The Press Boosts Consumers' Cooperation

Five periodicals not affiliated with the consumers' cooperative movement have established regular cooperative sections which will carry news of developments in the cooperative movement every week or month. THE BROTHERHOOD OF LOCOMOTIVE ENGINEERS AND FRED MEN'S MAGAZINE pioneered with the creation of a two page feature section, "Consumers' Cooperation"; the MINNESOTA LEADER each week devotes a regular section to "Progress Among the Cooperatives"; the AMERICAN GUARDIAN has for several months conducted a column of "Cooperative Notes"; the SOCIALIST CALL features a column by Benjamin Wolf on "Consumers' Cooperation"; and the AMERICAN LEADER, national edition of the WISCONSIN LEADER, has inaugurated a special section, "News About the Cooperatives.

Material from the Cooperative League News Service and news of local cooperative developments in this way will reach several hundred thousand readers in addition to the half million members of cooperatives who receive publications of the cooperative wholesales affiliated with The Cooperative League. You can speed the growth of the cooperative movement by suggesting that the editor of your favorite newspaper or magazine establish a similar cooperative section.


INTERNATIONAL JOURNAL OF RELIGIOUS EDUCATION, November, "What are the Facts about Consumers' Cooperation?" Editorial article.


ARCHITECTURAL FORUM, September, "Swedish Cooperative Wholesale Societies' Architects' Office," a review.

RAILWAY CARMEN'S JOURNAL, November, "Labor and Consumers' Cooperation," John F. McNamee (14th labor journal in which this article has appeared.)

JOURNAL OF ELECTRICAL WORKERS AND OPERATORS, October, "Real Issue Between Utilities and Cooperatives," an editorial article on Rural Electrification.


CONSUMERS GUIDE, September 16, "When Farmers Work Together as Consumers."

COLORADO UNION FARMER, October, "The Co-op Approach is Fundamentally Sound." Editorial article.

ROCKFELLER CENTER WEEKLY, October 17, "The Swedes Establish People's Trust." Curtis Danne, an interview with Barney Kahn Libermann, Editor AMERICAN SWEDISH WEEKLY.

PRACTICAL HOME ECONOMICS, August, "Men's Planning and Food Distribution in a College Cooperative," Elmo Henry.

EPWORTH HIGHROAD, December, "What is a Consumers' Cooperative?" Editorial article, "Toyohiko Kagawa, World Christian," Alan Hunter.

CONGREGATIONAL ADULT SUNDAY SCHOOL BULLETIN, October, "Toyohiko Kagawa, Apostle of Brotherhood," Bertram B. Fowler, reprinted from the CHRISTIAN SCIENCE MONITOR.


CHRISTIAN REGISTER, October 24, "Cooperative Production and Distribution," January P. Warbasse, (An address before the Boston Conference on Distribution.)


A NEW WORLD, October 25, "Cooperatives Labored Unites," an interview with Mark Stairs, Educational Director of the International Ladies Garment Workers Union.


THE CHALLENGE, a series of articles on Consumers' Cooperation by Sid Devlin.

Special Articles

Bertram B. Fowler, free lance writer and former member of the editorial staff of the CHRISTIAN SCIENCE MONITOR, decided early this spring that the consumers' cooperative movement in America was worth watching and writing about. He made arrangements with the cooperative wholesale associations in the Central West to visit the headquarters, wholesalers, productive plants and local cooperatives in each territory. At the end of three months intensive study of the cooperative movement in action, "Bert" Fowler has written articles on authority on the cooperative movement and is rightly hailed at America's Number One Cooperative Journalist. He wrote an article for each of the cooperative publications he visited in return for the cooperatives' hospitality and has already written a large number of articles for publication in general periodicals.

His articles which have already appeared are:

FORUM, June, 1935, "Be Your Own Banker" (reprinted in THE READERS DIGEST).

August, 1935, "The New Deal Ahead."

October, 1935, "The Democratic Way to Prosperity."

Consumers' Cooperative Movement in the U. S. A.

VOLUME XXII

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Dr. Toyohiko Kagawa:

We, as representatives of the Consumers' Cooperative Movement in the United States, welcome you most heartily upon this occasion of your visit to America.

We have looked forward to your coming with the keenest anticipation. You have written us that "central in my purpose in coming to America is to meet your cooperative leaders." We have assembled to meet you and greet you in the spirit of the international fellowship of cooperators. We anticipate as a result of your visit a widespread and rapidly expanding fervor of interest in the application of the principles of brotherhood through the Cooperative Movement.

To us it is most fitting that you should have been chosen to deliver the Rauschenbusch lectures. Walter Rauschenbusch was one of our greatest social prophets. He advocated, as the means of implementing brotherhood in our economic affairs, organization of consumers' cooperatives as well as producer and political organization. You, whom we honor as a modern social prophet, likewise advocate these three techniques of democracy. You yourself, as men, are most worthy to carry on the tradition of his social teachings in America, to which, unfortunately, we have as a nation paid too little heed. We sincerely believe that your coming will arouse America to a far greater realization of the necessity of aggressive organization along lines which both he and you have strongly urged.

We most sincerely hope that with your coming the threads of mutual regard between cooperators of Japan and America will be strengthened to the end that together we may press forward with greater determination to build a Cooperative International Association of all races and nations which will forever banish poverty and war and bring permanent peace and plenty everywhere upon the earth.

With the deepest respect and gratitude for your coming and with high anticipation of the results of your visit to America, we are

Yours most sincerely,

AMERICAN COOPERATORS
EDITORIAL EPIGRAMS

For this New Year
Help me to grow!
Help me to fill the days
With deeds of loving praise
For the splendid truths I know.
—Charlotte Perkins Gilman

What are you going to do this New Year about being poor?

A poet who writes us puts it this way,
"the crust of the world is breaking rapidly.
Death smacks his lips again."

We need more consumer-economics
taught in every school and college. Are you going to see that your state follows Wisconsin's example?

Among the things to be thankful for, the Editor of The Producer-Consumer lists "The Cooperative Plan, which is developing a social and economic order in which we can practice the Sermon on the Mount in our daily work and business, in our producing and using the goods of life."

We are "all fellow travelers on the road to the more abundant life. What everyone wants to reach be it be by law or be by religion. We, who have been chosen to be among the first to learn of the democratic way to prosperity, have a great obligation to spread the good news of cooperation," he says. "Countries like Sweden and Nova Scotia are demonstrating that this educational technique produces rapid and sound growth of cooperatives."

The New York Post is running a series of articles under the general title, "The Men Who Run America." It describes the Great Atlantic and Pacific Tea Company as having "after Fords, the next most important people in the United States... I know of no country where the need to defend political democracy where it still exists, while there is time. While there is time, it is necessary to emphasize these words. With world war on the near horizon, with capitalism more anti-democratic as it declines, that time is short."

Finland pays another installment on its war loan. One reason they can do so is because the people do not pay so much profits into the pockets of a few people in Finland. The "progressive cooperatives operate on a gross margin of 12.9% while the conservative cooperatives who handle the same quantities of farm supplies average 8.9%. The cooperatives control the price level and by narrowing the spread between producer and consumer prices, prevent the piling up of private profits. It's more important to herald the reason why Finland can pay its debts than the fact that they do.

"The cooperative movement will receive special attention" was the advance comment in The Commonweal, relative to the National Catholic Rural Life Conference held at Rochester, New York, October 27 to 31st. "Special attention" was surely a most true statement. Such nationally known Catholic Cooperative advocates as Father James J. Tompkins, Reserve Mines, Nova Scotia, spoke on the famous St. Francis Xavier Adult Education Program and the cooperatives which have been organized as a result of "education issuing in action." Father James J. Tompkins, Reserve Mines, Nova Scotia, spoke on the famous St. Francis Xavier Adult Education Program and the cooperatives which have been organized as a result of "education issuing in action." Father James J. Tompkins, Reserve Mines, Nova Scotia, spoke on the famous St. Francis Xavier Adult Education Program and the cooperatives which have been organized as a result of "education issuing in action." Father James J. Tompkins, Reserve Mines, Nova Scotia, spoke on the famous St. Francis Xavier Adult Education Program and the cooperatives which have been organized as a result of "education issuing in action." Father James J. Tompkins, Reserve Mines, Nova Scotia, spoke on the famous St. Francis Xavier Adult Education Program and the cooperatives which have been organized as a result of "education issuing in action." Father James J. Tompkins, Reserve Mines, Nova Scotia, spoke on the famous St. Francis Xavier Adult Education Program and the cooperatives which have been organized as a result of "education issuing in action."
brotherhood through education and the organization of cooperatives.

This letter from the Secretary of the International Brotherhood of Electrical Workers speaks for itself. The Electrical Workers Journal has been pressing the idea of consumers’ cooperation for a number of years. We are convinced that this form of economic activity is absolutely essential to healthy economic life in America and that it must come through trade union participation.

“We expect to continue to press this matter in one form or another in the Electrical Workers Journal.”

Very truly yours,

G. M. Bugniazet

Two great events happened in 1844. America is beginning to learn about the first—the organization of the Consumers’ Cooperative Association by the Rochdale Pioneers. We know less about the fact that in the same year the first Folk School was organized in Denmark. When America really gets hold of both of these great ideas, which together have transformed mankind, the world will take on a new face and our realization as to the nobleness of the American character will take on a new meaning.

When one is in any way inclined to lose his true perspective of the importance of his place in the great progress of events, it is not wise to read a couple of verses in the Good Book, such as these:

“Who makest thou to differ from another? And what hast thou that thou didst not receive? Now if thou didst receive it, why dost thou glory, as if thou hadst not received it?”

“When ye shall have done all those things which are commanded you, say, We have an unprofitable servant; we have done that which was our duty to do.”

A prominent banker declared at the American Bankers Association Convention that, “The (government) cannot, nor should not, without using the bankable funds of the nation, be in it to declare an embargo.” A prominent business man goes on record that business should “go into real action. That then, as Dr. Coady suggests, you might ‘take hold of the throttle of your own economic life and guide your own destiny.’

It is truly possible that eventually you may be what Professor Charles Gide says is “the most important person in every way. Turning private dealers into cooperatives. Dealers are doomed but that, as for him, he welcomes the better way. A letter just received on a First National Bank letterhead has the name of the signer at the top as Cashier and at the bottom as Superintendent and save himself and the community as well from being swallowed up.

The dealer tells the minister wanted to know how to advise his parishioner. We told him to suggest that the store be converted into a cooperative owned by his customers and he could then practice the principles of brotherhood which he taught in the Sunday School of which he was Superintendent and save himself and the community as well from being swallowed up.

Some merchants are beginning to see things through. One dealer writes us that he realizes his independent merchant is doomed but that, as for him, he welcomes the better way. A letter just received on a First National Bank letterhead has the name of the signer at the top as Cashier and at the bottom as Superintendent and save himself and the community as well from being swallowed up.

Cooperators Release Private Dealers from Bondage

Cooperators propose to save private dealers from their doom and turn them into self-respecting managers of cooperatives where they will receive fair wages, work reasonable hours, have secure positions, and experience the great joy of truly serving their customer-owners in every way. Turning private dealers into cooperative managers and customers into consumer-owners might well be likened to releasing masters as well as slaves from the system of the old way. A minister recently told us of a conversation he had with his Sunday School superintendent who is a private dealer. A chain store was in the process of opening next door. The dealer told the minister that he had only been making a bare living and now would likely be put out of business. The minister wanted to know how to advise his parishioner. We told him to suggest that the store be converted into a cooperative owned by his customers and he could then practice the principles of brotherhood which he taught in the Sunday School of which he was Superintendent and save himself and the community as well from being swallowed up.
control in production. A grain and lumber dealer with whom we once rode pointed out farm after farm around his community which had been taken over by insurance companies. He complained that he had lost them as customers because the insurance companies now purchase their supplies at wholesale. He did not see that, as a dealer-agent of a monopoly without had unwittingly and unconsciously been the indirect means of causing his former customers to lose their farms. But the benefits of the community had been sucked up and centralized into the hands of the financial octopus. Of course some dealers will likely persist indefinitely in declaring that “to me.” Today the former chain manager who was approached by a cooperative manager to participate in their community, not only in their competent commercial sense, but as a means of helping to unfold the community which had been taken over and centralized is the hands of the financial octopus. Of course some dealers will likely persist indefinitely in declaring that “to me.” Today the former chain manager who was approached by a cooperative manager to participate in their community, not only in their competent commercial sense, but as a means of helping to unfold the community which had been taken over and centralized is the hands of the financial octopus. Of course some dealers will likely persist indefinitely in declaring that “to me.”

Dealers Should Help Build Cooperative Communities

All cooperatives want is a fair field. If they cannot serve better, then the private dealer should remain. But the private dealer cannot help but be part of an economic system that is slowly strangling himself and his customers, no matter how efficient he may be. For his own sake financially, for the greater personal rewards of genuine satisfactions in life, he should use his talents to help lead out in organizing his community. He must help create a self-controlled economic organization which will make it possible for the wealth of the community to remain at home to enrich everyone, rather than be centralized in the hands of a few absent owners. As a result, the cultural powers of all the people in the community will be released to develop into their highest possible expression. As Secretary of Agriculture Wallace Wallace pictures so magnificently. “We think that cooperative communities not only in their competent commercial sense, but as a means of helping to unfold the community which had been taken over and centralized is the hands of the financial octopus. Of course some dealers will likely persist indefinitely in declaring that “to me.” Today the former chain manager who was approached by a cooperative manager to participate in their community, not only in their competent commercial sense, but as a means of helping to unfold the community which had been taken over and centralized is the hands of the financial octopus. Of course some dealers will likely persist indefinitely in declaring that “to me.” Today the former chain manager who was approached by a cooperative manager to participate in their community, not only in their competent commercial sense, but as a means of helping to unfold the community which had been taken over and centralized is the hands of the financial octopus. Of course some dealers will likely persist indefinitely in declaring that “to me.” Today the former chain manager who was approached by a cooperative manager to participate in their community, not only in their competent commercial sense, but as a means of helping to unfold the community which had been taken over and centralized is the hands of the financial octopus. Of course some dealers will likely persist indefinitely in declaring that “to me.”

A Model Cooperative Library

The creation of a “cooperative” library at the state of the Ohio Farm Bureau Federation at Columbus, Ohio, was the fulfillment of a desire on the part of the Farm Bureau officials to give to the 350 employees at the state headquarters, to Farm Bureau members and to others in the state of Ohio, access to an unbiased source of reading material on cooperative, social and economic subjects.

The library came into being in January, 1935, with an appropriation of $1,000 from the educators of the Ohio Farm Bureau. At that time a full-time librarian was also employed.

From an empty room and many stacks of unclassified papers, books, pamphlets and bulletins, that had collected during the last decade at the offices of the Ohio cooperative, the library has evolved a well-organized, well-lighted library and comfortable reading room.

Nearly six hundred volumes are now on the shelves of the library. Two hundred and seventy-five of these books have recently been purchased. Many of the books are from foreign lands—Canada, England and other European countries. A continual effort has been made to keep the circulation of these books closely connected with the cooperative, economic and social problems that are pertinent to-day. It is the aim of the library to fulfill a need that is not adequately satisfied by public and university libraries—to provide a critical and thorough analysis of current social problems by writers whose ability and foresight are highly esteemed.

In addition to reading and reference books, the library contains several thousand bulletins, 175 current magazines and periodical newspapers, 50 up-to-date pamphlets and several daily newspapers. Eight magazines dealing with cooperation in England are received from London.

Use of the library has grown continually since its inception, approximately 25% of the reading books being in constant circulation. For many books, a waiting list of more than 30 persons is not uncommon. Reference books are constantly in use. Magazines are circulated through the Farm Bureau offices with a definite time limit, in order that the information be timely for the many readers.

Although the library is now partially fulfilling a very distinct need, its growth during the first year of existence indicates that appreciation of its value among cooperative workers is only in its infancy.

Learning Consumers’ Cooperation by Cooperating

Edmund E. Alubowicz, President, Flint Cooperative Association

[Editor’s note: Consumers’ Cooperation “goes to town.” In the last two or three years, many English speaking groups in a dozen cities in the United States have followed the leadership of cooperative national organizations.”]

Fifteen men met monthly as an economic study group in the winter of 1933-34 with the avowed purpose of learning something about the economic order in which we live and which apparently had broken down. For a time this study group functioned in the manner that is usual for such groups. Then, attracted by brief quotations from a book entitled “Other People’s Money,” which appeared in the National Education Journal, it was decided to study this book and to organize a Cooperative Study-Buying Club and then evolve into a store.

Credit Union Organized

Some of us had very recently been initiated into Credit Union activity. In the Credit Union literature there was an...
insistence that it was desirable to begin in a small way—with little risk and much opportunity to grasp the principles and technique involved—in other words, learn by doing. This method we chose to follow. We further decided that inasmuch as our wives allegedly spent 85% or more of our meagre earnings, they should be invited to participate in the setting up and operation of our new enterprise.

Cooperative Buying-Bargaining Club Organized

So when the day arrived for us to discuss the Consumer Cooperative Movement we met to organize the Flint Cooperative Club instead. We began with eight families and $22 capital.

Upon submitting our "by-laws" to the Central States Cooperative League with our application for admission to membership, we were informed that our "by-laws" were "the last word in simplicity." The truth was, we had no by-laws, but only a compilation of eight motions which we would need the following week.

Part-Time Basement Store Started

Late in August several of our members drove to Grand Rapids to visit the local cooperative society. This society operated a part-time store just as the original Rochdale Pioneers did in 1844. We returned to Flint thrilled and inspired and immediately ordered sufficient lumber to build twelve feet of shelves in the basement of the home of our manager. Having the shelves built cooperatively, we invested the remaining funds in a stock of staple groceries. Emulating the Grand Rapids Society, we opened our store Tuesday and Friday evenings. We further launched a membership campaign.

And then things began to happen. Our membership grew, our inventory grew and our volume of business grew. By the end of the winter, we found ourselves in the situation that in order to further expand it would be necessary to liquidate the removal of the furnace. This we felt would not have been fair to our kind and hospitable host and manager.

Regular Cooperative Store Organized

Instead we incorporated on a non-profit basis as the Flint Cooperative Association, and in June, 1935, opened a centrally located full time store.

Upon submitting our "by-laws" to the Central States Cooperative League with our application for admission to membership, we were informed that our "by-laws" were "the last word in simplicity." The truth was, we had no by-laws, but only a compilation of eight motions passed at our organizational meeting. The most important of these motions was the one that stated that we would operate on the Rochdale Principles.

From April to September, we functioned as a buying club. On Tuesday of each week we pooled our orders for groceries which we needed the following week. The buying or business committee would buy our requirements wholesale, which were delivered to the home of one of the members. A reasonable margin was added to the cost and on Friday each member would call for his order.

Evolutionary Development

There is no doubt that in a community such as ours, it would have been an impossible task to start right off with a set-up such as we have today. Consumers' Cooperation was unknown. But developing our store gradually we learned about Consumers' Cooperation and how to operate a consumer owned and controlled business. We realized that we are still mere beginners in this whole business of Consumers' Cooperation and have much to learn. We are also aware that we yet have to succeed. Nevertheless we are, in the words of Mr. Bowen, doing what we can to clear up our own little corner of creation.

Ideal of Cooperative Community

The most inspiring feature about our cooperative activities is the fact that more and more of us are discovering that Consumers' Cooperation is not merely saving a few pennies on groceries, coal and gasoline, but rather a way of life—truth a very noble way of life and that the vision and promise the Movement holds before us transcends all of its immediate advantages.
1927 to 1934, were $148,333.97. Savings for 1935 to October 31 were $60,286.11.


**Government**

Membership: Every member association must have five shares of $100.00 each, plus one share for each 50 members over 250. Incorporated under the Minnesota Cooperative Law of 1923. Annual meeting second Tuesday in January of each year. Each association has one vote. Board of directors of ten representing districts in Wisconsin and Minnesota, elected quarterly. Small managing board, consisting of the three directors closest to Minneapolis, meets monthly.

Rochdale cooperative principles included in the articles and by-laws of the association.

**Merchandising—Source of Supply**

Light oils: Bought by contract on specifications from reliable independent re-finers.

Lubricants: Compounded at the Midland plant; grease packed at plant.

Petroleum supplies: Chiefly from National Cooperatives, Inc.; some from the Miller Tire Co.

Batteries and paint from National Cooperatives, Inc.

**Policies**

Business with cooperatives only. Net gain pro-rated on the basis of patronage. Pro-ration determined on the basis of the gross profit of each individual sale.

Semi-annual audit by Cooperative auditors.

Advertising carried on through pump globes, station signs, circular letters, folders, annual and district meetings, and cooperative press.

**Organization, Education**

Propounds Rochdale principles of cooperation.

Promotes and sponsors cooperative education through the cooperative press, field force, personal contacts, annual and special meetings of stockholders and directors, correspondence, material benefit pamphlets, lectures, cooperative schools, training courses, etc.

Encourages everyone to deal with cooperatives as exclusively as needs permit. Advertises cooperative products sold under cooperative brands.

Serves every real cooperative with supplies of petroleum products of highest quality.

Sponsors the organization of cooperative credit unions, farmers' co-operative trucking associations, cooperative credit unions, cooperative stores, etc.

Edits and publishes the Midland Co-operator, which speaks out on social and economic problems of the day as well as furnishes news of interest to oil associations.

**Change of Name**

At the third annual meeting in 1930 the name was changed to the Midland Cooperative Oil Association. By this time the wholesale had extended its activities into Wisconsin. In 1934 another change of name was made, this time to Midland Cooperative Wholesale, a name which accords better with the varied nature of the commodities handled.

**Business Expansion**


**Special Features**

- Sponsors organization of Cooperative Insurance Association, 1933.
- American Farmers Mutual Auto Insurance Company, 1933.
- Twin City Oil Co-ops Credit Union, 1934.
- Cooperative Coal Association, 1934.

Office and field force increased to keep pace with increasing business force as of April, 1935, as follows: eight fieldmen, 15 office workers, two special staff members, eight plant employees, General Manager.

Unbroken growth in business volume, reaching the following amounts in 1934:

- Gross sales, $175,006.79; total sales, $1,239,085.40; net savings, $44,798.98. (Sales to Oct. 31, 1935, were $2,005,433.89; tank cars handled 3426.)

**Other Important Events**

- **Formation of Midland Cooperative Oil Association, 1930.** Staff members and directors have taken active part in the work of the League.
- **Helped organize National Cooperatives, Inc., 1933.** and through it has become part of the International Wholesale Cooperative of the United States, a federation of national wholesales in 26 countries.
- **Started Co-op Oil News in 1930.** which was combined with Cooperative Builder in 1932. **Midland Cooperator** started in August, 1933.
- **Trains employees of associations by conducting an annual oil school, managers' meetings, and training school for prospective employees.**
- **Actively sponsors legislation pertaining to cooperative activities.**
- **Furnishes local cooperatives with speakers, literature, plays, movie films, etc.**
- **Develops sales material and advertising material for its members.**
- **Encourages research in cooperative and merchandising problems and makes the results available to the members.**
- **Purchases equipment for its member associations at low cost.**
- **Takes active part in the national Consumers' Cooperative Movement and uses every available means to advance it.**

**International News**

London—Nine members of the Cooperative Party were elected to the House of Commons in the recent British General Election. With only twenty candidates in the field the Cooperative Party polled 348,000 votes, exceeding by 100,000 its largest previous vote. In other constituencies Cooperative Party members were urged to vote for Labor candidates.

Helsingfors, Finland—A tribute from an unusual source came in a statement from Risto Ryti, President of the Bank of
Finland, that the cooperative movement is one of the principal sources of the prosperity which Finland, in contrast to other countries, is enjoying. The President of the Bank of Finland made the following statement: "The low cost of distribution is an important factor in our national recovery, and for this our Consumers' Cooperative movement is responsible. Owing to this movement, the middleman pays less upon the economic substance of the country than almost anywhere else in the world... Consumers' societies which sell in free competition with private undertaking also dictate the general price level. Instead of the retail trade of Finland is in the hands of the consumers' societies."

