the continuous labor of 3 million workers. If the population of the United States were to accept the obligation to pay the world's debts before the war, this would require the payment of a sum equal to the produce of their TOTAL INDUSTRY FOR THREE YEARS.

This was the position before the war. How great must be the pressure, now that the debts have mounted to insane proportions!

The interest on the milliard that has been lent to the Governments for war debts, that is for non-existent capital, has to be paid, and the money returned. How heavy must be the pressure caused by these enormous obligations! But the Governments seem not to recognize the evil. The budgets of Army and Navy are everywhere rising, the Air Forces claim milliards. Safety First is the cry, and in the name of that cry for safety the nations are brought to the verge of bankruptcy.

Take it for all in all, humanity has come to a perilous position, and the only way out is the extension of Cooperation in every part of human life and practice. When the nations feel that they belong to one family, which can only exist when the members help each other and cooperate in their needs, and their work will all be safer, without army and navy, money and without diplomatic corps. Then the debts can be repaid, but as long as the world is divided into countries, which compete in every province of human activity, there will be no safety, debts, tension and lack of safety, debts, and lack of safety.

The lesson that WAR DOES NOT PAY and least of all the victors, which has been so clearly demonstrated by Norman Angell in "The Great Illusion," must be learned by everyone, and first of all by those persons who believe themselves to be statesmen.
The Cooperative Oil Movement

Mr. E. G. Cort, manager of Minnesota Cooperative Oil Company, of Minneapolis, was the next speaker on the subject: "The Cooperative Oil Movement in the Northwest," reviewing the progress of the cooperative gasoline and oil associations from 1921, when the first was started at Cottonwood, Minn., to the present time, and he pointed out with what success they have operated in the state of Minnesota, among several more in Wisconsin, Iowa, and both Dakotas. Among methods which could be employed to get all the co-operative store managers in a certain district together for the first time toward joint buying would be the cooperative store managers in the district to get together and agree on a few lines which they could all handle.

M. John E. Berglund, manager of the Prentice Cooperative Supply Company, led the discussion on this subject. He thought that the first step toward joint buying would be the cooperative store managers in the district to get together and agree on a few lines which they could all handle.

Managers Alex Kaski of Clifford and Stephen Palmer of Antigo (Langlade Farmers) also took part in the discussion.

4. Developing an efficient auditing service for the cooperative societies, and through this department standardizing their accounting methods, has been conducive to increased efficiency of the stores. The value of the work of the Exchange's auditing department during the past year was overestimated, Teach- ing the members how to understand financial reports has made democratic control of the cooperatives actually possible.

5. The fact that the Exchange also sets up an employment agency for the societies has helped to build up confidence and has increased the influence of the central organization. Now very few cooperative stores in the Exchange territory would think of employing managers, and the influence of the central organization. Now very few cooperative stores in the Exchange territory would think of employing managers, and it is possible for the cooperative store managers in the district to get together and agree on a few lines which they could all handle.

Managers Alex Kaski of Clifford and Stephen Palmer of Antigo (Langlade Farmers) also took part in the discussion.

Should a Permanent District Federation be Formed for Central Wisconsin?

This was the next topic of the program, several of the cooperatives themselves in favor of such a district federation. Mr. Frank Diesing, manager of the Franklin Cooperative Creamery Association, thought that inasmuch as most managers had already done their seasonal buying for this year, it might be advisable to wait till after the first of the year and ask the Northern States Cooperative League to form another district federation similar to this one.

Mr. Berglund moved that a committee of five be elected to attempt to get all the cooperatives in the district together for the mutual benefit. This motion was seconded by Mr. Kaski and was carried unanimously.

The following were nominated and elected to serve on the committee:

John E. Berglund, Prentice, Wis.
John E. Berglund, Prentice, Wis.
Frank Diesing, Medford, Wis.
Laurence Franzen, Dorchester, Wis.
Claude B. Whitehead, Prentice, Wis.
Geo. A. Schlegel, Athens, Wis.

Upon suggestion of Mr. Ronn, Phil Anderson of Owen, Wis., was added to the committee by unanimous consent.

On motion, duly seconded, Mr. Berglund was made chairman of the committee, with duty to call it together in the near future.

Uniform Accounting

The next topic: "What are the advantages of using up-to-date and uniform accounting methods at the cooperative stores?" created some discussion in which, among others, Mr. Wilson and Mr. Alanne participated, pointing out reasons why all cooperative stores should adopt uniform accounting methods and be up-to-date with their bookkeeping.

Relative Merits of Cash and Credit Trade

The relative merits of cash and credit trade at the cooperative store were discussed next. Messrs. Ronn, Kaski and Corgan all spoke in favor of credit trade. No voice was raised at the meeting in defense of the credit trade, but it was acknowledged that the general introduction of cash trade into the cooperative stores is inevitable, and that it will necessarily take a great deal of time and effort before credit trade can be entirely eliminated.

How to Avoid Overstocking?

Mr. Frank Diesing, manager of the Medford Cooperative Company, led the discussion on the topic: "How to avoid overstocking." Among methods which could be employed, he recommended cutting down the number of manufacturers and wholesale houses from whom goods are purchased. Managers should concentrate their buying on a few reliable firms.

In the discussion that followed it was pointed out that the cooperative store managers in a certain district could exchange stock. Merchandising that does not move in one locality, may move in another. In the Cooperative Central Exchange, the distribution of profits, excess stocks have actually been moved from one store to another, with satisfactory results.

Banquet to Delegates

A modest banquet dinner, offered jointly by the Cooperative Central Exchange and the Franklin Cooperative Creamery Association, was served to the delegates. Speeches were made by Oscar Corgan, president of the Cooperative Central Exchange, and August Mushke, and Laurence Franzen, president and manager, respectively, of the Dorchester Cooperative Company.

Proper Relation of Manager to His Board

The last topic of the program, "What should be the proper relation between the manager and his directors?" was taken up after dinner. Alex Kaski, manager of the Prentice Cooperative Supply Company, led the discussion on this question, relating in an interesting manner his own personal experiences both as director and later as manager of a cooperative store.

It may be rightly said that the Dorchester Conference went a long way to create a basis for more permanent cooperation among the cooperative stores of Central Wisconsin. That these stores represent considerable
economic strength may be seen from the fact that the combined annual sales of the 13 stores, whose members participated in the Conference, well exceed a million dollars.

It is to be hoped that the committee which was elected at the conference and which will be in charge of arranging further similar conferences will see to it that something is done in the way of maintaining a permanent district organization of the cooperative stores in Central Wisconsin. "In union there is strength."

WHAT'S GOING ON IN THE N.S.C.I. DISTRICT

The Executive Committee of the N. S. C. I. at its recent meeting, decided to recommend to the Cooperative League that they grant their Certificate of Merit to the following three associations in addition to the sixteen previously honored: Farmers & Consumers' Coop. Ass'n of Brule, Wis., Lower Farmers' Coop. Ass'n of Lowa, Minn., and Farmers' Coop. Trading Co. of Eau Claire, Wis. The contract for 11 pages in the Yearbook was transferred to Menahga, Minn. This patronage dividend, amounting to about 1 per cent on purchases, is the first one made by the Exchange. Associations, locals, and individuals already shareholders received their dividends in cash. By demonstrating the cooperative principle of distribution of surplus earnings in proportion to patronage, interest and cooperative spirit have been stimulated far beyond the financial magnitude of the dividend. Many of the original shareholders have become deceased, moved from the territory of the Exchange, or lost interest in the cooperative movement. As new shareholders are brought in by means of patronage dividends, the shares of these deceased, absentees, and inactive shareholders will be taken up. In this process, the owners will be the patrons and the patrons the owners.

Another director of the League, C. D. Leuchovius, one of the League's directors, is now managing the business of the Milwaukee Consumers' Coop. in Chicago, and is making a valuable contribution to the Cooperative movement. As new shareholders are brought in by means of patronage dividends, the shares of these deceased, absentees, and inactive shareholders will be taken up. In this process, the owners will be the patrons and the patrons the owners.

The League's Executive Secretary attended the annual meeting of Farmers' Coop. Exchange at Duluth, Minn., June 26, at which the semi-annual meeting of the Northern States Coop. Ass'n of Menahga, Wis., was held. July 7 the Secretary spoke at a meeting arranged by the Eagle River Coop. Produce Co. of Plattsburg, Wis.

My Livest News Item of the Month

NEW MEMBERS FOR FARMERS UNION EXCHANGE

Eighty-five additional cooperative associations and 28 Farmers Union locals have become shareholders in the Farmers Union State Exchange of Omaha, Nebr., by receiving shares for patronage dividends in the distribution of the patronage dividend for the year 1928. This marks the beginning of the application of the policy of shareholder renewal adopted by the shareholders at their annual meeting last January. Most of the shareholders of the State Exchange are individuals. Many of the original shareholders have become deceased, moved from the territory of the Exchange, or lost interest in the cooperatives. As new shareholders are brought in by means of patronage dividends, the shares of these deceased, absentees, and inactive shareholders will be taken up. In this process, the owners will be the patrons and the patrons the owners.

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D. Leuchovius, one of the League's directors, is now managing the business of the Milwaukee Consumers' Coop., by the University of Wisconsin, Madison. Wis. Among the students who have been bought by these cooperatives are economists and publicists.

Wm. Kenzo, for the past few years manager of the Kansas Coop. Co-op. Ass'n of Blue River, Wis., Lower Farmers' Coop. Ass'n of Lowa, Minn., and Farmers' Coop. Trading Co. of Eau Claire, Wis., has been transferred to Menahga, Minn., where he is to manage the Farmers' Cooperative Exchange, the local cooperative store, after the retirement of Arvo Sandelin. We wish Brother Kenzo success in his new work.

Severi Petman, manager of the Republic Farmers' Coop. Ass'n, Republic, Minn., is busy putting that store on its feet, financially speaking. It is doing this he is not forgetting the educational work. Just recently he sent in an order for cooperative literature to be distributed in the community.

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YEARBOOK GETS FINE SUPPORT

Up to July 15, the Yearbook Bureau of The Cooperative League of which the Executive Secretary of the Northern States' Cooperative League is in charge, has contracted for space in the 1929 Yearbook from 52 different cooperative organizations, for a total of 147 pages. These contracts do not cover space to be taken by the various district leagues and the national organization itself. Of the contracting societies, 30 are from the Northern States' Cooperative League District, with a total of 115 pages contracted for. Ten different cooperative societies in the Eastern States' District League have contracted for a total of 15 pages, and 6 societies in the Central States' League have contracted for 11 pages in the Yearbook. Three organizations on the Pacific Coast have contracted for a total of 3 pages.

Material for the contracted space is gradually coming in and there is hope that it can be given into the hands of the printer before the end of July.

V. S. A.

COOPERATIVE TEA WINS

It is the general opinion among people throughout the English speaking world that Lipton Ltd., mammoth concern for importing tea, is one of the most powerful corporations in the world and impregnable in its position. A recent announcement indicates that even the greatest of capitalist companies sometimes succumb to the competition of cooperation. This report states that Lipton's Ltd. is being reorganized; nine million dollars is to be written off its assets, share capital being reduced in value to 25 cents. Each ordinary share of stock, formerly valued at $5 is to be reduced in value to 25 cents. All arrears of preference dividends, amounting last December to more than $1,500,000 are to be cancelled.

Meanwhile the cooperative handling of tea continues to make tremendous inroads upon private importers.

C. L.

Cooperation Abroad

For several years the activities of the International Cooperative Wholesale Society, auxiliary of the International Cooperative Alliance, have been confined to study, inquiry and promotion of national cooperative wholesale. A decision has now been made that an office shall be opened in London for these three purposes so that the work may be still further extended. Efforts will be made to establish an office in the same building as that of the Scandinavian Wholesale Society.

International Cooperative Insurance gets its first real trial in the new agreement entered into between the International Cooperative Insurance Society and the Prevoyance Sociale of Belgium under which the former accepts a portion of the fire risks covered by the latter, acting to this extent as an re-insurance society for the smaller Belgian organization.
A. V. Alexander, one of the nine men elected to the British Parliament on the Cooperative Party ticket, has been First Lord of the Admiralty, a position corresponding to that of Secretary of the Navy in the United States. A cooperator in charge of the British Navy!

The special committee appointed by the English Cooperative Wholesale Society has proposed several radical changes in the constitution of the C. W. S. The number of directors would be reduced from 32 to 28; special tests would be applied to all candidates for the Board; and salaries of directors would be increased so as to grade from $3,700, the first year of service, up to a maximum of $5,000 for older members of the board.

From Manitoba, one of those Canadian provinces which has done so much recently to promote consumers cooperative societies, comes the report that there are now more than fifty such societies within the province. Two years ago there were only ten.

ONE MONTH IN SOME GERMAN SOCIETIES

The Consumers Cooperative Movement of Germany has a great achievement to its credit. The complete financial independence of the majority of Consumers Societies is shown by the large amount of working capital which is at their disposal. They have realized the necessity for complete independence, no matter how difficult economic conditions may be. The following table shows the position for 10 of the larger local Consumers Societies of Germany:

<table>
<thead>
<tr>
<th>Local Society</th>
<th>Number of members</th>
<th>Turnover</th>
<th>Average</th>
<th>Savings bank deposits</th>
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</thead>
<tbody>
<tr>
<td>Hamburg</td>
<td>164,367</td>
<td>6,419,075</td>
<td>+38.9</td>
<td>1,026,061</td>
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<tr>
<td>Dresden</td>
<td>85,534</td>
<td>5,874,199</td>
<td>+19.4</td>
<td>880,260</td>
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<tr>
<td>Berlin</td>
<td>165,177</td>
<td>5,263,810</td>
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<td>1,135,279</td>
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<tr>
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</tr>
<tr>
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<td>2,057,621</td>
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<td>2,488,325</td>
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<td>1,753,065</td>
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<tr>
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<tr>
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<td>1,075,704</td>
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</tr>
<tr>
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<td>35,940</td>
<td>1,376,710</td>
<td>+28.3</td>
<td>1,033,433</td>
</tr>
</tbody>
</table>

*Percentage increase or decrease—compared with the same month in the past year. Figures taken from the official organ Dth Konsumgenossenschaft of the Berlin Local Society.

The Scottish Cooperative Wholesale Society has followed the excellent example of the English Society by the recent action of its quarterly meeting granting old age pensions, which is better known over there as super-annuation, to its employees who number 10,000. The original plan proposed called for one-half salary at the retiring age of sixty-five, but this was amended in such a way that pensions equal to 25 per cent of salaries are to go to any officer who has worked fifty years or more. As nearly one-third of the workers have passed this age limit, the initial expense will be very large. Directors of the wholesale are not included in this scheme as they are under the plan of the English wholesale.

The Berlin Consumers Society in the first month of 1928 enrolled 3,630 new members, which is a new record for any thirty-day period. The total memberships is now 165,177.

British India boasts of 67,000 agricultural cooperative societies, all except 2,000 of which are for the handling of credit.

EASTERN LEAGUE DIRECTORS' MEETING

The Board of the Eastern League held its quarterly meeting on June 16 with eight of the eleven directors present and representatives of the Wholesale, the Educatonal Committee and the Accounting Bureau in attendance. It was voted that all directors should make an effort to get out into the field more often and visit other societies in the Eastern territory. The Secretary reported the probable affiliation in the near future of the Purity Cooperative Bakery of Paterson, and the Citizens' Cooperative Society of Buffalo, the latter the first Negro cooperative to apply for membership in The League. Plans were worked out for assisting the cooperatives in Gardner, Mass., and Utica, N.Y., both of which are experiencing difficulties.

Considerable time was given to a discussion of the unionization of cooperative employees and each delegate presented in detail the exact conditions as to wages, hours and labor affiliations of all workers in his area. The overwhelming majority of employees in the East are unorganized, so far as trade unionism is concerned. However, a motion was passed reiterating the position taken at the Maynard Convention in favor of contractual relations between cooperatives and unions of their employees wherever possible. It was the consensus of opinion that the employees themselves, rather than the directors, should take the initiative in such organization work. The National League Board was requested to appoint a special committee to study the entire question of employees in cooperatives.

Another extended discussion concerned the matter of cooperative stores affiliating with chains or associations of independent merchants and establishing contractual relations with them and opinion was about evenly divided between those who objected to the practice as a matter of principle and those who conditioned it as a matter of expediency. The special committee on this subject was instructed to hold a meeting somewhere in Massachusetts this summer.

Many other items were given minor consideration, chief among them being the report of the Wholesale Manager and the report of the Secretary of the Educational Committee.

My Point of View

By J. P. WARBASSE

SEPARAING ECONOMICS FROM POLITICS

The insouls of governments and the arrogance of officials go merrily on. They go on because the people are indifferent and unconscious of their significance. Submissive, if not reverential, acceptance of the political machinery is the modern religion to which the citizen is committed. I speak of patriotism as religion, because the almighty power of the State is given credit for all that good that happens in connection with its regime, but the evil is not charged to its account.

Mr. Coolidge's administration was adored for its prosperity of the period although that prosperity was of a nature and circumstances of which Mr. Coolidge was quite innocent. He was as neutral as a drop of rain water on the ocean.

On the other hand, the atrocities of governments; the corrupting of decent citizens; the imprisonment and execution of people for their opinions; the suppression of civil liberties; the travesty of legislation against the laws of nature; the brutality of government's hired thugs; and the maiming, murdering, and demonization of millions of men in war—these are all government acts which a blind and devoted citizenry either attributes to other sources than the political state, or holds other causes responsible. When evils are committed by the government they are called the works of deluded or wicked men. The government stands aside in ancient righteousness and looks on.
The great war "to end war" showed the State in action. It showed the viciousness of government and the gullibility of man. It proved that the purblindness of politicians and the pertinacity of Ver-sailles treaty, created international walls of hostility between peoples, and left the world more microbes.

Thus, it is seen that political officials breed political officials. In the United States, in the days of Thomas Jefferson, there was one public employee to every 9 citizens, who do not get a salary from the public treasury.

The plan aims to reduce politics to a minimum. The Central administration of the affairs of the state would be carried out by five directors each having a department--justice, public works, health, police, and the state bank. These officials would be appointed once a year by a small select council, which would meet once a year to revise the rules required for the protection of life, property, and individual freedom.

The electoral system devised by the Anti-political Union provides that the fifty men or women who win the greatest number of votes shall constitute the state council, or parliament. Each member will cast the same number of votes as he received at his election, plus those which may be transferred to him by citizens who voted for candidates who were not elected.

Central States Cooperative League

1303 N. Park St., Bloomington, Ill.

Book Reviews


This is one of the excellent series of books given out by the Institute of Economics of Washington, D. C. It is based upon the practical experience of the many marketing societies in this country. The authors have also gotten the help of lawyers who have had experience with these associations. But the book is something more than a legal treatise. It deals pretty generally with all of the problems of marketing societies, because they all have legal implications.

The Monthly Propaganda Poster Service

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Address:

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Order Your Cooperative Calendar
For 1930
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Background: 20” x 14” Neutral colored cardboard of dull finish with border around painting.

Printing: All words printed in color. Name of your society, your address and phone number; allowance for 3 lines.

Calendar Pad: White, printed in two colors: Black and red. Size 8½” x 4”.

Painting: by Henry Askeli, done in seven colors. Size 8½” x 11 inches. There is no better illustration of cooperative action than the banding together of thousands of birds for their migration to the South each autumn and their return in the spring. The foreground for this picture is a vivid mass of brilliantly colored autumn leaves, on the trees on either side and forming a thick carpet on the ground. Back of these is the deep blue of a lake, and above that the billowing mass of clouds.

The swift high flight of migrating birds to the sunnier climates of the South has always caught the imagination of men, women and children whose life is chiefly a ceaseless round of toil and suffering, who know little of the leisure and the pleasures which, under a more just system of production and distribution, would be theirs. Can they attain their dreams through Cooperation?

Prices:
- For 100 calendars: $14.00 (Freight or Express Collect)
- For 500 calendars: $65.00 (Freight or Express Collect)
- For 1000 calendars: $120.00 (Freight or Express Collect)

COOPERATIVE DEMOCRACY
Second Edition completely revised
by
JAMES PETER WARBASSE
President of The Cooperative League of the United States of America
Member of the Central Committee of the International Cooperative Alliance

A Discussion of the Consumers’ Cooperative Movement In Its Relation to the Political State, to the Profit System, to Labor, to Agriculture and to the Arts and Sciences

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IS YOUR FURNITURE INSUF
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Order of Cooperat
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Correspondence Conducted by expel 1,
now ready
1. Elementary Ed
2. Commercial
3. Bookkeeping
4. Ad
5

COOPERATE
167 W-
Please
N.
A.
"DOES IT MATTER WHERE I BUY?"

When we enter the ordinary multiple shop we observe Need, in the person of the woman with the basket on her arm, standing weak and alone before a powerful combination of interests. They dictate what kind of goods she must have and levy a heavy toll in profits when she takes them. Thousands of women swarm at these shops. Nothing binds them together. They are like a heap of stones. They are not a body; they are unorganized units, and therefore powerless.