Rome, Italy.—The Italian Government, faced with difficult economic conditions on account of the Abyssinian adventure, has had to turn to consumers' cooperatives as a defense against profiteering. With general prices zooming the cooperatives have proved the only test of what is a just and reasonable price. It is impossible for a cooperative plant in one country, like Luma, to serve other cooperative wholesales satisfactorily. The cooperative, therefore, is to use the system of the Philips electric bulb trust of plants in each country designed to fill the local need, but all collaborating in engineering and working arrangements. The Philips monopoly, connected with General Electric of Britain, maintains a high price throughout Europe; Luma has cut the price in Sweden almost in half. The Scottich step is a distinct advance in the methods of International Cooperation as its fight against irresponsible private combinations.

Stockholm, Sweden.—Legal action brought by the international electric lamp trust against the cooperative "Luma" Lamp Factory has ended in a victory for the cooperative. The Stockholm courts rejected the cartel claims, and ordered it to pay 47,000 kronor to Luma in compensation for legal costs. Nearly three years have passed since the action began. The international cartel, through its German subsidiary, claimed the cooperative had infringed on patent rights. The instigation of legal proceedings on the ground of patent infringement has been a favorite weapon of the International Electric Lamp Trust against independent factories according to the Link, published by the CWS in Manchester. In Sweden alone the advent of the Luma factory has lightened the pockets of the trust by over a million dollars a year.

Cooperatives in Action

New York City.—The Eastern Cooperative Wholesale has proudly announced the opening of three full-fledged cooperative stores at Elizabeth and Summit, New Jersey, and Hewlett, Long Island, which grew out of cooperative study clubs and buying clubs organized last year. The Wholesale has also opened a new warehouse in New York City, for storing and packaging co-op label goods for delivery to cooperative stores and buying clubs in the Greater New York Area.

Indianapolis, Ind.—On February 26, 1935, the Department of Insurance of the State of Indiana granted the Farm Bureau Mutual Insurance Company of Indiana a license to write casualty insurance. Ten months later there are over 5,500 policies in force in ninety-one of the ninety-two counties of the state.

Washington, D.C.—The quarterly report of the Farm Credit Administration indicates that the membership of Federal Credit Unions is growing at the rate of more than 10,000 a month.

Chicago, Illinois.—Consumers' Cooperative Services boasts a 100% increase in volume of sales for October, 1935, over the sales of this same month, October, 1934. The South Chicago store has doubled its floor space, added hundreds of new items, started delivery service, launched the Cooperative News, and added a constant education program that includes testing parties, in which members of the cooperative meet to taste and pass on goods to be stocked in the store. In many cases highly advertised brands failed to meet stringent tests of consumer needs and the cooperative was able to stock high quality goods at lower prices than competing private profit stores.

Los Angeles, Calif.—The Cooperative Wholesale Association of Southern California, Los Angeles, has boosted its sales from $150 in May to $8,000 for the month of October. Nearly 100 cooperative stores and buying clubs are purchasing through the wholesale.

Washingtom, D.C.—Consumers' Cooperation as an economic foundation for world peace was again affirmed when the Women's International League for Peace and Freedom announced the preparation of a special discussion outline on Cooperatives and Peace.

Chicago, Illinois.—Chicago Theological Seminary students in the Kimbark Cooperative Consulting Club are feeding themselves for 13c a meal. Membership in the cooperative has jumped from twenty-five to fifty-eight in the three months of its operation.

Seattle, Wash.—Following closely on the heels of the organization of the Cooperative Education Association of Colorado, comes the news of the formation of the Consumers' Cooperative League of Washington. The new organization was organized primarily to coordinate the efforts of the various cooperative stores in the State of Washington. A speakers bureau, study courses and a publication "Cooperative Progress" have been launched. Robert B. Shaw, 5727 30th Street, N.E., Seattle, is editor of the new publication. The new educational organization is working with the cooperative wholesale, Pacific Supply Cooperative, and Grass-Root Cooperative Wholesale, which are growing rapidly in volume and number of new cooperatives in the Pacific Northwest.

New York City.—The Workmen's Mutual Fire Insurance Society has applied for licenses to extend its service to New Jersey, Connecticut, Pennsylvania, Missouri and Minnesota.

Harrisburg, Pa.—The Pennsylvania Farm Bureau Cooperative Association reported a first year volume of business of $171,000, celebrated the second anniversary of the Farm Review by pushing its circulation to 37,000 (three times that of two years ago) and moved into the new Farm Bureau-owned building in Harrisburg.

North Kansas City, Mo.—Arthur Katz, former member of the staff of the Central Cooperative Wholesale, superior Wisconsin, has been employed as manager of the new Grocery Department of the Consumers' Cooperative Association.

Brooklyn, N. Y.—The Independent Consumers' Cooperative Society, organized by labor and socialist groups early in 1935, opened a cooperative laundry in May. In the face of a price war in the racket-infested laundry business in Brooklyn, the co-op increased its volume of business from less than $10 the first week to $400 a week in November. The co-op is being made to purchase complete laundry equipment and push into the field of other cooperative services as soon as the membership warrants.

Chapel Hill, North Carolina.—Two thousand of the twenty-five hundred members of the student body of the University of North Carolina are members of a cleaning and pressing cooperative business which did a business of $15,000 in October and far exceeded that in 1935. The co-op owns its own truck, employs a manager, two clerks and six cleaning and pressing experts. In spite of the fact that they pay higher than co-op cleaners, the co-op cleans and pressed suits of clothes for forty cents compared to seventy-five cents.
charged by private cleaners. The success in cleaning and pressing led the students to add clothing to their cooperative service. A clothing cooperative merchant in Chapel Hill is reported to have saved himself the trouble of running the co-op out of business if it cost him $100,000. Today, the merchant is in bankruptcy. The cooperative was started on a capital of $760 raised by $1 membership fees from the charter members.

North Kansas City, Mo.—Eighty-three stores in eleven states and the District of Columbia attended the ten-day school in cooperative principles and methods conducted by the Consumers’ Cooperative Association, November 3 to 13th.

Minneapolis, Minn.—In line with the policy of ever-expanding cooperative service, the Midland Cooperative Wholesale announced the formation of twenty-six credit unions in the month of October, created a wholesale coal department to serve cooperative members and launched a one month training school for co-op employees.

Seattle, Wash.—During the first ten months of 1935 eighteen new farm supply cooperatives in Oregon, Washington and Idaho affiliated with the Grange Cooperative, bringing the number served by the wholesale to sixty.

New York City—Nine new consumers’ clubs have been organized in the states of Pennsylvania, Indiana, Massachusetts, Rhode Island, Vermont and New York, bringing the number of consumers’ clubs affiliated with Cooperative Distributors to a total of sixty-one.

Indianapolis, Ind.—Twenty-five counties in the state have formed Farm Bureau Credit Unions which have accumulated savings of $125,000. More than $100,000 has been released to members at low rate interest without the loss of a single dollar in three years of operation.

Columbus, Ohio—Realizing the common bond of consumer interest, farm and city cooperation became a reality with the passage of the following resolution adopted by the Ohio Farm Bureau State Convention in Columbus, November 22. The Board of Directors of the Farm Bureau earlier in the year recommended that members of the educational staff be directed to assist in the organization of city cooperatives.

There has been marked growth during the last few years of uncooperative associations, and this development will, without doubt, be a continuous and steady one.

BE IT THEREFORE RESOLVED that since the relationships existing between the farmers and urban communities have so much of common purpose in their cooperative developments and in caring for the consumptive needs of their membership, that we authorize the establishment of the Farm Bureau, that the Board of Trustees and the officials of the Farm Bureau, develop and promote proper plans for agreeable and consistent working relationships between these cooperative associations. All such plans, shall, in the interest of both, work toward a unified program of action, which shall be in accord with the promotion of the cooperative movement.

North Kansas City, Mo.—As an additional step into cooperative production, the Consumers’ Cooperative Association has just completed and shipped to members the first cooperatively-made grills.

New York—Rural Electrification, the newest of cooperative activity, has already had a fruitful career. Cooperative associations for the distribution of power have already been organized in Ohio, Indiana, Michigan, Wisconsin, Minnesota and Washington. Projects are pending with the Public Service Commission for approval and allotment of loans. Five cooperative projects were already underway early in December.

Private Hudson utility companies, fearful that the cooperatives would actually serve territory which they had refused to serve because it had been considered unprofitable, came to life with unusual vigor and the day was set for the first cooperative project in Ohio a private company began stretching a line to serve the territory. A race among the cooperatives and the companies resulted in the power lines being put up by the co-operative, with consumers already signed up for the service. The private company, however, resorted to questionable tactics in an attempt to skin off the cream of the territory. Similar actions have been reported from other sections of the country. The race to provide American farms with electricity is on.

The battle will be to determine whether the farmer will be interested in or advertised to be interested in the privilege of getting service from a private profit driven distributor.

Sacramento, Cal.—Consumers’ Cooperative was advocated by the National Grange Convention in session in Sacramento, November 30th. It is a method of substituting the service motive for the private profit motive now dominating industry. “Farmers can and must help themselves through self-help cooperatives if they are to fully enjoy the fruits of their toil,” said E. E. King, Master of the Washington State Grange, in presenting the resolution for the adoption of the convention representing 1,000,000 organized farmers in 35 states. The statement accompanying the recommendation of consumers’ cooperative action said:

“Under our present monopolistic system one of the greatest difficulties is that industrial workers are unable to buy bulk goods which they wish to buy, and that they are unable to sell goods internationally because of some of our competitors wanting selling advantages. Consumer cooperatives are a solution to this evil and should be encouraged. The private profit motive should be replaced by the cooperative motive of service.”

Babson Park, Mass.—Babson Reports washed the figures of 9,500 consumers’ clubs which were declared in its November 25 issue that 10,000 consumers’ cooperative societies operating now in the U. S. are symptoms of a consumer uprising and that “merchants who laugh off these consumers’ crusades are sitting on dynamite.”

Years ago we did not think such a thing possible. Today we are told there has been a revolution in the psychology and social living of people. If that is indeed the case, it is the duty of all organizations to follow the growth. The day the consumer is ready, we must be ready.

Babson reports that sales of the cooperative societies of the Rochdale type. In other countries there are sections where about half of the retail volume is handled by such societies. They are expanding into wholesaling and producing activities. In the United States these societies are getting a foothold. Some are large, some are small—all are symptoms.

“Other people tell us that if consumers ever become wise to their latent power and decide to become dictators in fact as they are already in theory, we say, and say earnestly, that men and women who laugh at the present revolution and leave it to continue will have no voice in the future.”

New Haven, Conn.—Forty-five ministers jointly answered President Roosevelt’s letter to them asking for suggestions as to ways out. The names signed to the letter include many of America’s outstanding ministers, including Mr. Alfred W. Beaven, former President of the Federal Council of Churches and President of Colgate-Rochester Divinity School (which is bringing Kagawa to America to deliver the course of lectures on the Rauschenbusch Foundation); Professor Jerome Davis, Yale Divinity School; Rev. John Haynes Holmes, Community Church; Rabbi Sidney Goldstein, Chairman Social Justice Commission of the Central Conference of American Rabbis; Professor Reinhold Niebuhr, Union Theological Seminary; Bishop Charles W. Kagawa, Industrial Secretary National Y. W.C.A.; Board; Dr. Ernest Guthrie, General Director, Chicago Congregational Union; Bishop Paul Jones, Antioch College; Dr. Robert Searle, Executive Secretary, Greater New York Federation of Churches, and others. They not only denounced the present capitalistic order but defined the new order in three principal ways out in two nuggets of wisdom, “We hold that there can be no permanent recovery as long as the nation depends on illusory legislation inside the capitalistic system.”

They then urge “three drastic steps, involving first, transferring the distribution of the necessities of life, as
well as other consumption goods, to co-operatives; second, nationalization of the basic industries and third, the building of an inclusive trade union movement which will insure social justice to the workers.'

Consumers' Co-operatives, Public Utilities and Trade Unions—very many these forty-five ministers are beginning to see clearly the economic roads to the Promised Land.

Superior, Wisconsin—Citizens of Akeley, Minnesota, unable to afford medical service from physicians in neighboring towns, have organized as consumers to secure jointly the service they could not individually afford.

The village council took the initiative in calling a town meeting to discuss the problem of medical service. Taking their cue from Saskatchewan, Canada, communities which had met the same problem, farm and village residents formed a medical cooperative.

A membership fee of ten dollars entitles the member and his family to medical service for a year. Two hundred members in the town of 1,800 are able to hire a competent, reliable physician who can devote his time to keeping the members of the cooperative well rather than merely treating those who become ill.

As the membership increases it will be possible to extend the service to include a full time nurse and hospital facilities.

A similar medical cooperative, organized in Elk City, Oklahoma, late in 1929, now owns a modern $25,000 hospital and 1,800 families are "helping themselves to health" at a cost of $2 per family per month for complete medical and hospital service.

Meridian, Idaho—"We have a cooperative company here in the Boise Valley. Started operations the 7th day of April, 1933, with about 400 members and two stations and one truck. Today, two and a half years later, we have 3,000 members, four trucks, two transports hauling gas from Portland, Oregon, and fourteen stations selling over 100,000 gallons of gas per day. We are still growing. We have paid four dividends back to the members of better than $50,000, which we think is doing real well."

(Signed) M. S. Hunt.

The Press Boosts Consumers Cooperation

SLURVEY, November Midmonthly. "Own Your Own Hospital." Elk City Co-op Hospital.


EPWORTH HIGHPROD, January. "Bibliography on Consumers' Cooperation."


INFORMATION SERVICE, Federal Council of Churches, November 23. "One-Eight-Eighth Farm Supplies Bought Cooperatively."


AMERICAN LEADER, November 22. "Oil Shipments Expand World Co-op Trading."

HOME MISSIONS REPORT, Board of Missions and Church Extension, Methodist Church, Special section on Consumers' Cooperation.


The challenging headline, "Look Out, the Co-ops are Coming," originated by Oscar Cooley, Editor of "The Cooperative Builder," ought to be used over two items of news; the first being Roger Babson's warning to dealers that they may be sitting on dynamite if consumers ever wake up to their potential power; and the second, the report of the Farm Credit Administration that the cooperative purchasing of farm supplies has doubled during the five years of the depression, from 125 to 250 million dollars, or one-eighth of the total purchasing of farm supplies in the United States.

The Consumers' Cooperative Movement might well address an open letter of high appreciation to the immigration authorities of San Francisco who held Kagawa temporarily, just long enough for him to declare to America through the Associated and United Press services, that he would like to make the speaking tour arranged for him in order to tell America about Consumers' Cooperatives. He said in his simple, modest manner, "I hope I shall be permitted to enter this country to lecture. I am concerned with an appeal to spread the knowledge of the Consumers' Cooperative Movement, whereby the people, in voluntary association, purchase and produce for their own use the things they need."

Published monthly by The Cooperative League of the U. S. A., 507 West 32nd Street, New York City.

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enlating the aid of Americans and particularly the American churches in the development of the Cooperative Movement." Further publicity was given to his coming to America by the personal request of President Roosevelt at a Cabinet meeting to the Secretary of Labor, State and Treasury, that they speed action. For this "millions dollars worth of free national publicity" which the Consumers' Cooperative Movement received through the Associated and United Press as a result of this combination of events, we are deeply grateful.

"Mr. Bertram B. Fowler addressed the Executive Club of the Boston Chamber of Commerce last evening. Mr. Fowler's talk was one of the most interesting and stimulating that we have heard in a long time." (Signed) James H. Walsh, Secretary. While we recognize fully the power of some banking and business leaders pushing America towards fascism, there are also many indications that other leaders of finance and industry are conscious of the inadequacy of an economic democracy in America as well as are farmers and workers.

Among the many powerful expressions about Cooperation made since Kagawa came to America are these:

"What does America need most? Cooperation instead of competition." The Cooperative Movement is the only way to international peace. "What does America need? Cooperative, as he presents them, even if we do not yet clearly understand his interpretation of the concept."

The Social Frontier, which is an outstanding journal of educational criticism and reconstruction, edited by George S. Counts, in a first column editorial in the December issue discusses the Wisconsin Law providing for the teaching of Cooperative Marketing and Consumers' Cooperation. "The Social Frontier cannot be described as an entrenched organ of private-profit business, as the Wisconsin Legislature has thus given to the most needed improvement of the school program. We regard this Wisconsin Act as too good to be true," the editorial concludes.

Henry Clay Frick, the steel magnate, is described as "a man who fused steel and art." It can be done in the new unselfish cooperation by order but not in the present greedy capitalistic one. It takes more than a fat pocketbook to fuse art and steel. No man can do it who declares, as did Frick, that "I will never recognize the union, never, never." Only the chemistry of brotherhood will ever mix the two. It cannot be done by anyone who does not recognize the right of the organization of labor which he who encourages that inalienable right.

There are two great motivating forces that are necessary and not possess it? And why not at once? We have built the automatic power machine to pile up plenty for all. Why wait? The Promised Land is right before us. How fast we could go if we only would!"

The general expressions which we have heard have been to the effect that Kagawa has "made good" on his advance publicity. Surely he has proven to be the "saint who can laugh," the "master of hearts," the "holy man of the power age," as he has been described. He knows Cooperation. He does not generalize about a "Cooperative Commonwealth," but talks specifically about the various types of cooperatives and describes them in a way that could only be possible from practical first hand knowledge and not alone from second-hand theoretical reading. He speaks English more plainly than had been anticipated. Violence sounded like "values" for a long while, but you caught his inflection, but eventually you do. His spirit radiates and his gestures illuminate. When we admit that we cannot yet quite relate his description of the "seven values" to seven types of religions and, in turn, to "seven types of cooperatives" we are willing to admit that there may be some connection between each kind of value of life and each type of cooperative, as he presents them, even if we do not yet clearly understand his interpretation. He is surely well worth hearing.

We have always admired the spirit of Caleb who, when he had returned from spying out the Land of Canaan, said to the people, "Let us go up at once and possess it!" No hesitation there, no fear complex. "At once and 'possess it' are the key words expressing the idea that America needs to get out of Fascism. Why wait? The Promised Land is right before us. We have built the automatic power machinery to pile up plenty for all. Why not possess it? If we do not own it, we must create cooperatives to distribute it. How fast we could go if we only would!! Overnight, almost, we could enter in. It's either go forward rapidly or slip back into another Dark Ages.
Consumers’ Cooperation “Goes to Town”

Bertram B. Fowler

(Editor’s Note. Bertram B. Fowler spent three months studying consumers’ cooperatives in action in the Middle Western states last summer. The important trend toward city consumer organization he describes here will be discussed in more detail in his volume, “The Revolt of the Guinea Pigs” which will be published by Vanguard Press in May.)

The years 1934 and 1935 will probably go down on record as the years in which Consumers’ Cooperation began to move into the larger cities. It was during these years that American born, English speaking city workers definitely began to organize cooperatives. True, some of the older cooperatives had been started by workers in towns such as those in Waukegan, Illinois, and Maynard and Fitchburg, Massachusetts, but most of them were started by foreign born workers who brought the idea of consumers’ cooperation with them to America. The real development of earlier years among American born workers had been in the rural areas. Many observers were stating that the cooperative movement was a farm movement. But last year the trend toward city cooperatives definitely set in.

Today a number of urban cooperatives are showing just what can be done by city dwellers.

Economic Pressure Forces Cooperation

The same economic maladjustments which forced the growth of cooperatives in the rural areas are now forcing the growth in the cities. The problem of the consumer is the same regardless of where he may live or how he makes his living. Excessive profit-taking and the grip of the monopolies have affected both farm and city workers.

In Chicago is to be found one story of how the city dweller can do when they set out to help themselves. Consumers’ Cooperative Services, Inc., 5635 Harper Street, Chicago, was started in December, 1932, with nine members and no capital. The organization operated as a buying club, pooling orders and shopping for prices. Seven members were represented in the first order which included 21 items and amounted to $51.50.

Rochdale Principles

At first they operated on a cost-plus system and found it wasn’t successful. In 1934 they reorganized on true Rochdale lines and began to pile up gains. Sales in August, 1934, were $249. In October, 1935, they had risen to $3,251 and were still climbing.

Today Consumers’ Cooperative Services is a consumer oasis in a chain store desert. It has its roots firmly planted in real city soil. These city consumers have raised their standard in the face of all the competition that the city stores offer. They have to meet chain store prices. Last year while they were doing this, they paid themselves back 5% on their purchases. They did something else, too: when they began to carry a stock of high quality but non-advertised groceries, saving themselves as much as 50% of the price of the highly advertised brands. This group of city consumers has turned to the “Co-op” trade-mark as definitely as they have turned to the cooperative technique. And it is paying them dividends.

Over in neighboring Gary, Indiana, a group of Negroes are proving that the Chicago success wasn’t just a happy chance. This Negro group also first turned to cooperation in 1932. Like the Chicago consumers, their number was small and their cooperative venture started when thirty of them raised $24 and began to experiment with business by and for the people.

This group had almost every handicap to overcome. One half the Negro population of Gary was on relief. Most of them were discouraged and disheartened. But they saw in Consumers’ Cooperation a possibility of future relief from the burden of business in the hands of the profit-makers.

Economic Emancipation

The story of accomplishment by the Negro Negroes is one of the most moving stories in American economic history.

With their $24 they started a buying club. The buying club developed into a tiny store. Even at this point an observer would have noted nothing which might entice him to be interested in the Gary experiment. But in 1935 the Consumers’ Cooperative Trading Company of Gary emerged as something new and startling in the history of a Negro-owned business. Their total sales in 1935 were $35,000. It had a modern store on one of the main streets—the largest Negro-owned retail business in the United States. These Negroes had done something more than build their own business. They had blazed a trail that leads directly toward economic emancipation by consumer economic action.

The consumers in Flint, Michigan, were a little longer in finding out about Consumers’ Cooperation. It was late in 1933 when eight men began to meet monthly to do an economic study group. They were looking for a way out. They got on the trail when they began to study “Other People’s Money” by Louis D. Brandeis. The final chapter of that book turned the “Co-op” business around for them. They paid themselves back 5% on their stock.

The Flint Cooperative Association was started with eight families and $22 capital. From April, 1934, to September of that year they operated a buying club. In August they built shelves in the basement of the home of one of the members and put in their stock of staple groceries. By the end of the winter they found they would have to do one of two things: move into a larger place or take the member’s furnace out of his basement. Like good cooperators they decided to move.

June, 1935, saw the opening of a centrally located full-time store by the Flint cooperators. When they moved out of the member’s basement, their membership had doubled and they were doing a business of $650 a month.

In November of 1935 their membership had jumped to 260 families and the sales to $1,000 a week.

The Flint cooperators had brought cooperation to town. By education of themselves and a steady development of their business as consumers they had taken the first step toward the cooperative community.

Steel Workers and Ph. D’s

It is a far cry from the Negro section of steel-making Gary to the lovely University city of Madison, Wisconsin. But the Negro steel worker and the Ph. D. of Madison had one thing in common and that was that both were consumers. The technique used to solve the problem of one would solve the problem of the other. For the consumer’s dollar is the same no matter by whom it is spent and a consumer action is the only method by which the dollar can be made to buy more and more of the necessities of life. Consumers’ Cooperation brought to town in Madison as it had in Gary.

The Madison cooperators decided to make their start in gas and oil. In April, 1934, an organization drive was begun. Shares of stock in the cooperative were sold. In many ways the cooperative nature of the venture appeared. After a suitable site had been leased, an architect drew the plans for a building in return for some cooperative stock. Members of various unions did construction work in exchange for stock. They even purchased some of their materials in exchange for stock.

During the first month, September, 1934, the Co-op filling station pumped 10,400 gallons of gasoline, besides doing a good business in tires, batteries, lubricating and grease sales. At the end of the first month, an audit of its books showed net savings of $250.

In the first eight months of its existence this cooperative did a business of $18,000. At the end of that time the cooperative association bought out the holdings of an old-line oil company which had on its hands two filling stations. The petroleum plant which had been losing money for them steadily. The cooperators took over these holdings. In the first two months of business they put both stations on a paying basis. By November, 1935, they had besides the filling stations a bulk plant for fuel oil and their own coal yard and were doing a business of $3,900 a week. On the first $18,000 business they paid a patronage dividend of 8%.

The Consumer Discovers Himself

The Negro population of Pittsburgh is economically on a par with that of Gary, Indiana. They suffered the same wrongs...
of exploitation. Like the Negroes of Gary they were for the most part unskilled workers in the steel industry. Like their fellows in Gary they were discouraged almost hopeless. At this point they made the same discovery, namely, that their economic wrongs could be righted through consumer economic action. So two years ago the Citizens Grocery Company made its appearance. Here again, the experience was inestimably small—the first meeting saw eight men pooling a total of $2. It took them a year from that time to save enough money and get sufficient membership to start their cooperative. But here let it be said that if they did it with the result that their fine little store in Pittsburgh did $12,000 worth of business in eight months and saved for its members over $600. It has now grown beyond the immediate neighborhood so that a second store has been opened.

In Minneapolis and St. Paul Consumers’ Cooperation likewise went to town. For years it had been spreading swiftly through the rural areas of central states. Its entry into the cities here was inevitable. In St. Paul a few men started in 1930 to put the idea of a cooperative gas and oil station across. It took them a long time to get started. But when they did they proved that cooperation works as well in the cities as it does in the country. Their sales for the year ending March 31, 1935, were $36,000 with earnings for the consumers of over $3,000.

In neighboring Minneapolis the Allied Cooperative, Inc., a fuel oil cooperative organization, has written cooperative history. Started in September, 1933, with a capital of $75 this organization did a business of $25,000 the first year and ran that up to $65,000 the second year. During this time it averaged a 5½% patronage dividend.

Labor Organizes Its Purchasing Power

In June, 1934, a group of trade unionists in Racine, Wisconsin, began to wonder if there wasn’t some way by which they could bring into the city some of the benefits which the country sections of Wisconsin were enjoying through consumers’ cooperatives. They opened a filling station and then went on into the distribution of coal. This society was incorporated for $6,000 with $3,000 worth of stock subscribed by 270 individuals. In nine months in 1935 this organization did a business of over $38,000 and earned for these consumer members $350.

Consumers’ Cooperation as a method for the city consumers of Columbus, Ohio, came out of the great cooperative development within the Ohio Farm Bureau. In this city a group of consumers, headed by some of the faculty members of the university, rented a vacant lot and installed their own gasoline pumps that they might sell themselves gas and oil and share the savings that the rural communities were already making.

Here we have a clear picture of what is happening all over the United States. The savings made by farmers are beginning to draw the city dwellers toward the cooperative movement. In this town-ward movement the farm cooperatives see their chance to develop markets for their produce through these city cooperatives while they cut the middlemen from their products through the greater sales and wider distribution that comes with city cooperatives. It was because of this that the Ohio Farm Bureau has officially gone on record as being in favor of the development of consumers’ cooperatives in the towns and cities. More than this, they have signifies their determination to help in the development of such cooperatives. The Columbus Consumers’ Cooperative has proved that the city consumers of Ohio can organize to serve themselves. They have proved this practically through their own business in gasoline, fuel and such service as dry cleaning and the purchase of clothing.

A group of Negroes took the lead in Kansas City when they opened the first city consumers gas and oil station in that city. Like the Negroes of Gary, they approached the problem by the way of discussion and study groups and finally opened their own gasoline station in July, 1935. Membership has grown steadily. From the start business was good. Because of the example of these Negroes backed by the presence of a powerful wholesale cooperative association set-up, there is on foot a real development of consumers’ cooperation in Kansas City.

Federal Council of Churches Seminar on Consumers’ Cooperation

On December 30, 1935, to January 1, 1936, more than 300 church officials, ministers, religion educators and lay leaders from the Protestant bodies of the United States and from state and city councils of churches, met at Indianapolis, Indiana, for the first time to discuss the consumers’ movement. This was the first time that a national seminar of Protestant church leaders was held on this subject. Many of those who attended were appointed as official delegates. More than forty officers of consumers’ cooperative associations attended. There were also, representatives of Farm Bureau Granges, the Farmers’ Educational and Cooperative Union and the American Federation of Labor. Several government officials attended as observers. The Seminar was organized for two reasons: First, Protestant church leaders wanted an opportunity to hear Dr. Toyohiko Kagawa, the noted Christian leader of Japan, lecture on the cooperative movement; second, there has been an increasing interest among Protestant religious leaders in consumers’ cooperation in the United States. These two forces converged, as it were, to form the Indianapolis Seminar. For three days those
in attendance heard descriptions of the cooperative movement. They engaged in considerable critical discussion. They raised probably all the important questions that could be raised about any movement. Yet they were in an adventurous mood. One person who attended the seminar said that the Indianapolis Seminar was the most "reckless" religious meeting he had ever attended. He meant there was evidence that Christianity was rediscovering the element of danger.

Dr. Arthur E. Holt of the Chicago Theological Seminary presided at all sessions. The executive of the Seminar was Murray Lincoln of the Ohio Farm Bureau Cooperative Association, formerly a minister of the Methodist Episcopal Church, now a member of the Federal Council of Churches. Thirty states were represented by the delegates. Special features were sight-seeing trips to cooperatives in Indianapolis and throughout Indiana.

"The Love Principle Applied to Industry"

Mr. Cowling, Secretary-Treasurer of the Consumers' Cooperative Trading Company of Gary, Ind. He said:

The cooperative movement is one of the major techniques in making possible the Kingdom of God on earth. We believe that the churches and religious organizations have an opportunity to supply dynamic leadership in this movement. We are convinced that the churches must concern themselves with the task of the movement.

The Clergy and Cooperatives

The Seminar also heard what the American churches are doing about consumers' cooperation. Rev. J. R. Thomas of Kansas City, told about the fruits of increasing interest into active participation in cooperative movement. The churches should endeavor to direct this growing interest into active participation in cooperative enterprises. The Seminar urges action.

The delegates at the Seminar approved unanimously the following resolutions to the Federal Council of Churches and the religious bodies taking part in the Seminar:

"We recommend that the cooperative movement be one of the major techniques in making possible the Kingdom of God on earth. We believe that the churches and religious organizations have an opportunity to supply dynamic leadership in this movement. We are convinced that the churches must concern themselves with the goal that the movement seeks.

"We recommend that the various church bodies should hold other seminars throughout the country on the relation of the church to the cooperative movement and that interested agencies should more widely disseminate the literature on the movement.

"The love principle applied to industry."
Directors Plan Cooperative Expansion

PIONEERS in the American cooperative movement united with younger members of The Cooperative League in describing the work of directors and educational men in Indianapolis, December 27, 28 and 29, as marking a most significant step in the progress of Consumers' Cooperative Movement in the United States.

The Ninth Biennial Congress of The League in Chicago in Oct., 1934, brought together those who had long carried the torch of cooperation and leaders of large farm purchasing cooperatives which have sprung into existence to meet the economic pressure of the agricultural depression. The meeting of the Board of Directors in February, 1935, brought together for the first time the general national-wide representation of wholesale and retail managers and educational directors who now constitute the Board of The Cooperative League. In connection with this directors meeting, the first general meeting of educational directors, a number of whom were newcomers, was held. The report of the Insurance and Finance Committee also had what was probably its most representative meeting. But in perspective, it could be said that these directors and committee meetings were primarily get-acquainted meetings. "Some horns were knocked off," as Frank Osborn, Secretary of Midland Cooperative Wholesale, said in describing the first year's meetings of National Cooperatives, Inc.

Education—Organization—Finance

The directors and committee meetings at Indianapolis tackled immediately the problems of education, organization and finance springing from the rapid growth of the movement. There was little sparing as to whether one was an old or a new cooperator. All were accepted into the fold as having given evidence of their sincerity even if there were genuine differences of opinion as there should be. Personalities must always be submerged to the larger issue involved if any organization ever really accomplishes anything worth while and apparently this has now happened to quite a degree in the Consumers' Cooperative Movement in the United States.

Dr. James P. Warbasse, President of The League, opened the Directors Meeting with a call for greater harmony of action. The Treasurer, Miss Mary E. Arnold, reported that the advance computations of the Auditor indicated the probability of again ending the year with a balanced budget due to the one hundred per cent increase in the budget contributors and efficiency and economy in conducting The League affairs.

"Cooperation Must Move Faster"

The Secretary's report to the Directors suggested that 1934 might be considered as having formulated a program of more wide-spread publicity for the Consumers' Cooperative Movement, which had developed a rapidly rising curve in 1935, in the number of addresses, articles and news items; that 1935 might likewise be considered as having taken a stand. The report of the Publicity, Educational and Recreation Committee of The League be approved; Cooperative Design Service was duly made a division of The Cooperative League. The report enumerated 14 recent major achievements of the Consumers Cooperative Association in the United States, which are reproduced elsewhere in American Co-operative Review. The Cooperative Publishing Association, which had developed a rapidly rising curve in 1935, in the number of addresses, articles and news items; that 1935 might likewise be considered as having taken a stand.

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Increased Emphasis on Education

The Publicity, Educational and Recreation Committee of The League began its sessions a day in advance of the Directors meeting and continued for the two following days. Various resolutions of this Committee, reported in the following article, were passed on to the Board of Directors and approved.

The Directors meeting concluded with the approval of an enlarged budget for 1936 to meet the rapidly growing possibilities for the organization of cooperatives generally, and a motion to hold the next Directors meeting in May instead of June as last year. Mr. Quintin Reynolds and action taken relative to a cooperative representative on the new Consumers' Advisory Board; the making of the services of the CCA Credit Service available to Consumers as well as Producers Cooperatives, and taxation of cooperatives; the future organization of the Consumers' Cooperative Movement in the United States on the basis of a single system (such as the Swedish) or a dual system (such as the British) was discussed and referred to the Coordinating Committee for further study; the Directors approved the proposal of the Northern States Cooperative League to publish a National Cooperative Yearbook; a Biennial National Cooperative Congress in the fall of 1936 was approved; Cooperative Design Service was duly made a division of The Cooperative League. The report enumerated 14 recent major achievements of the Consumers Cooperative Association in the United States, which are reproduced elsewhere in American Co-operative Review. The Cooperative Publishing Association, which had developed a rapidly rising curve in 1935, in the number of addresses, articles and news items; that 1935 might likewise be considered as having taken a stand. The report of the Publicity, Educational and Recreation Committee of The League be approved; Cooperative Design Service was duly made a division of The Cooperative League. The report enumerated 14 recent major achievements of the Consumers Cooperative Association in the United States, which are reproduced elsewhere in American Co-operative Review. The Cooperative Publishing Association, which had developed a rapidly rising curve in 1935, in the number of addresses, articles and news items; that 1935 might likewise be considered as having taken a stand.

Publicity, Education and Recreation for the New Order

The methods of promotion of the cooperative movement have passed through an evolution as fundamental as the new social order they seek to create. The issue of promotion of cooperatives has been tackled as a "promotion committee" in the following years. The Publicity, Educational and Recreation Committee of The League began its sessions a day in advance of the Directors meeting and continued during the two following days. Various resolutions of this Committee, reported in the following article, were passed on to the Board of Directors and approved.
concepts, but to train them for leadership in the new order.

The program for the coming year, as it took shape as a result of the three-day session, roughly into three major sections, general publicity, education and cultural recreation.

Creating Consumer Consciousness

To create a general consumer consciousness as the first stage in the further extension of the cooperative movement, the following items were discussed: approved: a National Consumers' Institute to be held during the summer months to train leaders for life and to provide outstanding figures to discuss consumers' cooperation and other consumer problems; a concerted drive to present the program of consumer organization to national and state gatherings of liberal, education, labor and religious organizations; to make radio education more effective. It was suggested that The Cooperative League serve as a clearing house for talks and assist local and regional organizations in arranging for radio time and speakers; educational directors were asked to assist in the organization of clubs for publication in general periodicals and to suggest to editors that the cooperative movement is a fertile field for editorial material. It was reported that more articles on consumers' cooperation were published in general periodicals in November and December, 1935, than in any similar period before. A special resolution to the Board of Directors last year to declared that "the general publicity gained through the Cooperative League News Service has been worth the entire League budget" and asked an additional appropriation to extend the service to a larger number of cooperatives to accompany news stories.

Cooperative Design Service was organized last year to provide special poster and art service on a national scale which could not be furnished economically by local cooperatives. Esther Greenleaf, Director, presented designs for posters, signs, placards, oil stations and stores and discussed a program of cooperative design which would serve to make the cooperative movement an expression of the beauty as well as economy. Gilbert Wilson, Terre Haute artist whose murals created a furor of discussion on the social implications of art throughout the Middle West this spring, described his work and the possibilities of artistic interpretation of the cooperative movement.

Cooperators must be more than just "divi-chasers" if the movement is to assume its greatest possible social significance. The committee constantly stressed the necessity of emphasizing the importance of using cooperative savings for education and recreation rather than distributing an undue proportion in patronage dividends.

Education for Economic Action

To educate members and prospective members, several major projects were approved in addition to programs already in action. Among these were: a film depicting the developments of the cooperative movement in the United States to be made under the supervision of Gideon Edberg and The Cooperative League; a cooperative college to be financed by the cooperative movement—tentative plans call for the opening of such a college in North Kansas City this fall; cooperative institutions at Grand View College, Des Moines, Iowa, and additional institutes to be sponsored in each region by wholesale and district leaguers; enlargement of the Trip to Cooperative Europe and local cooperative tours in the United States under the direction of Isha Service and the Cooperative League. A new and increasing emphasis on cooperative education and training of leaders.

Recreation—Foundation for Cooperation

A new and increasing emphasis on cooperative recreation and culture will be given. The Cooperative League yearbook for 1936 has been proved to be an immediate success in extending the public schools (modeled after the Wisconsin law) to many in states in which the cooperative movement is already strong.

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Consumers' Cooperatives in Action

Des Moines, Iowa—Forty-five cooperative workers from twenty-five communities in Iowa completed a special ten-day school in cooperative education and organization methods, December 17. The training school, the fifth of its kind this year, was held at Grand View College under the auspices of the Consumers' Cooperative Association, North Kansas City.

Madison, Wisconsin — Two thousand copies of a special Madison edition of the "Midland Cooperator" in December blazed with this motto, "Make Madison a Cooperative Town." Wisconsin's Capital city already boasts a cooperative milk association, three cooperative oil stations, a coal yard and fuel oil business, a cleaning and pressing co-op, the national headquarters of the cooperative credit union movement and headquarters of the Dane County Farm Bureau Cooperative which handles feed, flour, fencing and general farm supplies for rural areas near Madison.

Knoxville, Tenn.—The American Federation of Government Employees, an affiliate of the A.F. of L., has endorsed the Knoxville Cooperative Association which although recently organized is already providing gasoline, oil and auto accessories to its members at its new co-op service station.

New York City—The Eastern States Cooperative League has started a special extension course one night each week which provides optional courses in creative writing, art or dramas, the history and principles of consumers' cooperatives and recreation. The classes will be conducted in a cooperative cafeteria. Professor James C. Drury of New York University and members of the faculty of the American People's School will act as instructors.

Sidney Mines, Nova Scotia—The British Canadian Cooperative Society, one of the oldest in Canada, has paid $3,075,000 back to its members in patronage dividends in its thirty years of operation. The extension program of St. Francis Xavier University has played an important part in extending the service of the cooperative in the last few years.

Superior, Wisconsin—Central Cooperative Wholesale distributed $30,000 in patronage dividends to local cooperative associations in Minnesota, Wisconsin and Michigan in 1935. These refunds, resulting from the operation of the cooperative wholesale are in addition to the savings made by local cooperatives in the retail distribution of goods.

St. Paul, Minn.—The National Association of Cooperative Accountants formed as the result of a special conference following the convention of the Farmers Union Central Exchange, December 14, has announced a new economics course to be held at Fargo, N. D., early in the spring months.

Upland, Indiana — Taylor University has announced a new economics course on the history, principles and methods of organization and operation of consumers' cooperatives.

Kansas City, Missouri—Two local cooperative schools, meeting one night a week for six weeks, were completed at the end of the year. Three similar schools in other sections of the city have been organized since the first of the year.

Minneapolis, Minn.—Leaders of the Farmers Union Junior educational program passed by the Wisconsin legislature. The National Association of Cooperative Accountants, secretary.

Owosso, Michigan — The Michigan Farmers' Union in its second annual convention voted to work for a cooperative education law in this state similar to that passed by the Wisconsin legislature. The Wisconsin Act requires the teaching of the history and principles of consumers' cooperatives in state-supported schools.

Chicago, Illinois—The Central States Cooperative League started the new year by opening a cooperative wholesale at the headquarters of the League, 3954 West 27th Street, to supply the cooperative wholesale stores and buying clubs in the Central States area. A. W. Warinner, Executive Secretary of the League announced that 15 cooperative stores and clubs are now operating in lower Michigan where only one existed 18 months ago.

Madison, Wisconsin — Wisconsin's Progressive Senator, Robert M. La Follette, Jr., opened Madison's Institute of Cooperative Economics with a description of the rapid growth of the consumers' cooperative movement and an appeal for increased support of the movement.

"Everywhere, when established, cooperation continues to live, usually growing by leaps and bounds," he stated. "By now we have learned, I hope, that only through organization can people achieve a wider distribution of the national income. Cooperation can be an important factor in securing a better balance between production and consumption. "Farmers and wage earners have a common cause, one of the best ways for them to work toward it is provided by the cooperative movement."

New York City—The response to the cooperative program, "Which Way Capitalism?—Cooperation or Cooperative?" has broken all records for the series of broadcasts of "America's Town Meeting of the Air," according to the statement of Dr. Carl Thompson, Secretary of the Public Ownership League of America in his volume, "Confessions of the Power Trust".

"A very interesting and significant relation between the utilities information bureau of the cooperatives and the state universities is brought out in the testimony of J. S. Thomas (defender of capitalism on the Town Meeting program) who was director of the Alabama bureau.
CONSUMERS' COOPERATION

Vol. XXII. No. 3 MARCH, 1936

Editorial

“Nothing is more worthy of close attention in the United States today than the way in which, week by week, the Cooperative Movement is growing,” says an editorial in the Christian Century. It’s not year by year or even month by month any longer. And yet it is still not growing fast enough. Leaders must develop still greater ability to choose assistants and delegate authority in order to spend their own time thinking in the ways out into new lines of action—members also must develop greater knowledge and loyalty.

While the Cooperative Movement is politically neutral, it’s our obligation to point out economic fallacies in any and all political platforms. Although Senator Borah is right in saying that markets can never be found in the United States until we restore purchasing power to the people, and that you can never restore purchasing power while private interests through combinations and agreements fix prices, he is only reverting to what Donald Richberg calls self-deception in harking back to Teddy Roosevelt’s “Big Stick—Bust the Trust” slogan. Again

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PEACE. PLenty. DEMOCRACY

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Ten Cents

EDITORIAL EPIGRAMS

Now in this hour we plant the slow
Seed of a truth which bears
No brilliant blossom or contorted leaf.
But grows
cell on gray cell,
To green and unchanging height.

—Josephine Johnson

The Press Boosts Consumers’ Cooperation

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we declare "the people cannot regulate what they do not own." Senator Borah can well afford to "take a walk in Sweden," as Lew Gannett recommended to Al Smith in reviewing "Sweden, the Middle Way," and learn how Consumers' Cooperatives and Public Ownership really act as "yard-sticks" and control monopolies.

Dr. John L. Rice, New York Commissioner of Health, has discovered the reason for the whole decline of certified milk sales as being the success of birth control. The Milk Research Council's chart shows a decline of from some 140 to 120 million quarts from 1929 to 1934. It's a starving babies, not unborn babies. Dr. Rice, that are responsible for this drop in milk consumption of lower grades of milk, even though certified milk sales to rich babies may have dropped because of decreased birth rate. The trail leads very clearly in milk to middleman-monopoly forcing producers prices down and consumers prices up.

Will industry adopt the remedy proposed by the Institute as the solution of ten billion piled-up savings which the 2.3% of the families in America who received them in 1929 were unable to consume or invest profitably? It is to laugh! The mountain has surely labored and brought forth another mousetraps. Ford declares that the solution is in lower producers prices down and consumers prices up. It is to laugh! The mountain has surely labored and brought forth another mousetrap. Henry Ford declares that the solution is in lower prices and higher wages. "Yes, in part, but the whole tendency of industry is to develop into monopolies for the purpose of pushing prices up and wages down and thereby increasing profits. The key is primarily in dividing profits among producers and consumers and industry will never be willing or wise enough to do that voluntarily. Monopolistic industry will only lower prices and raise wages, if at all, for the purpose of increasing profits.

Perhaps the economists of Brookings Institute will eventually learn, as some journalists are doing, where the answer lies. It seems to be too simple for theorists in general. Herbert Agar, a Pulitzer Prize winner, whose recent book,"Land of the Free," that "decentralized industry and self-contained agrarianism" were the answers and recommend-end higher taxation as the means of arriving at these goals, has now in his editorial column in the Louisville Courier-News discovered that "the great majority of industry is involved in Consumers' Cooperatives, as in Sweden. Likewise, Harry Elmer Barnes, who in December declared that "the only alternatives left" are Fascism and Communism, now discovers through reading "Sweden, the Middle Way" that "Americans have three choices"—not just two—and that "many thoughtful people will prefer . . . some middle course like that of Sweden." Neither voluntary lower prices or higher wages by industry or taxation by the government are the final solutions—all of these are palliative for the pains of poverty. Only eliminating the profit motive by distributing profits to all will distribute plenty to all.

"Wall Street is the whole country," says Charles R. Gay, President of the New York Stock Exchange. Maybe we'll eventually be compelled to accept General Johnson's suggestion that these are the "sentiments of the point of face of the Manhattan Island think of everyone west of Rahway, N. J., as specimens of a silver fox farm growing up to be skinned. Cooperatives in America are said to number the Wall Street and the more than the CWS of Great Britain needs the London Stock Exchange.

Could not the whole of a future Cooperative Economy be summed up in the name Consumer-Producer Cooperatives? Would it not be correct to say that Credit Unions are Cooperative in the true sense of the word? That Public Ownership will eventually be Consumers Cooperatives in Utilities; equally as much as Consumers' Cooperatives in Industry? Would it not also be correct to say as William L. some middle course like that of Sweden? The New York Journal of National Mediation Board does, that "collective bargaining is Cooperative Marketing of Labor," or, in other words, that "Labor Unions are also Producers Cooperatives? Likewise that even Professional Associations might, as they develop, be correctly called Producers Cooperatives in the true sense of the word? How do we call Producers Cooperatives in the field of Farming?

Some general phrase such as "Consumer-Producer Cooperatives" is needed to describe all types of Consumers and Producers Associations of the future Productive Economic Democracy. People are constantly confused now because of the variation of names and fail to understand that there are two basic types of economic associations possible—consumers and producers—all economic functions are included in these two words.

The need of profits to stimulate initiative, invention, and discovery was hit a hard blow by the action of Dr. Roy L. Hartman who presented to the New York],[-CWS Journalists are doing, where the answer lies. It seems to be too simple for theorists in general. Herbert Agar, a Pulitzer Prize winner, whose recent book, "Land of the Free," that "decentralized industry and self-contained agrarianism" were the answers and recommend-end higher taxation as the means of arriving at these goals, has now in his editorial column in the Louisville Courier-News discovered that "the great majority of industry is involved in Consumers' Cooperatives, as in Sweden. Likewise, Harry Elmer Barnes, who in December declared that "the only alternatives left" are Fascism and Communism, now discovers through reading "Sweden, the Middle Way" that "Americans have three choices"—not just two—and that "many thoughtful people will prefer . . . some middle course like that of Sweden." Neither voluntary lower prices or higher wages by industry or taxation by the government are the final solutions—all of these are palliative for the pains of poverty. Only eliminating the profit motive by distributing profits to all will distribute plenty to all.

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Declaration of Cooperation

Declaration of the International Cooperative Alliance on the Significance of Cooperative Economy

The International Cooperative Alliance is a Union of the National Cooperative Movements of 40 States, comprising the Unions or Federations of Consumers' Societies, Agricultural and Industrial Producers' Societies, Agricultural Credit Societies, and Cooperative Banks. So large is its representation of the population that it is the greatest Organization of Consumers in the world, and the only body which stands between the interests of the community as Consumers and the exploitation of capitalist profit-making enterprise. Over 100,000,000 individuals, mainly heads of families, are enrolled in its ranks.

A World Economy

On the continents of Asia, Africa, South America, and Australia, considerable progress toward the creation of similar Movements to those that form the membership of the International Cooperative Alliance. There exists in these embryonic Movements in other continents a huge potential membership which — with the return of the world to something like stable economic conditions, and the establishment of collective security — should be easily recruited to our International Cooperative Family.