"In the Cooperative Stores, Need, in the same homely guise, stands united and powerful. Need can say what she desires. She can get it at cost price. The store is her own creation. The store is the champion of the home and the housewife. It is a brotherly company of men and women who require the little and the great things of the home. A company of men and women intent, not on selfish bargain hunting for themselves, but on striving by their unity to secure for their neighbours as well as for themselves and at the lowest possible price consistent with fair wages and generous conditions, the goods which both alike require.

"All anawares, as it were, a new thing has arisen in our midst, springing from the heart of working class needs and ideals, but destined to pass far beyond any one class or any one land. Already forty million European consumers are banded in cooperative societies; while two hundred million pounds worth of goods is passing every year through united national cooperative federations.

"Here is the kind of development which Religion can welcome cordially. A door opened originally by simple-minded serious men which readmits religious standards and brings new health to social life."

The Very Rev. Dr. Hewlett Johnson
Dean of Manchester, England
The Eighth Annual Convention of the N. S. Cooperative League

We are always looking for "bigger and better" conventions in our League and we like to claim every year that that year’s convention beat all the previous ones. There is not the slightest doubt that such a claim is justified in regard to the Eighth Annual Convention of the League held in Superior, Wis., July 21, 22, and 23.

For one thing, more societies were represented at this convention and by a larger number of delegates than we have had at any of our previous conventions: There were present 86 regular voting delegates and eight alternates from 17 different constituent societies of the League; seven delegates from seven affiliated, and eleven delegates from seven non-affiliated fraternal organizations, making a total of 112 delegates and alternates, representing 31 cooperative and kindred organizations. Besides this, there were present 50 registered visitors who each attended one or more sessions of the convention.

At the Seventh Annual Convention held last year at Ironwood, Mich., there were present altogether 84 delegates and alternates from 22 cooperative and trade union organizations. However, what made this Superior Convention particularly valuable from the viewpoint of cooperative education were the addresses delivered to the convention by men active in the Movement. For the first time in the history of the League such big organizations as the Farmers Union of Nebraska and the Land O’Lakes Creameries were represented. Cooperator E. S. Herron, C. McCarthy, Geo. Keen, E. E. Branch, C. B. Whitnall and others delivered very interesting talks. Most of these addresses will be published in full in our cooperative periodicals in the near future.

Longest Convention So Far Held

The Superior Convention was in actual session for 18 hours. It was opened Sunday morning, July 21, at 10:30 and wound up at about 1:30 Tuesday afternoon. Three sessions were devoted entirely to educational addresses and five to the League’s own business. Among the various delegations were four men from Frederick, S. D., who drove 1000 miles in four days to get to Superior and back home again—all farmers who were in the midst of a busy haying season.

However, what really made the convention “the best” so far held, was the excellent cooperative spirit that prevailed throughout. There was not a trace of factionalism noticeable and the local cooperators did everything in their power to make the stay of the delegates in Superior a pleasant one. The convention hall had been nicely decorated with appropriate cooperative slogans displayed on large banners. A feature which pleased the delegates and visitors very much were short “coffee recesses” during which coffee with delicious biscuits produced by the Cooperative Central Exchange Bakery was served free to delegates and visitors.

Splendid Entertainment Features

On Sunday night, the local people had arranged a program entertainment featuring a two-act cooperative play called “A Winning Way.” Practically all the actors were employees of the Cooperative Central Exchange. The play showed how a group of workers on strike conceived the idea of organizing a cooperative store, and gave scenes that transpired in the newly established store. A novel feature was the interspersing of the play with several musical and dancing numbers given by a vaudeville group of the Central Exchange employees.

Another star feature on the program was a series of song numbers rendered by a sextette of the Franklin Cooperative Male Chorus which drew enthusiastic applause from the audience. Several inspiring addresses were delivered by men conspicuous at the convention and in the Cooperative Movement. The second feature of entertainment which was very well arranged and favorably received was a banquet held in the convention hall Monday night attended by some 200 people. A local workers’ orchestra rendered music, the Franklin sextette sang several numbers, among which the “Volga Boatman” aroused particular enthusiasm, and there were a number of inspiring talks.

Important Business Transacted

A great deal of business was transacted, important to the welfare of the League and the Cooperative Movement. Besides the various reports rendered by the secretary, the treasurer, and the auditor of the League, perhaps the most important constructive measure adopted by the convention was the raising of the League’s constitution and by-laws authorizing the board of directors to admit district oil associations into constituent membership on the basis of dues paid not per capita but per each affiliated local society in the district association.

Various Resolutions Adopted

The committee on resolutions presented to the convention five resolutions which were all unanimously adopted—on urging the cooperative societies in the district to create educational committees and set aside enough funds to carry on such educational work as may be found necessary; another urging the various cooperative societies to give their assistance to the New Era Life and Health Insurance Society of all cooperators; a third resolution protesting against the possibility of new world war and attacks against the Soviet Union; a fourth resolution protesting against the possibility of new world war and attacks against the Soviet Union; a fourth
instructing the League to further the establishing of women's cooperative guilds in the district; and finally a resolution urging the board of directors of the League to give their assistance to efforts now being made to organize a cooperative store in the city of Minneapolis.

Besides the above were resolutions presented from the floor and unanimously carried, one relating to the patronizing of union label goods by the affiliated cooperative societies and another extending a vote of thanks to the Cooperative Central Exchange for the splendid work they had done to make the convention a success.

Other Constructive Measures

Among other measures passed were the following: (1) that a training school for workers be established in Minneapolis, the details of arrangements to be left to the board of directors; (2) that the directors representing the N.S.C.L. district on the board of The Cooperative League of U. S. A. be instructed to propose at the next meeting of the national board that steps be taken to prepare a national cooperative film in the near future; (3) that the Executive Committee of the League be instructed to try to organize during the next fiscal year more district conferences of the nature of the conference recently held at Dorchester, Wis.; (4) that attempts be revived to hold during the next fiscal year in Minneapolis joint buying conferences of the same nature as those held in 1925-26-27; (5) that the present arrangements with the Cooperative League of U. S. A. about space in the national magazine COOPERATION be continued and that a special campaign month for obtaining new subscriptions to the magazine be set aside this fall.

New Board Elected

In accordance with the constitution of the N. S. C. L. a board of 11 directors is elected at each annual convention to serve for one year. At the Superior convention nine of last year's directors were reelected. These are: H. I. Nordby, F. F. Burandt and Gideon Edberg of Minneapolis; Eskel Ronn, Oscar Corgian, H. V. Nummi and George Halonen of Superior, Wis.; E. E. Branch of Grand Rapids, Mich.; and A. A. Siegler of Duluth, Minn. The two new directors elected are Joseph Flor of Minneapolis and Oscar Johnson of Cloquet. The following were elected alternates: C. E. Sherman, D. Lechoviux, E. H. Anderson, Mrs. E. C. Nelson and Hjalmar Hansen of Minneapolis; A. J. Hayes and Ivan Lanto of Superior; Sam Sahman of Duluth and W. B. Robertson of Sault Ste. Marie, Mich.

Permanent Legislative Committee

One of the important acts of the convention was to appoint a permanent legislative committee to function in the three states covered by the N. S. C. L. Members appointed to serve on this committee were: from Minnesota: S. A. Stockwell, V. S. Alanne, Mrs. Philip Erickson; from Wisconsin: A. J. Hayes, Eskel Ronn, Matt Tenhunen; from Michigan: Wm. H. Closser, E. E. Branch, Arvo N. Rivers.

Awarding of Certificates of Merit

On the third convention day the League's secretary officially announced that Certificates of Merit had been awarded to 14 cooperative societies in the N. S. C. L. district. Seven of these societies are from Minnesota; four from Michigan and three from Wisconsin. A complete list of these societies appears elsewhere in this magazine.

Minneapolis Next Convention Place

As the Franklin Cooperative Creamery through their educational committee had officially invited the next convention to be held in Minneapolis, the invitation was unanimously accepted.

Local Press Gives Splendid Publicity

For the first time in the League's history the local press featured the convention splendidly not only during the actual session days but also before. There were several front-page headlines, particularly in the Superior Evening Telegram and also in the Duluth press. Undoubtedly the attention given our convention was due to a great extent to the fact that the Cooperative Central Exchange has grown into a business institution which begins to command general notice both in and around Superior.

There is no doubt that the Superior Convention went a long way to cement together the various elements in the N. S. C. L. and inspired all those attending the convention to increase their efforts in behalf of building up a worthwhile Consumers' Cooperative Movement in the Northwest.

V. S. A.

Editorial

BIG BUSINESS OFFERS RELIEF TO THE FARMERS

For many years the business interests opposed cooperative marketing by farmers. During the past very few years they have, one after another, come around to endorsing a movement which they now realize is inevitable anyhow. And just at present, after this mighty upsurge in Washington and the appointment of the Federal Farm Board, the great business corporations of the country are aggressively out to assist in every way possible the attempts of the farmer to make of himself a capitalist through the process of merging his marketing associations. Capitalists who once engaged in agricultural meetings to scoff at cooperation now remain to prey.

For look you, what a leadership these new organizations have. The Federal Farm Board itself, which is to be the rich uncle to all the country-wide cooperative marketing associations, is under the command of Alexander Legge, one of the heads of the International Harvester Company, a concern that is numbered among the worst exploiters of farmers. The Farmers National Grain Corporation is to be the $50,000,000 concern with a body of men in command who have not yet been named at this writing, but not likely to be radicals or even very progressive. And now the United Fruit and Vegetable Growers of America, a federation of marketing associations with $50,000,000 of capital finds itself working under the Chairmanship of Julius H. Barnes, head of the U. S. Chamber of Commerce, with Aaron Sapiro as counsel! There are, of course, farmer spokesmen on all these boards, and some of these spokesmen may actually be engaged in running farms. But even the men appointed to represent the actual growers of the apples and corn and tomatoes are for the most part representatives of the big business point of view.

Farm journals and other organs that claim to express the sentiments of the farmers are almost unanimous in their songs of praise for these efforts toward farm relief. And doubtless the great majority of actual growers themselves look with satisfaction and hope to these new moves in the direction of agricultural salvation. What does it all mean? Are the leading business men of the country suddenly converted to the theory of an economic system operated without the profit motive and democratically controlled by producers and consumers? Or does it mean that the farmers themselves are again being hoodwinked? One or the other. True cooperation and profit
business do not mix so easily as all this. There is something peculiar somewhere. One or two small farmers in our country raise a cry that the legitimate interests of the farmers are once more to be prostituted to the interests of capitalistic business; but such joiningly few, and the editors who utter such thoughts scarcely dare put to paper their inmost convictions in such a time of universal rejoicing.

Our interest is confined almost exclusively to consumers cooperation. But we do feel that cooperators who truly understand the principles underlying the Rochdale movement, whether they be engaged in marketing or distribution, had better look with great suspicion upon these latest gestures of fraternity between leaders of American capitalism and leaders of cooperative associations. Politicians and profit-seekers are not thus transformed overnight, unless there is a genuine reason for such a sudden shift of principle. Mr. Legge and Mr. Barnes are sincerely convinced that the economic system under which we live is the only right and safe and efficient system to be used, and hence in wanting the farmers to get the benefits of that system. We do not question their motives at all; but we know that they are short sighted, they are not familiar with the most up to date economic thought. The American farmers are going to follow that kind of leadership, not because it is the leadership they need, but because it represents to them the highest and best in American capitalism. Farmers here are mentally capitalistic and they want the solution of their troubles to come through the channels of profit business, for they have never really understood any other form of business. Farmers here are mentally capitalistic and they want the solution of their troubles to come through the channels of profit business, for they have never really understood any other form of business.

Cooperation promotes independence, prevents pauperism, and helps people to rise above the domineering influence of charitable gifts. Its constant aim is to give helpfulness to workingmen, lessen the great inequalities that exist, and to diffuse members who know nothing about cooperative history or theory.

We know that unmeasurable damage is going to be done to the agricultural cooperative movement by this spurious type of organization undertaken by the political leaders at Washington and the business leaders in Chicago, New York and San Francisco. Genuine cooperation is not going to be advanced. It will only be retarded. Tens of thousands of hardworking men and women on the farms of America are going to view with shining eyes and palpitating hearts these grand fireworks now being sent up by the Federal Farm Board and the new national-wide associations. Those who have not been swayed by the skyrockets have died out and the sky is black again, these thousands will swear that cooperation has failed.

Cooperation has not failed, but farmers have failed to cooperate. They have not permitted the cooperative movement to take hold of the real problems of the producers and consumers of America, nor have they cooperated with the farmers who in the principles underlying a sound and permanent economic system, to build such a movement as exists in every country, economically, in Europe. And because they have thus failed, we view such lamentable spectacles as now confront us with alarm. There would be actual grounds for despair, were it not for the small handful of genuine farm leaders who are ever now warning their friends to beware, were it not for the one or two hundred consumers societies in town and country, who are definitely committed to business principles diametrically opposed to those of capitalism and sure enough of the ground to be able to laugh at those who praise the newly organized Federal Farm Board, the Farmers National Grain Corporation and the United Fruit Corporation of America. C. L.

First Institute in Consumers Cooperation

The one week institute organized by The Cooperative League concluded its work on Sunday, August 4, and was unanimously pronounced a marked success by everyone in attendance. The institute opened on Sunday evening, July 28th, with an informal meeting at which each delegate introduced himself with a brief autobiography and a statement about his cooperation. Helen Norton, of the Brookwood Faculty, told about Brookwood Labor College. The classes got down to their hard work on Monday morning when Cedric Long, Executive Secretary of The Cooperative League, opened his course in the Principles of Organizing and Administering a Consumers Cooperative Society. Courses in this subject were held every morning and the subjects discussed ranged all the way from the position of the employee in the cooperative to the duties of directors and manager, to the special difficulties created by the disloyal member, chain store competition and the extension of credit to workers in distress. The full course was given by Edward Cohen, instructor in the public high schools of New York, in the History and Principles of Consumers Cooperation. The class started in with a study of the feudal system in Europe and the development of capitalism along through the period of Robert Owen, the Rochdale Pioneers and the extraordinary development of the movement throughout the world to 1929. There were several special lecturers. Violet Hallaway, formerly a branch manager in the large London Cooperative Society and now of the staff of Consumers Cooperative Services in New York City, told the story of the Rochdale Weavers and their cooperative descendants. David Sappos of Brookwood lined out the relationship of the consumers cooperative movement to the trade unions and the workers political, fraternal and benefit organizations. A. E. Kazan, President of the Amalgamated Cooperative Apartments, gave a masterly address on the New York housing situation with an exposé of the enormous waste of our speculative system and the great economies to be effected through cooperative housing as exemplified by the successful Amalgamated Apartments. The second group of houses erected by this organization is now being completed, and a third will be undertaken in the lower east side in the near future. Dr. Warren, President of The Cooperative League and a member of the Central Committee of the International Cooperative Alliance, gave two excellent talks, one on International Cooperation, its achievements and its problems, and the other on the Economics of the Consumers Movement, a lucid analysis of economic motives and economic organizations from the viewpoint of service rather than profit. He pointed out that in England where one-tenth of the total wages of the working class are being spent in cooperative stores, the return to the workers is 50 per cent on their investment in the shares of their cooperative societies. If the entire wages of these workers were to be placed in their own organizations, their investment of 500 per cent on their investment. Cedric Long, in a special lecture, sketched the peculiar difficulties confronting the cooperative movement in America, and the conflict of purposes within the workers' and farmers' groups. Thirteen different nationalities are now operating cooperative societies and a convention of these organizations constitutes a veritable tower of babel. There are five distinct political and four religious groupings. That The League has maintained a complete unity during all these years is a glowing tribute to the cooperative spirit of its membership. A. J. Muste outlined the conflicts within the trade union movement and explained the newly organized Conference for Progressive Labor Action.
On Saturday afternoon the membership of the institute was swelled by the arrival of 18 new delegates from societies in Greater New York, and when the special sessions for the week-end were opened on Saturday evening, there were cooperative organizations represented having a total membership of 63,000 workers. The delegates spent the evening in a recital and comparison of the various educational activities carried on in their own organizations.

One of the most fruitful and practical discussions was that during the week-end conference on Sunday morning devoted to the newly organized Eastern Cooperative Wholesale. This concern is already buying goods for some 23 eastern stores, bakeries and restaurants, to a total monthly volume of $15,000. The turnover in some grocery products is even now large enough to enable the wholesale to get these packed under a special cooperative label after careful laboratory tests have been made.

The last session of the week was given over to a discussion of the five largest Cooperative Apartments. The president reported that they did indeed have an excellent credit rating throughout the city but that this rating was raised in, say, the rates which were associated with the publicity given by the various cooperative societies to the Amalgamated and its supposed prosperity, as a matter of fact it always has been in a difficult financial position.

The week was not devoted entirely to hard work. Many hours each day were given to recreation in the form of hikes, baseball, swimming, dancing and other social activities. All the classes were held out of doors, and the delegates slept in the new dormitory erected recently by the Brooklyn Labor College. Brookwood itself is already well known throughout the country, but this is the first Cooperative Institute to be held within its own domain.

During the week there were 21 in attendance at the classes, and the number was nearly doubled by the additional ones which came on Saturday. The delegates represented seven nationalities and thirteen different cooperative societies. More than one-third of these present were either employees, officers, committee members of cooperatives. The unanimous and enthusiastic endorsement of everyone attending this institute assures the Educational Committee in charge that it will become an annual occurrence.

News and Comment

MINNESOTA COOPERATIVE OIL COMPANY

Early in the summer the Minnesota Cooperative Oil Company held its third meeting in St. Paul with a total of 89 delegates representing 34 cooperative oil associations, and 8 fraternal delegates representing such organizations as the Northern States Cooperative League, Franklin Cooperative Oil Association, Farmers Union Cooperative Oil Association of Nebraska, United States Department of Agriculture, the Manitoba Cooperative Wholesale, the Illinois Farmers Supply Co., etc. This is the first occasion on which central cooperative oil wholesalers have gotten together in such large numbers and was one of the most interesting and inspiring features of the meeting.

E. G. Cort, manager of the Minnesota Company, reported sales during the previous fiscal year of more than 14 million gallons of gasoline and nearly 4 million gallons of kerosene. Total business for the past two years was $688,000 with net earnings of $7,362. The meeting unanimously voted to leave these earnings with the wholesale for another year.

An auditing department was installed late in 1928 with John B. Nevell in charge. The recommendation to the Board that the company be reincorporated with capital stock under Wisconsin law was made by the membership but the membership fee was increased enough to provide the necessary working funds. E. E. Chipfoll is the new elected president and F. H. Osborne is elected secretary-treasurer.

GRANGE COOPERATIVE WHOLESALE

In his annual report presented to the Washington State Grange in June, W. O. Dickinson, Manager of the Grange Cooperative Wholesale at Seattle, covered a few of the high points in the development of the institution and of its affiliated member stores. Whereas one such store went out of business, two new ones came to take its place. Total purchases through the wholesale increased by 12 per cent over those of the year preceding, and, as a result, the wholesale is now taking advantage of the accounting service conducted by the wholesale.

The deficit which Mr. Dickinson took over at the beginning of 1925 has now been reduced by 25 per cent. The total sales for the year 1928 were in excess of $109,000.

CONSUMERS COOPERATIVE SERVICES REPORTS

As usual, the twelve-page, carefully prepared booklet, containing the annual report of New York City's largest cooperative, is one of the most interesting publications coming to the League office. The cover is printed in three colors showing graphically the size of the cooperative movement in six of the largest countries of Europe. Stewart Chase, an author, known journalist and author edits the book, devoting most of the space at his disposal to a discussion of the proposed cooperative housing development of this association.

The fiscal year closed on March 31st last. Total business was $612,226 and net earnings $32,500, $7,000 of which was returned in the form of rebate to members and the balance added to re-serve fund. There are now 3,250 members having an investment of $60,000 in capital stock. The reserve fund amounts to $124,000. This society is in the lead among cooperatives in this country in having on hand $122,000 in actual cash or negotiable securities.

Consumers Cooperative Services operates four full-sized cafeterias, four small food shops, five branch libraries, and a credit union. Nineteen hundred and twenty-eight is the first full year when the entire organization has run with a 48-hour week and a $20 minimum wage. Anyone familiar with working conditions in New York commercial restaurants will realize what a comparatively high standard this is.

ANOTHER ONE BORN IN PLAINFIELD

The Finnish Farmers of Plainfield, Connecticut, have had a cooperative for distribution of feed for several years. This winter they took over one of the largest and finest store and warehouse buildings in the center of town and went into the general merchandise business as well. Sales during the first full week were slightly more than $300 in the store department. Then a special celebration was planned, leaders placed in the windows, flyers distributed around town, free coffee served to all comers, an evening meeting planned for the Community Center Hall. That day cash sales went to nearly $1,000, and total orders taken almost to $1,500.

The meeting in the evening was attended by nearly 500 people, and that in a town of hardly more than 2,000 inhabitants. There were musical numbers, speeches by Cedric Long of The League and Wm. Martilla, new manager of the store, and dancing. Though the membership is still entirely Finnish, the French and Americans who work in the local mill are patronizing the store very well. The Eastern States Cooperative League expects this concern to be one of the next to apply for membership.
24\% REBATE ON SERUM SALES

Under a wholesale-purchase plan, members of the Nebraska Farmers Union are now taking more than half of the ant-kog-cholera serum distributed by the State Serum Plant of the Agricultural College of the University of Nebraska.