It is with its mind centered upon the great possibilities of benefit to the human race which the mobilization of this vast Peace Army can produce, when organized upon the basic Principle of "Each for All and All for Each," that the International Cooperative Alliance proclaims to the world, and especially to those who are at present outside its ranks, the principles upon which the cooperative movement is founded: the possibilities of its peculiar economic structure; the right which the cooperative movement has to, at least, an equal place with any other form of economic enterprise within the polity of each State.

The essential principles of the Cooperative Movement are:

1. OPEN AND VOLUNTARY MEMBERSHIP, which provides that the membership of a Society shall be open to all without "limitations of color, race, or creed," and that the right of every citizen shall be freedom to remain outside or to enter the ranks of its adherents according to the dictates of their own free will.

2. DEMOCRATIC CONTROL, which provides for the complete autonomy of the Societies in relation to the national economic and freedom of development, which is only limited by State or legislative provisions which are common to, and in the interest of, the whole community. The basic element of democratic government — "One Man, One Vote" — is the foundation of the Cooperative Constitution and is exercised without discrimination of sex.

3. DIVIDEND ON PURCHASE, which is the principle of the transactions of the Society with its members, it becomes not merely the Basis of Cooperative Economy but the practice which distinguishes it from the existing competitive system of capitalist economy.

In these three principles lies the whole philosophy of the Cooperative Movement which has grown out of the pioneer efforts of working men women in half a dozen countries crystallizing around the plans of the Rochdale Weavers of 1844 into a new system of economy. The further Principle of a strictly limited interest on capital is a corollary to the elimination of individual profit-making through the method of dividing the surplus in proportion to the contributions of members whose production, and attempt to establish a "just price" for the sale of the necessities of life, and the limitation of the profits of capital.

The initial aim of the pioneers was to establish their economic freedom and their social independence, and to free the cooperative movement from the control of its members over the Society with its members, and when generalized into "Distribution of the Surplus resulting from the transactions of the Society among its members," it becomes not merely the Basis of Cooperative Economy but the practice which distinguishes it from the existing competitive system of capitalist economy.

1. It substitutes the service of the community for the profit of the individual: establishes in genuine interdependence between its members throughout the world and a means, through international association, of achieving equilibrium in the economic sphere between the needs of the consumer.

2. It dethrones capital from the dictatorship of economic life and puts in its place the Association of Mankind on the basis of mutual and active participation in the enterprise.

3. It provides in its economic device of "Dividend on Purchase" and immediate financial benefit, and an access of independence to the Wage-Earning Consumer.

4. It secures to the Agricultural Producer, among other benefits, relief from exploitation in the purchase of machinery and materials of his industry, and also markets for his produce which yield him a reasonable return without exploiting the consumer.

5. It confers direct benefits upon a very large section of the community irrespective of their social condition.

6. It provides a solution of the problems of employment, wages, and general conditions of life on the highest plane of advantage to the employees which economic conditions permit.

New forms of government and new orientations of economy are the subjects of experiment in many lands to such an extent that the social order generally may be said to be in a state of ferment. This fermentation has varying manifestations, all of which, however, tend to regard the development of our social fabric tends to bring a system with disfavour, and, moreover, at the bidding of organized capitalist enterprise, to put stumbling blocks in the way of its advance — in some cases, definitely to plan the suppression of free, voluntary and independent cooperation.

Freedom to Grow

In resisting these tendencies the International Cooperative Alliance desires to draw the attention of the community and governments, and all lovers of fair play, to the manifest unfairness and injustice of the attitude of organized private capitalist enterprise toward the Cooperative Movement. These capitalist forces seek obviously to take their stand on the monstrous conception of economic life that accords to private trade a "vested interest" in the exploitation of the needs of the whole people. But the operations seek by association and mutualism, to equalize the burdens, responsibilities and rewards of economic enterprise over the whole body of citizens, and to establish the free democracy of non-profit-making associates, which is the only true form of the New Society.
The International Cooperative Alliance claims for the world cooperative movement the recognition of the place which its forty constituent states have achieved for themselves in the realm of cooperation in the creation of a league of the peoples as broadly based as humanity itself.

It demands for the National Cooperative Movement — (1) Complete freedom to develop on equal terms with every other economic enterprise which is permitted by the laws of the respective States. (2) Legal protection by all the forces of the State in the exercise of their inalienable rights as citizens. (3) A special place appropriate to their distinctive economic characteristics, and where they will have reasonable opportunity of self-determination, within the framework of any system of State or Planned Economy that may be set up.

The International Cooperative Alliance, in launching this declaration before the world, is convinced that the general acceptance of the Cooperative System throughout the world, not only for the immediate benefits that it confers upon such a large majority of the Human Race but also in order that its efficacy as an instrument for the development of the World Economy may be given full opportunity to prove itself.

The International Cooperative Alliance calls upon all its affiliated members and the cooperative organizations in every land to pursue with energy the extension and strengthening of their respective movements; to concentrate upon the great task of building up their societies on the genuine principles of cooperation; and to use all their powers to secure from the State and all public authorities the full recognition of the claim set out in this declaration of the significance of Cooperative Economy, London, January, 1936.

(Copies of the Declaration of Cooperation are available from The Cooperative League, two cents each in quantities of five or more.)

New Light From the East

Strange indeed it is that America feels so friendly to our visiting Ambassador of peace and goodwill from Japan that we fall naturally into calling him by his last name. To say Dr. seems almost a misnomer. Yet he has a first name and a title as well — Dr. Toyohiko Kagawa, whom the Cooperative Movement has honored by his presence and we are plainly attempting to show that we feel so.

From San Francisco to New York, in the South and the North, he has already been telling the good news that Cooperatives are the answer to America's and the world's difficulties. Thousands hear him gladly wherever he goes. He draws people with his sidestep of the Christian Century. In a letter to John R. Mott, Kagawa personally wrote "somehow these two groups must be brought together to the end that the cooperatives become Christ-centered and the Churches become Cooperative. In that one sentence," says an editorial in The Christian Century, "is the charter for a new era in the history of American religion."

first, from the Rauschenbusch Foundation to deliver the Rauschenbusch lecture, second, from the Federal Council of Churches to meet with religious leaders; and third, from The Cooperative League to meet with cooperative leaders. In a letter of February 14, 1935, accepting the cooperative invitation and saying that "such a meeting would be central in my purpose in coming to the United States" we have anticipated and prepared for his coming. Kagawa feels, says Mr. Brumbaugh, that together the cooperatives and the churches may transform the world. In a letter to R. R. Mott, Kagawa personally wrote "somehow these two groups must be brought together to the end that the cooperatives become Christ-centered and the Churches become Cooperative. In that one sentence," says an editorial in The Christian Century, "is the charter for a new era in the history of American religion."

Fortunately Detained by Immigration Authorities

As a result of his being temporarily detained by the immigration authorities, the Associated and the United Press blazoned to the nation the fact that Kagawa had arrived. This enabled him to broadcast to the nation through his intense belief in the Consumers' Cooperative Movement in the simple direct statement, "I hope I shall be permitted to enter this country to lecture. I am concerned with opening the aid of Americans and particularly the American churches in the development of Consumers' Cooperatives."

His first address opening the seminar he stressed seven great values of life — life, power, exchange, growth, selection, law and purpose. These, he said, were represented by seven corresponding types of Cooperative: health, credit and utility. To farmers, marketing, credit, mutual aid, public utility and consumers. He declared that "Cooperatives represent all the seven values." His second address opened with a discussion of violence and closed with the subject of war; between which he discussed in further detail three types of Cooperatives: health, credit and utility, and circulars. "The Horsemens, Sword, Famine, Disease and Death — come after violence."

"Cooperative health associations develop moral discipline which State health insurance does not. You can fool the government but you cannot fool your neighbor," he stated. "Credit Unions should socialize profits," he argued, "as in Japan where the profits gained through the credit cooperative associations are invested in health insurance, building hospitals, creating better living conditions, getting more sanitation and more nurses. When you have a hundred per cent Department conscience you vote the entire savings back to the good of the whole community."

As to utility Cooperatives, he declared that "I am not particularly interested in nationalization of great industries without a big Cooperative Movement." Under the headline "Cooperatives Urged by Japan as World Cure-alls," the Chicago Tribune and other newspapers featured his reply to the question as to the connection between the Churches and Cooperatives, which he answered by saying that Cooperatives are the love principle applied to industry.

Southeast Hears Message

"It was a triumphant march," were the words used by Alva W. Taylor to describe Kagawa's tour through the southeastern states. "Courage of a prophet, persuasiveness and tolerance of an apostle of love, his pitiless honesty and his great breadth of knowledge give him an answering-like influence."

"The phrases used to describe his answer to forum questions. His unusual soul-bound body combination was described as 'His mental grasp is as remarkable as his
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spiritual insight, and his physical endurance is equally great." His practical idealism was emphasized in the statement: "His evangelism issues in economic cooperatives."

His Washington appearance at a banquet enabled him to indict our socially sinful civilization. Looking around the great hall he said, "I don’t like this place. I don’t belong here. I come from the slums. That’s where I belong."

To Philadelphia, he came with a message of cooperation for the oppressed and disinterested that is to be achieved through practical application of the principle of cooperation, sustained and enriched by a spiritual basis in religion. The special cooperative day in Philadelphia brought together on the same platform representatives of Farm and Labor groups who joined in declaring that Consumers Cooperation was the medium for the alliance of working farmers and industrial workers.

Great Welcome in New York City

At the welcoming luncheon in New York City, national church and cooperative leaders sat at the speakers’ table. Three notable church leaders endeavored to express the same great thought which sums up Kagawa’s whole life—that he combines in one person, anywhere else in the world, the nearest perfection in a combination of the individual and social. "He combines practical saintliness and personal salvation" was the tribute of Dr. S. Parkes Cadman; "We can see in Kagawa the Christian gospel whole and complete," declared Samuel McCree Cavert, Secretary of the Federal Council of Churches; "We read in the gospel the whole meaning of the gospel," said Dr. Robert W. Searle, Secretary of the Greater New York Federation of Churches. Very modestly and beautifully he closed the table. "Kagawa symbolizes the full meaning of the gospel," he said. Briefly he appealed for peace between Japan and America, saying that America does not understand Japan because we cannot read Japanese while 10 million of the people of Japan do not want war, only the one per cent militarists who are like mosquitoes; that "we must abolish the economic system, for there we can disarmament;" concluding his brief response he stated that this was his fourth trip to America and that "this time I come to America to help build a World Cooperative Movement."

Kagawa’s challenge to the Church was more definitively expressed in New York City than at any other point in his newspaper interview. America could get out of the depression by cooperation but the Church here is too cowardly to wed political and economic ethics.

Cooperative Day

Cooperators had one day of his time in New York City. It was arranged that a group of ministers in the morning at Russell Sage Foundation Auditorium and in the afternoon before cooperators, but the demand for tickets forced the transfer of the afternoon meeting to the large auditorium at Cooper Union. Kagawa’s incisive answers to questions were demonstrated to the full in these two meetings—very evidently he was stimulated by the enthusiastic responses of the audience. Again indicting the Capitalistic system he said, "The more we develop the Capitalistic system, the more we become dependent." Over and over he has repeated the challenging statement, "Whether you like it or not, there’s no other way but the Cooperatives." As Sweedens, do very few people in America happen to private dealers he answered. "This is a motor car movement. When motor cars came, horses and buggies went away."

"If you give Capitalism a chance to retreat gracefully," When asked if the Cooperative Movement was not simply another form of competition, he answered, "There’s competition between Capitalists and the K Naomi O. he then organized Cooperatives of seven types. Finally he organized a pacificalist Japanese anti-war movement. We haven’t any Kagawa’s, we don’t produce any saints in America." "Between the Capitalism and the Kingdom of God there can be no compromise—either one or the other must go."

The Cooperative League was honored by being the first and only American cooperative to present to Kagawa a number of books to be used in the University of Tokio where Kagawa is a Professor of Cooperatives. The inscription in each book read, "Presented to Dr. Toyohiko Kagawa and the Cooperative Movement of Japan, with the heartiest good wishes and high appreciation, on the occasion of his personal visit to America by the students of the University of Tokio where he is a professor, the International Cooperative Movement of Economic Brotherhood which will bring peace and plenty to all the world by democratic, evolutionary methods."

Farm, Labor, and General Press

Lead Kagawa

The press response to Kagawa’s coming has been as significantly favorable as have been his platform meetings. Under the title, "A Little Jap Shall Lead Them," appeared one of the most stirring stories in the Union Labor Record of Philadelphia. The Producer-Consumer of Amariello used the headline, "Kagawa says Capitalism is Cooperative Way and calls on Americans to "One of the foremost Christian and Cooperative leaders in the world today."

The American Friend, published at Richmond, Indiana, had a splendid question and answer presentation of the Indianapolis Federal Council Seminar. Three articles appeared in successive numbers of the Christian Union Herald, a youth publication, following the Seminar and telling in detail of the impression of the Sight-Seeing trip upon the delegates who saw in action what was described in words at the Seminar.

Adults, Youth and Children, all hail him as a great world leader. His "economic theology" is accepted as good medicine for "the healing of the nations." He defines his "Christian Communism" as "a practical. He is positive in his stand for Cooperatives—not merely negatively against Capitalism, Corporatism and Communism. He is specific in describing the various types of Cooperatives—not dealing in glittering generalities about a Cooperative Commonwealth. That he lives what he says, is no doubt the basic reason for the great appeal and effect of his message. The old Indian chief who said in listening to John Wolman pray, "I always like to see where the words come from," would not be disappointed in Toyohiko Kagawa. He answers in his own personal life all arguments— he lives and does what he recommends to others.

The Consumers’ Cooperative Movement has and will continue to receive through his coming to America the greatest publicity we have ever had for our cause—it is for the press to follow his evangelizing of our movement to follow with education and organization of the tens of thousands he is reaching.
Let the Package Tell the Story

Emer Greenleaf, Director, Cooperative Design Service

What does the cooperative merchandise carton say? Does it represent the quality of the new economic order which the extension of cooperative enterprise will bring about? Does the philosophy of a cooperative product, be it member or stranger, have to be read on the packaging on the carton to know that they contain cooperative products?

Would a casual glance along a row of private brands on the shelf be arrested by the appearance of a cooperative carton in the lot? If not, the carton does not do all that a cooperative carton can and should do.

The carton design for the average commercial product is a pretty bad thing. It is overdone as to color, the design is complex and confusing, and the descriptive matter is misleading and is needlessly long. This style of commercial design has come about not because of any intent to make cartons unsightly nor because the designers were incapable of doing better. Rather our established commercial package designs are the product of the competitive system which produces and sells them. The spirit of the design of the things we make and use reflects more than we are aware the quality of the society in which we live.

Expressing a New Ideal

Now the advent of a cooperative store and a cooperative brand of merchandise in a community is significant of considerably more than the addition of just another product and outlet and another meaningless brand. It is the taking shape of the will of the consumer that he will be rid of competitive, adulterated products and misleading advertising; and that he proposes to substitute for the profit seeking enterprise which serves him now an enterprise which he and his neighbors own cooperatively. Obviously, the price and quality of the goods, the courtesy, intelligence and dispatch of the service, the simple, forceful and colorless design of the store, and the rows of cooperative labels on the shelves must all speak in unison the fact that a new owner with a new ideal has taken charge.

The carton is important because it is the chief decorative element in the cooperative store. It is a message to the home of the member and the nonmember alike, and it rests on the kitchen shelf as a daily reminder of the cooperative society and the principles for which it stands. The carton has three main functions to perform:

1. The spirit of the carton design must reflect the integrity and the ideals of the cooperative movement.
2. The carton must be forceful and positive in character, thus aiding in the pursuance of an aggressive commercial policy.
3. Every aspect of cooperation must bear the stamp of the new culture which will follow in the wake of cooperative enterprise. There must be beauty in all of the things we live and work with.

How shall these objectives be achieved? It is difficult to convey in words the criterion by which a coffee carton or a grease can design may be judged. Suffice it to say that in the eyes of a discerning consumer it must be a distinctive carton. It must have dignity through restraint and simplicity in form and color. It must be modern in style with no meaningless ornament and with generous use of open undecorated space. A brand name should be chosen which is euphonious and which composes well in the package design. Printed matter should be kept at a minimum, especially on the face of the carton.

Let us then have cartons which are recognizable everywhere as the products of cooperative societies. Let them achieve a distinctive design which is worthy of the movement they represent.

1. Some individual who is struck “as with a light out of heaven” with a clear realization of the vital significance of the Cooperative Movement, followed by thorough study and a final determination to “clear his or her own little corner of creation.” Such a light, as George W. Russell (AE) says, is not confined to groups but only to individuals.

2. A small group drawn together by the first individual, who in turn also become inspired to lead out in organizing their neighborhood into a “Cooperative Community Beautiful” and who then thoroughly inform themselves about the Cooperative Movement.

3. Mass meetings to give publicity and create general interest, concluded by a call for voluntary leaders and the setting up of small Discussion-circles.

4. Discussion-circles small enough to encourage the participation by the member and meeting often enough to maintain interest. Individual study is said to be largely an effort to reinforce one’s own prejudices; mass meetings are like striking off a continuous alarm clock and letting it run; thinking develops better by small group discussion where one’s ideas are sharpened by mutual comparison with others.

5. Voluntary leaders selected by the group. They need not be far in advance of the group in education, but must study ahead and should be trained by special conference.

6. Discussion material in the form of outlines, reference pamphlets and a stimulating magazine — all written out of practical experimental experience.

7. General rallies of members and leaders of all discussion-circles in each neighborhood for reinforcing confidence, answering unsolved questions and group recreation in the form of folk singing, dancing and games.

8. Practical organization of cooperatives after thorough understanding of principles and practice, regularly checked by careful auditing.

9. Educational and recreational committee within each Cooperative Association which persistently carries on an educational and recreational program among employees, youth and adults.

10. Thorough organization of cooperative association to rapidly develop to the utmost the possibilities of group action in all fields of supplies, services, insurance, finance, education and recreation among the members and to constantly extend the benefits of such organization to everyone in the community.

Discussion outlines and other study material have been prepared especially for such a program of action. District Leagues and Cooperative Wholesales in almost every section of the country are ready to help you help yourself.

WANTED: A KAGAWA FOR AMERICA

We need to develop great religious leaders in America who will not talk “glittering generalities” about a Kingdom Come, but who will be specific and declare that the Community Beauty on this earth means the organizing of Consumers and Producers Cooperatives. Toyohiko Kagawa, the great religious leader in Japan has helped to build a cooperative movement there with 6,000,000 members.

We need emotion behind our Movement — inspiration as well as information. We need in America great religious leaders who will do what Kagawa says he is doing, "personally I am pouring out my prayers and the reddest blood of my life into the work of carrying forward this quiet, undramatic, economic reformation."

Has anyone the answer to how an American Kagawa can be developed?
**Consumers’ Cooperatives in Action**

Columbus, Ohio—The Ohio Farm Bureau and the Extension Department of Ohio State University are conducting a series of nine broadcasts from station WOSU on “The Power and Promise of Consumer Cooperation.” As a unique feature of the series the education division of the Farm Bureau prepared a series of discussion outlines for groups throughout the state which gathered to listen to the programs and to continue the discussion at the conclusion of each program.

Lansing, Michigan—Farm Bureau Services, Inc., doubled its cooperative business in the last two years boosting its total sales of supplies from $938,807 for the year ending June 31, 1933 to $1,968,967 for the year ending June 31, 1935. The number of member associations of the co-op jumped from 30 in 1933 to 113 in 1935. Approximately 66,000 persons were served by the cooperative last year.

Los Angeles—The Education Department of the Cooperative Wholesale Association of Southern California conducted its first Cooperative Institute designed specifically for business and educational heads of its affiliated cooperatives at San Dimas, January 26. Presidents of Boards, Managers of co-ops, Educational Directors and Presidents of Wood’s Guilds attended.

North Kansas City, Mo.—In spite of sub-zero weather, 615 delegates from 131 cooperatives in eight states attended the seventh annual meeting of the Consumers Cooperative Association, February 4 and 5. The North Kansas City High School auditorium in which the sessions were held was crowded by enthusiastic cooperators who thronged to hear Dr. Toyohiko Kagawa, leader of the Japanese cooperative movement and Dr. James P. Warbase, president of The Cooperative League of the USA.

Howard Cowden, president of C.C.A., announced that the goal set for the first year of the cooperative’s five-year plan had been surpassed and that total business volume had increased 46 per cent with cooperative purchases reaching a new high of $2,999,415. Fifty-two cooperative organizations joined last year bringing the total to 313 affiliated cooperatives.

St. Louis, Mo.—The St. Louis Consumers Club has launched an eight page newspaper publication “Konsu.” Fifty thousand copies of the first issue were distributed to acquaint St. Louis residents with the work of the club which has opened a permanent headquarters and handles some 200 commodities. Josephine Johnson, winner of last year’s Pulitzer Prize for her novel “Now in November,” is a member of the editorial staff of the new publication.

New York City—the Eastern Cooperative Wholesale and Eastern States Cooperative League have moved to new headquarters, which provide double the former floor space. The packaging department of the wholesale has been moved from the 44th St. cooperative cafeteria to the new headquarters to increase efficiency and the staff of the League has been increased to take care of mounting demand for its services. At the close of last year 333 students were members of 12 cooperative houses. The average cost per student is reported to be $8.00 a month.

Superior, Wisconsin—Following the traditional cooperative policy of supporting the labor movement whenever possible, the Central Cooperative Wholesale helped bring about a settlement, favorable to workers, of the lockout in Duluth, Minnesota, plant of the Western Paint and Varnish Company. The plant was closed by the management December 18 after the union had protested the discharge of workers who had been active in union organization.

Ivan Lanto, buyer for the Cooperative which purchases a large and growing volume of products from the company, notified the management that the cooperative wholesale, being friendly to organized labor, would regret any labor discrimination at the Duluth plant and would have the organizing efforts of the employees succeed. The Western Paint and Varnish Company Industrial Union was granted recognition, reinstatement of all workers without discrimination, time-and-a-half for overtime, and seniority rights. The union expressed its appreciation to the cooperative for helping it win the strike.

Columbus, Ohio—Two cooperative camps, one for managers, employees and directors of cooperatives, and one for cooperative youth conducted last summer by the Ohio Farm Bureau Cooperatives met with such enthusiastic response that a series of similar institutes are now being held. Camp Managers and Camp Assistants, Camps at Lassas and Defiance College are the scenes of two managers and four youth institutes.

Bryan, Texas—A cooperative housing project at the Agricultural and Mechanical College was organized in 1932 with 12 members of the cooperative house. The co-op was so successful that 12 houses with 130 members were operated on a cooperative basis in 1933. The program doubled in size and at the close of last year 533 students were members of 12 cooperative houses. The average cost per student is reported to be $8.00 a month.

Superior, Wisconsin—The passage of the Wisconsin law providing for the marketing of cooperative marketing and consumers’ cooperatives in state supported schools and colleges has resulted in very concrete results. A. J. Hayes, assistant agricultural director of the Central Cooperative Wholesale has just completed a 36 lesson study outline which will be used in Douglas county schools and will undoubtedly be used in other sections of the state. Ten special teachers’ conferences were held in Douglas county during January to study the cooperative movement.

North Kansas City, Mo.—Two new departments—a department of farm machinery and a department of rural electrification, were established in January by the Consumers’ Cooperative Association.

Plans are being made for a paint manufacturing and barn paint as a next step in C. C. A.’s program of cooperative production for use. The first Co-op label groceries handled by the new grocery department of the cooperative wholesale were shipped to local cooperatives late in January.

Patterson, N. J.—The Peoples’ Voice Cooperative Association initiated a drive for 6,000 additional shareholders which are needed to put the Patterson Press on a daily basis. The Cooperative publication has an announced circulation of 25,000.

New York City—The People’s School experiment combining cultural courses, Consumers’ Cooperation and Cooperative Recreation launched early in February by the Eastern States Cooperative League has exceeded advance expectations with more than sixty enrolled and additional students registering each week.

Harrisburg, Pa.—A small cooperative club organized in the offices of the State Farm Bureau eight months ago has blossomed out as a full-fledged cooperative. With almost a hundred members, the cooperative is now handling gasoline and oil, auto insurance, canned goods, cereals and other commodities. At the end of the first six months the club declared savings dividends of twelve per cent.