The State Serum Plant sells both at wholesale and retail. The average farmer does not have enough serum to buy in wholesale quantities. Under this plan, the Farmers Union buys serum in wholesale quantities at the regular wholesale price. Serum is then sold to members of the Farmers Union at the regular retail price, but the difference between the wholesale price and the retail price, minus the small expenses of operating the plan, is returned to the members as a patronage dividend. This results in the members getting their serum practically at the wholesale price.

The plan went into operation in April, 1928. At the end of the year, the patronage dividend was 24 per cent.

Serum sales under this plan are now running about twice as large as they were a year ago, and are increasing steadily. The Nebraska Farmers Union is looking forward to the time when it will have sufficient volume to warrant owning and operating a cooperative serum plant. The State University authorities will welcome this, since they are not anxious to be in the serum business.

THE HALF YEAR IN A FEW SOCIETIES

Virginia Work People's Trading Co., Virginia, Minn., continues to forge ahead. The total business done for the first half of this year was $201,230, and the net gain $224,607 this year went to $228,307. Net gain, however, due to larger overhead, was $25 as against a large loss in 1928.

The great rise in sales is due to the newly organized milk department. Of all the managers Gardner has had during the past few years A. J. Partan shows indications of being the best and the only one able to cope with a difficult situation.

The United Society of Maynard continues to lead all the New England co-operatives in volume of sales. The figures of $172,803 for the first part of 1928 were raised slightly to $173,453, and the net gain moved up from $12,533 to $22,293.

There have been no new departments opened recently, although the comparatively new branch store continues to take some business away from the old Main store. In the autumn or winter this society expects to begin in a modest way the distribution of milk to its customers, getting its milk supply already pasteurized and bottled from the creamery of the United Cooperative Society of Lawrence.

The Cooperative Trading Company of Waukegan made some substantial gains during the first half of this year. A. J. Partan, who took over the record of Adolph Winkels in 1928, appears to be managing the Cooperative in an able manner. The management is doing all that can later organize their own plant. The Lawrence Society sent two of its most promising men to the Institute, at Brookwood, in July.

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The Workers Cooperative Union of Stafford, Conn., moved into its new building last winter. Little more need be said than that half yearly sales which in January were $36,331 increased to $46,105.

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Net gain, however, due to larger overhead, was $224. Net gain moved up from $12,533 to $22,293.
Three organizations have already appropriated money for scholarships to be awarded to those who expect to attend the school. These are: Franklin Cooperative Creamery Association with a similar amount.

We hope that other Cooperative societies in our district which appreciate the importance of our training school will award scholarships to help make the school a success.

OUR INDIVIDUAL MEMBERSHIP
KEEPS INCREASING

Since reporting last about results in our individual membership campaign, we have obtained 48 additional members, bringing the total now up to 764, nearly twice as many as we had last year. Most of the additional come from the Franklin Cooperative Creamery group. Emil Bakken has obtained ten more individual members for us and Jennie Sammeli seven. Both are members of the Franklin Creamery. William Sarkela, bookkeeper of the Arrowhead Cooperative Creamery Association of Cloquet, Minn., has joined in our memberships.

Toivo Tenhunen, one of the Central Exchange salesmen, now tops the honor roll for this individual membership campaign and has collected as many as we had last year. Most of the results in our district are due to the individual membership movement. Emil Bakken, former manager of the Elanto Cooperative Company of Nashwauk, Minn., has been transferred to New York Mills and Louis Penti, of Waukegan, Ill., is now managing the Nashwauk store.

The business of the Farmers' Exchange in Duluth, one of our affiliated societies, is now being managed by Ernest Helmer, their former truck driver.

The People's Cooperative Society of Superior, Wis., have recently extended their business by opening a meat market in addition to the grocery that they have operated for several years in the city. In June the sales of the store exceeded $7,000, and after opening the meat market the store is expected to reach $100,000 sales next year. It is very gratifying to note the progress of many local societies in our district. Investigation will convince any impartial observer that all those societies have the ability and the desire to make serious efforts to establish their business as a local educational work, and at the same time are the most enthusiastic supporters of the Cooperative Central organizations.

The board of directors of the League met in Superior, Wis., immediately after the adjournment of the convention. At this meeting offices were taken from the Franklin Cooperative Creamery of Minneapolis, one of the new directors, was elected treasurer. Gideon Edberg was re-elected recording secretary. The other directorships, besides Mr. Flor, is Oscar Johnson, president of the Cloquet Cooperative Society.

Since the Superior convention five more co-operative organizations in the Northern States' League district have contracted for a total of sixteen pages in the 1929 yearbook. This makes the total number of societies in the district, taking part in the national yearbook, 34—which exceeds the aggregate number of corresponding societies from all the central and general states of the United States.

There have been several changes recently in the management of societies in our district. Asko Kailipinen has resigned his position as manager of the International Work People's Cooperative Association of Gilbert, Minn., to become traveling salesman for the Cooperative Central Exchange. Henry Kolvisto, former salesman for the Exchange, is now managing the Gilbert store for us and Jennie Sammeli seven. Both are members of the Franklin Creamery. William Sarkela, bookkeeper of the Arrowhead Cooperative Creamery Association of Cloquet, Minn., has joined in our memberships.

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The summer months have again brought with them many tragedies in form of accidents. Our cooperative movement hasn't suffered. The year was particularly trying for the United Consumers' Cooperative Society of Duluth as their truck driver, was drowned in Sturgeon Lake near Nevis, Minn. The driver had been digging for gold in Norway, and was returning to his home in Duluth. He was an individual member of the League. He leaves a wife and two children.

NEW BULLETIN COMING

A new publication is to be issued by the league each month, beginning with September. It is a Bulletin for Directors and Employees, to consist of four pages and to go to all members of the Central League free of charge. It is to be a medium for keeping the officers, directors and employees of these societies familiar with cooperative activities and to make them more efficient workers on their respective jobs.

Other District Leagues

The Third Convention of the Central States League took place late in May at Bloomington. An interesting feature of the Secretary's report was the chart prepared showing just what extent of the affiliated societies was supporting its district league and the national league offices. Riverton Society scored the highest mark.

A discussion of the credit evil aroused much interest and universal agreement as to the harm that credit trading was doing the movement, but few practical suggestions were offered for meeting the difficulty except a persistent educational campaign among the consumers. An equally lengthy discussion of chain store competition brought out more suggestions for meeting the situation. John Kenney, Manager of the Workmen's Cooperative Mercantile of Chicago, introduced the subject with some very wise observations. John Augustine of Livingston argued for affiliating the cooperative stores with private stores in the community. A discussion followed, the result of which was strongly assailed by most of the delegates present, particularly those from Waukegan, and the fraternal delegates from the Cooperative Central Exchange.

The period devoted to the question of building membership brought out interesting examples of how new members are won in some of the larger societies.

There was a pretty general agreement that the policy followed at Waukegan of giving the same rebate to non-members as to members, but only in subscriptions to stock, was thoroughly cooperative and very effective.

Other subjects that received the attention of the Congress were: "Practical Educational Schemes," "Personnel of Cooperative Enterprises," "National Organization Activities," "Uniform Cooperative Label." Under the first, the discussion ranged over various methods of making an entertainment effective to training of bookkeepers and other employees in training schools.

A Permanent Educational Committee and a Joint Buying Committee were elected.

The Certificate of Highest Merit was awarded to only one society in the territory: the Workmen's Cooperative Mercantile Association of Chicago.

There were in attendance 37 regular voting delegates, 9 fraternal delegates and 10 visitors.

The 1930 Congress is to be held in Chicago.
PROTECTING THE PEOPLE FROM THE PLAGUES OF PROFITS

The Department of Health of the City of New York has issued a statement in its Weekly Bulletin showing how the department protects the public from getting the bad food which the bad merchants would like to sell.

"The average person who eats either at home or in a restaurant does so with far too little sense of security because he thinks the Department of Health has destroyed all dangerous food.

To quote further: "During the year there were over 4,000 tons (9,757,997 pounds) of food, 15,263 quarts of milk, and 55,999 quarts of cream destroyed by the department. An enumeration of the various kinds of food that were destroyed would read like a dietary. The list included meats, vegetables, fruits and their manufactured products."

This was done because, "There are several outstanding reasons for condemning food as unfit for human consumption; namely, the danger of disease transmission through food contaminated with bacteria, the danger of nutrition from adulterated food, and the harm that may be caused by various chemical preservatives added to food."

The City of New York employs an army of food inspectors who stand ready to recognize and destroy at once any food that might do its citizens harm.

And yet it was only the year before this statement was issued that the most nasty scandal was uncovered showing how inspectors were taking bribes from milk companies, from farmers, and from food merchants to permit the sale of bad foods. The situation became so serious that inspectors were appointed to watch the inspectors, and to prevent them from taking bribes. Then these secondary inspectors were found accepting good money to pass bad food. The situation became so serious that inspectors were appointed to watch the inspectors, and to prevent them from taking bribes.

Whether a third tier of inspectors was appointed to watch the inspectors, and to prevent them from taking bribes, is another question. The report states: "The average person who eats either at home or in a restaurant does so with far too little sense of security because he thinks the Department of Health has destroyed all dangerous food."

In our political life we have two main periods. There is the period when every thing is going along smoothly and there is no danger to the people. Then the period of scandal is inaugurated, investigated, and the culprits haled before the courts and tried. I am inclined to think that more birdsness goes on, and the citizens are hounded more during the quiescent periods. Then is when the boys are making hay.

As an example, when 8,757,997 pounds of food were destroyed, if there might not have slipped in a few pounds of bad food that was not destroyed and which might have made about one person sick from every pound sold.

I am not easily persuaded that when the food is rotten the inspectors are not; and that when the inspectors are, then they are apprehended along with the food and both are made good.

The City of New York has a competent Commissioner of Health, a man of unusual scientific qualifications and unchallenged integrity. But it also has a vaudeville artist for mayor, whom the people pay a royal salary to practice his art for their entertainment. He symbolizes the municipal politics. And on the whole, that is not of a high character.

Scandals in the food supply are uncovered at periodic intervals. The next uncovering is always due after such a period of quiescence as the city now is enjoying.

In the year 1890 in New York City there was a determined struggle between the people and the State to prevent disease-producing shellfish from the market, to prevent the diseases due to chemicals added to foods, and also to make physical examinations of food handlers. "Every person who handles foods must obtain a certificate stating that he is free from communicable disease. This furnishes a barrier against the transmission of such diseases as typhoid, tuberculosis, and syphilis." Of course the State was no fool to keep this in the hands of the inspectors.

In a speech to the International Summer School of the L. C. A. in July, Henry J. May, Secretary of The Alliance, said in part: "The British Cooperative Movement has stood firmly and definitely for a free trade policy between nations. The German Union of Consumers Societies have been definitely in favor of a free trade policy; French cooperators at their congresses in 1927 and 1929 have protested against new customs duties. Belgian cooperators were consistently in favor of free trade; in Czecho-Slovakia the Cooperative General Congress has declared that cooperation cannot maintain itself without the abolition of all existing duties on imports and exports; and the Austrian cooperators
are solidly for free trade as being clearly an essential means to their economic salvation. The main line of policy, as shown by the cooperative movement in Finland, Denmark, Holland, Norway, Lithuania, and the Baltic States generally did not differ essentially from the specific resolutions.

"The Cooperative Movement as a whole stands for the principle of free interchange of commodities between the peoples of the world."

Uzbekistan—this is one of the far-flung colonies of the Soviet Union of Republics, in a part of the world where the women never remove their veils in the presence of men. Thus these housewives are unable to go to the general cooperative stores, and the Central Union of Uzbek Consumers Cooperatives has opened special women's stores and places of consultation which are visited exclusively by women. This gives these cooperatives a chance to remove their veils and to converse with the employees with perfect freedom not only regarding the goods but also on questions of social and economic advancement for the people.

Farmers in China suffering through crop failures are being given relief from the China International Relief Commission which extends this aid through the farmers cooperative societies. Ten thousand dollars was appropriated for this purpose late in the summer of 1928.

For the past three winters the China International Relief Commission has conducted cooperative training schools. Last winter it encouraged local cooperative groups to take greater responsibility for organizing their own courses, though the Commission stands ready to provide some lecturers and to assist with funds.

Cooperative water supply associations in Bulgaria are now very numerous. They are for irrigation purposes, for control of river courses, building of dams, production of electrical power, extraction of marine salts, and draining of marshes. Among the members of these associations are land owners, private industries, public institutions, and groups of individual farmers. The largest of all, "Vatcha" by name, has 12,200 members, among which are numbered the State, the National Bank of Bulgaria, cooperative societies and provincial and municipal councils. This society provides electric lighting for a whole district. At the end of 1926 there were 45 of these societies in Bulgaria. Their total membership (individual and collective) was 31,000, and their total capital 125,000,000 levas.

Those who follow the development only of the Central Union of German Consumers Societies perhaps do not realize that there are very many cooperatives outside that organization, especially among the rural population. In all of Germany there are 52,000 cooperatives, 38,250 of which are classified agricultural, 33,650 of the latter being affiliated with the two centrals—General Union of German Raiffeisen Societies and National Union of German Agricultural Societies. Thus the farmers in this highly industrialized country have more than 77 per cent of all the cooperatives, with a total membership of three and one-half million individuals. The Central Union is better known throughout the world only because it is more progressive and because these agricultural societies are distinctively German.

The Germans have also developed cooperative societies for the supply of electric light and power to the countryside. There are now upward of 1,500 of these organizations with a membership of nearly 100,000. Most of these societies buy the electric current at wholesale from the large overhead electrical works, instead of generating their own.

The Cooperative Central Union and Wholesale of the little country of Norway publishes a popular cooperative paper which is now being distributed to 86,000 members every month.

A LESSON IN HOW NOT TO COOPERATE

An outstanding issue at this time in the field of cooperative marketing is whether central marketing agencies should be federations of local cooperative associations or wide-area associations without autonomous local units. Discerning students will find a great deal of enlightenment on this problem in the straightforward and interesting story of the Texas Farm Bureau Cotton Association told by Robert H. Montgomery, professor of economics in the University of Texas, in his book "The Co-Operative Pattern in Cotton." (The Macmillan Co., $2.50.)

This centralized association, covering the whole state of Texas with local units, was formed in 1921 under the inspiration of Aaron Sapiro, and in accord with his contract and pooling plan. A great drive was organized, with all the usual brass-band tactics. The plan was first "sold" to business men and bankers. Then 125 high-power salesmen were sent out to secure the signatures of growers to marketing contracts. The goal was a million bales. Contracts were signed by 19,146 growers in this initial drive, with an estimated production of 600,000 bales. But it was soon proved that getting farmers to sign contracts in a whoop-la campaign does not appear to be the key to cooperative association.

The difficulties of having anything like democratic control in a large association are strikingly revealed in this. Although the by-laws of the association provide for an annual meeting of the members, never as many as 1 per cent of the members have attended such a meeting. It has also been impossible to get an adequate response on questions submitted to the members by mail. The state is divided into 20 director districts, and the members in each district nominate their director. But the districts are large and few of the members know the candidates. As a result, the vote in nominating directors has always been very light.

Book Review

the courts have repeatedly sustained the validity of the marketing agreement, the association has sued only a few dozen members for breach of contract.

Organizers had preached the Sapiro formula that the central associations would tell the world what it had to pay for cotton. Instead of the spinners pleading for cotton, the association in its first year had to peddle 85 cents per bale to local buyers. However, the proportion sold directly to mills has steadily increased, until it amounted to 85 per cent in 1928.

In addition to selling an increasing proportion of its cotton to the mills, the association has made great strides in the correct grading and classification of cotton, in reduction of insurance and warehousing costs, and in financing the movement of the crop. But with only 6 per cent to 5 per cent of the Texas crop handled by the association, Prof. Montgomery makes it clear that Labor's national association has not appreciably influenced the world price of cotton.

From Prof. Montgomery's story, it does not appear that this highly-centralized association has been any more effective than, or even as effective as, the California Fruit Growers Exchange (citrus growers), the California Walnut Growers Association, or the Land O'Lakes Creameries (Minnesota), which are centralized associations. While the by-laws of the association do not appear to be the key to cooperative association, it is clear that the local associations have been any more successful in the case of the association than in the case of the other associations. Although the by-laws of the association provide for an annual meeting of the members, never as many as 1 per cent of the members have attended such a meeting. It has also been impossible to get an adequate response on questions submitted to the members by mail. The state is divided into 20 director districts, and the members in each district nominate their director. But the districts are large and few of the members know the candidates. As a result, the vote in nominating directors has always been very light.
Members of the association are widely scattered. They are not well informed about association affairs. They do not have an opportunity to discuss matters. Consequently they do not feel a personal interest in and a personal responsibility for their association. As a remedy for this condition, the officers are now encouraging the formation of informal or "talking" locals.

Prof. Montgomery apparently sees cooperation only as a means of controlling and marketing farm products, as an adjunct to the profit system, and not as a comprehensive cure for exploitation. He declares that an "adequate and regular money income" for farmers is the only thing with which the cooperatives are concerned. Thus he evidently does not sense the fact that unless farmers cooperate as consumers, the gains they make by cooperative marketing will be taken away from them.

His idea of economic salvation for farmers, judging from this book, is monopolistic. He visions farmers meeting monopoly with monopoly. The only salvation for cotton farmers, he declares, is to regulate production and control the price. A centralized cooperative is the only means by which this can be accomplished, he holds. He clings to the centralized plan, therefore, even though he records faithfully its failure to bring the results promised by the promoters, and shows that it does not give democratic control.

In spite of his bias for the centralized plan, Prof. Montgomery has told the story of the Texas Farm Bureau Cotton Association with entire honesty and candor, and his book is a valuable addition to the recorded experience of farmers' cooperatives.

L. S. HERRON.

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    - **Gide, C.**: Consumers' Cooperative Societies in Great Britain and Other Countries, 1921. Cloth.
    - **Hall, Prof. Fred.**: Handbook for Members of Cooperative Communions.
    - **Harris, Emerson P.**: Cooperation, The Hope of the Consummation, 1918. Paper bound.
    - **Hodge, Rochdale Pioneers**.
    - **Jennings, O. B.**: Cooperative Marketing of Farm Products.
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    - **Sonnichsen, A.**: Consumers' Cooperation. Paper bound.
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    - **Warbasse, J. P.**: Cooperative Democracy, 1917.
    - **Webb, E.**: The Story of the C. W. S.
    - **Warne, C. E.**: Consumers' Cooperative Movement in Illinois.
    - **Webb, B. and S.**: The Consumers' Cooperative Movement, 1921. Board, $2.00; cloth.
    - **Webb, Catherine**: Industrial Cooperation, 1917.
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    - (25) A Woman's Right to a Job.
Mr. Chairman and Fellow Cooperators:—

When I realize that you have listened this afternoon to some very brilliant arguments for cooperation, I know you are also just a bit tired and weary. I have no doubt you will welcome the statement of your chairman that this is to be the last speech on the subject.

When I was a boy, Mrs. Carr had a large number of children, ten to be exact. She was limited in the good things she could provide. One day another little visitor arrived at her house. Mrs. Carr realized that even though little reverse was not as fortunate as the others, she felt that even of the organization and vision of the future.

The leaders of the Farmers' Union movement knew little or nothing about consumers' cooperation. They were politicians. We had to have a shake-up occasionally. Once it became necessary to openly fight the leadership in order to protect the interests of the farmers. This shake-up wasn't a bad thing in a way. It is like a farmer who drives to town with a load of potatoes. On the way home, he finds perhaps the market that the large potatoes are on the top of the load. We have a few merchants who find when he gets to the market that the potatoes are on the top of the load. These merchants don't make any move to save the potatoes. So the first move in the state of Nebraska was to organize three great livestock commission companies. We have four very active institutions, making a market for our livestock. The Farmers' Union of our state organized the greatest livestock commission companies. Those three organizations have paid us a total of $7,000,000 for their work in the past year.

Then deflation hit the farmers. It was natural enough that many of our cooperative activities fell by the way-side. The Farmers' Union organization, however, was not content to let organized capital run its business for them. Many of them naturally went out of business. To give you an idea of the situation, seven years ago the State Exchange, of which I now happen to be manager, had a pressing indebtedness of $150,000, with a deficit of $50,000. The only reason we didn't go broke was that our creditors didn't know our real condition, and those who knew thought we would get more if we let us alone for a while. (I am telling you this not in a boastful way, but for this reason: I don't care how bad the situation is in your local cooperative, if your people get together, you can pull out. You can not only solve your local problems, but you can tell your congressmen to cut down those taxes, to give farmers money for the relief they need. Your congressmen are not going to fight that battle unless you get them to fight it. We had $150,000 of debt that year—pressing debts which were immediately due. Our stock was inventoried at about twice its real worth. It wasn't a pleasant situation. Our manager resigned. I was on the Board of Directors at the time. We did not know where to find another manager. Experienced merchants were looking for work. Some of them even listened, shook their heads and departed. There seemed to be nothing else to do, so we picked a "fellow" farmer. I agreed to supervise the Exchange for three weeks until they could find a manager. You know the old proverb about the mule and the village idiot. I have been asked by many of our friends to speak here today. I am telling you this not in a boastful way, but for this reason: I don't care how bad the situation is in your local cooperative, if your people get together, you can pull out. You can not only solve your local problems, but you can tell your congressmen to cut down those taxes, to give farmers money for the relief they need. Your congressmen are not going to fight that battle unless you get them to fight it.)

Before I tell you about cooperation among the Nebraska farmers, I want to tell you a story about the so-called Federal Farm Board. When you stop to consider the cooperatives or farmers for relief? I tell you, friends, when organized business undertook to relieve the farmers, it's time for them to prepare to either pray or fight. We farmers in Nebraska, particularly, the cooperatives and the farmers' union, are praying that this one is the last of the Federal Farm Board. When you stop to consider the cooperatives or farmers for relief? I tell you, friends, when organized business undertook to relieve the farmers, it's time for them to prepare to either pray or fight.

You know what happened following the war. We had been living in a fool's paradise. Prices of farm products were high, and farmers kidded themselves into believing that they would never again be low. Then depression set in, and business failed. Prices of farm products were low, and farmers realized that they had not been educated in cooperation. They said that the whole thing was "bunk."—nothing in it. We worked to educate those who had the necessary fundamental education and he preached day in and day out the true doctrine of cooperation. A few of our folks got the co-op idea and gradually, around this little nucleus, started our cooperative movement. They didn't wish to flatter friend Herron, and I regret that he is present or I would express my sentiments more directly. As editor of our "Union Farmer," he has always held aloft the banner of cooperation. We have always had a beacon—a guiding light—and I want to tell you frankly that unless you have someone in your organization who is holding aloft the true banner of cooperation—unless you have someone in your organization who is holding aloft the true banner of cooperation—unless you have someone in your organization who is holding aloft the true banner of cooperation, you are going to lose your conception of what you are doing. You are going to lose your conception of what you are doing.

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the other fellow have 67 per cent. They ing men and farmers in other states as well.

are willing, after producing the wealth oi these businesses for yourselves, otherwise you'll not only continue to get less than your just share, but your share will grow less and less as the years go by.

Now, just because we have had a little success in Nebraska, it doesn't mean that our troubles are over. We are bedeviled continually by those who would like to run our business for us. Just lately we have had a bunch of carpetbaggers on our backs trying to impose an upside-down wheat pool upon us. Reports show they were financed by the International Harvester Company, the leading agricultural paper, by leading bankers and a hotel company. They are going to save the farmer—and all the name of “cooperation.”

And that isn't half of our troubles. The managers in these cooperative ours are being continually bombarded by the mis.

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The other fellows have 67 per cent. They are willing, after producing the wealth of these businesses for themselves, otherwise you'll not only continue to get less than your just share, but your share will grow less and less as the years go by.

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News and Comment

A FINE RECORD FOR WAUKEGAN

Many a society is able to boast of increased sales for the first half of 1929 or of a substantial net gain. But few having several departments can show an increase in sales of every branch and a large surplus from the operations of every branch as, can the Cooperative Trading Co. of Waukegan, Illinois.

<table>
<thead>
<tr>
<th>Department</th>
<th>Sales 1st Half of 1928</th>
<th>Sales 1st Half of 1929</th>
<th>Percentage of Increase in Sales</th>
<th>Percentage of Net Gain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dairy</td>
<td>$133,809</td>
<td>$165,023</td>
<td>7.23%</td>
<td>9.69%</td>
</tr>
<tr>
<td>Bakery</td>
<td>5,801</td>
<td>7,265</td>
<td>21.22%</td>
<td>2.38</td>
</tr>
<tr>
<td>Main Grocery</td>
<td>71,470</td>
<td>75,685</td>
<td>5.93</td>
<td></td>
</tr>
<tr>
<td>Main Meat</td>
<td>50,034</td>
<td>60,241</td>
<td>22.22</td>
<td>2.03</td>
</tr>
<tr>
<td>Branch Groceroy</td>
<td>31,866</td>
<td>34,819</td>
<td>9.15</td>
<td>2.94</td>
</tr>
<tr>
<td>Branch Meat</td>
<td>15,900</td>
<td>15,287</td>
<td>4.53</td>
<td>6.14</td>
</tr>
</tbody>
</table>

Total: $342,109 Average 12.32% Average 6.07

* Bakery was not in operation for full first 6 months of 1928. Bakery increase of sales percentage is not counted in average of column No. 5.

ANOTHER ENDORSEMENT

The following is self-explanatory:

STUDY OF CONSUMERS' COOPERATION

Adopted by the Eleventh Convention, National Women's Trade Union League of America, Washington, D. C., May 6-11, 1929

WHEREAS, efforts of unions for increased wages are too often counterbalanced by increased prices and the worker finds himself in a vicious circle in meeting the cost of living; and

WHEREAS, women form the biggest percentage (estimated as 90 per cent of the purchasing public) of consumers; therefore, be it

RESOLVED, by the National Women's Trade Union League that a committee be appointed to study consumers' cooperation in the United States and to issue bulletins for the membership of the League giving data and information on the cooperative movement and the relationship of the workers to the cooperative movement, with a view of developing consumers' cooperative societies.

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GROUP OF THE DELEGATES TO THE FIRST INSTITUTE IN CONSUMERS COOPERATION, HELD AT BROOKWOOD LABOR COLLEGE, KATONAH, N. Y., FROM JULY 26 TO AUGUST 3. PHOTOGRAPH TAKEN DURING THE VISIT OF DR. WARBASSE (SEATED CENTER) WHO GAVE TWO LECTURES. EDWARD COHEN, LEADER OF THE CLASS IN HISTORY AND THEORY OF CONSUMERS COOPERATION, WAS ABSENT AT THIS SITTING. CEDRIC LONG, LEADER OF THE CLASS IN PROBLEMS OF ORGANIZATION AND ADMINISTRATION, APPEARS SEATED AT THE LOWER LEFT-HAND CORNER.

A FEW MORE SEMI-ANNUALS

The September number of Cooperation carried items for upward of a dozen cooperatives at the end of the first half of its business, comparing their progress during that period with the corresponding period in 1928. The following additional reports have come to the offices of The League since then.

Cooperative Consumers League of Los Angeles, sold bakery products to the value of $59,860 during the first half of this year as compared with $46,401 for all of 1928. Net gain for the later period was $2,684 as compared with $2,007 for all of last year. So sales fell while net gain rose. A restaurant department was opened last Spring and sales are averaging seven to eight thousand dollars a month, which is a good volume of business. Where current assets exceeded current liabilities last December in the ratio of 62 to 27, the starting of the new restaurant has changed the current liabilities so that they now slightly exceed the assets.

Bendil Cooperative Society (Illinois) continues to report a large volume of business with its Italian members and patrons, sales for the first half of this year going to $115,188. And net gain was in excess of $8,000, though the old fashioned methods of bookkeeping followed fail to show the precise figure. This society has slightly over $10,000 of share capital and nearly $57,000 of loan capital, the latter large figure being explained by the fact that the society pays 7 per cent or 8 per cent regularly on such loan capital. The weak spot in this society is the large item for accounts receivable—nearly $34,000. Bendil is not a member of The League and does not yet take the League audit.

Farmers Cooperative Trading Company of Hancock, Michigan, reported a large deficit for many years but is now back in a sound condition again, with a Reserve Fund and undivided profits for the first half of the year amounting to $5,410. Sales for the six months in the three stores were $84,508. The Hancock
The second audit of the A. C. W. Services, distributive society for the members of the Amalgamated Cooperative Apartments in New York City, is for the nine months period December 1st to August 31st. And it shows total income $137,977, with a net gain from the eight departments of $1,798. The departments which showed the gains were grocery store, milk, ice, laundry, electricity, with electricity the best of all, and milk second. The losses came from the fruit and vegetable department, the tea room, and the bus service. Within another month 200 more families will be moving into the new buildings just completed, and this means greatly increased sales in all departments of the A. C. W. Service.

**LUBRICATING NEBRASKA’S COOPERATIVES**

July and August were record-breaking months for the Nebraska Farmers Union Cooperative Oil Association, a statewide organization of local cooperative gasoline and oil associations. In July, shipments of gasoline, kerosene, and distillate by the state association to local associations totaled 132 cars, and in August, up to the 27th, shipments had reached 129 cars, with every prospect of going several cars ahead of the July record in the remaining four days of the month. The largest previous month’s business was 112 cars in May, this year.

Shipments of lubricating oils in July and in August up to the 27th amounted to 52,506 gallons, or the equivalent of 15 carloads. Forty-eight associations were buying through the state association throughout these two months, and two new associations were added to the list in August. All this volume goes through the Farmers Union State Exchange, which is purchasing agent for the state oil association. Savings in commissions and volume discounts are turned over to the state association to be distributed or credited to the local associations as patronage dividends.

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**CAN ANY OTHER SOCIETY MATCH THESE EXHIBITS?**

**CONSUMERS’ COOPERATIVE SERVICES, NEW YORK CITY**

<table>
<thead>
<tr>
<th>Current Assets</th>
<th>$145,759</th>
<th>Current Liabilities</th>
<th>$6,565</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Cash and Liberty Bonds, $122,284)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Own Capital Funds</td>
<td></td>
<td>$183,479</td>
<td></td>
</tr>
<tr>
<td>Capital Stock paid in</td>
<td>$39,483</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reserves for Extension of the Business as a Consumers’ Cooperative</td>
<td>122,306</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$183,479</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**UNITED COOPERATIVE SOCIETY OF FITCHBURG**

<table>
<thead>
<tr>
<th>Current Assets</th>
<th>$24,169</th>
<th>Current Liabilities</th>
<th>$2,570</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Cash and Investments, $16,299)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Own Capital Funds</td>
<td></td>
<td>$18,527</td>
<td></td>
</tr>
<tr>
<td>Capital Stock paid in</td>
<td>$18,527</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reserves for Extension of the Business as a Consumers’ Cooperative (Rebates for first half of 1929 to be deducted from this)</td>
<td>4,893</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$18,527</strong></td>
<td></td>
<td>$67,510</td>
</tr>
</tbody>
</table>

---

**MEMBERSHIP IN TRADE UNIONS AND COOPERATIVES OF THE WORLD**

The following table gives a rough approximation of the relative membership strength of the trade union and the cooperative societies of the world. The figures for union membership are taken from the official organ of the International Federation of Trade Unions and are for the year 1928. Those for the cooperatives are taken from the statistical report of the Affiliated National Organizations of the International Cooperative Alliance, and are for the year 1927.

There are several million individual cooperators not affiliated with the I. C. A. and hence not counted in this table. Presumably there are also great numbers of trade unionists not accounted for.

<table>
<thead>
<tr>
<th>Trade Union Cooperative</th>
<th>Ireland</th>
<th>Trade Union Cooperative</th>
</tr>
</thead>
<tbody>
<tr>
<td>Argentina</td>
<td>164,874</td>
<td>7,677</td>
</tr>
<tr>
<td>Armenia</td>
<td>*</td>
<td>80,492</td>
</tr>
<tr>
<td>Australia</td>
<td>911,652</td>
<td>*</td>
</tr>
<tr>
<td>Austria</td>
<td>365,856</td>
<td>965,522</td>
</tr>
<tr>
<td>Azerbaijian</td>
<td>*</td>
<td>965,587</td>
</tr>
<tr>
<td>Belgium</td>
<td>765,856</td>
<td>345,562</td>
</tr>
<tr>
<td>Bolivia</td>
<td>5,000</td>
<td>*</td>
</tr>
<tr>
<td>Brazil</td>
<td>23,563</td>
<td>*</td>
</tr>
<tr>
<td>Britain</td>
<td>1,773</td>
<td>*</td>
</tr>
<tr>
<td>Bulgaria</td>
<td>5,485</td>
<td>46,588</td>
</tr>
<tr>
<td>Canada</td>
<td>209,382</td>
<td>43,914</td>
</tr>
<tr>
<td>Ceylon</td>
<td>*</td>
<td>40,000</td>
</tr>
<tr>
<td>Chile</td>
<td>204,000</td>
<td>*</td>
</tr>
<tr>
<td>China</td>
<td>2,800,000</td>
<td>768,820</td>
</tr>
<tr>
<td>Cuba</td>
<td>11,400</td>
<td>*</td>
</tr>
<tr>
<td>Czechoslovakia</td>
<td>1,696,897</td>
<td>678,820</td>
</tr>
<tr>
<td>Danmark</td>
<td>*</td>
<td>346,906</td>
</tr>
<tr>
<td>Dutch East Indies</td>
<td>24,651</td>
<td>*</td>
</tr>
<tr>
<td>Egypt</td>
<td>60,000</td>
<td>*</td>
</tr>
<tr>
<td>Estonia</td>
<td>14,331</td>
<td>50,358</td>
</tr>
<tr>
<td>Finland</td>
<td>75,846</td>
<td>410,101</td>
</tr>
<tr>
<td>France</td>
<td>1,171,205</td>
<td>2,758,404</td>
</tr>
<tr>
<td>Georgia</td>
<td>350,196</td>
<td>*</td>
</tr>
<tr>
<td>Germany</td>
<td>8,371,923</td>
<td>2,816,669</td>
</tr>
<tr>
<td>Great Britain</td>
<td>4,068,000</td>
<td>5,536,330</td>
</tr>
<tr>
<td>Greece</td>
<td>36,470</td>
<td>*</td>
</tr>
<tr>
<td>Guatemala</td>
<td>3,000</td>
<td>*</td>
</tr>
<tr>
<td>Holland</td>
<td>467,365</td>
<td>177,713</td>
</tr>
<tr>
<td>Hungary</td>
<td>185,337</td>
<td>838,063</td>
</tr>
<tr>
<td>Iceland</td>
<td>4,540</td>
<td>7,082</td>
</tr>
<tr>
<td>India</td>
<td>300,000</td>
<td>*</td>
</tr>
</tbody>
</table>

Total: 1,461,187,060 49,026,732

* Figures for cooperatives do not include credit, banking or insurance societies; but only societies for distribution, marketing, production and housing.

§ Included under Great Britain.
WHOLESALE GETS 128 NEW SHAREHOLDERS

The addition of 128 new member associations of the Wholesale gets something in the way of a record for Cooperative Wholesales in America. Yet that is the count at Omaha, Nebraska. Last year the Farmers Union Exchange decided that the only way to get new blood circulating and to eliminate the dead members was to convert patronage rebates for non-member stores, elevator or union locals, into shares that stick in the Exchange, and to gradually buy up the shares of the inactive members.

As a result of the 1928 business, such shares went to 62 associations which had not previously been affiliated with the Exchange, and to 26 Farmers Union locals in the same situation, bringing the total of newcomers up to 128.

Twenty-one stores, elevators and other associations were already shareholders, so the grand total is now 149. Meanwhile 202 shares have been repurchased and are being carried as treasury stock. Their value is $2,425 ($12.50 per share).

EXTRACTS FROM REPORT OF THE COOPERATIVE COMMITTEE OF THE WASHINGTON STATE GRAIN

At the Spokane Convention

It was deemed advisable to continue and expand our pool buying and accounting service, also the development of a sound program of mutual associations that will tend to consolidate all Cooperative stores into a chain organization that will permit each to share in the benefits of standardized methods, chain accounting, development of help and lower cost of merchandise. This program of expansion to include cooperatives with other farm associations with similar objects and ideals.

It is further recommended that no effort be spared to develop relations between the central organization and Cooperative stores not at this time cooperating with the Grain Cooperative Wholesale.

We recommend that a joint meeting of store managers and directors and trustees and managers be called at an early date by the Co-operative Committee in order that problems of mutual interest can be discussed and plans for consolidation and expansion considered.

Realizing the importance of educational work in both consumer and producer cooperation, and the increased results to be made possible through educational development, we suggest that the Executive Committee consider the need of funds in connection therewith.

We endorse cooperative rural telephone systems and urge increased advantages to be gained through their expansion in many communities.

Information as to this service can be obtained through the Skagit County Rural Telephone System, Mt. Vernon, Washington, or the Farmers’ Mutual Telephone Company, Lynden, Washington.

We recommend that Dairymen’s Associations provide retail distribution of dairy products with printed matter designed to increase the sale of butter and discourage consumer demand for imported butter.

Realizing the importance of volume in relation to cost of manufacture of our Grain products, we recommend that all Cooperative stores take advantage of Manager Johnson’s plan of distribution.

Fred Nelson, Walter Jensen,
L. B. Judy, John Haney,
Henry H. Vernon, W. O. Dickinson, Cooperative Committee.

COOPERATIVE ELECTRIC LINES

It has been said times without number that cooperation fits very well into the selling of groceries and shoes, but can never solve the problem of the public utility such as power distribution, telephone, transportation. There are several hundred cooperative telephone lines in the United States; some cooperatives are operating bus lines. And now Nebraska co-op distributors of dairy produce under the leadership of the Cooperative Central Exchange, have recently increased distribution in all territories and particularly territories not served by a Cooperative store.

We recommend that Nebraska co-ops take advantage of Manager Jensen’s plan of distribution.

Fred Nelson, Walter Jensen,
L. B. Judy, John Haney,
Henry H. Vernon, W. O. Dickinson, Cooperative Committee.

Northern States Cooperative League

COOPERATION

2100 WASHINGTON AVE. NO.
MINNEAPOLIS, MINN.

LEAGUE’S TRAINING SCHOOL

Up to September 15th twenty-eight persons have attended the League Office of their interest to attend the Fifth Session of the League’s Cooperative Training School, scheduled to open in Minneapolis Monday, October 21.

A well-lighted and spacious hall has been acquired by the League for the school room. This hall is located at 324 West Broadway, a block and a half from the North Plant of the Franklin Cooperative Creamery.

It has now been definitely arranged that H. V. Nunn, chief accountant for the Cooperative Central Exchange, will take care of instruction in bookkeeping, during the last four weeks of the school. V. S. Alanes, the League’s Secretary, will be in charge of the school, as before. Other instructors will be Edna Jensen, general manager, Cooperative Central Exchange (Management of Cooperative Stores); H. L. Brown, office manager, Franklin Cooperative Creamery Association (Elementary Bookkeeping), and George Halonen, Educational Director, Cooperative Central Exchange.

No more than thirty students altogether will be admitted to the school.

CONSUMERS’ COOPERATION IN MINNEAPOLIS

Interest in the cooperative store that a group of consumers is trying to organize has increased before theAugust revival, Lyons Cooperative. September 9th the Twin City Workers’ Cooperative held its third annual meeting, which was well attended. There seemed to be some preference on the part of the members to put the cooperative store plan aside in spite of the lethargy of the local consumers.

George W. Jaco, the League’s fieldman, has been in Minneapolis for a week and a half in September in the interest of the Twin City Workers’ Cooperative. He has spoken to several groups of local trade unions at the time, and his request, the local Central Labor Union has elected a committee to investigate and further the proposition. A similar committee has also been elected by the Women’s Guild. It is hoped that, with this revival of interest, enough capital can be raised to open the store the first of the year.

We have learned that another group of workers in Minneapolis and St. Paul is busy organizing a local cooperative gasoline and oil association. We understand that Mr. E. G. Cov, manager of the Minnesota Cooperative Oil Company is the moving spirit in this new cooperative venture. We wish these cooperators good luck in their worthy enterprise.

V. S. A.

ENCOURAGING EVENTS

Two outstanding events of this year make me more optimistic than ever about the future of the cooperative movement.

The more significant of these was the convention of the Northern States Cooperative League, held in Superior, Wisconsin, July 21-23, 1929. It was the largest and best attended convention in the eight years’ history of the League, and all present seemed to have a more thorough understanding of the purposes of the cooperative movement.

The second important event was the convention of the Minnesota State Federation of Labor which I was invited to address. Discussing the relationship between the organized labor movement and the cooperative movement. It is only natural that we should look to organized labor, who composed a large portion of the consumers, for support in our cooperative efforts. However, a lack of understanding and the feeling that the consumer coop has tended to make up groups of this kind skeptical towards our movement. Therefore, whenever an opportunity presents itself where our aims and objects can be thoroughly explained, we should avail ourselves of such an opportunity.

We look to the organized labor movement as the best field in which to enlarge our movement. I stressed particularly the need of organized workers’ attention to the development and the present trend of development in the dairy industry and urged them to take note of the significance of monopolies developed therein. Organized workers constitute a large part of

Indianapolis News.
Central States Cooperative League

RECENT COMMITTEE MEETINGS

At the first Board meeting after the Annual Congress the following officers were elected: Dr. L. G. Kennedy, Villa Grove, President; R. J. Smith, Bloomington, Vice-President; E. B. Zombro, Bloomington, Secretary, and J. C. Allen, Bloomington, Treasurer. A. W. Warinner was re-elected Educational Secretary.