Superior, Wisconsin—Reversing the usual process, consumers’ cooperatives in northern Wisconsin have taken the leadership in organizing marketing cooperatives. The marketing projects tentatively outlined include a packing plant, wood working plant, marketing center for poultry, facilities for storing, freezing and marketing fish and several other services. The projects are sponsored by
the Northern Cooperative Federations. Arrangements are being made for the marketing of cooperatives to distribute their goods through consumers' cooperatives.

Columbus, Ohio—The employees of the Farm Bureau Cooperative Association have demonstrated the practicability of a cooperative within a cooperative. Two hundred members of the staff of the Farm Bureau and affiliated associations organized their own cooperative less than a year ago. The total volume for the five months ending December 31, 1935, was $12,383.64. The "practice-what-you-preach" cooperators made a net savings of 12.8 per cent. The cooperative declared a patronage dividend of 5 per cent, allocated 2 per cent to education and voted to use the remaining 5.8 per cent for expansion and reserves.

Boston, Mass.—Edward A. Filene, famous American merchant, who for the last decade has been active in the organization of cooperative credit unions throughout the country, has organized the Farm Bureau Cooperative Association with capital of $1,000,000. The organization is financed through the principal stores.

"Distribution is now our basic economic problem," Mr. Filene said in announcing the giant venture. "Because we have not been selling according to our capacity to produce, we have had to curtail production and bring on unemployment, which of course so limited the public's buying power that all business became depressed. Increasing the buying power of every customer would be tremendously increased.

"The depression has convinced me that a system of retailing, to be effective now, must be a system in which the customer is not only given every possible assistance but in which they know that all the profits are to be theirs . . . Each cooperative enterprise will be owned and operated locally and funds will be deposited locally, not handled by any central organization. The Consumer Distribution Corporation is not a holding company but will act as a service rather for all stores. It will handle the centralized buying, conduct research, and provide expert assistance in management, public relations and other functions. Provisions have been made for the taking over of the organization by the cooperative stores it serves within ten years.

The directors of Consumer Distribution Corporation are as follows:

Roy F. Bergengren, Manager-Director of Consumers Cooperative Association.

Percy S. Holmes, Consultant in Management and Associate of Mr. Filene.

Howard A. Cowden, President, Consumers Cooperative Association.

James C. Drury, Department of Marketing, New York University.

Edward A. Filene, Murray D. Lincoln, Secretary, Ohio Farm Bureau Federation.

James P. Waranese, President, The Cooperative League of the U.S.

TOUR TO COOPERATIVE EUROPE

The 1936 Cooperative Tour will leave New York on July 10 and return September 1. It will visit cooperative centers in Northern Europe including Russia at an over-all cost of $465. There will be four days in Manchester and four in Glasgow, the chief centers of English and Scottish cooperation. Side trips to local cooperatives in the heath clad Scottish hills will be made from Glasgow. From Manchester the group will make a trip to the old weavers' shop on Tread Lane in Rochdale. In Denmark besides the principal cooperative associations the party will visit the International People's College at Elsinore and the college maintained by the Cooperative League and the United Nations in Copenhagen. In Finland the party will visit two cooperative centers.


February, "New Paths of Civic Progress," Elke C. Hahmann, demonstrates the only possible cooperative medicine.


ADVERTISING AND SALES, February 13, "What about Consumer Cooperatives?"

NEWSWEEK, February 1, "Retailing Tomorrow," a representative survey of consumer cooperative movement in the light of the Filene Plan.

TODAY, "Filene Plans Huge Cooperatives.

N.A.C., January 15, "Facts for Consumers" cooperative growth and business worry, Ruth Benda.

THE BRIDGE, January, official organ of the Credit Union National Association and cooperative movement in the light of the Filene Plan.


FEDERATION NEWS, February, "Labor Depends on Consumer Cooperatives."

AMERICAN OBSERVER, February 17, "Sweden Solves Her Economic Problems."

Cooperative Society, the largest city cooperative in His Majesty's domain.

The press boosting Consumers' Cooperation


WORLD CALL, February 1, "Why Kagawa is Coming to America," Joseph Myers, Cooperatives in America.

REFORMED CHURCH MESSENGER, January 16, "Studying Cooperatives with Kagawa.


FELLOWSHIP, February, "Co-ops invade Department Store Field.

SOCIAL ACTION, February 1, "Negroes Turn to Cooperatives."

AMERICAN FRIEND, January 23, "What about these Cooperatives?" Stanley Hamilton.


CHRISTIAN UNION HERALD, January 25, "What About Consumers' Cooperatives?"


N.E.A. (Newspaper Enterprise Association) syndicated to leading newspapers in principal towns and cities in the United States a series of six articles on the Consumers' Cooperative Movement by Bertram B. Fowler.

A.N.P. (Associated Negro Press) carried a story on L. J. Reddix address at the Federal Council of Churches' Seminar on Consumers' Cooperation which was published in leading Negro papers throughout the country.

BOSTON EVENING TRANSCRIPT, February 1, "Religion Today—Sweden Comes to Convinced the West," a special article on Kagawa and cooperatives, Albert C. Diefenbach.
New Cooperative Literature

Sweden—The Middle Way
Marquis W. Childs, Yale University Press. $2.50

New York Herald Tribune, suggests that "when it is most timely when the United States is desperately attempting to steer its course in the middle of the economic rapids without being forced too far towards either of the opposite banks of Corporatism or Communism, Lewis Cassett, book editor of the New York Herald Tribune, suggests that "when Al Smith goes for his walk next summer he might well take it in Sweden." John Chamberlain of the New York Times, adds that "Franklin D. Roosevelt also ought to take a walk in Sweden." Cooperatives who have been there less than two years, who come home stumbling with attempts to describe the security and beauty they saw, were second these suggestions.

The first four chapters are devoted to a comprehensive discussion of the results of the Consumers' Cooperative Movement in Sweden. Cooperators will be particularly interested in studying the many important ways in which Sweden has profited by Britain's cooperative mistakes. Contrary to Britain, Sweden abandoned the dual type of organization and has the best technique of combining both business and education; Swedish cooperatives accept taxation; fix their prices on a safe, low margin basis, an active rather than a passive price policy; advertise aggressively; have developed the world's best member education program in their Study-Circles. The Consumers' Cooperative Movement is given credit along with State ownership of utilities and partial ownership of certain industries in having acted as yardsticks in successfully controlling capitalism.

The book covers a discussion of State action of various types, as the Swedes have adopted successful techniques of cooperative ownership to forests and mines; electricity, liquor, tobacco and missions. Among the four remaining chapters which conclude with the titles, "Recovery" and "Direction for the Future," is one with a title to which a believer in the "American System" would respond an impression that cooperatives "do not belong to cooperators "because we cannot have economic confusion and paralysis ... to economic prosperity," says Postmaster General Farley. Would the ten million unemployed agree?

Dr. Arthur E. Holt, says that he is for cooperatives "because we cannot have co-ops for their own sake, but for the betterment of society; and education—that cooperatives keep society in the hands of the workers rather than the bankers."

Dr. George S.Counts of Teachers College suggests that members of The Liberty League "apparently think the revolution was fought to make Long Island safe for polo players." A Guide Book for Discussion Circles

All the available sources and authorities are America and Europe that were known have been drawn on by Mr. Carl Hutchinson of the Educational Department of the Ohio Farm Bureau Federation in preparing the pamphlet just issued under the title, "Cooperative Discussion Circles," a Guide Book on the Organization and Leadership of Discussion Groups.

In particular the advice of W. P. Watkins, co-author of the British Cooperative League's latest book, "Cooperation," was followed. Mr. Watkins stated in an address at the International Cooperative Alliance annual convention that the chief problem was the education of members that Sweden had discovered the best technique in small Study-Circles, and that the principal overtopping of the same idea in North America was the program adopted by St. Francis Xavier University of Nova Scotia. A visit to Nova Scotia gave the first hand information which was later supplemented with contacts with recognized Discussion-Circles authorities such as E. R. Liebman, Edmond de la Roche, René V. L. Lands, LeRoy Bowman, Eleanor Cole and others, who have recently organized a National Educational Advisory Committee for the Cooperative Movement, as well as by a personal contact with Oscar Olsen, known as the "Father of the Swedish adult education movement." Drawing on these sources and authorities, Mr. Hutchison has produced a masterpiece of a pamphlet covering the need, leadership, organization, methods and bibliography of Discussion-Circles. This Guide Book is available for the Consumers' Cooperative Movement everywhere. It is applicable to both rural and urban groups, and can be secured in The Cooperative League for a price of ten cents each.

Discussion Outlines

The Eastern States Cooperative League has just completed a six weeks' discussion outline which will be used to present the consumer approach to economic problems and principles for their own use. The outline is the second step in cooperative education and is designed to introduce the cooperative idea to a group of people who have never before been introduced to Cooperative by a speaker provided by The League. Price 10 cents.

The average prices of industrial common stock are today at the 1926 level; but today there are ten million unemployed, while in 1926 employment was "normal"; today foreign trade is demoralized while in 1926 it was flourishing; today the national debt is increasing at the rate of three to four billions a year, while in 1926 the national budget was balanced.


Tupelo, Mississippi, was the first city to distribute electric power produced by the TVA. Consumers pay an average of 1.81 c a kilowatt-hour, which Mayor Nanney says "is considerably less than one-half the national average charged by private power companies." A further 10% reduction in the electricity rates is now

EDITORIAL EPIGRAMS

"We are standing on the prow of progress, and it is good to feel the spray of the future against our faces."—Dr. J. P. Warbasse.

"In this age of plenty," says Edward A. Filene, "we must devote ourselves, not to the art of getting ahead of others, but to the greater art of getting ahead with others."

The country has advanced from "economic confusion and paralysis . . . to economic prosperity," says Postmaster General Farley. Would the ten million unemployed agree?

Dr. Arthur E. Holt, says that he is for cooperatives "because we cannot have cooperatives without character and education—that cooperatives keep society in the hands of the workers rather than the bankers."

Dr. George S. Counts of Teachers College suggests that members of The Liberty League "apparently think the revolution was fought to make Long Island safe for polo players."

An organ to spread the knowledge of the Consumers' Cooperative Movement, whereby the people, in voluntary association, purchase and produce for their own use the things they need.

Published monthly by The Cooperative League of the U. S. A., 167 West 12th Street, New York City.

K. R. Powers, Editor; Wallace J. Campbell, Associate Editor. Contributing Editors: Editors of Cooperative Journal and Educational Director of Cooperative Wholesale and District Leagues.

Entered as Second Class Matter, December 19, 1917, at the Post Office at New York, N. Y., under the Act of March 3, 1879. Price $1.00 a year.
announced on account of the fact that the city sales of electricity were “more than adequate to take care of all taxes, operating expenses and reserves.” It would appear that we are building a real electric yardstick now in America as Sweden has long since done.

Assuming that we accept the argument that it is necessary to restore profits, isn’t the shoe now on the foot of profit-making business, to restore jobs and foreign trade and pay sufficient taxes to balance the budget?

Secretary of Labor Frances Perkins says that “the picture is not at all serious” in connection with the fact that 650,000 lost their jobs in January; that the drop was only “seasonal.” Whether seasonal or not, we wonder if the matter is not “serious” to the 650,000.

A hobo riding a freight train which was derailed by a snow slide, leaped from a box car, smashed the locomotive and brought together national religious leaders. This is one way to get a job today.

Seminars on three major subjects viewed from the standpoint of the religious world, under the titles “Religion and Fascism,” “Religion and Communism,” “Religion and Cooperation,” formed the basis of a two-day Institute which brought together national religious leaders at Detroit on February 26-28. Such outstanding men as Dr. John Haynes Holmes, Rabbi Sidney Goldstein, Dr. Albert C. Diedjenbach, Bishop Edgar Blake, Dr. Sherwood Eddy, Dr. Arthur E. Holt, Father George A. McDonald, Canon Hodgson of England, Dr. Frederick B. Fisher, and others of equal calibre participated. Other similar courses, institutes and seminars on these three possible alternatives for America ought to be conducted, as Secretary Wallace suggests, “at every crossroad.”

“We have always had difficulties of a special character such as do not have to be faced by the ordinary trading concern,” says R. A. Palmer, General Secretary of the Cooperative Union of Great Britain. Mr. Palmer then goes on to say that the threat of boycott resulted in the formation of the Cooperative Wholesale Society seventy years ago, which would have not resulted “if we had not had the weapon of boycott used against us.” Furthermore, that the vicious attack by the press within the past couple of years resulted in the greatest increase in trade in 1934 and city members, and the roll of 285,000 new members. The Cooperative Movement therefore is no longer a handicap. We wonder if, however, he will really be able to inherit either by the time he is twenty-one years of age, and the world is much further along towards a Cooperative Society.

The hypocrisy of war is again revealed in the White Paper on British Re-armament, submitted to the House of Commons on March 1st. A condensed summary of its arguments might be made under four major points: (1) “Establishment of peace on a permanent footing is the principal aim of British Foreign Policy.” (2) There has been a continued increase in demands of many foreign countries. (3) “We have no alternative in the present state of the world but to review our defenses and prepare ourselves for safeguarding ourselves against aggression and playing a part in the enforcement by common action of international obligations.” (4) “We are not conscious of the necessary means of defending ourselves against an aggressor.” (4) “Control to prevent excessive profits will be effectively exercised by the inspection of banks, and the technical audits of costs on behalf of the State and arbitration in case of dispute.”

These four points read logically. In actuality, however, they should be reversed, and this is how the following: (1) Imperial-monopoly capitalism desires to make more profits. (2) The desire for profits leads to pressure by industry on the political government to increase armaments. (3) Through effective propaganda an increase in armaments in one country is used to stimulate increased armaments in other countries. (4) Increased armaments lead to international war rather than preserving peace.

It’s high time that American people take to the mask off of the war industry, which pretends to be endeavoring to preserve peace by inevitably leading to war.

In the report of Mr. H. V. Nurng, General Manager of Central Cooperative Wholesale of Superior, Wis., to the Boards of Directors of the wholesale’s member establishments, these significant statistics appear:

Total sales, $2,185,244.91, an increase of 22.25% over the year 1934.

Net income from operations, $37,026.41 in 1935 as against $31,696.25 in 1934. Probably even more significant than increased volume and increased savings is the fact that operating expense was lowered to 5.89% in comparison with the previous record of 6.33%; notes and accounts receivable have been reduced from $102,628.27 in 1934 to $79,523.15 in 1935, even with an increased membership. For the last part of 1935, the Central Cooperative Wholesale also refused to accept any new loans offered by their affiliated cooperatives or their individual members.

Among the resolutions adopted by the National Cooperative Council for 1936 is the following relative to the Consumers’ Cooperative Movement:

“We believe that farmer cooperatives, both marketing and purchasing, should, as a general practice, leave the field of consumer cooperation to other consumer cooperatives. We believe that at the present, most of development of the cooperative movement, the farm cooperatives and the consumer cooperatives have in some degree different objectives.”

We appreciate the friendly spirit of this resolution, and would only comment that cooperative leaders apparently still have a job to do in helping evolve the thinking of farm marketing cooperative groups to the place where they recognize that cooperative purchasing by farmers is one and the same thing as consumer cooperation, rather than something separate and apart.

We recognize fully the necessity of an evolutionary process in co-ordinating the membership of farm purchasing cooperatives to include urban residents as well. In time, we believe, however, that the country-city class line can only be bridged by both country and city workers becoming members of joint consumer cooperatives for the purpose of supplying themselves with such commodities as both country and city workers need. We accept of course that there may be certain commodities which country residents may desire to purchase, such as feed, fertilizer, farm machinery, etc., which might be handled as separate consumer cooperative organizations. We cannot now think of any supplies or services which city workers would want to purchase cooperatively which country workers would not.

In the end we are all consumers under the skin, whether we live in the city or in the country.

A survey conducted relative to tenancy in York Township, Noble County, Indiana, under the direction of Carlos Palmer, President of the Noble County Farm Bureau Federation, shows the following changes in the 45 years from 1890 to 1935:

<table>
<thead>
<tr>
<th>Year</th>
<th>Percentage of Tenancy</th>
</tr>
</thead>
<tbody>
<tr>
<td>1890</td>
<td>3.5%</td>
</tr>
<tr>
<td>1935</td>
<td>46.5%</td>
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At a discussion group which concluded the sightseeing trip of the delegates to the Federal Council of Churches Seminar on Cooperatives, the following conclusions were reached: that in 50 years, by a slow and laborious process, the people of York Township had allowed ownership of the land to pass from their hands into the hands of the rich through land bank bonds and insurance companies; that they had been "mentally asleep" for 50 years and had just awakened; that the opiate which had been administered was: (1) religion—because they had been taught religion was an individual matter; (2) the educational system; (3) politics and politicians; (4) daily newspaper and magazines; (5) competitive sports. Thus have farmers of America bartered their heritage of universal ownership for a mess of competitive profit seeking.
Farmers Union Central Exchange

On the Road to "Production for Use"

A. W. Ricker

(Editors' Note: This is the fifth of a series of articles describing the outstanding Consumers' Cooperative wholesale associations in the United States. The Farmers Union Central Exchange last year completed construction of a modern oil compounding plant in St. Paul, which stands as a testament to the combined beauty and efficiency of the cooperative movement.)

The history, origin and development of the Farmers Union Central Exchange from a small subsidiary of the Farmers Union Terminal Association to one of the outstanding consumers' wholesale cooperatives in the United States is as interesting and spectacular as a romance.

The Farmers Union Exchange was organized in 1927 by the board of directors of the Farmers Union Terminal Association for the purpose of marketing binder twine in North Dakota. The Terminal Association allotted to the Exchange the sum of $1,000 for working capital, and in addition, gave the Exchange the backing of the Terminal Association's credit.

**Distribution of Twine**

That year the Exchange entered the field of distribution of binder twine, with a smashing reduction in the price of several million pounds of twine. The Exchange saved the farmers a great many thousands of dollars in their twine purchases, and also earned several thousand dollars in brokerage.

During its second year, the Exchange began in a small way to distribute lubricating oil in drums, and coal, salt, flour, feed in car lots, locally distributed, on all of which the farmers found they could make savings, while at the same time the Exchange, acting as wholesalers, earned brokerage.

**Oil Program Started**

Success in handling lubricating oil by direct shipments finally led to a demand on the part of the farmers for a definite oil program. In the fall of 1928, the Central Exchange sponsored the formation of Farmers Union Oil Companies and the first of them started to conduct business in the spring of 1929 with the result that by the end of 1929 there were twenty affiliated oil companies in operation. Their earnings from the Exchange from twine were drawn upon to finance the field work necessary in connection with the organization of these cooperatives.

The margin of profit between the wholesale and retail price of gasoline and lubricating oil was large. Retailers in petroleum products were making large profits and often selling the farmers cheap and inferior products where inspection laws were lax or absent. Particularly was this true in lubricating oils because there are no state inspection laws for lubricating oils.

**Local Bulk Oil Associations**

The local bulk associations were therefore almost immediately successful and able to show large earnings or savings. These bulk oil associations have spread rapidly through Minnesota, North Dakota, Montana and Wisconsin so that one may start with an automobile at Madison, Wisconsin, and drive to the western borders of Montana and never have his car empty of Farmers Union Cooperative gasoline or his motor using other than Pen Union lubricating oil.

A total of two hundred twenty-seven Farmers Union bulk oil associations dot the landscape in Wisconsin, Minnesota, North Dakota and Montana with, of course, many times that many filling station pumps served from the bulk stations. A total of nearly one thousand trucks all of the same tank model are delivering gasoline and oil to farmers from these two hundred twenty-seven oil associations.

**Farms Union Central Exchange Organized**

In 1931 the board of directors of the Farmers Union Exchange decided that the time had come for a separation of the Exchange from the Terminal Association. Accordingly, a constitution and set of by-laws were prepared, and the Farmers Union Central Exchange, Inc., was chartered by the State of Minnesota, under the cooperative laws of that state.

The board of directors of the Terminal Association also turned over to the Exchange $75,000, to be used as additional capital in order that the constantly growing demand by Farmers Union members for bulk oil stations might be met.

In making the by-laws of the Exchange, the principles of Rochdale cooperation were adopted, whereby cash reserves were required to be set up each year from earnings, also a five per cent educational fund, and a check-off system whereby those eligible for membership in the Farmers Union must have their dues paid up or checked off before patronage dividends are paid. The Central Exchange of course functions as a wholesale cooperative and is owned by the local cooperative associations which it serves. Representatives from the local cooperative associations attend annual stockholders' meetings of the Farmers Union Central Exchange and elect directors who conduct the business of the wholesale organization. These rules and regulations required by the by-laws are also put into operation at all places where new local associations are organized.

**Rochdale Cooperation**

The Rochdale cooperatives founded about ninety years ago at Rochdale, England, adopted a set of principles which have been adhered to through all these years.

The provisions for educational funds in connection with the development and spread of the cooperative movement have not been specifically mentioned among the seven original Rochdale principles. Perhaps these pioneers took education for granted. We have made it an important part of our program, however, and education is now regarded as fundamental by all modern cooperative associations.

Adherence to cooperative principles, not the least important of which is the setting up of capital reserves and the educational fund, has developed the Rochdale cooperatives from a small store at Rochdale, England, ninety years ago, to immense factories, ownership of ships, flour mills, plantations, and a multitude of retail stores, the cash turnover of which runs to hundreds of millions of dollars annually, and in volume reaches 13% of all the business of Great Britain.

**No Place To Stop**

Having made a start in cooperative purchasing or consumer cooperation, there is no place at present, at which we may stop and say our job is finished. The Rochdale cooperators are now building their own homes, furnishing those homes with furniture made in cooperative factories, wearing clothes made in cooperative plants, and eating food cooperatively processed and in some cases cooperatively produced.

Had the Rochdale pioneers not adopted and rigidly adhered to their principles, they would have stopped at Rochdale. The vast cooperatives of Great Britain are there because of sticking to rules and principles. Had the Farmers Union Central Exchange not
adopted identical rules and principles with those of the Rochdale cooperatives, we would not today have two hundred twenty-seven local bulk oil associations, a hundred thousand dollar compounding plant and a business turnover now in the millions.

The Dawn of a New Day

Finnish, Swedish, Danish and other European cooperatives are doing the same thing. These cooperatives are paying their employee's wages before their taxes are due. They have raised the standard of living and the hopes of millions of people.

The Farmers Union Central Exchange, Inc., now federated with other cooperative organizations in the National Cooperatives, Inc., an organization of Farmers Union, Farm Bureau and independent cooperatives, all traveling the same road and working together, affords a channel for the development of consumer cooperation among farmers.

We welcome the cooperation of organized labor and will meet the city consumers half way. Our problems are mutual. Our way, though it may be a parallel road at present, sight the same goal, and interests and needs of consumers never conflict. We are all alike as consumers. Cooperation affords the means of satisfying our needs on the basis of abundance and service, as opposed to scarcity and private profit.

Our New Compounding Plant

In the Fall of 1934 the need for a lubricating oil blending plant of our own became apparent to the Board of Directors and management of the Exchange. A careful analysis showed that this plant could be conservatively financed, the management was then instructed to plan and build a plant under the Board's supervision.

A very careful study was made of all the best lubricating plants in the Middle West and with the assistance of architects, plans were prepared for the new building and equipment. A suitable site was purchased on Concord Street between the St. Paul business district and the South St. Paul stockyards. Ample railroad facilities were available, as the property adjoins the main line of the Chicago Great Western Railroad.

In November, 1934, work on the new building started. Under careful supervision of the architects and the Exchange management, work on the new building and equipment went forward with all possible speed. On March 23, 1935, the first carload of oil was shipped from the Exchange's lubricating oil plant. A month later the Exchange, the Terminating Association and the Farmers Union Herald moved their offices to the new building and another milestone was passed in the building of the Cooperative Movement in the great Northwest.

By 1935 the Central Exchange opened six distribution warehouses located at Minot and Williston, North Dakota, and Chinoek, Conrad, Billings and Moore, Montana, for the convenience of the affiliated companies located in these territories. On October 31st, 1934, the total distribution through the warehouses amounted to 695,716 gallons, a design, economy of scale, that could not be ignored by large units of production.