It was voted that three pages be taken in the Year Book, these to contain a history of the Central States League written by the Educational Secretary. The privileges of joint buying were extended to those affiliated societies but they were to be charged a brokerage of 3 per cent in excess of that charged affiliated societies. The national office was censured for accepting joint direct membership several societies in Ohio, which, according to the opinion of the Central States Directors, had already been allotted to the Central League. The Educational Committee elected at the Congress appointed Edward Carlson, Waukegan, as Chairman, and A. W. Warinner as Secretary.

Proposals for a Cooperative Summer Institute for 1930 somewhat similar to that held in the east the past year were discussed and approved. Plans were made for such an Institute during the first week in July somewhere in the Chicago territory. Local societies were encouraged to have joint educational meetings for their employees and directors. Active promotion of women's guilds was also planned.

The Permanent Joint Buying Committee elected E. C. Backlund, Manager of the Bloomington, Secretary, and A. W. Warinner as secretary. C. F. Lowrie of the Farmer-Labor Exchange in Chicago presented plans for mergers of untried wholesaling schemes on a large scale had done enough damage in Illinois and that it was better to stick to joint buying until it grew naturally into wholesaling. However Lowrie and Warinner were appointed a committee of the Permanent Joint Buying Committee to look into the practical program. Jobbing of several new products was discussed at considerable length.

HOW COOPERATIVES ARE WRECKED

"Team work requires unity; factions break up that unity; and with the break up of that unity you have no cooperation and you have no longer the possibility of going down that road to get the big results that lie ahead."

"You ever step to think that when you make a faction you make a crack in the door. That crack in the door is what your corporate competitors are looking for every minute of the day and night. When there's a crack in the door there's a foot slip in just as fast as the crack appears, because opponents are hunting all the time. That crack in the door is the most effective way to a direct kill. If they get a foot in that crack, they can shoot a dart straight for the weak spot, and it is the weak spot they are looking for as a means of destroying cooperative organizations. And I have seen enough of it in the last four months in California to say to you, as friends and believers in the cooperative movement, for God's sake don't let any faction split you up at this time.

"The opposition is looking for those cracks in the door, and just as surely as you open up on any factional stuff now you are going to open up on any factional stuff now you are going to open up and let them in to wreck the whole cause."

PROF. THEODORE MACKIN.
duction, and distribution. And if the government runs them then the cooperative societies do not.

All of the great capitalistic states are moving toward state socialism. Capitalism, as well as socialism, actually tends toward the expansion of government functions. But in most countries it is not the socialists but the capitalists who are bringing it about. The great conflict of the future will be between socialism and cooperation. In the presence of these conditions, they are certain immediate circumstances which are of importance to British cooperators. Their movement is officially committed to two main points: British cooperation endorses and supports certain political candidates. Now, for the cooperators to elect certain candidates to Parliament would be a reasonable thing if the British Parliament dealt only with cooperative questions. But here are cooperative societies officially committed to certain members of Parliament who have to vote and act not only on questions of a cooperative nature but also on many other political questions. The cooperators hold the cooperative society responsible. If they would, and keep their movement pristine and unspoiled.

So highly efficient and experienced have the British cooperators become that there is not a single useful function which the co-operative societies do not perform. And if the government is unable to perform any state has ever accomplished. In production, the same. The administration of coal mines by the cooperatives is an example. The cooperatives have united to elect to office have little opportunity in many other matters; most of their acts are outside of cooperation where all sorts of opinions prevail. Discord and disagreement naturally develop in any society where all matters are not dealt only with cooperative questions. But political representatives manage to hold the society aloof. Of political candidates there will be for cooperation. And those who disapprove hold to their economic task. Presently they can only profit business but anything that may have been in the economic field, by its own efforts, and despite the politicians rather than with their assistance. Economic forces dominate the lives of the people—food, shelter, income, thrift, and leisure. Who controls the economies controls the people. Cooperation in Great Britain started at Rochdale, in 1844, to get control of their economic fate. Within three years they have astonished the world. They could go, if they would, and keep their movement pristine and unspoiled.

The political movement is an economic enterprise, non-political, non-religious, non-sectarian. All that has been gained has been in the economic field, by its own efforts, and despite the politicians rather than with their assistance. Economic forces dominate the lives of the people—food, shelter, income, thrift, and leisure. Who controls the economies controls the people. Cooperation in Great Britain started at Rochdale, in 1844, to get control of their economic fate. Within three years they have astonished the world. They could go, if they would, and keep their movement pristine and unspoiled.

Cooperation Abroad

COOPERATION OF COOPERATIVE UNION OF CANADA

The Congress held at Winnipeg in July was the most successful recorded for the 20 years this Union has been in existence. In the first place, the Presidents of both the English and the Scottish Cooperative Wholesale Societies were present, and with them were one other director from each society, the Canadian representative of each, and the Chief Accountant of the Scottish Wholesale. In addition to delegates from many of the local societies there were directors and managers of all three of the newly organized provincial cooperative wholesale societies, representatives of the United Farmers of Canada, the United Grain Growers, the Manitoba Wheat Pool, the Canadian Poultry Pool, the Saskatchewan Cooperative Creameries, the Manitoba Cooperative Poultry Association, and many governmental agencies of the three provinces. In fact, the Congress was almost a complete enumeration of the rank and file delegates. Though financial and other routine business affairs took much of the time during the three days, some important actions were taken. The New Era Life Association was definitely accepted as a national insurance society of the Canadian Union. The present method of developing provincial wholesales before an attempt is made to organize a national wholesale was approved. On the complaint of the Saskatchewan Wheat Pool that the United Grain Growers, for several years past a member of the union, was not cooperative and was detrimental to the cooperative movement of Saskatchewan, hopes to visit the Training Schools in Minneapolis and Superior this autumn to get ideas. At a recent conference in Minnesota it was also proposed that a cooperative school be planned for the coming year in that province. All three of these prairie provinces have organized cooperative wholesale societies within the past two years.

ITEMS

Last year there was a sharp difference of opinion between leaders of the wheat marketing movement of Saskatchewan as to whether membership in the wheat pool should be made compulsory by legislation or not. At the semi-annual meeting held last summer the question was put to the membership and the vote of the 160 delegates was overwhelmingly in favor of the old plan. Aaron Sapiro, the papers report, as one who helped organize the pool in the first place, urged the adoption of the compulsory pool idea; but even his plea failed to carry the delegates for compulsion. During several months preceding the meeting there was strong agitation carried on through the farmers' press by cooperative educators who insisted that the cooperative movement can truly advance only over the road of education, and that legislative compulsion would destroy its spirit.
C O O P E R A T I O N

Ninety per cent of the milk produced in Switzerland is now cooperatively distributed or cooperatively manufactured into by-products. Of the total of 11,000 members, more than 5,500 are from the poorer districts of the country, 3,000 are women who, through the cooperative organization, are able to get a fair price for their milk and cream. The cooperative work among the women is carried on in the following manner: The cooperative society now employs two secretaries to work exclusively among women. A new propaganda pamphlet "The Wise and the Foolish Virgins" to the number of 51,000 copies is being distributed among the women members and customers. Meanwhile in Czechoslovakia there are 250 Women's Committees or Guilds organized among the cooperative workers. The Women's Guild of Ireland has 36 branches with a membership of 3,000.

There are more than 100 students' cooperative societies in the schools of Poland, and the whole principle and machinery of Rochdale cooperation are maintained, the students owning the machinery. As a result of this, there is a very interesting type of organization. The society sends out to all its 5,200 members at regular intervals an illustrated review announcing the works which it is in a position to publish. Each member casts a vote for the books of his choice, and those receiving the most votes are then upon printed and distributed. Members guarantee to take at least four books each year, and are allowed to have them at less than half the market price. In five years the society has published 46 original works and 34 translations — 80 in all. Twenty persons are employed. The capital is composed of 6,000 shares of 40 crowns each and loan capital of another 10,000 crowns.

The Russian cooperative movement controls about 25 per cent of all travelling moving pictures, and within two years expects to have more than 2,000 radio loudspeakers. It also maintains 112 special book stores, 205 book distributing stations, and 4,300 book shelves in local stores. It is planned that there shall be 2,500 travelling moving picture machines exclusively devoted to consumers cooperation within two more years.

The British Ministry of Health in reporting its report for the year ending March 31, 1929, records an increase in the adulteration of the nation's food. Of 129,034 samples of food and drugs examined, 7,524 were adulterated or were not up to standard, a proportion of 5.8 per cent as compared with 5.5 per cent for 1927. Increase of adulteration was greatest in milk, where the figure rose from 6.9 per cent in 1927 to 8.2 per cent in 1928.

For some time there has been in France a tax on sugar sausages. Agitation carried on by the National Federation of Cooperative Societies has now resulted in a reduction of this tax by 25 centimes per kilo (a little over two lbs.).

The Cooperative Book Publishing Society, "Cooperative Work" of Czechoslovakia which has recently celebrated its five hundredth anniversary, is a very interesting type of organization. The society sends out to all its 5,200 members at regular intervals an illustrated review announcing the works which it is in a position to publish. Each member casts a vote for the books of his choice, and those receiving the most votes are then upon printed and distributed. Members guarantee to take at least four books each year, and these are allowed to have them at less than half the market price. In five years the society has published 46 original works and 34 translations — 80 in all. Twenty persons are employed. The capital is composed of 6,000 shares of 40 crowns each and loan capital of another 10,000 crowns.

The following extracts are samples which should make a genuine cooperator gasp with admiration and maybe even amazement of recent developments. By far the greater number of people are unconcerned and occupy almost the same position in the financial world as sheep, cows, and other animals that live by the grace of their own commercial value to the financial parasites who indiscriminately deprive them of their security. The financial system of the world is so organized that the lion owns the lion, and the wolf owns the wolf, and the dog owns the dog, and the week and the year and the life of the world is one great vast drama. To the genuine cooperator, however, there is real romance to be found within its ninety-four pages. Parenthetically, it is interesting to compare the figures for The Cooperative League with those for some of the smaller countries in other parts of the world. Our total membership is second to the Union of the Cooperative Societies in Yugoslavia, Latvia, Lithuania, Spain, Iceland, Bulgaria, Canada, Estonia and Argentina; but is much below that of the Central Organizations in Azerbaijan, Armenia, Rumania, Norway and Japan, — not to mention the more prosperous cooperative countries of Europe. The book is published in three languages throughout, English, French and German. Quellen Genossenschaftlichen Wissens. Von Heinrich Sierakowski. Hamburg, 1928. Verlag des. deut. Kon- sunvereins. This little book is an index of the publications of German Central Cooperative Union. Each subject is taken up separately and all of the references in the publications of the National Union are given. A general discussion of the subject precedes the bibliography. This is something quite unique in index making. It is a practical scheme. The book is put out by the Educational Cooperative Commission of the German Union.
Directors' Page

SOUND ADVICE ON CREDIT TRADING

Credit trading, which has become widespread throughout the British Cooperative Movement, operating under the euphonic title "Mutuality Clubs," came in for vigorous condemnation by H. J. May, the Secretary of the International Cooperative Alliance and President of the 1929 Annual Congress of the British Union:

"There is a matter which at the present time is giving the cooperatives of other countries some concern, and that is, the practice of credit trading which is creeping into the movement under the euphonious title of 'mutuality' .

The Swedish Cooperative Movement insists upon the practice of cash payments, not only in the sales of the society, but also in its purchases. This is the Rochdale principle in its integrity. Most movements in Europe enforce the principle in their rules and practice.

The Reader Writes

THE CERTIFICATE IS APPRECIATED

Editor Cooperation:
The Board of Directors of Consumers' Cooperative Services, Inc. received at its last meeting the Certificate of Merit issued by the Cooperative League for the past year, and requested me to express to you, and The League, our deep appreciation of the honor.

The Board feels that the setting up of definite standards by which the accomplishments of societies are measured will be of great assistance in the growth of the movement. Sincerely yours,

CONSUMERS COOPERATIVE SERVICES
New York, N. Y.

L. E. Woodcock, Secretary.

Editor Cooperation:
We acknowledge receipt of your Certificate of Highest Merit, and wish to express our sincere thanks for the distinction bestowed on us. We appreciate it particularly because it was unexpected, for we did not know that we had deserved any special honors.

Thanking you again for your courtesy, we remain,

Patriotically yours,

WorKERS' CREDIT UNION,
Fitchburg, Mass.

John E. McMillan, Treasurer.

HE SEEMS DISCOURAGED

Editor Cooperation:
Drop my paper. I will not spend one more cent on those dumbbells. All they think about is games and pleasure. Maybe if the new tariff law goes through they will open their eyes. But I have spent enough money and time for nothing.

C. CHRISTENSEN,
Washington, D. C.

COOPERATIVE DEMOCRACY

Second Edition completely revised by

JAMES PETER WARBASSE
President of The Cooperative League of the United States of America

Member of the Central Committee of the International Cooperative Alliance

A Discussion of the Consumers' Cooperative Movement In Its Relation to the Political Struggle for the Credit System, to Labor, to Agriculture and to the Arts and Sciences

The Macmillan Co., New York, Publishers

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BOOKS
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Vol. XV, No. 11 NOVEMBER, 1929  10 CENTS

BOARD OF DIRECTORS OF THE COOPERATIVE LEAGUE, in session at Cleveland, Ohio, for two days in October. All but five of the Board were present.

From left to right, front row, Mary E. Arnold, Treasurer; Harold J. Norton, Vice-President; J. F. Warbasse, President, and Cedric Long, Secretary. Standing: Elsko Beul, Superior, Wis.; Matti Tenhunen, Wentworth, Wis.; W. Nimsel, Mankato, Minn.; F. E. Almano, Minneapolis; A. V. Warren, Bloomington, Ill.; L. B. Heron, Omaha, Neb.; J. Linck, Wisconsin; and Joseph Buhlo, Dillinsville, Ohio.
League Directors Meet

The Board of Directors of The Cooperative League of the U. S. A. held the best meeting ever recorded in the history of consumers cooperation in this country when it assembled at Cleveland on October 13th and 14th for six long and fruitful sessions. Following is the brief record of the most important actions taken.

On Sunday afternoon eighteen delegates from local societies in Cleveland and other parts of Northern or Eastern Ohio met with the directors of The League for a discussion of cooperative organization in the state. Since the dissolution of the old Ohio District League in 1926, there had been no federated cooperative activity and as a result no new societies had been formed and several of the old ones had failed. The delegates present were at first divided, some desiring a new district league for Ohio, others wanting the present Central States Cooperative League to take the Ohio societies under its leadership by means of a special Ohio department of that league. The second program was finally adopted. Eight societies were represented here, five from Cleveland and one each from Fairport Harbor, Dillonvale and Conneaut. This meeting and its action promises a doubling of the territory and a great increase in the membership of the Central States League, heretofore confined almost entirely to Illinois. All delegates are to report back to their societies for instructions and a definite organizing conference will be held at Cleveland all day December 1st. Meanwhile the directors of the national league went on record urging all Ohio societies to take their membership in the cooperative movement of the United States by way of the Central States League.

Reports showed efforts being made in Oregon and Southern Washington to organize a district league on the Pacific Coast, and the Board went on record approving such a move, urging the local Finnish societies and the Grange stores in that territory to unite their efforts, and promising an attempt to send one of the directors of The League out there on a speaking tour.

Should cooperative stores affiliate themselves with groups of independent merchants who are uniting into grocers' buying associations? This question was discussed warmly and at length, the majority roundly condemning such affiliations, the minority maintaining that undesirable as they might be from the point of view of cooperative principle, the competition of the chain stores was making it necessary in many instances. A resolution was passed opposing such duplication, and the Eastern States League, which has recently rendered a long and exhaustive report showing the arguments on both sides of the question, was requested to see that the essential points in that report are prepared for distribution to societies in all organized territories.

The discussion of the properties of the products led to the question of the proper label to use. There are now four district wholesales and one joint buying organization in existence, and in some instances they are buying their merchandise from identical manufacturers and having these goods packed under two or more different kinds of cooperative labels. Such duplication should be eliminated. Furthermore, much research work is now being carried on or is sorely needed by all the wholesales, and a central office could again aid them all. Finally, there are commercial activities such as insurance, publishing of advertising or publicity material, etc., which should be organized by the movement centrally but which should not be undertaken directly by The League which is an educational organization. It was agreed that no central warehousing would be possible for many years. It was finally decided that a conference for a more thorough discussion of this subject should be held at some time in the future.

The Board also passed endorsing efforts of two or three district wholesales to agree upon a standard cooperative label for merchandise.

Other general discussion covered the relations of the credit union movement to the consumers cooperatives, and the necessity for closer contact with the well organized and progressive movement in Nebraska.

The full delegation of five to be sent as the American representatives to the 1929 convention of the International Cooperative Alliance was elected. They are J. P. Warbasse, President of The League; Agnes D. Warbasse, representing the Eastern States League; H. I. Nordby and Oscar Corgan, from the Northern States League, and Jacob Littken, from Central States League.

The expense of the entire two days was over to consideration of financial and administrative problems of The League. The Secretary reported a membership at the close of 1928 of 140 affiliated societies. The Treasurer showed that The League was much nearer to being completely self-supporting than ever before and the budget for 1930 called for complete support of the League by its constituent membership except a partial support has been pledged by individuals. It was shown that the newly created Endowment Fund contains $4,400.

All three district leagues reported progress. The Northern States League has affiliated with it 88 societies which have 50,000 individual members, and in addition has 760 direct individual affiliations. Training schools are to be held annually hereafter, beginning this year. The two new departments organized are the auditing bureau and the installation of a full-time field man.

The Central States League reported 14 affiliated societies and 170 individual members, with very active educational and joint buying committees. The Eastern States League has 25 affiliated societies and its Educational Committee has carried on many activities, chief of which was the Cooperative Institute at Katonah in July. The Eastern Wholesale is making excellent progress. The Magazine Cooperation, according to the report of its editor, has increased its circulation and several of the editors of The League have contributed excellent editorials during the year.

The Northern States League has planned a special campaign month for the magazine this winter.

The report of the editor of the First Year Book was most encouraging. Not only has he already collected a mass of excellent statistical material and very fine contributed articles, but 170 pages of space have been purchased by societies, thus assuring a surplus of income over expenses. It will be published in December and will be named "The 1930 Year Book of The Cooperative League." Five thousand copies are to be printed, 300 of them with cloth binding. The report was so gratifying that the directors unanimously authorized a similar Year Book next year to be prepared by the same editor, V. S. Alanne.

Much attention was given to the question of cooperative insurance and the three organizations which are the largest and most active members of The League: New Era Life Association, Workmen's Furniture Fire Insurance Society, and Consumers' Mutual Aid Guild. It was decided that requirements for affiliation of all insurance and banking associations should be made more rigid; they shall present at least once a year to the office of The League an audit by a Certified Public Accountant or some other accountant satisfactory to The League, and shall also satisfy The League that they are completely cooperative in character, and insurance societies shall likewise present satisfactory evidence that they are actuarially sound.

Under the discussion of the Correspondence School of The League, it was decided that each Training School in the future be urged to require all applicants for admission to take courses in the Correspondence School.

A most gratifying report was made by the Director of the Accounting Bureau of The League, W. E. Regli, and accomplishments were presented at the annual meeting of the Board of Directors at which the Treasurer reported a membership at the close of 1928 of 140 affiliated societies. The Treasurer showed that The League was much nearer to being completely self-supporting than ever before and the budget for 1930 called for complete support of the League by its constituent membership except a partial support has been pledged by individuals. It was shown that the newly created Endowment Fund contains $4,400.

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Under the discussion of the Correspondence School of The League, it was decided that each Training School in the future be urged to require all applicants for admission to take courses in the Correspondence School.
on accounting work for liberal and radical organizations outside the cooperative movement was approved.

The Certificate of Merit has been awarded this year to about 20 societies.

In the future there will be one additional requirement made of societies getting this certificate; they must maintain neat and attractive premises.

Several special committees were appointed, one of the most important being that to study the entire question of dues payment to The League and to make recommendations as to whether the tax should be on the basis of membership, of sales, or a combination of the two. A report will be made to the 1930 Congress and the question discussed on the floor.

The Seventh Congress of The League was requested by four cities, Chicago, Sainte Marie, Superior, and Cleveland. The final decision by a close vote gave Superior the Convention. Date is to be the latter part of October.

All the officers of the 1928 Congress were re-elected for 1929.

On the evening of October 15th a mass meeting was held in the Little Theater of Cleveland's Public Auditorium, arrangements being made by a committee from the four cooperatives of the city, The Cooperators' Company, The Workmen's Cooperative Company, the Slovenian Cooperative Company and the Finnish Cooperative Restaurant. There were brief speeches in Bohemian and Finnish and longer ones by Dr. Warbasse and Cedric Long, President and Secretary of The Cooperative League. Music and gymnastic exhibits were put on by groups of Bohemian, Slovenian and Finnish cooperators.

The 1929 session of the Board of Directors of The League was not only the best attended of any yet held, it was also the most constructive and the most harmonious. It appears that all the factional controversies which were so prevalent in years previous has been completely eliminated and The League has begun an era of complete feeling and constructive achievement.

Editorial

EDUCATION, YES, BUT WHAT KIND OF EDUCATION?

The message of Education has been so dinned into the ears of the more progressive cooperators in America that the cry is beginning to come back, "Of course, Education, but How and Where and When?"