The total net sales of the Farmers Union Central Exchange for the year ending October 31, 1935 were $4,028,086 as against $2,615,519 for the previous fiscal year, an increase of 54%. The assets of the Exchange were $489,854 as of October 31, 1935 as compared to $240,061 the year before.

The above figures on the growth and development of the Farmers Union Central Exchange, Inc., stand for more than just a growing volume of business. Impressive as these figures are as an example of business growth, they are more impressive in proving the tremendous strides the cooperative system has made.

The benefits of the Central Exchange and the affiliated cooperatives have been shown not only to large farmers, but also to the small urban consumer. The Exchange's Cooperative, even though he buys the gasoline on a case by case basis, will benefit from the cooperative system.

Two Kinds of Dividends

The hundreds of thousands of dollars paid in cash to the patrons of the Central Exchange and the affiliated cooperative companies are a kind of dividends that need no explanation. Represented in each patron's account is the margin made by charging no more and often less than the consumer would have paid competitors. In the future, however, it is very probable that these cash dividends will be replaced. When the Farmers Union Oil program reached an impressive size, there came a large reduction in the margin between the wholesale tank car price and the retail selling price of gasoline. Up to that time the margin had been steadily increasing, and even now in the parts of the country where cooperatives have not developed on any large scale, the margins are greater than in cooperative territory.

Therefore, every time a consumer in the Northwest buys a gallon of gasoline he is receiving one of the advantages of a cooperative, even though he buys the gasoline from a private concern. The Farmers Union Cooperative still pays the dividend, although some of it is paid at the time of sale as a lower price. This fact alone will make every wise consumer more loyal to the cooperative, that stands between him and exploitation.

Merchandising Program of Exchange

In addition to petroleum products, the Central Exchange has developed several other lines of merchandise important to the consumers in this territory. Among the most important of these is the Cooperative Hardware and Seed Cooperative.

The Cooperative Hardware and Seed Cooperative stands between him and exploitation. The hundreds of thousands of dollars paid in cash to the patrons of the Central Exchange and the affiliated cooperative companies have been shown not only to large farmers, but also to the small urban consumer. The Cooperative, even though he buys the gasoline on a case by case basis, will benefit from the cooperative system.

What of the Future?

This great business enterprise, the Central Exchange, has been built in these few years by the organized consumer. As its capital grows, it stands ready to expand. Expand with the new affiliated companies so it can reach new consumers, expand also into new lines and products on which consumers are still at the mercy of the profit seeker.

Farmers Union Pioneers Co-op Tractor

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How Success Followed Failure
A Story of Mistakes and Success in Building a City Consumers' Cooperative
Henry Davis

A CONSUMERS' Oasis in a Chain Store Desert

Consumers' Cooperative Services, Inc., Hyde Park, Chicago, is one of the first co-ops to establish a foothold in a "native," middle-class community of an American metropolis. As such it reflects the current spread of the cooperative movement from city to country and from "foreign" to "native" neighborhoods.

Two Lessons

CCS in the past four years. Its history both points to the way and points a warning; shows how to organize a successful cooperative, shows how to organize a failing cooperative. That the society survived its somewhat awkward beginnings and was reborn demonstrates excellently the intrinsic toughness and sturdiness of the movement itself.

First, the chronological story of this cooperative's growth and decline, with particular attention for the moment to the wisdom or lack of wisdom of the procedure that was followed.

CCS began in December, 1932, as a grocery buying club with nine members and no capital. The organizers decided upon an annual membership fee of $1 for charter members and $2 for subsequent membership. Of the $2 fee, 50 cents was to be paid to the secretary of the club in lieu of a salary and 50 cents to the solicitor as commission. In the early stages two persons devoted from 8 to 10 hours a day on membership and organizational work; three persons spent 10 hours a day on three days every two weeks buying, checking, receiving and sending out grocery orders.

Orders were placed bi-weekly at first, later weekly and finally daily. A store room for assembling and distributing orders was rented at $4 for three days. The procedure was for the members to telephone or bring his order to the CCS "office" located in a private home. The orders were made from mimeographed price lists (a mimeograph machine proved to be a profitable investment) the first of which contained some 40 different items. Deliveries were made from the distributing station for 10 cents. Bulletins were mailed to the members each month to announce price changes and other events and to explain briefly the principles of cooperation.

"Collective Bargaining" and "Cost-Plus"

By using the united purchasing power of the membership as a lever, the club was able to obtain discount arrangements from a dozen other retail stores on such articles as services as laundry, furniture, bakery goods, hardware, meat, electrical appliances and men's suits and overcoats.

The society adopted the "cost-plus" system of prices, i.e., the groceries were sold to the members at a small margin above the wholesale price—just a little more than enough to cover the expense of handling. It was figured that CCS would break even on sales of slightly more than $2,000 a month on this basis and that it would make just enough to cover the expense of $4,000 a month. Seven of the members took part in the first order. It amounted to $51.50 and included 21 items. Seventeen took part in the second order, 23 in the third and so on. Sales increased steadily until in June, with 105 items listed, they touched $596. By February, 1934, they were at $1,575.

Membership, meantime, had jumped correspondingly. From the original 9, it jumped to 42 in February, 167 in April. 311 in July and so on until April, 1934, there were 430 members.

Because gradually expanding the number of grocery items, the club had been adding new discount arrangements. In incorporated in July, 1933, under the nonprofit laws of Illinois, officers were appointed to serve for one year, at the end of which period an election by the general membership was fixed. A new store room was rented for $25 a month and daily orders for delivery within 24 hours were taken. At that time the society's capital amounted to about $350, earned through membership fees—which were boosted from $2 to $3 in May, 1933—and loans from members. In addition three members formed a partnership organization known as "Associated Purchasers" to buy merchandise in large units and sell to CCS in small units at a 15% mark-up.

This was the situation, when, in March, 1934, CCS appeared to be on the wrong track. Sales were up, membership was up, loan capital was coming in, new discount arrangements were being established, and everything looked rosy.

Reaping the Whirlwind

Unfortunately, everything was not rosy. Something was wrong. Suspicions were first aroused in the summer of 1933. It was discovered that of the 300 members, only about half were using CCS at all; that most of the members did not know anything about consumers' cooperation and, if they did know, were not interested in it. So, efforts to get new members were doubled. The commission on new memberships was raised from 50 cents to $1. Apparently beneficial results were obtained, for membership figures soared that fall and winter. Yet all something was wrong. The organization seemed to make no headway. On July 1, 1933, the society had a surplus of $57; on Oct. 31, 57 cents. By the end of the year there was a deficit of $313. This was cut to $143 by April 1, 1934, but obviously something had to be done about it, especially as sales fell from the peak of $1,370 in February to $856 in March.

The Board of Directors accordingly went into a budget-balancing huddle in April and voted to stop the payment of commissions of membership renewals. Then the storm broke.

A member who had been soliciting memberships protested in writing to all the members. He also attacked the management of the store—"the theory was undemocratic, attributed the deficit to "poor management" and criticized the set-up of "Associated Purchasers" as a private profit-making scheme. He demanded the members boycott CCS until the wrongs he mentioned were righted. Many of the members, frightened, did so, and the continued existence of CCS became doubtful.

Return to Rochdale

At this crisis, the members decided to take matters into their own hands. They called the first membership business meeting in May, 1934. And it was then they took the step which saved the life of CCS. Applying democratic prerogatives for the first time, they voted to turn over the new leaf and become a genuine Rochdale consumers' cooperative.

They adopted a constitution providing for democratic control by the membership instead of dictatorial control by the management. They prescribed at least two membership business meetings a year; also at least two audits a year.

They discarded the cost-plus price system in favor of selling at the prevailing retail market price. They made plans to return surplus savings or net profits to themselves every six months in proportion to the amount of their purchases. They abolished the annual membership fee and substituted a $10 life membership.

They liquidated "Associated Purchasers." They enrolled in the Central States Co-
operative League. They opened the store to the public as a regular self-service grocery without provisions for charge accounts. And finally they elected a new board of directors which in turn hired a new manager who knew what consumers' cooperation is all about.

Despite a shaky summer, the transition was accomplished successfully. After dipping in August, the store took off. In November, sales climbed to $924 in September; $1,321 in January, 1935; $1,622 in March; $2,251 in February.

On the educational side, "The Co-op News" was launched as a monthly in April 1934, sales totaled $780; in November, $2,578. 

The membership was never given a chance to have its "say" in the early policies of the store. The management looked upon the members as too busy to share in keeping them entirely apart from the business end of CCS. There was consequently no sense of that mutual ownership so essential to the success of a cooperative. The interest and activity centered in one small group which wielded its power autocratically, though doubtless with honorable intentions.

The Four Types of Cooperative Education

There are four principal types of cooperative education. The first is that of People's (Folk) Schools, which provide the historical-cultural development on which the other three types can be most successfully developed. The other three relate to the general divisions of those who make up the Cooperative Movement; namely, Employees, Youth and Members. The three latter types of education are commonly called by names which are self-explanatory. — Employee Training Schools or Colleges; Youth Recreational and Educational Institutes; Members Discussion Circles. Some of these four types of cooperative education will be discussed briefly in this article, which will follow by a more extensive discussion in future articles during the following months.

People's (Folk) Schools

People's Schools might well be called a third type of school system as compared with our public tax supported and our private philanthropically-supported school systems. They are differentiated from the latter two types in a number of ways.

Whereas our public and private schools emphasize factual knowledge and technical training through printed literature, people's schools emphasize "education for life" through "the living word," as expressed by the pioneer protest Bishop Grundtvig of Denmark. In People's Schools, the teachers and pupils live together. Examinations, grades and degrees are eliminated or made secondary to the release and expression of the spirit.

Cultural history and group singing are emphasized. The pioneer People's School Principal, Kristen Kold, who was the first to be influenced by Grundtvig, would not permit students to take notes. To one
student who stated that he feared he could not remember all he had heard, Kold said: "Don't worry, I will wind you up so you will never run down."

Grundtvig's philosophy of education for life has been summed up in three expressions: first, spirit is power; second, spirit expresses itself through the living word; third, spirit can only express itself in freedom. Whether it may be that religious leaders are masters of the spirit, it is to the most successful principles of People's (Folk) Schools in Denmark have been ministers.

In the beginning of the People's Schools of Denmark the study of the "historical-poetical" occupied three-fourths of the time. To us, in America, who are more largely materialistic rather than spiritually inclined, the phrase "historical-poetical" does not convey a clear meaning. Dr. Arild Olsen of Grand View College, a People's School in Des Moines, Iowa, suggests that the meaning of this type of teaching might better be conveyed by the expression "historical-creative" or "historical-cultural." The sense of this expression is in the realization on the part of all of us that we are each elements in the great cultural stream of the human race— that of necessity we are a part of the stream during our life span—that the primary contribution we can make to this onmoving cultural stream is to so live that we may be able to advance the stream faster than it would otherwise move in our lifetimes, rather than merely floating with the stream or retarding its normal flow. Later on, in the course of the development of the People's Schools in Denmark, when physical sciences began to develop, these were gradually added to a limited degree. It is significant, however, that Ludvig Schroeder, principal of the most famous school at Askov, who first included scientific subjects, did not do so until he had found a teacher who could teach mathematics from the historical point of view.

In Denmark, 80% of the leaders of the Cooperatives have attended People's Schools, which indicates the importance of the underlying training for life that they received. The principal meth-ods of Swedish youth today have had their training in People's Schools rather than in the Universities.

### Employee Training Schools

The training of employees in the Cooperative Movement is naturally somewhat of an obligatory as well as a voluntary process. Employees are a known group. They have certain definite duties to perform. Training of a technical nature is required in the interest of the Cooperative Association as well as for the personal advancement of the individuals involved.

Three principal methods of training are followed. First, that of preliminary correspondence courses which may be required of those who are later to attend residence schools and others which are advanced courses available for further study; short courses of varying duration, such as week-end, single week, or several weeks; third, more lengthy college courses.

It has been found that the best type of training follows the plan of learning by doing. Projects are assigned to small groups to discuss and develop and present in finished form before the whole class. The best methods of serving customers in a store are learned by actual practice in the store.

The most extended Employees Training Schools in America have been conducted by the Central Cooperative Wholesale of Wisconsin. Shorter courses have been conducted by the Midland Cooperative Wholesale of Minneapolis, Minn., Farmers Union Central Exchange of St. Paul, Minn., and other wholesalers. Preliminary plans are being formulated for a Cooperative College to be started in the fall of 1936 by Consumers' Cooperative Association, North Kansas City, Mo.

### Youth Recreation and Educational Institutes

It has been found that the training of youth is best accomplished by education through recreation. The significance of cooperative play, not only as a means of pleasure but also as a better method of education, is now only beginning to be dimly realized. Youth by nature, without the inhibitions of adult growth, senses the real values of life found in play. That natural sense of the deeper realities and joys of life should be more definitely encouraged.

Cooperative recreation should be substitute for competitive recreation. Folk singing, dancing, games both of the play-acting and traditional types, drama and other groups of recreational activities should be developed to a greater extent as a means of training young people in the activities of cooperative economic associations and as a part of the expression of the highest cultural life which the constantly greater earned leisure of the present automatic power production age will make possible.

Recruiting and Education Institutes are being organized in increasing numbers for Juniors as well as older youth, as well as special short courses for leaders. The Cooperative Union of Great Britain has absorbed a youth organization known as Woodcraft Folk and has made its further development a part of the Youth Program of the Cooperative Movement. In America, Junior Recreation and Education Institutes have been sponsored by the Cooperative Movement. The most extended of these youth programs has been developed by the Indiana Farm Bureau Cooperative Association of Indianapolis, Ind., during the past three years. This is now being followed by the Ohio Farm Bureau Recreation Cooperatives of Columbus, Ohio.

Among the outstanding resolutions presented to the International Cooperative Alliance for discussion at the 1934 Congress was one on Cooperative Leisure Activities, which was sponsored by the French delegates.

### Member Discussion Circles

The greatest educational problem in the Cooperative Movement has been the training of "the undisgusted mass of members." As W. P. Watkins of the Cooperative College, Manchester, England, observes, it applies to all the Cooperative Movement. Now there are some 10,000 Study Circles in all, among Temperance, Church, Farm, Labor and Cooperative Groups. They are in part financed by government funds, although with a membership of over 8,000. These Study Circles have proven to be the primary foundation of a most rapid and successful development of Cooperative Associations.

The philosophy of the Study Circle method of education is well expressed by the founder Dr. Olsson. In answer to a question as to why the Study Circle was superior to mass meetings as a means of education, he declared that the mass meeting was like setting off a continuous alarm clock and letting it run; comparison of the Study Circle method with individual study he declared that when one studies alone he largely endeavors to reinforce his own advanced prejudices; in contrast in the small Study Circle the direct conflict of opinions expressed by the members challenges each one's previous opinions and results in the growth of higher thinking of all. The Study Circles organized by St. Francis Xavier University have been described as "the chief ful-
The primary failure of present public and private educational institutions is in their lack of a definite objective which stimulates voluntary study, and which accordingly results in the study of compulsory examinations and grades to attempt to provide a motive. Likewise the present competitive spirit of society leads to failure. The members make use of their Study Circle to study and play together, and also in many cases to buy together cooperatively. They thus become a means of learning by doing and have proven to be a successful method of taking the first steps to membership voted unanimously to sell no competitive spirit of society Wisconsin©s first one-week school in Madison, Wisconsin. The University offered full time instructors were available. Special courses included Cooperative Philosophy, Cooperative Business Education for Action, Cooperative Agriculture, and by the Eastern Cooperative Association. The order, to be adopted by already organized cooperative associations, and as the means of organizing new cooperatives.

Consumers' Cooperatives in Action

North Kansas City, Mo.—The French Cooperative Wholesale Society, Paris, France, has placed its third order for co-op blended oil with the Consumers© Cooperative Wholesale, bringing the total sales volume for the year to $5,223,801, during the year. The sales of the cooperative to individual members increased from $12,000,000 in 1934 to $14,067,533 in 1935. Midland Cooperative Wholesale boosted its sales volume 38 per cent to a gross total of $2,423,106.

Grange Supply units and cooperative stores affiliated with the Grange Cooperative Wholesale did a non-profit business of more than $3,000,000 in 1935, saving members of co-ops in Oregon, Washington and Idaho more than a quarter of a million dollars. This represented an increase of 40% over the cooperative business of the previous year. Twenty-one new cooperatives organized in the three Northwestern states during the year, affiliated with the Grange Cooperative Wholesale, bringing the total number of organizations to sixty-four.

Pacific Supply Cooperative furnished petroleum products to sixty co-ops in the North West. It distributed more than 130 million gallons of gasoline last year with a sales total of cooperative products reaching $1,370,560 in 1935.

The Farmers Union State Exchange in Nebraska reports total sales of $2,604,532, a gain of about 22% over 1934. Net savings amounted to $71,000.

During the year ending December 31, 1935, farm supplies valued at $4,216,176...
Ten Cents

CONSUMERS' COOPERATION

The Press Boosts Consumers' Cooperation

The recent depression has not only struck the people in the United States, but in the rest of the world. The press has been very active in spreading advertising of the Consumers' Cooperative Movement, and with the cooperation of the Consumers' Cooperative Wholesale Corporation, many newspapers throughout the country are devoting space to the credit union and cooperative movement.

When Governor Phillip LaFollette of Wisconsin, D. C., visited the National Cooperative Convention in Washington, D. C., he suggested that the question of cooperatives be raised in Congress. The press has been interested in the cooperative movement, and in cooperation with the Consumers' Cooperative Movement, they have given the credit union and cooperative movement the needed publicity. The result has been that the Cooperative Credit Union movement has grown, and more and more people are interested in economic democracy.

When Governor LaFollette expressed interest in the question of cooperatives, the press was interested. They have given a great deal of space to the Cooperative Credit Union movement, and have helped to bring about the growth of the credit union system. The Cooperative Credit Union movement has been very successful, and the press has been very active in helping to spread the knowledge of the cooperative movement.

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CONSUMERS' COOPERATION

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PEACE - PLENTY - DEMOCRACY

OFFICIAL NATIONAL JOURNAL OF THE CONSUMERS' COOPERATIVE MOVEMENT

EDITORIAL EPigrams

A letter from a Professor of Agricultural Economics at the University of Illinois, expressing his views on the development of cooperatives.

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Dr. Henry P. MacPherson, President of St. Francis Xavier University, Antigonish, Nova Scotia, writes, "You did a tremendous work for us when you got out of the pamphlet, "How St. F. X. University Educates for Action." It is appreciated everywhere it is read, Miss Agnes McPhail made a very pretty speech on the subject in the House of Commons." (Miss McPhail ordered three copies of the pamphlet directly from The Cooperative League.)

Pennsylvania is "catching" the Discussion Circle idea. As a result of a stirring talk by Mrs. Verna Hatch, Educational Director of the Pennsylvania Farm Bureau Cooperative Association on the need of cooperative education through Discussion Circles, fifteen persons in York County volunteered to pioneer in Discussion Circle work in their neighborhoods. It was through Discussion Circles that St. Francis Xavier University developed the Cooperative Movement in Nova Scotia until it has reached the place where a recent letter says, "Everything's leaping."

Dr. Paul H. Nystrom says in connection with the Patman Chain Store Bill, "If this bill becomes law, and if it works as those who favor it hope it will work, it is likely to become the springboard from which consumers' cooperatives, covering not only retailing but also wholesaling and even production, will arise. The Consumers' Cooperative Movement, however, does not want taxation of consumption as a springboard of cooperative action."

The combination speaking and vacation trip through America which is now being made by Dr. M. M. Coady, Director of Extension of St. Francis Xavier University, Antigonish, Nova Scotia, is developing a significant interest among Catholic and other groups. One of Dr. Coady's engagements was at St. Benedict's College, Atchison, Kansas. His coming was prepared for by an address by Rev. Charles Aziere, Professor of Economics, who presented the Consumers' Cooperative and Credit Union Movements as more democratic than present democracy and more Christian than present Christianity." He quoted the phrase of Pope Pius XI to the effect that they "combine economic advantage with spiritual culture," Declaring "while we may lament the passing of the independent business man, but passing he is, just as surely as did the harness maker," he said, "It is useless to tell a man to buy his goods at a home owned store rather than from the chain store row."

"We may lament the passing of the store rather than from the chain or mail order house unless he himself has a vital interest in that home owned store. Consumers' Cooperatives give him that interest," he continued. A quotation from the announcement of Dr. Coady's coming to St. Benedict's College by Rev. Edgar Schmiedeler, Director, Rural Life Bureau of the National Catholic Welfare Conference, "May an American Antigonish result!" So say we.

The Secretary of the Iowa Association of Lumber and Building Material Dealers has sent a letter to all members of the association enclosing copy of a speech delivered by E. W. Dobson of the J. F. Anderson Lumber Co., Minneapolis, and interview delegates to the General Conference of the Methodist Church meeting in May at Columbus, Ohio, relative to the Consumers' Cooperative Movement. With the request "please report to us the views and attitude of this delegate towards this movement." The results will be worth watching.

When we reach the place where a whole the religious world begins to realize and the educational world to inform the people about the accomplishments of Consumers' Cooperatives, then there will be a growth of cooperatives in America on a scale almost impossible now to imagine. Under such conditions we might accomplish in America in ten years what the Scandinavian countries have done in thirty years and what it took Great Britain ninety years to accomplish and have at the same time half the consumption of cooperatives. Why should not we cut the time of the Scandinavian countries in third, just as they are in third the time of Great Britain? For outstanding letters and editorials on the Cooperative Movement, both received and interviews which we have had have inspired us with the hope that this might be possible. Our next letter was from Kagawa when he wrote a year before he came to America that in central in my purpose in coming to America is to meet cooperative leaders. The effect of his coming in gaining the support of the religious world cannot be measured. No wonder letter which we believe will prove of equal significance in the educational world. It is a voluntary letter from Rev. Edgar Schmiedeler, Editor of the Journal of the National Education Association, "You have done so much for me that I would like to do something for you. If the attached statement would be useful to you as a feature for Consumers' Cooperation, it is yours." Turn to page 69 and read the statement which was attached to the above letter. When an editor of such a significant educational journal and prominent progressive educators in increasing numbers are becoming converted to the cause of cooperation and outspoken advocates of it, there are mighty possibilities on the horizon of democratic America.

Fred Hall, Principal of the Cooperative College of Great Britain at Manchester, wrote that they have several applications from persons in the United States, relative to admission to the Cooperative College, who have also inquired about the possibility of earning their while attending the College. Prof. Hall states that the government is not favorable to persons from other countries taking up paid employment there; however, students invited by The Cooperative College will be admitted to the College without charge for tuition, but will necessarily have to provide their own support while there.

Rev. George A. McDonald, S. J., Associate Editor, The Queen's Work, St. Louis, in an article in the March issue under the title "It Can Be Done" has this to say of youth: "Youth, whether of parish or school, have no better economic hope for the future than is offered by the cooperative movement. It has only not only for but place for youth such strength, courage and idealism. Make it one of the most important projects of your Sodality to study this movement, and when convinced, join its ranks and spread the hope that there is a way to distribute the abundance of good things God has provided us with."

If we were running a Want Ad column, we would now have occasion to run an advertisement headed, "Cooperative Professors Wanted." Two universities have written us relative to introducing courses in Consumers' Cooperative and wanting recommendations as to educators capable of teaching the courses. Likewise we have a similar letter from an outstanding Adult Education organization in a large city. The difficulty today is, first of all, to find educators who are fully familiar with the literature of the Cooperative Movement who can teach it from the theoretical standpoint, but even more particularly to find educators who have had practical contact with cooperatives and first hand experience in organization, which is even more necessary in presenting the subject theoretically and in the practical knowledge of the history, principles and practice of the movement.