They say it takes half a ton of lead shot to kill one enemy soldier in modern warfare; and one of the New York cooperators suggests that we prepare ourselves for the making of one cooperative, the price; but the suggestion is hardly to the point. First, because paper and ink a

torrs suggests that we prepare ourselves for the making of one cooperative, the price; but the suggestion is hardly to the point. First, because paper and ink for the making of one cooperative will not make Cooperators; and second, because many are converted to cooperation who have never seen the printed word, the platform speech, and the informal discussion. Pamphlets, throw-aways, periodicals, books are indeed valuable, but they are of more value to the man who has already begun to be convinced than to the raw recruit. They generate no great emotional interest, arouse no flaming convictions, and most men and women are reached through their emotions much more effectively than through their intellects.

More can be said for the set speech, provided the speaker is well versed in his subject, but willing to tell some funny stories, quick to sense the ideas which touch the emotions of his hearers. But such speakers are rare, especially in a practical movement like the cooperative; such men flock to the political parties or the churches which for generations have been recognized as emotional power houses and which more richly reward the gifted orator than does the world of cooperative business.

More effective than either in the long run is the man or woman who can gather together a little group of directors or employees or plain ordinary rank and file members and touch the match that will set going a live discussion on the cooperative aspect which most vitally effects them all.

just get together sixteen store clerks, two managers and three drivers and ask a few innocent questions regarding their own experiences with the cranky bargain hunter or the director who simply will not buy the good with the cooperative label, or the difference between wages and hours in the cooperative and those in the private store down the block. Or get into the same room about twenty-five directors from four or five of the nearby societies and propound a few queries on the subject of directors who don't give their full patronage to the cooperative store and why, or the value of high interest on stock with low purchase rebates versus low interest on stock with high rebates, or why we had such a small turnout of members at the last annual meeting and the remedies for poor meetings. Round up two scores of the afternoon for tea in the meeting room over the store and give them a few humorous anecdotes concerning the chemist who examined every item in a small country store and found them all adulterated and that two brands of rat poison; about the lady who can't support the cooperative because of her duty to the grocer down the street who used to give her all-day mackers when she was a little girl; about the delivery clerk who really and honestly told the funny member up over the hill just exactly what he thought of her ridiculous demands for excessive service.

Some academic souls who have never been in on such discussions may think they border on the frivolous or that they touch only material questions of cash registers, delivery trucks and canned tomatoes; that at any rate they do not reach the fundamental principles of democratic control, elimination of private profit from the world's business, riding the country of imperialism and wage slavery. Well, of course that all depends upon the person who is steering the meeting. Personally we know of innumerable such informal little gatherings where the discussion of cash and carry sales has led all the way from Robert Owen down to Vino Tanner, from miners' stores in Illinois to mutuality clubs in London, from world capitalism to the Cooperative Commonwealth.

We are for all kinds of educational work. But for a downright good time, vigorous exercise, the best of comradely fellowship, and the most rapid advance in the understanding of what cooperation really means, give us the old fashioned hot pot of beef stew surrounded by a dozen turned-up cracker barrels, or its modern counterpart, the muffled radio and the hot coffee out in the back room of the Secretary's fifth floor tenement. That is education of the most dynamic sort.

C. L.
**LATEST FADS IN RETAILING**

The U. S. Department of Commerce in its new Bulletin No. 576, gives in 74 pages results of a study of retail merchandising in New England. Following are some of the interesting twists and turns in modern business.

1. **Large department stores in New Haven are going after farmers' business in country towns by means of telephone wires between New Haven and rural communities, leased by the stores. This enables the farmer to communicate with New Haven merchants by means of a local call without extra toll charge.**

2. **Large department stores in Boston are providing free garage space in the noncongested areas of Boston and free bus transportation between garage and stores for their customers. Three such garages with a total capacity of 1500 cars are serving the Boston retail trade.**

3. **Two Boston department stores have the only automatic bargain basements in the country. Goods are marked up from 25 per cent to 271/2 per cent above cost when they are placed in this basement. At the end of 12 days prices are automatically reduced 25 per cent where they remain for 4 days. The rest of the time they are again reduced 25 per cent. If not sold at the end of the second six days they are donated to charitable institutions. Reports show that from 75 per cent to 90 per cent of the goods are sold at the first price, and almost the entire remainder at the second price. Less than 1 per cent goes to charity.**

4. **One store specializing in large sizes of coats and ready-to-wear clothing has built up a list of over 8,000 names of stout women whom, they think, are more than one-third buy dresses, coats and furs outside their own town, and about 2 per cent from mail order houses.**

5. **Boston claims to have the only automobile department store in the United States. This store carries in stock on the floor a full line of all makes of cars for customers to select from.**

6. **Three such garages with a total capacity of 1500 cars are serving the Boston retail trade.**

**COOPERATION**

In New Haven and Boston several local department stores are cooperatively purchasing supplies such as gasoline, shopping bags, gift boxes, package handles, office furniture, typewriters, automobile tires, and so forth; and saving considerable money. One chain system of men's clothing stores specializes exclusively in suits at the single price of $12.75 each. It gets a large enough volume of business to make a good profit.

New England, with 7 per cent of the country's population, has nearly 10 per cent of the country's chain stores, which do 8 per cent of its total retail business in the U. S. In Boston, Hartford and Springfield grocery chains get 60 per cent of the total grocery trade, in Worcester, Lynn and New Bedford they get 50 per cent, in Lowell and Providence they get 40 per cent.

**News and Comment**

**WORKERS COOPERATIVE UNION OF STAFFORD SPRINGS, CONN. erected a new building early this year on one of the most prominent sites in the town. The grocery store is in the front, first floor, but in the rear and upstairs there is ample room for a cooperative bakery, the ambition of these boys for sometime in the near future. Upstairs front is a meeting room.**

Of the thousands of consumers questioned as to their opinion of bargain sales offered by the stores, most of them were skeptical. Two-thirds said they did not take advantage of such sales; 62 per cent said they were convinced that bargain prices were not the same articles as offered at original prices.

Consumers also seem to be suspicious of chain grocery stores. Although 74 per cent of the people questioned did go to such chain stores because of the prices, 79 per cent felt that the quality of goods was not any better than in independent stores and 35 per cent considered the quality inferior; 87 per cent believed they were getting equivalent value, but 26 per cent felt that they were getting less weight; 78 per cent felt that service was as good as that in other stores, while 12 per cent thought that service was inferior. It is significant that of the two most frequent causes of complaints against chain stores, one was the large number of mistakes made in adding up a bill and the other was that the goods were not of the same quality as those bought in independent stores.

New England has a larger proportion of foreign born population than any other section of the country. It was found that the first fore of large scale expenditure made by an immigrant family is for furniture, and that a three piece overstuffed parlor set consisting of a large divan and two chairs is usually the first item of this character bought.
COOPERATIVE BUYING BY FARMERS

U. S. Department of Agriculture reports that in 1927 more than 5,000 farmer cooperatives were doing some kind of buying for their members, the total value of the commodities being in excess of $300,000,000. Two large eastern organizations alone bought more than $10,000,000 worth of goods each. These goods are supplies used by the farmers in their business and therefore do not come within the category of consumers' cooperation. Sixty-two of the associations, by forming purchasing agencies, have come within the category of cooperative wholesale organizations, and they have no capital stock but borrow money from the members and the banks until the reserve fund is big enough to meet all of their liabilities. They have no capital stock but borrow money from the members and the banks until the reserve fund is big enough to meet all of their liabilities. Each association has a strictly representative form of government, with one vote only to each member and no voting by proxy. Every society writes an open contract of insurance. The majority of them have maintained absolute equality of membership rights and privileges for men and women from the day they were organized. Insurance rates in these companies have been lower than those of the ordinary commercial companies.

PURITY BAKERY OF SYRACUSE, N. Y.

Organized in 1917 by a group of Jewish Socialists, this society has been uniformly successful for several years past. Sales have climbed at the rate of about $3,000 a year for the past four years, reaching $53,100 in 1928. There has been a small net gain for each of these years, that of $2,472 in 1927 being the largest. Capital stock is $8,260 and reserve fund $12,580. The society owns its building.

A. Markowitz is the President, Max Gabriel the Secretary, Harry Wise the Treasurer, and Charlotte Markowitz, a graduate of Peking University, is the manager. The Board is composed of both Socialists and Communists, but these two groups get along quite harmoniously within the cooperative.

Socialists and Communists of New York and Paterson will please take note.

CREAMERY EXPANSION IN NEBRASKA

The sixth regional cooperative creamery in Nebraska organized through the efforts of the Nebraska Farmers Union was opened at Norfolk, Nebraska, on September 23. As now equipped, this plant has a capacity of about 1,200,000 pounds of butter a year, but by adding another vat and churn, room for which has been provided, its capacity can be doubled. The production has more than 1,100 shareholders, distributed throughout several counties in Northeast Nebraska. It is organized with strict adherence to cooperative principles. Patronage dividends will be paid or credited to all patrons. The dividends of non-shareholders will be credited to them in payment for shares. Thus all steady patrons of the creamery become shareholders. The regional cooperative creamery is a development in regions where dairying is not sufficiently intensive to warrant neighborhood creameries of the ordinary type. All such creameries have been or are being organized in Nebraska organized through the efforts of the Nebraska Farmers Union, in addition to those in Iowa and Minnesota, Wisconsin, and other states. These creameries are successful. As a movement labor banking has suffered from that lack of direction and unity that has characterized American organized labor. It is now purely trade union activities, during the past several decades. In both number and importance today it is far more widely distributed and has greater numbers of those that are left, few very can lay just claim to features that distinguish them from the cooperative. It is to be noted, however, that these cooperatives are small and privately owned and operated.

Labor banking movement reached its peak in the first quarter of 1927, when there were apparently thirty-five labor banks, with a combined capital of $61,573,000, surplus and undivided profits aggregated, deposits in excess of $50,000,000, and total resources of $130,000,000. Since then some new banks have been started, but by June 29, 1929, the total number of banks in operation had shrunk to twenty-four; their capital to $7,031,000, their surplus and undivided profits to $3,823,000, deposits to $15,950,000, and resources to $16,388,000.

"As a movement labor banking has suffered from that lack of direction and unity that has characterized American organized labor. It is now purely trade union activities, during the past several decades. In both number and importance today it is far more widely distributed and has greater numbers of those that are left, few very can lay just claim to features that distinguish them from the cooperative. It is to be noted, however, that these cooperatives are small and privately owned and operated. It is to be noted, however, that these cooperatives are small and privately owned and operated. It is to be noted, however, that these cooperatives are small and privately owned and operated. It is to be noted, however, that these cooperatives are small and privately owned and operated. It is to be noted, however, that these cooperatives are small and privately owned and operated.

Nearly a decade's experience with labor banking and with cooperative enterprises discloses no peculiar symptoms of failure among the institutions of organized labor. . . . Such enterprises would inevitably become, under labor ownership, an unpleasant and even fatal burden. But the labor movement, as we see it, is not a burden to be cast off, but a powerful instrument of social progress that will be used to the full advantage of the working man and woman.
is a reflection on the capacity of organized labor to manage its own affairs and to suppress each member’s share of stock at upward of $160 today. That this is not a cooperative practice has never occurred to any of us. Sales in the grocery department alone come to about $800 per month. Two directors of the Eastern League met with the board of this association in September and urged their affiliation. Two days later came the brief and pointed note “Your Board of Directors is not interested in your proposition at present.”

At Clifton the Italian-American Family Association is a non-stock membership organization. Each member pays $10 initiation fee on entering and 25 cents per month thereafter. Organized in 1912 with half a dozen members, and started in business with one box of macaroni and ten pounds of cheese in a small rented cellar, the association today owns two business blocks on one of the liveliest corners of Clifton and runs a grocery store, a butcher shop, a pool room, a club room, and a hall for dances and meetings. There are 400 members, and membership meetings are held twice a month. Income from stores and club room runs about $185,000 a year. Buildings (before depreciation) are valued at $101,000, and the mortgage of $61,400 is held entirely by the members. Rules require that in the event of liquidation all property shall go to the city of Clifton. A person relinquishing membership and giving away from town gets nothing from the society except a hearty farewell.

West Hoboken adjoins West New York and boasts of what is probably the most progressive of these societies. Formed the Italian Workmen’s Cooperative, it has recently merged with another society and taken the name United Cooperative Association of Hudson County. It was first organized in 1916, reorganized in 1918, and now again has just changed its name and is putting up a large central building at cost $75,000 (to be financed without any mortgages whatever and paid from reserve fund upward of $20,000). The association is operating three stores at present, and a club house. It owns an excellent corner piece of property which it has for years loomed to the city for a playground. There are 800 members and annual sales run about $150,000.

The Union Cooperative Store of Paterson, organized in 1912, runs along year after year with little change in membership or volume of business. The former numbers about 260, and the sales average $75,000 yearly. Groceries is the one line of business followed, with only a small trade with Americans. The membership (members are from the North of Italy, as is the case with all these other societies) is only about 250, and the sales average $50,000 yearly. At the same time the manager left to open a grocery store of his own. Therefore when directors of the League stopped in at a directors meeting, there were critical situations up for discussion.

Within a few days Directors Long and Neri of the Eastern League met with the boards of these four societies. One of them, frankly capitalist in its pyramiding of stock values, stated that it was not interested in the League or its work. Another, wealthy and exclusive, satisfied with its little round of business and pleasure, indicated that it, too, was quite content to let the rest of the cooperative world struggle along as best it might, without the aid of other cooperators. The third, more socialist in its sentiments, strongly anti-Fascist, closely to cooperative principles and is making rapid strides with its expansion program, but looks with a slight suspicion upon The League. The fourth, midway between the conservatives of the first group and the radicals of the third, was most hospitable to the emissaries from league headquarters, keenly interested in learning about the activities of other societies, closely in touch not only with the nearby Italian societies but with the Jewish cooperatives in its own city. These visits by the league representatives will be followed up at the next meeting, until definite new memberships are recorded on the books of the Eastern League.
My Point of View
By J. P. WARBASE

THE CONSUMER IS DISCOVERED

Advertising has become one of the greatest of industries. Psychology is developing into a scheme to induce the consumer to buy—be it respectations, radios, or religion. The flashing lights on Broadway, the Barker at Coney Island, and the Salvation Army band address the consumer: "You can get machines to do all the hard work of life," "Bring your business in with us," "You'll get the best of everything for the best of all worlds." Here is the greatest of all industries, psychology. It is not only finding out what the best things are, it is also trying to interest the consumer in them. The greatest of the consumers are the wage earners, good wages are essential for good business. As a result, progressive and enlightened employers advocate a rising wage scale. When the consumer gets recognition, the worker also gets recognition.

A Great World Advertising Congress was recently held in Berlin. Sir Ernest Renn, the head of a London publishing firm which has brought out a series of books on the cooperative movement, addressed the Congress. He said that the past has devoted too much attention to production and too little attention to consumption. The politicians have done too much pampering the worker and have forgotten that the consumer is the important factor in commerce and industry. He told his audience: "You can get machines to take the place of labor, you can get substitutes for almost every raw material, but the one and only thing that you cannot do without, that is absolutely indispensable to any industrial system, is your consumer." Then he went on to state that the sales managers and the advertising men are the people who appear to appreciate this basic fact. "In my opinion," he said, "if we ever become ahead of our metal, and to give all our thoughts to distribution and consumption, we could fill the world with wealth."

Cooperation Abroad

SWEDISH COOPERATION, BREAKER OF TRUSTS

Such is the title given by Victor Serwy, veteran leader of the movement in Belgium, to Kooperativa Forbundet, the Central Cooperative Union and Wholesale of Sweden. In at least six instances the cooperative movement of the Swedish workers and farmers has landed these two great capitalist coalitions which had seemed all but invincible, and in each instance has come out victorious.

Swedes know no such anti-trust laws as are known to the courts of the United States, and therefore this Scandinavian country has been peculiarly fertile soil for the cultivation of profits by huge capitalist combinations. The trusts and cartels were playing havoc with the old law of supply and demand until the cooperatives decided to challenge them, one by one, pugnacious Davids arrayed against mighty Golissons, and ever were known to ancient Israel. Margarine, matches, flour, linoleum, goloshes, electrical bulbs, all had been highly monopolized. The Cooperative opened up competing factories and mills in each of these fields, broke the grip of the trusts, reduced price levels for the entire country.

According to Serwy, electric light bulbs have been reduced in price by 37 per cent, rubber shoes by 43 per cent, flour by 40 per cent. Benefits almost as great have been won for all consumers of margarine, matches, linoleum.

* * *

E. B. Ramsey, General Manager of the Canadian Wheat Pool, has been handling one of the largest business enterprises in America. In fact this business concern ranks ahead of the Canadian National Railways, largest of all the railroads on the continent. The Canadian government has recently lured this man away with an offer of $12,000 a year. Yet scores of members of the cooperative wheat pools complain that their officers are paid too much!
**ICELAND**

We have in Iceland no unemployment, no absolute poverty, and practically no criminality. In my lifetime there has been only one case in Iceland—committed by an insane man who killed his brother. Petty thefts are committed mostly by children, and it is rare to learn about those things in moving-picture houses. We have no regular jail worth mentioning. There was one in Reykjavik, but it was empty most of the time.

It has been the custom in late years to collect statistics about unemployment. According to reports from last spring, there were in Reykjavik (the capital) only eight unemployed people. Five of those were accounted for because of sickness, one because of old age, and two of them had worked until April 30, 1929. As for poverty, that is taken care of by an excellently organized municipal aid. This, a man who, because of adverse circumstances, is unable to support his family, is provided for temporarily by the municipality without losing his prestige or civil rights. It is understood that he will pay back what he has been given as soon as he is able to. If he cannot, it is all right. We have had old-age pensions since the latter half of the nineteenth century.

We are very proud of our public education. Illiteracy is unknown. Every municipality has a public school, and there are a greater number of middle schools (high schools) in Iceland than among any other group of 100,000 people in the world.

With the exception of Reykjavik, the capital, the greater part of the nation's commerce is now in the hands of the cooperative societies, which are united under one head, the Alliance of Icelandic Cooperative Societies, on the principle of reciprocal responsibility: one for all and all for one. This means that the individual cooperative society is in the way of going bankrupt, the Confederation will even the balance. This cooperative chain is by far the most powerful commercial organization in the country, with offices in Edinburgh, London, Hamburg, Copenhagen, Oslo, and many other places. It controls a large extent the affairs of the country both economically and politically. As the (cooperative) chain stores are owned by the people, they make it a point not to deal with anybody else. Most individually owned stores and business enterprises in the province have gone bankrupt, since they are not able to compete with the cooperative societies.

HALDOR KILJAN LAXNESS,
Foremost novelist and poet of Iceland,
In the New York Nation

**CREDIT TRADING IN ENGLAND**

The so-called "Mutuality Club" has in recent years become a powerful institution among many of the larger cooperatives. They are scarcely clubs, however, but merely collective schemes for promoting installment sales of furniture, coal and other more expensive items in the list of household requirements. Henry J. May, Secretary of the International Alliance, recently opened up an offensive against this attempt to popularize credit trading among women in a more euphemistic, but wholly misleading title, and many others have flocked to his support. On the other hand, there are hundreds who have risen to the defense of the practice. Hence a debate has started which promises to grow ever warmer as more of the leaders of the British movement are drawn into it. In fact, the cooperative press and the press of other countries has already joined in the dispute.

**MILK CONSUMERS OF BRITAIN NEGLECTED**

Anarchy in the milk industry of England has been ended through the formulation of the National Milk Scheme by the National Dairymen's Federation and the National Farmers' Union. Under the terms of this plan, the farmers get a guaranteed price for their milk (24 cents per gallon in summer and 34 cents in winter), while the distributive companies have set for themselves a retail price of 12 cents per quart (possibly 16 cents from August to April). The consumer had no word in the arrangement and is given no consideration in the scheme. Representatives of the cooperative movement speaking for the six million organized consumers are protesting vigorously at not being consulted. A National Cooperative Conference is being held to express the opinion of cooperators on the matter.

**A CABINET MEMBER SPEAKS**

It is the home-making instinct in Miss Bondfield that has always particularly interested her in the question of cooperative stores. Her watchword is always a guaranteed price for their milk (24 cents per gallon in summer and 34 cents in winter). The Scottish section of the Cooperative Union has drawn up a plan calling for the amalgamation of societies in all sections of the country. If the plan is adopted, 130 cooperative societies will become united in a few very large societies. In the Glasgow area for instance, amalgamation would unite 24 societies now having 140,000 members into two central societies.

Some of the women with broader visions began to realize that the wives would have to organize and buy at these stores in order to make them a success so that workers could get the full benefit of them. "This was started by the Women's Cooperative Guilds. When the women saw their influence and the success which attended their efforts for furthering the business of the stores, they naturally extended that aim as to include efforts for maternity benefits, accident and old age pensions, and, of course, universal suffrage.

"First, as producers in the labor union; second, as consumers in the cooperative union, and third, as citizens of the Labor party."

"This is the trinity. The three are one, but each keeps to its separate field of activity. There is no supreme authority over all; unity of action is obtained by joint committees, which meet for the consideration of policies that apply to all. Thus these forces are brought to bear on every question of importance that arises on any one of the three sides of the problem."