The opening sentence, "When Kagawa began his tour in behalf of the Cooperative Movement" in the lead editorial of the April 8th issue of The Christian Century means far more to the Cooperative Movement perhaps than we yet realize. Almost all of the publicity relative to Kagawa's addresses and interviews has been friendly. It has caused the words Consumers' Cooperation to appear in literally millions of copies of newspapers, magazines and journals of all types. Even where attacks have been made upon him for advocating consumers' cooperatives as the economic embodiment of the principles of brotherhood, such attacks have resulted in an immediate defense by religious leaders. As addresses increased publicity. At Rochester the trustees of the Masonic Temple Association, after granting the use of the Temple to the City Federation of Churches, attempted to lay down conditions, according to the newspaper story, that Dr. Kagawa should avoid anything controversial including the Cooperative
Movement. After a letter of protest on the part of the Federation of Churches, the use of the auditorium was permitted, on condition that "the responsibility for the remarks of the speaker shall be that of the Federation." Following the publication of the first news of the controversy, a second column story appeared under the heading, "Storm of Protest Stir in Churches over Dr. Kagawa." One minister declared, "to forbid a speaker to refer to the cooperative movement is to show the densest ignorance of the constructive character and demonstrated value of that movement." Another minister said that antagonism to Kagawa "is from a group that represents special privilege and monopoly in business and an Americanism armed to the teeth." As William Lloyd Garrison said, in the Liberator, prior to the Civil War, no great social change was ever made in society "without excitement, a most tremendous excitement."

**WARNING! WARNING! TO PRIVATE DEALERS**

As we have suggested before, it is interesting to note the way in which the Capitalistic elephant has become disturbed over the Cooperative mouse, which would thus far be a fairly accurate comparison between the sizes of the two movements in America. Spokesmen for the present economic order, in particular wholesalers, statistical services and advertising publications are warning private-profit retail merchants.

Previously we have quoted Roger Babson's warning to merchants that they "may be sitting on dynamite ... if consumers ever wake up to their potential power." However the comparison is incorrect. Cooperation rises like yeast, it doesn't explode like dynamite.

More lately E. W. Dobson, Vice-President of the J. F. Anderson Lumber Co., of Minneapolis, is reported to have declared at the convention of the Wisconsin Retail Lumber Association, "The essence of the Consumers' Cooperative Movement is the abolition of the capitalistic system and the elimination of the established retail dealer." Such warnings are only smoke screens behind which monopoly continues to build its chair stores and itself eliminate private retail dealers.

Before the convention of the National American Wholesale Grocers' Association, J. Frank Grimes, President of the Independent Grocers Alliance, is quoted as having said, "The Consumer Cooperative idea will depend almost entirely for its success upon the type of leadership it is to have. I am convinced that the movement has now made such headway that it is at the point where the right sponsorship and capable inspiring leadership will raise it to a commanding position in our entire distributive system. In making my study of this movement I have been impressed with its tremendous possibilities ... It now appears that it is not only going to have efficient leadership but smart, clever, truly brilliant leadership."

The private profit retail dealer is today faced with the alternatives of eventually becoming the employee of the corporate chain controlled by concentrated finance behind him, or the employee of his customers as member-owners of a cooperative association in front of him. "The trend of modern business," says Dr. M. M. Coady of St. Francis Xavier University, "is that no one will own the business he manages. The only alternatives in the future will be whether one is to be manager of a capitalistic chain or a cooperative association."

Future development is primarily a case of efficiency in distribution. The cooperative method will eventually win over the corporate method, we believe, because of its ability to distribute to consumers food, goods and services of a comparatively higher quality at a lower price. The second reason it will win is because of its greater justice in distribution of wealth widely among the people rather than concentration of wealth in the hands of a few. Rather than any fear on the part of the present private-profit dealers over the coming of Consumers' Cooperatives, they should, as one dealer writes, "welcome the better way," for only through Consumers' Cooperative Associations can they effectively build up the communities where they live, rather than continually as today to be largely the unconscious agents of monopoly sucking out the life blood of the community and centralizing it in the hands of the finance-octopus.

The cooperative movement offers a peaceful pathway toward a better civilization.

The cooperative movement serves every type of human need, both economic and cultural.

The cooperative movement thrives in every country where freedom is not entirely destroyed.

The cooperative movement removes the causes of war and of internal strife between classes.

As United States Supreme Court Justice Louis D. Brandeis points out in "Other People's Money," the cooperative movement overcomes corporation privilege, domination, monopoly, and excessive concentration of wealth by establishing a motive higher than greed and by performing a superior service.

The cooperative movement asks no special favors; it has faith in enlightenment, free discussion, good will, and the power of growth.

For the development of the cooperative movement, conditions in the United States are especially favorable—abundant resources, a democratic tradition, a high level of general education, and a great area free from tariff barriers.

When studied and practiced in the school, the cooperative movement gives young people a new life and a sense of responsibility for their own destinies.

The cooperative movement is the most powerful form of education for both children and adults; people learn by doing; they develop faith in themselves and in each other.

When fostered by the church—as Kagawa has pointed out—the cooperative movement is an instrument of self-help to the impoverished and the desperate.

The cooperative movement is the practical application of the golden rule; it is the ultimate democracy.
Consumers' Cooperative Oil Stations Enter Minnesota and Wisconsin Cities

By Lynn Matson
Field Representative Midland Cooperative Wholesale

In most European countries, the development of Consumers' Cooperatives has taken place largely in the cities and industrial centers. In America almost the reverse has been true. Here it has been chiefly the farmers who have responded to this movement.

The reason for this appears to be twofold. First, the depression hit the American farmer in 1920, nine years prior to the movement in cities. Second, the farmer had acquired through his marketing cooperatives and general farm organizations a knowledge of cooperation that made it easier for him to organize and manage a Consumers' Cooperative. Perhaps an additional reason is that the farmer is a heavy purchaser; he buys for his farm as well as for his home, thus making cooperative savings more apparent.

However, during the past two years city people have become greatly interested in Consumers' Cooperation. In the territory served by the Midland Cooperative Wholesale, which includes the states of Minnesota and Wisconsin, there have recently been organized, entirely by city people, cooperative oil associations in Minneapolis at St. Paul, and in Wisconsin at Appleton, Madison and Racine.

Cooperative Oil Association, Minneapolis

Pioneer Labor Union Oil Cooperative

The first of these in point of time was the Cooperative Oil Association of Minneapolis, which started business April 17, 1933, organized primarily by a labor union group. Although sales to December 31, 1933, were only $13,928.78, a 7½ per cent patronage dividend was paid. During 1934 a price war forced sale at cost for several weeks, and near cost for a longer period, thus reducing net earnings to a very small figure, although total sales increased to $44,377.54.

Narrow margins prevailed through most of 1935, but sales increased to $64,736.30, producing a net gain of $1,938.78. A goal of $100,000 has been set for 1936, and there is every reason to believe it will be reached. There are now over 900 members and the list is increasing every week.

It is especially significant that the members attending the annual meeting January 15 last, approved a resolution that one-half of one per cent of gross sales income be set aside for educational purposes. Important also is the fact that labor relations are eminently satisfactory.

The business of this association was satisfactory from the very beginning, over 10,000 gallons of gasoline being sold the first month. The first year, ending March 31, 1934, showed sales of $22,818.50 and net earnings over $2,000, from which an 8 per cent patronage dividend was paid. Gallonage increased 62 per cent the second year, 1935, sales exceeding $36,000 and net earnings $3,000.

Indications for the current year prospects indicate sales of at least 1,250,000 gallons, over 748,000 gallons having been handled by the end of January, 1936. Three trucks are now operating a fourth having been closed at the beginning of the winter season.

Park Cooperative Oil Association, St. Paul

Promoted by University Professors

The Park Cooperative Oil Association in St. Paul began operations only a month later than the Minneapolis Co-op. The Park Co-op, in St. Anthony Park and its one station is located near the College of Agriculture of the University of Minnesota. Many of its 500 patrons and members are on the University staff.

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Racine Consumers' Cooperative

Outgrowth of Labor Union Leadership

The Racine Consumers’ Cooperative opened for business at Racine on February 1, 1935, with 250 members, one service station, and two employees. At the end of the first four months an 8 per cent dividend on purchases was declared and paid. Since then, the growth has been

Consumers’ Cooperative Oils Grows from 300 to 1300 Members in One Year

The Madison Oil Cooperative started business with 300 members and one service station in September, 1934. The membership was composed largely of State and University employees. In one year this organization has grown to a membership of 1300 with three modern super-service stations, a large bulk plant handling fuel oil as well as gasoline, a coal yard, five delivery trucks and a payroll of 22 employees. During September, 1935, 23 carloads of material—gasoline, fuel oil and coal—amounting in value to over $13,000 were handled by this organization. The net saving paid back to the consumers at the close of the fiscal year in May, 1935, after interest on stock and all operating expenses has been deducted, was 8 per cent on all purchases. Due to reduced margins the per cent of refund on purchases for the current year undoubtedly will be lower.
CONSUMERS’ COOPERATION

Cooperation in the Making
THE MIDDLE WEST IN WINTER

By J. P. Warbasse

Cooperation can be seen in the making wherever a group of people are occupied in their study or in carrying on a cooperative business for their own service. This has been going on in this country for a century and a half. It exhibits ups and downs; but in the end, the former always lift it higher than the latter carry it downward. Progress is the result. The best way to know about this progress is to see it.

It is my practice to go out to look at Cooperation in action in some part of the country at least once a year. This is largely for the improvement of my own understanding, and incidentally to interpret Cooperation to others who also are pursuing the study of the subject. Such a tour was made during January and February. The plan of the tour had been arranged by the cooperative educators in each district. The tour averaged four meetings a day for fifty days in succession, but the hundred meetings were followed by question periods. Commonly the lecture lasted fifty minutes and the questions an hour. I shall attempt a brief report of what I learned.

Increasing Enlightenment

Beginning with the Lancaster County Farm Bureau Cooperative Association, in Pennsylvania, one sees a group of farmers devoted to the study as well as to the practice of Cooperation under the guidance of able executives and teachers. Their annual meeting, which I addressed, was attended by a number of Mennonite and Dunkard clergymen, who are highly influential among the membership and whose approval of Cooperation is regarded as a sanction which goes far in promoting its acceptance.

The next evening, at St. Louis, a large meeting at the Selden High School Auditorium, brought out the people of all groups who were interested in the subject. A session with classes in economics at Washington University the next morning, presided over by the Dean, revealed the usual college students getting something new. The pity is that Cooperation is so strange to the minds of students of economics in so many American colleges. The picture, however, is changing. An afternoon lecture at Eden Seminary was addressed to students of a liberal religious bent. Conferences during the day brought together groups for the discussion of practical problems. The evening meeting was at Washington University School of Medicine. The audience consisted of faculty members, students, and the public. The Dean presided. The subject was "Modern Aspects of Medical Economics." Even the conservative President of the County Medical Society took no umbrage at a social interpretation of Medical Service. Conference meetings during the following morning included the Newspaper Guild, with two hundred members, who wanted to organize themselves cooperatively for health protection—and are proceeding to do so. At noon another session at the Medical School—an auditorium packed with students and teachers to listen to a discussion of "The Doctor and the Public." The doctors are beginning to see the point. A delightful evening with the faculty revealed the capacity of teachers to ask questions, and disclosed their searching interest in cooperation.

Cooperation Takes Root

The German Catholic Central Verein gave attention to our meetings. It is a noteworthy fact that this organization has the best cooperative library in St. Louis. The priest who took me on Sunday morning to St. Louis University had received during the day three letters, quoting from the "Red Network," and protesting against permitting me to speak at a Catholic school. The Department of Philosophy, which I addressed, showed interest and came back with questions for the farmer. With the continuing shift of emphasis from an "economics of scarcity" to an "economics of plenty" our Farm Marketing Cooperatives, which are engaged in marketing, are finding it increasingly difficult to secure markets for their products. When the City Consumers’ Cooperatives develop to the point where they can handle food stuffs, this difficult problem of markets will be on the way toward solution. When we get to the point where City Consumers’ Cooperatives can deal directly with Farm Marketing Cooperatives, we will have placed the whole cooperative movement in a more secure position. Until this is done, a large part of the Farm Marketing Cooperatives may find themselves in an increasingly insecure position.

It therefore appears important that all lower levels cooperatives and especially the Farm Marketing Cooperatives should be vitally interested in and give whole-hearted assistance to the organization and development of City Consumers’ Cooperatives. For only as the men of the city and the men of the country learn to work together cooperatively for the good of all concerned can we hope to replace our present wasteful profit-taking methods with the commonwealth of abundance made possible by our power age.

Dr. Nicholas Murray Butler, President of Columbia University, is reported as saying that only the English speaking peoples yet retain the framework of civilization upon which liberty, He, too, should "take a walk in Sweden" and the other Scandinavian countries and lean where liberty prevails to the greatest degree today. This liberty is based on economic as well as political suffrage. Will someone who knows him personally please recommend Marquis W. Child’s book, "Sweden—the Middle Way" to president Butler.
an hour which indicated a highly intelligent approach to the subject. And the Dean, expressing himself as inspired by the meeting, testified to the earnestness with which Catholic teachers view Cooperation. A Sunday afternoon meeting, and consumers' cooperation in general. This is true of Wisconsin doing just that under the superb cooperative educational leadership. If there were more like them, Wisconsin would need no such compulsory law. This law, however, possesses distinct value in promoting cooperative education and in giving the subject standing among educators. At Madison, my first job was broadcasting for fifteen minutes over the University radio, without being required to submit a manuscript or anything else. That is progressive. Then a series of meetings and conferences with cooperative executives and managers. A luncheon club address to business and professional men was interesting because such an audience asks interesting questions.

**“Business” and Cooperation**

In the evening we drove to White water. The meeting was of teachers and students at the rather somber State Teachers College. This is an institution for the training of teachers in commerce. The atmosphere was charged with business. But the unfolding of the interpretation of Cooperation from the consumer's standpoint has the power to take the interests of the most businesslike heart. It is good for the soul of the teacher to recompose himself, and to pass from profit-business thinking to thinking in larger places could withstand: they are new counted among the saved. For the afternoon's diversion, we had the Franklin Creamery's annual meeting. Franklin has been having sessions with me for a matter of twenty years. We know one another pretty well. They are always considerate and listen with patience. Franklin is an example of a great cooperative consumer-controlled institution. There are high-minded men of understanding and vision in this organization who know that some of the $25,000 invested in cooperative education, has the power to produce great results.

**Ethics and Beauty**

Sunday brought a conference on medical cooperative organization. In the evening at the Unitarian Church, the subject was "Cooperatism as an Ethical Force." The next afternoon was spent with the Farmers Union Central Exchange. This organization has a beautiful plant with every modern facility for oil handling and shipping. In Detroit it has able executives and its business is expanding steadily. The evening meeting was a dinner meeting combining the Educational Club and the Fellowship of Reconciliation. Among the college meetings was that of the University Forum at the Midland Cooperative Wholesale—"It is the forum which has the reputation of asking the hard questions. The communists are always much in evidence. The hall was crowded, but to our disappointment, none of the regulation communist questions appeared. It is surprising how a few preliminary words on autocracy go down like honey. And on the individualism in the socialized state to our disappointment, none of the regulation communist questions appeared. It is surprising how a few preliminary words on autocracy go down like honey. And on the individualism in the socialized state.
Cooperative Leaders Face Realities

A cheerful and optimistic but serious-minded group of cooperative leaders met for three days in Chicago on March 16, 17 and 18. They faced a straight-from-the-shoulder challenge made by Howard A. Cowden, Secretary-Treasurer of National Cooperatives, Inc., who declared that he did not consider that we yet had in the United States a Cooperative Movement in the European sense of the word. Were we fully organized in the United States, he pointed out, we would have the third largest cooperative membership in the world—in number of members and volume of business and savings (in percentages we of course are yet far behind).

This challenge was faced squarely and action taken looking toward greater coordination.

After a full day and evening of sessions, the Coordinating Committee appointed by The Cooperative League in February, 1935, voted to recommend that it be discharged and a new joint committee be appointed consisting of three members from each of the Boards of Directors of The Cooperative League and National Cooperatives, Inc., to consider the future relationships between the two organizations and more uniform financing of The League. The appointees to the new committee were Messrs. Cowden, Osborne, Vance, Warbasse, Halonen and Bowen.

Competition Between Cooperatives

The Directors of National Cooperatives, Inc., did not dodge the problem of the increasing competition between cooperative wholesalers operating in the same territory and authorized the appointment of a committee to investigate and arbitrate when specific cases of conflicts arose.

Thus far in its history National Cooperatives, Inc., has operated without a central office and buyer. After a lengthy discussion, the directors were authorized to open an office and employ a manager as soon as they deemed advisable.

Formal motions do not in themselves generally indicate the full significance of the action likely to result from their passage. It is more a matter of the spirit and determination behind the resolutions when they are passed which determine how the agreements which they are carried out. If, in the case of these highly important resolutions, the discussion indicates the probable trend of action the results should be highly significant for the Cooperative Movement in America.

Mr. I. H. Hull, President, opened the Annual Meeting of National Cooperatives by suggesting that certain types of products lent themselves to regional and others to national organization. He declared in conclusion that the relationships which had been developed between the members were even more important than the savings which had been made and invited a full and free expression from representatives of each group.

Immediate Objectives

The statements of each representative in highly condensed form covered the following suggestions: representing Central Cooperative Wholesale of Superior, Wis., one of the largest wholesale businesses in the country, Ralph Ingerson, manager of Farmers Union Central Exchange of St. Paul, suggested pushing farm machinery more rapidly. Declaring that the present unjust distribution of wealth which produced poverty and billion dollars value the lives of both God and man, Troy Womble, Vice-president of Consumers Cooperatives Associated of Amarillo, predicted the future of cooperation as limited only by the North and South poles and where the East met the West. George G. Barret, president of Pacific Supply Cooperative, Walla Walla, Washington, urged National Cooperatives to move faster or it might be run over by the Cooperative Movement. Midland Cooperative Wholesale's general manager, E. G. Cort, emphasized that if National Cooperatives is to progress it must have an office and buyer and stated that nearly bankrupt farmers are in some cases supplying capital to help set up city cooperatives.

More reliable research work was urged by Silas Peck, representing the Farm Bureau Oil Company of Indianapolis.

The element of time as being very important in America today was stressed by Clifford Miller, Secretary-Treasurer of Consumers' Cooperative Association of North Kansas City, who urged that chances be taken if necessary in order to move faster. Four points were made in concluding the discussions by Howard A. Cowden, Secretary-Treasurer of National Cooperatives, Inc., who urged the need of building up a stronger capital structure underneath National Cooperatives, Inc., and the need of a central headquarters, a continued effort toward coordination of the movement in America and better gearing into the world Cooperative Movement.

During the business session which followed the membership application of Eastern Cooperative Wholesale, New York City, was accepted.

The discussions of the Directors of The Cooperative League were principally concerned with publicity and educational matters. The invitation of the Midland Cooperative Wholesale to the Directors of The Cooperative League and National Cooperatives, Inc., to hold their next meetings at some lake near Cottonwood, Minnesota, during the first days of July and while there to attend the Fifteenth Anniversary of the founding of the first retail cooperative oil association in America was accepted. The officers were instructed to send out a referendum to the Directors to determine the exact date and place for the Congress of The Cooperative League in October.

Cooperatives Electrify the Farm

Cooperative construction of power lines to provide light and power at cost, moving rapidly under the impetus of The Rural Electrification Administration, received an additional boost with the passage of the Norris rural electrification bill by the Senate March 4th and final approval by the House April 9th.

The bill provides for an appropriation of $40,000,000 to undertake a ten-year program to electrify rural America and authorizes a loan of $50,000,000 for the year ending June 30, 1937 and $40,000,000 annually for the nine years thereafter.

Of the original appropriation of $100,000,000 for rural electric projects more than $8,000,000 had been disbursed and earmarked for specific projects March 1st. 27,000 farms and 7,500 miles of line are provided for in these appropriations with additional applications in twenty states. Farmers deprived for years of the use of electric light and power because it was not "profitable" for private utilities to serve rural areas, have taken the initiative in forming their own rural cooperatives to meet this need and a lion's share of the funds now earmarked will go to cooperatives.

Twenty-two district meetings sponsored by the Ohio Farm Bureau Federation have rallied 50,000 Ohio farmers behind projects for cooperative electrification.

The complete program of electrification mapped out by the Rural Electrification Division of the Ohio Farm Bureau cooperatives will involve the building of 5,387 miles of line. Miami and Shelby county co-ops have already started construction of their own lines. 1700 farm homes in the counties will "turn on the switch" for the first time when construction is completed in May.

The first poles were set in Boone County for Indiana's first electric cooperative January 9. An appropriation of $567,926 was made to serve twenty-two hundred members of the Boone County project which is the first line to rise under the direction of Indiana Farm Bureau Cooperatives.

Midland Cooperative Wholesale in Minneapolis is providing engineering service and technical assistance to many
Consumers' Cooperatives in Action

Columbus, Ohio—The Columbus Consumers' Cooperative, organized in January, 1935, with twenty-nine members, now has a membership of 437. The co-op did a total business in gas and oil, coal, dry cleaning and clothing of $15,823 and paid patronage dividends of eight per cent.

Minneapolis, Minn.—The Cooperator's Life Association will seek to increase its insurance in force during the next year to a million dollar coverage, according to a decision of the second congress of the association held here March 3. The total insurance in force after the first two years of operation is $612,000.

Madison, Wisconsin—Medical service on a group payment plan as a supplement to the service of credit unions that has been provided for the county by the directors of the Credit Union National Association here, February 9—12. The medical plan would furnish complete medical and dental care upon the payment of a regular monthly fee.

Consumers' Cooperative Association. North Kansas City, Mo., has set up a special department of rural electrification to assist local cooperatives with their projects.

Cooperative rural electrification, taking the lead in pioneering this field, has already met active opposition from private profit utilities which fear the loss of the cream of the territory which they had intended to exploit at their convenience. In Ohio a private profit company erected parallel lines with the cooperative without permission from the proper authorities in an attempt to beat out the cooperative. Propaganda aimed at the cooperatives has been spread promiscuously in an attempt to frighten farmers from creating their own utilities. Co-ops and private interests in Wisconsin locked horns before the Public Service Commission when contradicting orders confined the rights of expansion. In twenty states cooperatives are leading the drive to electrify the 85% of American farms now without light or power.

New York City—The Manager of the Cooperative Tour to Europe reports that transatlantic bookings are heavier than they have been for years. Co-ops who plan to join the tour should send their reservations to The Cooperative League at once to be sure of desirable spaces.

Duluth, Minn.—The Trico Cooperative Oil Association has assisted the organization of a city oil cooperative in Duluth. The newly formed Duluth Consumers' Cooperative Society will operate the service station.

Greely, Colorado.—The Consumer Oil Company which last year distributed 1,300,000 gallons of gasoline claims the title of the world's largest retail gas and oil cooperative. The Greely Cooperative, organized in 1921, has returned to its 1,700 members almost three-quarters of a million dollars in patronage dividends. Savings totaled $93,000 in 1935.

Hermiston, Oregon—This little town of 600 people is rapidly becoming Oregon's "Cooperative Town." Consumers cooperative business here totaled almost a quarter of a million dollars in 1935 with an additional $250,000 business transacted through marketing cooperatives. The Farm Bureau Cooperative, dealing in feeds and seeds, had gross sales of $147,000 in 1935. The Grange Cooperative handled $36,000 worth of lumber, hardware, fuel, and oil. Sales of the co-op gas station totaled $21,000, with a 10 per cent patronage dividend. A cooperative cannery and laundry added $5,000 more and the Cooperative Grocery, operating in competition with a major chain, reported sales of $26,000.

A community credit union has been established. Turkey and creamery cooperatives were the major marketing co-ops and talk of a cooperative bakery, meat curing plant and tannery are now in the air.

New York—Statistics compiled for the April issue of Consumers' Cooperation indicated volume and membership increases in every cooperative wholesale and regional organization. Statistics are now available for the cooperatives affiliated with The Cooperative League. Consumers Cooperatives Associated, Amarillo, Texas, estimated retail sales of $1,000,000 for 60 affiliated cooperatives in the Panhandle area. Consumers Cooperative Services, operating a chain of cooperative cafeterias on Manhattan Island increased its volume from $395,109 in 1934 to $434,396 in 1935. Franklin Cooperative Creamery, Minneapolis, boosted sales of dairy products to $2,517,261. Cooperative Distributors, New York, pushed its gross cooperative business over $100,000 for the first time.