New York Times

**RESTAURANTS AND DINING ROOMS IN RUSSIA**

In 1923 there were but 42 cooperative dining rooms in the cities of Russia. In 1929 there were 1,000 such dining rooms and restaurants with 800,000 meals served each day. A dinner consisting of two courses costs 25 or 30 kopecks, while a meal consisting of two meat courses costs 50 kopecks. Attempts are now made to equip the larger of these restaurants with up-to-date machinery and equipment. If this be done there should be 12 immense kitchens with a capacity of from 6,000 to 12,000 dinners daily.

The Scottish section of the Cooperative Union has drawn up a plan calling for the amalgamation of societies in all sections of the country. If the plan is adopted, 130 cooperative societies will become united in a few very large societies. In the Glasgow area for instance, amalgamation would unite 24 societies now having 140,000 members into two central societies.

Unofficial figures presented to the Congress of the Cooperative Union of Great Britain in May, 1929, show that the membership of the British movement has increased to 5,949,000. In other words, there are nearly 6,000,000 families, which represent at least half of the population of the British Isles. The retail societies had a gross turnover of $1,060,000,000, and the aggregate net surplus amounted to $120,000,000, most of it returned in rebates to the working men and farmers of the British movement. Approximately $500,000 was donated to various social, educational and philanthropic causes during 1928.

The Cooperative Margarine Factory of the Swedish Wholesale increased its output last year by 20 per cent, to 12,000 tons.
**The Danish Folk School.** By Olive D. Campbell.

Cooperators in this country have heard much in general about the folk schools of Denmark and their relation to the cooperative movement, but no other writer, that I know, has so thoroughly caught the remarkable spirit which animates these schools and makes them the inevitable mainspring of the prosperous rural life of the Danish people and the foundation for their cooperative societies.

Mrs. Campbell is primarily an educator with no pretense to an understanding of the mechanics of the cooperative organization. But her intensive work at the Folk School in Brasstown, N. C., and her study of the movement in Europe, has made of her a cooperator from whom all of us can learn a great deal.

Beginning with the history of Denmark, the writer traces the trials and tribulations of the peasants down through several centuries of oppression to the period when Grundtvig, father of the folk schools, began preaching his gospel of a new self-sufficiency for the impoverished rural population. She then takes the reader on a visit to several of these schools and shows him the life of the students and teachers in the class room, at the dinner table, and at play. The latter part of the book is a portrayal of similar schools in the other Scandinavian countries and in India, but we are finally brought back to Denmark again, which apparently, for this teacher anyway, is the only true home of the genuine Folk School.

In a brief review it is impossible to set forth the aims and principles of these institutions. Grundtvig and all of his followers avoid schooling which is mere instruction or training, and put all their emphasis upon inspiration and true learning. They minimize the importance of academic training for teachers and stress the importance of experience in the common life and labor of the every-day man. They insist upon cultural as against vocational subjects. Strictly religious, they bitterly oppose the teaching of religious views. Strongly patriotic, they have fought every attempt to inculcate among their students nationalism. They want nothing scholastic, pedantic, mechanical. They tolerate no bookworms within their teaching force. Personality, general culture, wide learning and idealism are the prime requisites for the man or woman who aspires to teach in one of these institutions.

The whole tradition of the schools is antagonistic to any control or even subsidy by the State. For many years now the State has granted some subsidy to supervisors and some scholarships to students but otherwise has made no effort to control the schools, yet even so, the State is considered highly dangerous and many of the leaders feel that these small yearly grants should be withdrawn. The State has attempted financial aid to courses for teachers of the folk schools and such efforts are viewed with the highest suspicion or at least without any enthusiasm. Anything which savors of uniformity, standardization or control from authority at the top, is out of harmony with the spirit of the folk school movement. Each teacher must be a law unto himself and express his own inner life. The teacher who has been educated only behind the plough may be, and often is, much more effective than the college graduate.

What is it that these schools give to the cooperative movement? Mrs. Campbell has a good deal to say on that subject. In the first place they give leaders who have inspiring personalities, vision, idealism. They promote, to a remarkable degree, neighborliness, without which cooperation is impossible, and many an American farm community has learned. Their education is the kind which produces "the cooperative mind" as distinct from the ordinary education which inculcates the materialistic and individualistic mind. They awaken the sense of common or woman to appreciate real social values rather than stuff these minds with an accumulation of facts. There is almost no attempt to instruct students in the mechanics of cooperative organization or administration, still they have produced the leaders of the cooperative movement.

The 208 graduates of the Ollerut Folk School, for instance, 69 are now active as officers of cooperative associations. No students are accepted until they are seventeen or eighteen years of age and few of them are ever thirty.

I strongly urge that cooperators in America who wish to catch a glimpse of the spirit which animates the movement in Denmark, should read this book, or at least the first two-thirds of it. The final paragraph, taken from a favorite song of the folk schools perhaps sums up as well as anything else, the motives which animate this unusual movement:

"Set your feet fast in the common soil. There are the roots of life. There you must learn to stand. Begin on the plane of every day—not in the hue of the heavens—and grow upward. Must you not plough the field before you have the harvest? Love life. Hate no one. With joy and sorrow, hope and faith, you shall build here on earth a bridge up to the stars."

C. L.
74,836, no less than 70,486 were directly represented by the three wholesale societies of which we have yet not annual statistics available. The societies are of mixed bodies, as well as the wholesales, that in any condition to be able to say confining the list to retail societies, I find that 5,064 members were represented out of a total of 70,336, or more than one-half.

Your population is fourteen times larger than ours. The Congress of the Canadian Union meets every year that of the American League does so only every two years. The charge of representation at the annual Congress is therefore double that upon your own. Which we draw our delegates, is as great as that for the expense of representation at the annual Congress, which is calculated to mislead cooperators to embarrass the Movement in Canada, I hope.

As your comment, without of course any desire to do so, is calculated to mislead co-operatives to embarrass the Movement in Canada, I hope you will publish this explanation.

Yours faithfully,

GEORGE KEEN,
General Secretary.

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J. N. PERKINS, Business Manager.

Sworn to and subscribed before me this 17th day of September, 1912.

(Signature)

My commission expires March 20, 1913.

COOPERATIVE DEMOCRACY

Second Edition completely revised

by

JAMES PETER WARBASSE
President of The Cooperative League of the United States of America

Member of the Central Committee of the International Cooperative Alliance

A Dissertation of the Consumers' Cooperative Movement in Its Relation to the Political and Economic Forces in America, to Labor, to Agriculture and to the Arts and Sciences

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COOPERATION

Shall we Affiliate with Profit Business?

"The Board of Directors of The Cooperative League of the U. S. A. goes on record as opposed in principle to the practice of co-operative stores affiliating with chains of independent grocers."1

Such is the resolution passed at the annual meeting at Cleveland in October, what is adopted by the C. L. A. 2

For many years independent grocers have been banding together to protect themselves from the competition of the great chain store corporations. One of the most common of such mutual defense organizations in the independent grocery field are the so-called "cooperative wholesale"s. Sometimes a federation is formed by initiative of private grocers, sometimes by a local wholesale house or a chain of wholesalers which ties up as many of the independent merchants as possible with some form of central buying agreement. In its most advanced stages it is a national federation for the protection of private merchants. In the cooperative wholesale societies according to the Rochdale plan. Here are two forms of wholesaling in sharp conflict with each other, each demanding the support of the ordinary consumer who has been sold to the chain store idea. Second, the pooling of advertising and publicity costs can be pooled; some of the most efficient business brains of the country are available to the smallest store in the group.

Within the last two or three years, several cooperative stores have affiliated with one or another of these chains of independent grocers. Meanwhile in at least fourteen of the metropolitan areas efforts are being made to build up strictly cooperative wholesale societies according to the Rochdale plan. Here are two forms of wholesaling in sharp conflict with each other, each demanding the support of some cooperative stores. Where the chain of independent grocers compels the cooperative to sign a contract agreement, the cooperative wholesale with its reliance upon voluntary patronage is at a decided disadvantage.

The conflict has become most acute in the East, where several stores affiliated with The League have joined the Red and White Stores or some similar organization. Therefore, the directors of the Eastern States League last winter voted to make a special sub-committee of members for the purpose of bringing the question and make a report. That committee has conducted considerable correspondence and held two meetings. Both sides of the argument were presented to the Cleveland meeting of the Board of the national League. Here are the outstanding reasons for and against such affiliation with the cooperative wholesale with its reliance upon voluntary patronage is at a decided disadvantage.

Those who support such action by cooperative stores argue:

1. The great pressure of competition from the chain store corporations leaves no choice for the local cooperative but to join such an independent chain or go out of business.
2. These chains offer goods at substantially lower prices than are offered by the ordinary wholesale. If the cooperative is located in the same city with one of the distributing centers of these chains it gets the immediate advantage of carload lots whereas the ordinary A. & P. Store may be having its goods transported from a distant warehouse by truck. In this case, affiliation to the independent chain has enabled the cooperative to move from a position of inferiority to one of superiority. Such independent chains are getting great price concessions from many manufacturers because these chains are able to guarantee a certain volume. In the less efficient business brains of the country are available to the smallest store in the group.
3. Advertising and publicity costs can be pooled; some of the most efficient business brains of the country are available to the smallest store in the group.

Those who oppose such affiliation maintain:

1. Such agreements are unnecessary where the manager is a careful buyer and the store an efficient place. Where the competition is as keen as it is to-day there are ordinary wholesalers who can offer prices just as low as those of the chains; this competition can be turned to advantage. Such affiliations are likely to be substituted for efficient buying, for which the cooperative is well-calculated. A weak manager or board of directors will try to cover up inefficiency with a coat of chain store paint and similar apparent short cuts to success.
2. There are few cooperatives which can get the great price advantages so boldly proclaimed by the chain wholesalers. In the first place, these price benefits obtain mostly in staple goods only. Second, the retail cooperative will find the margin between prices from the chain warehouse and the ordinary wholesale in the nearest city quite insignificant. Third, the small store will not be permitted to insert in the contract any special clause favoring the Cooperative Wholesale. Fourth, even the larger cooperatives which are permitted at first to insert such a clause may later find that privilege withdrawn when it has become community
3. Loyalty to a cooperative institution depends first upon efficient business methods and second upon educational policy. Affiliation with the chain might merely become a substitute for both. The bait of low prices must not take the place of sound educational policy. A cooperative wholesale cannot be molded around the principle of bargain prices nor can transient penny chasers be made into an informed and loyal cooperative membership. Can we appeal to shareholders to support the cooperative store while the cooperative itself fails to support its own wholesale store? Again, can we expect our stores by sacrificing price advantages.
4. Where such a chain demands a contract agreement the cooperative can usually demand a contract which prevents his buying the best quality goods for his members; and he should not be willing to substitute the "bargain" appeal of our membership.
5. Quality is of secondary importance. The cooperative manager should not have his choice restricted by a contract which prevents him from buying the best quality goods for his members; and he should not be willing to substitute the "bargain" appeal of our membership.
6. If such affiliations with a national chain become inevitable it is the Cooperative Wholesale which will try to cover up inefficiency with a coat of chain store paint and similar apparent short cuts to success.
capitalism but to strengthen all along the line our own business methods and intensify our educational campaign.

The whole matter is by no means closed yet. The chain stores have exerted a powerful psychological influence upon the American people. A thorough-going, militant, agressive educational campaign in behalf of cooperation would make an equally strong appeal to the imaginations of hundreds of thousands of consumers, and our own merchandising policies, if properly organized, would look as attractive as those of Atlantic & Pacific Tea Company. Have we the vision, the leadership and the technical ability to present Capitalism with this kind of competition?

Editorial

WALL STREET

An interesting discussion recently took place in New York City when several active cooperators got together to examine the stock market from the point of view of cooperative principles. Here are a few of the findings:

Originally the stock market idea was perfectly legitimate. It provided a central trading place in which corporations with securities to sell could meet with individuals, banks or insurance companies wishing to invest their money. Essentially there was little difference between this kind of a market and the vegetable market in which the farmer and the city housewife bargain together.

Definite rules were established which permitted only those stocks to be listed which are reasonably safe, the corporations marketing them must be regularly audited, the stocks must be proved to be widely distributed, etc. There sprang up scores of large houses which employed expert economists and statisticians to go thoroughly into the study of these stocks and the corporations behind them, so that buyers could be advised as to what securities were safe and what ones were a risk.

Granting the prevalence of the profit-seeking type of corporation, that function of Wall Street is still legitimate. The evils of all this are obvious: Ninety per cent of the buyers in the stock market (and they constitute not only the professional operators but ten of thousands of small farmers, mechanics, office workers, professionals) are purchasing for speculation rather than for investment. They are buying goods, not for their actual value but for their trading value. They are trying to get something for nothing, which means that somewhere someone else is giving something for nothing. About 90 per cent of them lose in the long run. It is an exhausting game all the way through, the rankest example of the profit motive gone mad. Counties that abuse credit in the worst of which are buying on margin and short selling. The man who buys on margin orders his broker to buy a block of stock but that only 10 per cent or 20 per cent of the actual cash. Thus he can purchase from five to ten times as much stock as can the man who buys his stock outright. Under this scheme people with a few dollars of actual cash in hand plunge into the buying of thousands of dollars worth of stocks, just as was done with Florida real estate. Big profits may be made on a rising market (provided one knows when to sell), and big losses sustained on a falling market. A reliable broker states that 90 per cent of the trading in normal times is now of this character.

The second evil is short selling. On a falling market one may take orders to buy delivery of one thousand shares tomorrow at a price of, say, $100. But the broker, instead of purchasing these thousand shares at once waits until tommorrow, buys them at $90, and then makes his delivery, pocketing $10 profit on each share. He sells something that he does not own. Many of the short sellers made fortunes during those two panicly weeks in Wall Street late this autumn.

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News and Comment

COOPERATIVE LEAGUE CORRESPONDENCE SCHOOL ANNOUNCES A NEW COURSE

By Colston E. Warne
Director, Cooperative League Correspondence School

Ardent enthusiasts are both the promise and the menace which confronts the cooperative movement today. They are the虱whose vision of a new social order, the movement would lose much of its drive. They are the consumers who, in their pursuit of over-simplified retail stores, are apt to demand more and more automation and to demand them from themselves; stores in which the directors always automatically agree on the correct policy and in which the consumers never fail to give loyal support to the organization.

The Cooperative League Correspondence School, appreciating the necessity of a knowledge of the technical problems involved in the launching and successful administration of cooperatives, has developed a course on The Organization and Administration of Cooperatives. This course was prepared by Cedric Long, Executive Secretary of the Cooperative League and Chairman of the Committee in charge of the Correspondence School. Mr. Long’s close contact with the practical work of the movement as well as his thorough knowledge of cooperative principles should make this course invaluable for present directors, for committee members, for employees of societies, for those who wish to be trained for positions of responsibility, and for those planning to start new societies.

The keynote to the course is given by Mr. Long in the introductory note to students:

"One of the chief reasons for the back-wardness of Consumers’ Cooperation in America is the prevailing lack of understanding of cooperative principles and how they should be applied to the actual organization and administration of a cooperative business. This weakness is to be found in a lamentable degree by those who should be experts on the subject, the important committees, the managers themselves, of our cooperatives."

A few of the topics considered are the following: What have been the chief errors in cooperative organization? Wherein have financial policies been inadequate? What has been the progress made in cooperation social and educational work? How may one survey a community to determine whether a cooperative organization will take root? Where should a cooperative store be located? How may organization funds be organized? How may a committee proceed through the various steps of incorporation, and of setting up a permanent society? What policies should be laid down in the by-laws? How should authority be divided? What should be the obligations of directors? of committees? of the managers? How may budgetary control be exercised over the store? What statistical analyses are desirable?

Surely these questions, important as they are, demand serious attention from those wishing to be effective in cooperative work. To merely shout that cooperation is the way to an economic paradise is not sufficient. The true cooperator must be trained to be effective.

This course, including texts and materials, is offered for $20. Your inquiries should be addressed to the registration office, 107 West 12th Street, New York City.

SEMI-ANNUAL FOR CONSUMERS COOPERATIVE SERVICES

September 30th marks the end of the first half of the fiscal year for New York’s largest society. Gross income was $289,900 which is $90 less than the figure for the first half of 1928 when the figure was $290,500. Loss from sales of $45,890 to $50,185, and Reserve Fund from $110,600 to $113,380. Current assets have risen from $111,000 to $115,000. Of the last figure, $150,000 represents actual cash and U.S. Government securities which are being held for use in construction of the cooperative apartment house contemplated for many months but held up by difficulty in getting the land.

FIRST RURAL CREDIT UNION IN NEBRASKA

Very satisfactory progress is shown by the first rural credit union in Nebraska, the Pioneer Cooperative Credit Association of Columbus, organized last spring. At the end of the first six months of operation, it had 76 members, three-fourths of whom were farmers. The share capital, in denominations of $10 per share, amounted to $2,170, and deposits to $4,850.11. Loans totaled $5,227.88. The credit association has personal loan losses in the community is 8 per cent to 10 per cent, but this credit association charges its members only 7 per cent. Profit seeking banks pay only 3 per cent to 4 per cent on time deposits, and nothing on checking accounts, while the credit association pays 5 per cent on all deposits. Even at these rates the association expects to have a dividend at the end of the first year.

Mr. F. P. Luchsinger, the secretary of a local building and loan association, took the lead in organizing this credit association, and is serving as its treasurer.

FRICITION BETWEEN COMMUNIST PARTY AND COOPERATORS

For several weeks relations between the Workers (Communist) Party and the Cooperative Central Exchange of Superior, Wis., have become more strained. Early in the fall, a letter was sent out from the Exchange, charging them with right wing tendencies. Shortly after, the Cooperative Union of Wisconsin, as a result of the letter, came out with broadside attacks upon certain leaders of the Exchange, chiefly Edel Roenn, the General Manager, and George Halonen, Educational Director, charging them with right wing tendencies.

The Exchange answers the charges with counter charges to the effect that the Party is attempting to dictate cooperative policies and counter secesoncéism within the membership of the Exchange territory. Its Board of Directors, in a public statement, says: "The Board has taken a firm stand at all times against such efforts to gain mechanical control. The Board will continue to act upon that basis, relying upon the ability of the progressive elements of the cooperative movement to itself settle whatever questions concern its own internal activity.

Special membership meetings of dozens of the local societies affiliated to the Exchange are being held in all parts of the territory, and speakers for both sides to the controversy are putting before the cooperators their arguments in efforts to win the support of the farmers and workers who ultimately own and control the Exchange.

SENATOR BROOKHART AGAIN

What has been the result of these combinations of monopoly in every line as against the retail druggist? I now come to the most unpleasant part of my duty. I must tell you plainly what is in prospect. Ninety-two per cent of all American business ultimately falls under this system. You are in a fight for your very lives. You can not win alone. Your fight is both political and economic. You must join with your customers for the control of cooperatives, of transportation, of excess profits, of credit and of marketing. Cooperation is the word. When I say cooperation, I do not use that word in a flimsy and uncertain way. I mean the genuine old Rochdale system. There are no substitutes and short cuts. Some time I will be glad to present it to you with details for its operation.

Such were some of the sentiments expressed by U. S. Senator Smith W. Brookhart in his address before the National Association of Retail Drugists in Convention in Minneapolis in September. He warned his auditors that unless they got down to real bed rock cooperative principles, they would be beaten. He told of visiting the English cooperative institutions in 1923 and held in his hand the 1929 Year Book giving the enormous growth of the cooperative institutions in Great Britain.

BUILDING AND LOAN ASSOCIATIONS

At the close of 1928 there were 12,666 of these institutions in the United States. Their total assets were in excess of eight billion, an increase of thirty-seven million over the figures for the year previous. Membership was twelve million, a gain of 660,000 during the year.
COOPERATIVE FIRE INSURANCE COMPANY

The farmers of Sullivan and adjacent counties in New York State maintain five cooperative insurance companies for the protection of the barns against fire. Last year, they reported the best year in their history at September 30, 1929. The income from assessments and other membership items for all five companies in force is now $10,600,000. The income from the insurance companies, which nine or ten years ago sold $200 to thousands of workers and then securities to the value of nearly $29,000,000, is now about $10,600,000.

INCREASE OF INDEPENDENT STORES

Commercial Service Company reports that during one month, 2,252 new independent stores were opened as against 987 branches of chain stores. The reason for this is that the two types of stores are being classified more closely.

COOPERATIVE SOCIETY OF AMERICA SET BACK AGAIN

Northern States Cooperative League

The LEAGUE'S TRAINING SCHOOL

Thirty-one students are enrolled for the fifth session of the Short-term Day School of the Northern States' Cooperative League which opened in Minneapolis Oct. 26. Of these, 16 are men and 15 women. Twenty-one of them are from various localities in Minneapolis, five from Michigan, one from Wisconsin, two from North Dakota, one from Canada and one from New York.

A. F. Heiskanen Benefit Fund

In accordance with the decision of the Eighth Annual Convention of the Northern States' Cooperative League, a benefit fund was established last August in favor of A. F. Heiskanen, former manager of the National Cooperative Company of Ironwood, Mich. The fund is to be used for several months on account of serious illness.

Up to November 15, 1929, contributions totaling $300.00 have been received as follows:

- Franklin Coop. Cty. Office, Minneapolis, Minn., $100.00
- Cooperative Central Exchange, Superior, Wis., $75.00
- Miby Buse Coop. Cty. Office, Virginia, Minn., $50.00
- Cherry Coop. Coop. Soc., Superior, Wis., $25.00
- Farmers & Consumers' Coop. Assn., Ironwood, Mich., $25.00
- Peoples' Coop. Coop. Soc., Superior, Wis., $25.00
- Peoples' Voice Coop. Publishing Co., Minneapolis, Minn., $25.00
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Later contributions will be accounted for in the January issue of this magazine.

Under the date of October 3, Brother Heiskanen writes the League from Grand View Hospital in Minneapolis. He states:

"I visited my family September 15th, and at the same time I was presented with a copy of the program of the Northern Cooperative Congress in Superior, Wis., to which I looked forward with great interest and determination. I have been warned that in one year we should be able to accomplish such an extensive piece of organization to be held in Superior, Wis., on October 10th.

"When the Yearbook of The Cooperative League comes out, I find it very interesting and informative. I would very much like to see the Yearbook of The Cooperative League for the year 1929 and the reports of the various co-ops."

Several of the C.C.E. societies have recently either moved into entirely new quarters or have Remedied their stores. Among the former are the Farmers' Coop. Merc. Assn., Iron River, Wis., and the Farmers' Coop.merc. Assn., Superior, Minn. Among the latter is the People's Cooperative Society of Superior, Wis., which has been expanded to accommodate an eight-stall meat market with first-class modern equipment. The People's Cooperative Society has been named the premier store in town and is considered modern and as attractive as the exterior.

WHAT'S GOING ON IN THE N.S.C.L. DISTRICT

July 30, 1929, was the record month in the history of the Cooperative League, with its sales of $10,800,000, when its sales for the year were about the millions mark for a year's volume can not be far off.

One of the same lines as the Northern States' Cooperative League opened the fifth session of its service training course at the Cooperative Central Exchange in Superior, Wis., in September. The course has been conducted in Superior, Wis., with 30 students in attendance. Of these, five or six are women. For the first time in the experience of the C.C.E., all the faculty members have previously worked at the cooperatives in various capacities, as clerks, truck drivers, branch managers, etc.

At the meeting of the Board of Directors of the Cooperative Central Exchange, Cleveland, Ohio, Oct. 6-14, the Northern States' Cooperative League district was represented by five directors: H. I. Norisby, Eben Ross, Matt Remmers and C. N. Ahlstrom. At the instance of the Northern States Cooperative League, the Board of Directors decided to hold the National Congress of the National Cooperative Association in October, 1929, at Superior, Wis. The cooperative societies of Cleveland, Chicago and St. Paul, Minn., had all invited the congress to their respective cities, but Superior received the most votes, and the district will thus witness two important cooperative conventions next year.

The Executive Secretary visited Milwaukee Oct. 16, on his return from the Cleveland meeting. He found the Milwaukee stores completely remodeled and the new manager, D. Leuchovius, and his assistants all busy in a most optimistic mood. Sales are on the increase, interest among the membership is very high and the social and recreational activities are given considerable attention—this and the fact that the progress at Milwaukee. Only recently over 4000 copies of the folder "Cooperatives do Cooperatives differ from ordinary business?" were distributed to the cooperative members. The Cooperative Educational Society, which has been formed by three local cooperatives, has been very successful. The cooperative stores in Milwaukee are working hard to get their members to take part in the activities of the Cooperative Educational Society. Of which Mt. Leuchovius is the new manager.

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Other District Leagues

EASTERN STATES LEAGUE

The Board of Directors held their quarterly meeting on Sunday, November 10, in New York. The Secretary reported an active membership of 26 societies whose total individual membership is just short of 16,000. Brookwood Cooperative Society, Katonah, N. Y., has now transferred its membership from the National to the Eastern League. Finnish Farmers Cooperative Trading Association of Plainfield, N. J., has also affiliated, and Purity Cooperative Bakery of Paterson, N. J., in September voted to join but no dues have yet been paid. Considerable field work has been done, not only by the Secretary but by four or five of the directors as well. On an appeal by Director Kazan for a more intense field work outside New York or for active societies by the Constitution, in spite of insistent requests for this during the spring and final demand for it during the summer. It was therefore decided that the membership of this association had automatically lapsed and request for reinstatement would be necessary before it would again be back in good standing with the league.

It was discovered that the United Workers Cooperative Association still had not submitted the financial report for 1928 which is called for from all societies by the Constitution, in spite of automatic lapse of the surplus of $900 a month, either for intensive field work; in the coal department 2.6 per cent. Expenses in the food department have been 2.7 per cent of sales; in the coal department 2.6 per cent. Sales have increased about 10 per cent each month. The Educational Committee reported plans for the first Youth Conference on November 17th, for a dinner to Senator Brookhart on December 3, and for the next week-end conference in January.

My Point of View

By J. P. Warraker

THE EVER-GROWING MINORITY

I have recently sat in a meeting of a board of cooperative directors, and looked into the faces of the people who are charged with cooperative responsibilities. These were people who are giving all of their time and energy to the cause of the cooperative and earning their livelihood therefrom.

As I looked upon this group, I became aware of their quality, and the peculiar position which they occupy in the world of commerce. Here were people who were capable of positions of importance and high rank in any field of profit business. Most of them had proved their capacity to hold up a cooperative establishment, even against keen competition. Some of them had already demonstrated such conspicuous ability that profit business stands ready to offer them positions of importance if they would leave the cooperative movement and engage in the prevalent method of trade. Here, I realized, were men, and one woman, in this group who were earnestly occupied in working to solve an economic problem that has defied the ages—and succeeding. Still they are engaged in what is yet but a minority movement. They are not serving the great system of profit business. They know they are doing something unusual and small, and a kind of business that is discriminated against. They are not in line with the great current of popular events. They are working to promote an unpopular cause.

It is easy enough to be a part of the great onsweping tide of profit business. It engulfs most men. A stream of ten million youths from school and college are swept into it each year. It is easy to belong to the Rotary Club and the Merchants' Association and to discuss sales, advertising, and profits. That is the style. But these cooperative executives, representing a minority cause, are a voice crying in the wilderness. They have hope. They believe in their work. They are willing to go on without the enjoyment of the larger financial rewards of profit business.

I ask myself, why do they do it? Is it because they have unusual, conscientious scruples and prefer occupation which leads
on to a better state of society? Or are they possessed of unusual vision, and sense the trend of events which some day will witness the collapse of the profit system? Perhaps, they are influenced by both of these.

And after all, perhaps, the cause to which they give themselves is not such a hopeless minority. The seeds of the flower and fruition of humanity are in the little minorities of the world.

Then there is another side. As minorities grow, the great majorities fade and disappear. That is the law of history. That is the reason why people who have stained their life's work upon the present economic order, who know a little history, are so timorous and scared. That is why they want big armies and navies and big jails for people who disagree with them. They live in a palaced of cards and they tremble lest it come tumbling down upon their heads.

And that is the reason why capable executives and fear-seekers in business are justified in casting their lot with a movement so fundamentally sound that it does not give rise to wars, overproduction and underproduction, hard times, unemployment, stock gambling, a rating class supported by patronizing the idle rich, and gambling in the needs of life as the motive of business.

And then it is good to be a pioneer. The great satisfaction is to be in the headward.

Cooperation Abroad

CENTRAL COMMITTEE OF I. C. A.

At its meeting in London 45 members of the Committee were present representing 19 different countries. A cooperative society in Spain was admitted to membership thus adding another country to the Alliance. The Secretary also reported on his visit to the Congress in Vienna, and mentioned the interest and appreciation of the Spanish cooperators in the near future. Tributes were paid to Sir William Maxwell, former president of the I. C. A., who died last winter, and also to Dr. G. Stresemann, the eminent German statesman.

Tentative plans were made for the Vienna Congress to be held August 25-28, 1930. Two special papers are to be presented: one on “The Pooling, Financing and Marketing of Cooperative Produce in Relation to the Consumers Movement,” and the other on “The Principles of Rochdale Cooperation and Modern Systems of Credit Trading.”

Relations with the Canadian Wheat Pools have been more cordial; the President of the Central Board has agreed to visit London during the coming winter to confer with Secretary May.

ANOTHER INTERNATIONAL WHOLESALE

The Scandinavian Cooperative Wholesale Society, of which the national

wholesales of the three Scandinavian countries and those of Finland are the members and patrons, is now several years old and is making substantial headway.

News now comes that the agricultural cooperative movements of several countries have formed a society cooperative wholesale for the purchase of feeds, fertilizers and other agricultural supplies formerly procured from overseas by each separately. The new concern is known as the International Agricultural Cooperative Purchase Society, “Intercoop.” It was organized at Hanover in April by delegates from six countries, and the head offices are located at Rotterdam. The rational agricultural wholesales which formed this new institution are those of Holland, Germany, Czecho-Slovakia, Belgium, Sweden and Denmark.

INTERNATIONAL COOPERATIVE PRESS

According to the conference of cooperative editors from many lands which was held at The Hague during the International Summer School, there are now more than 1,000 cooperative periodicals published regularly in the various countries of the world. At the Vienna Congress of the International Cooperative Alliance in 1930, it is probable that a larger conference of this kind will be called and an International Cooperative Press Organization effected.

ITEMS

The Elanto Society of the city of Helsingfors, Finland, which was founded in 1905 with only 19 members, now has 40,000 members or one-fifth of the entire population of the city and its suburbs. There are not only scores of groceries, stores, restaurants, cafes, milk dealers, butcher shops, drug stores and branch banks but also many productive establishments for the manufacture of the largest articles of consumption such as baked goods, sausages, dairy products, etc. A new administrative building has just been completed, an office eight stories high with a tower of four stories making it one of the largest buildings in the capital of Finland. On the top floor of this cooperative headquarters, there is a banquetting hall with a balcony seating five hundred people. The hall, containing a small stage with dressing rooms, moving picture apparatus, athletic facilities, a library and a dining room, is designed chiefly for the benefit of the employees of the cooperative society. A special novelty in the building is the society’s polyclinical department of five rooms staffed with a doctor and nurse. The medical officers in charge receive about six hundred calls a month from employees and their families. At the inaugural exercises of the building, the President of Finland and many other officials were present.

Statistics compiled by the Italian National Cooperative Union, the central organization built up by the Fascist Government since the liquidation of the old Cooperative League of Italy, show for 1927 the existence of 3,338 consumers’ cooperatives in that country. A footnotes conveys the information that included among these societies are small traders’ cooperative supply societies.

It is doubtful whether any other cooperative movement in the world would seriously present figures for consumers’ cooperation which so completely exemplify legitimate cooperative societies with combines of petty business men.

Even in the country where consumers’ cooperation originated, chain stores appear to be successful. The Home and Colonial Stores, Ltd., in 1928 made a net profit of more than two million dollars and for the year declared a dividend of fifteen per cent on stock with an additional bonus of ten per cent. The Company now proposes to amalgamate with one of its largest competitors in the chain store field.—The Meadow Dairy Company.
The The reader writes

The federal farm board—help or hindrance?

The Federal Farm Board has been criticized by various lenders in the consumers cooperation and has been urged to maintain the national economic stability. A cooperative movement for the purpose of growing, handling, processing, and distributing the products of American agriculture is called for.

PRIVATE TRADE COMBINATIONS

The manager of one of the affiliated societies recently asked the writer for his views on a proposition put to him. His society was asked by an established firm of wholesale grocers to enter into an agreement whereby it would become a partner of the new wholesale house and be induced to work together at least to the extent of buying everything in the grocery line from this wholesale house, except tobacco, confectionery, stationery, etc. It can be terminated by either party at any time by giving notice. The plan also involves weekly settlements of accounts.

The tying up of retailers to wholesale houses is the same whether they are large or small. The same considerations apply. The overlapping is designed to create a fortification for the wholesale house against competition. It cannot be done if the management of the wholesale house do not understand the philosophy and principles of the Rochdale Pioneers as well as they should.

An additional feature of the farm board which may well prove its salvation is the proposal to give it the control of the marketing associations in various sections of the country. This control will enable the farm board to act in the public interest and thus eliminate the big business.

The farm board has gone so far as to propose to the national grain corporation with the control of the marketing associations for a number of years. But the Board still maintains that Big Business cannot be trusted to handle the farm's business.

Although the farm board is not advocating a return to the days of wholesale buying by the average farmer, it is advocating that the cooperatives should have this business handled by an established firm of wholesale grocers to the extent of buying for the cooperatives. The plan is based upon the conviction that the farm board and the national grain corporation can better serve the farmers if they employ the services of an established firm of wholesale grocers.
operators wake up, and societies in every district across the interest of adjoining communities with a view to the establishment of consumers' societies, and unless existing societies shall be able to break away from the chain. Travellers will be almost entirely dispensed with, and the operators will establish branch stores at convenient points, so that cooperators may develop sufficient volume to be independent of these conventions, the Cooperative Movement must establish branch stores at convenient points, so that cooperators may develop sufficient volume to be independent of these conventions.

societies, and unless existing societies can develop branch stores at convenient points, so that cooperators may develop sufficient volume to be independent of these conventions, the Cooperative Movement must establish branch stores at convenient points, so that cooperators may develop sufficient volume to be independent of these conventions.

When a cooperative society becomes a store operator, will eliminate the very expensive wholesale selling system. Travellers will obscure the sales and retail chains. They will obscure the advantage the wholesaler has in the accumulation of orders. When a cooperative society becomes an independent store operator, will eliminate the very expensive wholesale selling system. Travellers will obscure the sales and retail chains. They will obscure the advantage the wholesaler has in the accumulation of orders.

To become part of these private wholesale and retail chains, the Cooperative Movement must plan usually involves standardizing the appearance of the stores under the same assumed, and to some extent the methods, so that when once the agreement is entered into it will be difficult to break away from the chain.

There is considerable danger to our Movement in becoming part of these private wholesale and retail chains. They will obscure the advantage the wholesaler has in the accumulation of orders. When a cooperative society becomes an independent store operator, will eliminate the very expensive wholesale selling system. Travellers will obscure the sales and retail chains. They will obscure the advantage the wholesaler has in the accumulation of orders.

Fifty dollars is offered by The Co-operative Bank in the hope of encouraging the sale and retail chains. They will obscure the advantage the wholesaler has in the accumulation of orders. When a cooperative society becomes an independent store operator, will eliminate the very expensive wholesale selling system. Travellers will obscure the sales and retail chains. They will obscure the advantage the wholesaler has in the accumulation of orders.

The advantage the wholesaler has in the accumulation of orders. When a cooperative society becomes an independent store operator, will eliminate the very expensive wholesale selling system. Travellers will obscure the sales and retail chains. They will obscure the advantage the wholesaler has in the accumulation of orders.

LIVE NEWS FROM SUPERIOR

Editor Cooperator:

We reported to our Board of Directors on the Cleveland meeting, and the Board first of all unanimously agreed to fill our share of the budget for the next year, namely, $600.

Further, the appointment of Comrade Corgan, as delegate to the International Congress met the approval of the Board.

The Board further wishes to express its approval of the decision to hold the next Convention of the League at Superior, and names the League that they will do everything in their power to make the most successful Convention the League has yet held.

COOPERATIVE CENTRAL EXCHANGE

From The League Office

WHICH COOPERATOR GETS THIS PRIZE?

Fifty dollars is offered by The Cooperative League for the best picture of Other Cooperators of Cooperatively?

WHY NOT BUY YOUR CHRISTMAS BOOKS COOPERATIVELY?

Send your orders to The Cooperative League and they will receive prompt attention. Discounts given whenever possible.

Pool Your Purchases With Those of Other Cooperators

Lend Your Support to the Movement

THE COOPERATIVE LEAGUE, 167 West 12th Street, New York City

DOES COOPERATION PAY

In June 1915 a working man paid to his cooperative society 25 cents as initial deposit on a $5 share of stock. From that date until the end of 1927 he paid nothing more but gave all his trade to the society and let the rebates and interest accrue to his share capital account. At the close of the 12 years his investment was $360. In addition to this accumulation, the member had a claim for about $35 which he paid into his family in case of his death, and for about $35 in case of the death of his wife.
### PROPOSED BUDGET FOR 1929-30 FOR ALL DEPARTMENTS OF THE LEAGUE COMPARED WITH ACTUAL EXPENDITURES FOR 1928-29

<table>
<thead>
<tr>
<th>Income</th>
<th>Actual 1928-29</th>
<th>Budget 1929-30</th>
</tr>
</thead>
<tbody>
<tr>
<td>From Membership</td>
<td>$3,724.58</td>
<td>$3,250.00</td>
</tr>
<tr>
<td>Dues</td>
<td>2,665.00</td>
<td>3,250.00</td>
</tr>
<tr>
<td>Contributions</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total from membership</td>
<td>$3,989.58</td>
<td>$3,450.00</td>
</tr>
<tr>
<td>From &quot;Self-Supporting Activities&quot;</td>
<td>$3,846.20</td>
<td>$5,800.00</td>
</tr>
<tr>
<td>Books and pamphlets</td>
<td>2,840.50</td>
<td>5,800.00</td>
</tr>
<tr>
<td>Auditing</td>
<td>500.00</td>
<td>100.00</td>
</tr>
<tr>
<td>Speakers</td>
<td>46.00</td>
<td>100.00</td>
</tr>
<tr>
<td>Magazine Cooperation</td>
<td>1,132.68</td>
<td>1,200.00</td>
</tr>
<tr>
<td>Miscellaneous activities</td>
<td>3,766.44</td>
<td>3,500.00</td>
</tr>
<tr>
<td>Total from &quot;Self-Supporting Activities&quot;</td>
<td>$11,348.65</td>
<td>$11,500.00</td>
</tr>
<tr>
<td>Total income</td>
<td>$15,338.23</td>
<td>$16,950.00</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Expenditures</th>
<th>Actual 1928-29</th>
<th>Budget 1929-30</th>
</tr>
</thead>
<tbody>
<tr>
<td>For General Administration</td>
<td>$4,434.26</td>
<td>$4,450.00</td>
</tr>
<tr>
<td>Salaries</td>
<td>$3,393.49</td>
<td>$3,600.00</td>
</tr>
<tr>
<td>Other administration</td>
<td>1,317.77</td>
<td>1,850.00</td>
</tr>
<tr>
<td>Total for general administration</td>
<td>$4,434.26</td>
<td>$5,450.00</td>
</tr>
<tr>
<td>For &quot;Self-Supporting Activities&quot;</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Books and pamphlets</td>
<td>$760.20</td>
<td>$700.00</td>
</tr>
<tr>
<td>Auditing</td>
<td>5,812.26</td>
<td>5,800.00</td>
</tr>
<tr>
<td>Speakers</td>
<td>24.00</td>
<td>100.00</td>
</tr>
<tr>
<td>Magazine Cooperation</td>
<td>2,689.64</td>
<td>2,000.00</td>
</tr>
<tr>
<td>Miscellaneous activities</td>
<td>3,961.30</td>
<td>3,700.00</td>
</tr>
<tr>
<td>Total for &quot;Self-Supporting Activities&quot;</td>
<td>$15,047.40</td>
<td>$15,300.00</td>
</tr>
<tr>
<td>Total expenditures</td>
<td>$17,081.66</td>
<td>$17,750.00</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Deficit Made Up From Private Contributions</th>
<th>Actual 1928-29</th>
<th>Budget 1929-30</th>
</tr>
</thead>
<tbody>
<tr>
<td>On &quot;Self-Supporting Activities&quot;</td>
<td>$444.68</td>
<td>$800.00</td>
</tr>
<tr>
<td>(chiefly magazine)</td>
<td>1,371.77</td>
<td>1,850.00</td>
</tr>
<tr>
<td>Total expenditures less private contribution</td>
<td>$15,338.23</td>
<td>$16,950.00</td>
</tr>
</tbody>
</table>

### THE CANADIAN COOPERATOR

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

Published monthly 75¢ per annum

### THE COOPERATIVE LEAGUE

167 West 12th Street
New York City

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Correspondence Courses prepared and conducted by experienced cooperators are now ready.

1. Elementary English
2. Commercial Arithmetic
3. Bookkeeping for Cooperators
4. Advanced Course in Bookkeeping
5. Principles and Theory of Cooperation

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This Company is 57 years old.
It has 52,000 members.
Its rates are the lowest.

**Is there a branch in your town?**
**If not, why not?**

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Care of Cooperative League, 167 W. 12 St.
NEW YORK CITY

### A TRIBUTE

"No one can speak with greater authority on the subject (Cooperation) than the venerable S.D., who on a salary of less than eighteen hundred dollars a year, occupied the chief position in an organization with an annual turnover of thirty-five millions. That sort of unselfishness in business is as yet impossible in America. Here, a man with the commanding business talent of William Maxwell would put his own interests first, and build up a great fortune instead of acting as the chief agent in distributing goods at cost to hundreds of thousands of families."

—the Toronto Globe, April 25, 1911.