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NEBRASKA FARMERS UNION FOLLOW'S LEAD OF OHIO FARM BUREAU FEDERATION

In the spring of 1935 the Board of Directors of the Ohio Farm Bureau Federation passed resolutions providing that the officers and staff lend assistance and encouragement to the initiative of city consumers' cooperatives; recommended to their affiliated insurance cooperatives that they make their service available to city consumers' cooperative groups; and that the officer and members of the state farm bureau be authorized to serve in such capacities with city consumers' cooperatives as might be requested of them. These resolutions
urban cooperative organizations, and

“Whereas, The cooperative movement, in order that it may attain its greatest growth and reach its most worthy ends, must vision and assist in the development of each type of cooperative, be it

Resolved, That the harmonious relationship existing between the consumer groups and the marketing and producer cooperatives be cultivated and increased, and that we request our officers and directors to formulate plans and authorize them to promote such plans for a consistent working relationship between such cooperative associations, all such to be in the interests of both rural and urban associations, and in accord with the promotion of the cooperative movement as a whole.”

The Press Boosts Consumers’ Cooperation

CONSUMERS’ COOPERATION

editions adopted by the Board of Directors were followed by resolutions adopted by the Delegate Body at the annual meeting of the Ohio Farm Bureau Federation in November, 1935, authorizing the Board, the Trustees and officials of the Farm Bureau to develop and promote proper plans for agrarian and consistent working relationships between farmer and urban consumers’ cooperative groups.

This historical action on the part of a farm group reaching out its hand to grasp that of urban groups in the organization of consumers’ cooperative associations has now been followed by the adoption of resolutions by the Nebraska State Farmers Union convention in February, which we quote in full as follows:

“Whereas, There has been a marked and steady increase in the past few years in the growth of both rural and urban cooperative organizations, and

WHEREAS, The cooperative movement, in order that it may attain its greatest growth and reach its most worthy ends, must vision and assist in the development of each type of cooperative, be it

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By the new pamphlet, Mr. Landis says that in a recent message, the cooperatives belong with the Christian churches. He states that the purpose of the pamphlet is to interpret the movement which began in Rochdale in 1844 to those who are a part of the movement that began in Galilee nineteen centuries ago. Cooperative principles and developments are interestingly discussed, concluding with the question, “What religious leaders say,” directions for organizing a cooperative and a condensed bibliography. No religious leader in America is better informed and better able to write effectively upon the subject of the Cooperative Movement.

Newspapers

CONSUMERS’ COOPERATION

NEW YORK WORLD-TELEGRAM, March 31, “6,000 U. S. Cooperatives Doing Business of $365,000,000 yearly,”

NEW YORK POST, April 3, “Cooperatives Thrive By Filene.”

NEW YORK SUN, April 2, “Cooperatives,” editorial.

AMERICAN LEADER, a series of five articles on Cooperative Insurance, Cecil Crews.

AMERICAN JOURNAL OF CHURCH & STATE, April 1, “Up By the Bootstraps,” the story of the Gary Cooperative, Marguerite Harmon Bro.

 Recent developments, government operation of utilities. Beaux Arts, an aesthete.

ECONOMIC JUSTICE, March, “Kagawa Is Acclaimed,” an editorial analyzing the social values of cooperatives.


AMERICAN COTTON GROWER, April, “Kagawa and Cooperatives.”

FRATELLI, March-April, “Consumers’ Cooperatives,” correspondence, Emerson P. Harris.

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The following books are recommended as containing the best discussion of the modern Consumers’ Cooperative Movement. They may be ordered through the League, postpaid on request of price.

Bergengruen, R. P.: Credit Union Book
Charles Gide and Cooperation. Edited by Karl Walter

Childe, Marcus: Sweden—The Middle Way

Faber: Harold: Cooperatives in Danish Agriculture (1931)

Fowler: R. B.: Consumers’ Cooperation in America (Cooperative Edition)

Hall and Watkins: Cooperation, Ottawa

British Textbook, 1935

Holyoke: Roadsides Pioneers 1877

Hough, E. M.: Cooperation in India 1932

Jenkin, Morris: Peas through Cooperation, A Cooperative Novel (Special Edition)

Life As We Have Known It. Life stories of English working men.

Life: Cooperation in India 1932

Roffman, Percy: John T. W. Mitchell, (1930)

Rusell: George (A. E.) The National Being

Swedish Cooperative Architecture (textually illustrated)

Tuomioinen: The Place of Cooperation among other movements

WARSHAW, J. P.: Cooperative Democracy (1936) (Special Cooperative Edition)

WARSHAW, J. P.: The Doctor and The Public, (1936) (Special Cooperative Edition)

 Webb, B. S. and B.: The Consumers’ Cooperative Movement (1932) (Board cover)

Webb, Britishe: My Apprenticeship, (1936)

Webb, Catherine: Industrial Cooperation, 1932

Woolf, Leonard: Cooperation and the Future

Cooperation, Bound Volumes, 1929 to 1935 inclusive, each year

The People’s Year Book, 1926, English, 1927, French, 1928, German

GENERAL BOOKS

Brookings Institution: America’s Capacity to Cooperate

Clase and Schwartz: Your Money’s Worth

Education for Life: Noelle Davis

Hawkins: Profit: Economic Consequences of Power Production

Kaplow, Charles: A Christian and Judaism

Kallen, H. M.: A Free Society (Contemporary)

Ladd, Hugh: The Chair of Peace

Webb: B. S., The Place of Cooperation among other movements

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PEACE • PLENTY • DEMOCRACY

VOIUME XXIII. No. 6

Fathers who support the present competitive system today do so at the future expense of their own children.

With tiresome uniformity the Federal Reserve System reports again: Industrial production 97, factory unemployment 84, factory payrolls 75.

Heber Blankenhorn, industrial economist of the Labor Board, has discovered another definition for pure Americanism. Before the La Follette Committee he testified that "this system of espionage is 100% American," declaring that wherever he made inquiries on the use of industrial spies he was informed that such things do not exist in Western Europe.

Interest in Dr. Toyohiko Kagawa is not confined to the Consumers’ Cooperative Movement in America. A letter has just been received from Axel Gjores, Secretary of Cooperative Forbundet, Stockholm, Sweden, advising that the Directors of K. F. desire to extend to Dr. Kagawa an invitation to visit them, and requesting the assistance of The Cooperative League in persuading him to do so. Dr. Kagawa has accepted the invitation.

Officers of corporations are being placed on the defensive because of their huge salaries. For years they have successfully kept them hidden not only from the general public but even from their own ordinary stockholders. Now that they are forced to report the figures, a defense is necessary. Myron C. Taylor, chairman of the U. S. Steel Corporation, argued at their annual meeting that "their compensation is commensurate with their responsibility," and in the interest of the stockholders. When we read this news item we could not help but recall an annual meeting of a cooperative wholesale when a delegate asked what salaries were paid employees, whereupon the manager pub
COOPERATION

Webb in Great Britain and finally adopt ment that the field of the church does not previous experience. What the NRA but should simply establish a minimum labor should do this time is to drive for a National Minimum Law such as was pro "Black Diamond" and in the "Christian Evangelist" both suggest that the church really did was to attempt to foist on America the cartel system of price and production control by a similar remark, "Let them eat cake! And will their results be any different? It is for America to determine. These conditions are not so different, but perhaps the people have learned from history that violence is not the best solution. Profits need to be made in order to be arised. American Labor to the significance of organizing as consumers into cooperatives as well as producers into unions, he saw something in the phrase "speaks softly" in connection with profits. They don't mince words. They're out and say "property, whether among ministers or members—Labor Parties, Labor Unions and Consumers' Cooperatives. When the editor of Consumers' Cooperation interviewed Mr. Morrison and asked him for a statement that he was asked to explain "profits are the wealth of the people which needs to be paid back to those who pay them in. The cooperative patronage dividend method provides the technique for doing so. Like others, the Bishops also confuse "property" with "profits," in saying that "property, whether among ministers or merchants, is not proof of iniquity." Certainly it is not. In some places, it is not. Where the Cooperative Movement is out to do is to recover ownership of property for the people which private-profits have taken away. Let cooperators who have the acquaintance of Bishops help to teach them that profits cannot be classified, that profits cannot be blessed by benevolence, and that profits do not mean the same thing as property. Bishops can and need to be "socially saved" as well as others. Marquis Childs' "Sweden—the Middle Way" tells how private-profits are being eliminated in munitions, lever, industry, and utilities. Private-profits are the core of the cancer that is eating at the heart of society today.

Dan B. Brummitt, editor of the central and northwestern editions of The Christian Advocate, did not take the attack of the Iowa Association of Lumber and Building Dealers Association laying down. He has been too wise to be afraid. Under the heading, "A Bit of Foolish Fascism From Iowa," he writes, "This year our General Conference has had more than its share of unsolicited advice from outside our church borders, some of it astonishingly cheeky. But for cold, chilled-steel nerve we nominate to receive this General Conference award for undiluted impudence the work of the Iowa Association of Lumber and Building Material Dealers. Mr. Brummitt suggests that the Bishops need to learn that "profits are the wealth of the people which needs to be paid back to those who pay them in. The cooperative patronage dividend method provides the technique for doing so. Like others, the Bishops also confuse "property" with "profits," in saying that "property, whether among ministers or merchants, is not proof of iniquity." Certainly it is not. In some places, it is not. Where the Cooperative Movement is out to do is to recover ownership of property for the people which private-profits have taken away. Let cooperators who have the acquaintance of Bishops help to teach them that profits cannot be classified, that profits cannot be blessed by benevolence, and that profits do not mean the same thing as property. Bishops can and need to be "socially saved" as well as others. Marquis Childs' "Sweden—the Middle Way" tells how private-profits are being eliminated in munitions, lever, industry, and utilities. Private-profits are the core of the cancer that is eating at the heart of society today.

By the time this issue of Consumers' Cooperation reaches you the newspapers should have reported how so-called consumers present day Methodists are of the two famous Methodist ministers, the Loveless brothers, who organized the first trade union in England, for which they petitioned seven years penal servitude. Will present day Methodist ministers answer today's attacks with George Loveless' words, "We raise the watchword Liberty: We will, we will be free!"

America has been honored, all too briefly, with a visit from another famous foreign visitor, Herbert M. Morrison, President of the London County Council and prominently suggested as the next Prime Minister of England if and when the Labor Party again achieves control. It's good to listen to such straight-from-the-shoulder-hitting English leaders as Daniel Lumsden and Herbert Morrison. They don't mince words. They're out and cut advocates of all three types of work ers—Labor Parties, Labor Unions and Consumers' Cooperatives. When the editor of Consumers' Cooperation interviewed Mr. Morrison and asked him for a statement that he was asked to explain "profits are the wealth of the people which needs to be paid back to those who pay them in. The cooperative patronage dividend method provides the technique for doing so. Like others, the Bishops also confuse "property" with "profits," in saying that "property, whether among ministers or merchants, is not proof of iniquity." Certainly it is not. In some places, it is not. Where the Cooperative Movement is out to do is to recover ownership of property for the people which private-profits have taken away. Let cooperators who have the acquaintance of Bishops help to teach them that profits cannot be classified, that profits cannot be blessed by benevolence, and that profits do not mean the same thing as property. Bishops can and need to be "socially saved" as well as others. Marquis Childs' "Sweden—the Middle Way" tells how private-profits are being eliminated in munitions, lever, industry, and utilities. Private-profits are the core of the cancer that is eating at the heart of society today.

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Which Way America---Cooperation or Communism

Most noteworthy conclusion was reached by E. Stanley Jones in his book, "Christ's Alternative to Communism" when he rejected Capitalism without detailed discussion as a drying economic order, and declared that the issue of the future was between a spiritual or a material collectivistism—in other words between Cooperation and Communism.

Cooperation is a method of retaining and extending democratic liberty and achieving economic justice; Communism destroys democratic liberty in its attempts to produce economic justice. The primary elements of economic justice might be defined as each one having ownership, employment and equality of income.

There is practically no farm tenancy in Denmark. Cooperation has resulted in the recovery of farm ownership in Denmark, which demonstrates that Communism is not necessary to eliminate tenancy. Furthermore, Cooperation has produced widespread individual ownership of farms rather than collective ownership. Individual ownership of farms is the foundation of greater cultural development than collective ownership. (See Denmark Agriculture, 1935, published by The Agricultural Council, Copenhagen, Denmark, for the facts.)

There is almost no unemployment in Sweden. Cooperation has resulted in the widespread distribution of jobs to everyone, which demonstrates that Communism is not necessary to eliminate unemployment. Furthermore, Cooperation has given everyone employment without compulsion as under Communism. (See "Sweden; The Middle Way" 1936, by Marquis W. Childs, for the facts.)

There is no widespread difference between standards of living in Finland than in Russia. The well-to-do live no higher than the Soviet officials and the poor live better on the average. Communism is not necessary to produce economic equality. (See series of four articles in Christian Science Monitor, August 19-22, 1935, for these facts.)

Political, educational and religious liberty have been preserved and extended in Scandinavia. Cooperation has retained all the values of democratic liberty in Scandinavia while producing economic justice, which proves that it is not necessary to destroy liberty in order to achieve justice as Communism has attempted to do.

America is far more like Scandinavia than Russia. America has a background of 150 years of democratic liberty in political, educational and religious fields. Scandinavia has likewise had long years of democratic development. Russia never knew what democratic liberty was.

By the use of their democratic powers as consumers, citizens and producers, the Scandinavians have achieved economic justice and preserved democratic liberty. Scandinavia is the example for America to follow—the way of democracy and cooperation. Under dictatorship, says Gustav Cassel of Sweden, "what stands to be lost is nothing less than the whole of that civilization that we have inherited from generations which have once fought hard and even gave their lives for it. What they have accomplished and handed down to us is a precious inheritance, placing upon the present generation the commanding responsibility of maintaining such treasures intact for the benefit of future generations."

Scandinavia is rapidly developing consumers' cooperatives, public utilities and producers organizations. These are the three types of economic organizations for America to develop. Will you help organize your own little corner of creation in these three ways?

Incentives in a Cooperative Order

Some years ago, I was sitting in the research laboratory of Dr. Charles P. Steinmetz, the great electrical wizard and consulting engineer of the General Electric. There he was hunched over the table on which he had made so many brilliant calculations in the field of electricity. We began to talk about the need for a socialized order under which the masses of men and women would be able to enjoy security and plenty and leisure.

"Yes," I said, "many people today agree that a cooperative social order would bring about a juster distribution of wealth and income. It would abolish unemployment, poverty and waste. But, they say, people—especially inventors and managers—would have no incentive to work under a cooperative order.

"You are an inventor, Dr. Steinmetz. Do you think that you would have as great an urge as you now have to invent and conduct your researches, if employed by a socialized industry?"

Steinmetz took a puff of his long, black cigar and quietly replied: "I feel that I would have greater incentive to invent under a new social order. For under social ownership I would know that the invention would be immediately used by the entire industry and that all of its benefits would be felt directly by the masses in higher income or in shorter hours."

Why Men Work

Steinmetz obtained from the General Electric all that he needed to keep him going and an opportunity to continue in his experiments. If he invented anything, the profit went to the corporation. Under a Cooperative order, these salaried inventors could be depended upon to work for a salary in a socialized laboratory as they are now working for a salary for a private corporation.

So much for the inventor. What about the administrator, the business man? Does he require the profit incentive? Does he have a chance to make a fortune to keep him efficiently at work?

At the present time, I must admit that many business men are working hard with an eye to big profits. They want...
riches partly because of the comforts and the power that wealth will give to them. They want wealth for another reason: The gaining of a fortune is regarded by most people as an indication of success in business.

"That man is a great success," you will hear people saying. "Why, he entered business a poor boy. And now, look at him, as a millionaire! That's success!"

A man wants to be regarded as successful in whatever line of effort he enters.

Teaching Without Profit

If there were other measures of success, however, you would find that the same man working just as hard for those other goals. Take, for instance, the teaching profession. There are probably not more than a handful of the million odd teachers in this country who, as a result of teaching, to become millionaires. But do you hear the same from them of doing good work? No. Thousands of our teachers are among our hardest working people. What gets them to work? Well, they receive a fair salary. They are more secure in their jobs than are most workers for private corporations. They have the satisfaction of seeing their pupils develop under them, of being well regarded by the community for increasing their knowledge in cultural and scientific studies. And these and other non-profit incentives are sufficiently powerful to keep them hard at work.

Could we go to the great consumers' cooperative movement of the world? I was speaking a while ago with the very efficient manager of the Swedish cooperative Wholesale. He was showing me around the imposing headquarters of the wholesale in Stockholm. He was the head of a concern that was doing a business of millions of dollars a year, and yet neither he nor any other administrator was getting a profit from managing this cooperative enterprise.

I asked him what induced him to do this. I might know nothing about the concern except that it usually declares a certain dividend every quarter. Because of my ownership, and not because of my ability, I would think that whenever a dividend is declared, if I sell my stocks today and buy stocks in a competing corporation tomorrow, it will make absolutely no difference with the way the corporation is run. I, with other absentee owners, get the profit. I have nothing to do with the management, but the reason out of pocket money will not even a part of the profit. But he smiled at the question.

"There was such a thing, he said, as a cooperative Wholesale. There are probably not more than a handful of the million odd teachers in this country who hope, as a result of teaching, to become millionaires. But do you hear the same from them of doing good work?"

There were other measures of success, however, you would find that the same man working just as hard for those other goals. Take, for instance, the teaching profession. There are probably not more than a handful of the million odd teachers in this country who, as a result of teaching, to become millionaires. But do you hear the same from them of doing good work? No. Thousands of our teachers are among our hardest working people.

Professional

There are probably not more than a handful of the million odd teachers in this country who hope, as a result of teaching, to become millionaires. But do you hear the same from them of doing good work? No. Thousands of our teachers are among our hardest working people.

Rewards Under Cooperation

A socialized order would, therefore, I believe, furnish a far finer incentive to administrator, inventor, and ordinary worker than does the present system. It would provide the incentive of a comfortable salary, a secure living, and the chance to have one's say in the conduct of the corporation, an opportunity for advancement in position and pay, a chance to express one's self, to do a good job, to do in many instances creative work and to serve one's fellow men.

Finally, we must not lose sight of the fact that, while the profit incentive at present drives men on to energetic work, much of this activity is injurious to society. The profit motive is a driving force to adulteration, child labor, low wages, long hours, the suppression of labor's rightful activities, and more from management, executives depend less and less upon the direct profit motive for their incentive.

These and other non-profit incentives are sufficiently powerful to keep them hard at work.
Cooperation in the Making

THE MIDDLE WEST IN WINTER

By J. P. Warbasse

(Continued)

The Central States Cooperative League and the Northern States Cooperative League coordinate the cooperative movement of their respective districts. Contact with these organizations impresses one with the importance of district organization of cooperative associations in so large a country as this. They organize meetings in their districts most effectively.

The Consumers Cooperative Association performs the functions of a district league. It was holding its annual convention in North Kansas City on the week of February 3-9. Monday morning I had the pleasure of meeting the Board of Directors in session. Then a talk to the graduates of the CCA schools and members of the local educational committees. This assembly of young people was inspiring. They were approaching cooperation from the consumers' standpoint. There was a preponderance of young minds that could think in new terms. They had succeeded in getting away from the old conceptions of agrarian economics and were reveling in a new world. They were thinking things through and realizing that the farmers' problem was something more than getting good prices for good crops. These young people have gone a long way beyond their fathers. This is largely due to the educational work carried on by the CCA out in the district locals where things are done, where people live, and where economic problems must be solved.

Member Participation

In the afternoon it was a pleasure to address the opening session of the seventh annual meeting of the CCA and to participate in the dedication ceremonies of the new CCA building where the flag of the International Cooperative Alliance was unfurled.

On the following day the CCA held its annual business meeting. The delegates in attendance participated in a practical way. They knew what was going on and indicated that the Association was theirs and that they controlled it. The delegates and discussions were searching, and the cards were on the table. I wish I might attend more meetings like this, where the membership displays so keen an interest and evidences so intelligent a grasp of its own affairs.

Addressing this meeting in the afternoon was easy because I was speaking to a multitude of people who understood the language of cooperation without the need of much explanation.

Interest in Cooperative Medicine

My address to the student body in the chapel of Drake University, Des Moines, Iowa, the next day, gave youthful minds an idea of some of the things that are going on in the extra-curricular world of thought and action, which the classrooms fail to develop. The President presided. Some other meetings enlivened the day. At six a dinner meeting of the Library Club, to speak to "a group of leading physicians, surgeons, and business leaders," on the "Cooperative Protection of Health." Lo and behold, as the scriptures say, who should be chairman of the meeting but the President of the American Medical Association! The doctors are coming along.

This happy party was too soon ended because of the eight o'clock mass meeting at Grand View College. Some of the doctors attended. Grand View is the way to become a center of cooperative education for the Middle West. Already the plans are in process of development. The following day at Topeka, a meeting, arranged by the local Cooperative League, brought together teachers, clergymen, doctors, town people, and farmers. At Lawrence the same afternoon a lecture on "Socialized Medicine at the Medical College of Kansas University showed the pervading interest in this subject. It is easy to see in a meeting in the evening with the Kansas University Student Forum brought the cooperativists into vigorous action. With all their muddled thinking, misinformation, and wishful opinions, I would sooner see young people be cooperativists, these days, than stand-patters with no ideas but reaction and laissez faire.

College Executives Awaken

The next morning found me speaking to the student body and faculty, at chapel at William Jewell College, Liberty, Missouri. The College Executive had been looking forward to this institution for a Socialized Medicine. The President presided. When the period was up and it was time for the students to disperse to their various classrooms the President announced that there would be no classes during the next period, and requested that the discussion continue. Things such as this indicate the really intense interest in the cooperative approach to the problems of the day. In my rather long experience among the colleges I am struck with the attention shown the subject of cooperation by the presidents of the students' associations. The big wags are now taking a hand. In the afternoon I met with a combination of economics classes at the University of Kansas City. It was pleasant to find that the professor in charge of the meeting had had a lecture for his classes in the University of New Mexico many years ago; thus the interest in cooperation travels. And another professor informed me that his parents are members of the Medical Society of Massachusetts: thus parents still show youth the way. Then to Columbia for the banquet of the Boone County Oil Company. The next day I was privileged to speak from the Kiwanis Club at which the President of the College presided.

Increasing Cooperative Education

At DePauw University there was first an early class in Social Philosophy. Then came an assembly meeting of the student body and faculty. Town people also were invited. The President presided, and in his introductory remarks displayed a familiarity with cooperation which ten years ago would have been looked down upon. Continuing the informal philosophy of cooperation, the President and by few teachers. Then I spoke to a class in marketing. The luncheon with the faculty was instructive. Next came a class in the Philosophy of Education followed by classes in Sociology. Then we had an open forum—question and answer period. By request an extra lecture was given on "The Doctor and the Public" in the Science Building. This made eight meetings in a day. And to indicate that DePauw wants more cooperation, arrangements have been made for a course of lectures to be provided by the Farm Bureau Cooperative Association.

This Indiana Association has within its membership a nucleus around which cooperative understanding is developing. The fact that the old conception of farm
The same association was held in a church radio broadcast. A dinner under the aus-

ing of the Farm Bureau Employees Cooperative Discussion Circle. An eve-

ning in the field of cooperative education was followed immediately by a meeting of the Farm Bureau Employees Cooperative Managers' Camp. This was a school of live men studying co-

operation as a part of the educational program for farmers. The next day we had a meeting of the old New Cooperative Federation, and one of which The Cooperative Practical Health Protection. Some of the doctors came. Thus six cooperative events characterized the first day in Ohio, and revealed the earnest interest of the people to engage themselves in actual cooperative supply business of some kind. And here is the present question: where and how is the efficient management to be found? Ten thousand cooper-

ative societies are ready to start in this country today if this question could find the right answer.

The next day we went to Akron, to the Cooperative Youth Camp. This was a school of live men studying co-

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Firm Foundations in Ohio

Arriving at Columbus, Ohio, Monday morning, the first opportunity offered was the privilege of addressing a meeting of members of the Farm Bureau. There was a broadcast for fifteen minutes over Sta-

tion WAIL. This was followed by a luncheon meeting of employees of the Farm Bureau. In the afternoon we had a meeting of the Farm Bureau Employees Cooperative Discussion Circle. An even-

ning meeting had been planned with the Columbus Academy of Medicine, but it had been cancelled when the doctors learned that there was danger of subjecting their minds to progressive ideas. In its stead a nice dinner meeting was arranged for the Monday evening. The President of the Farm Bureau met with the group of doctors willing to know the worst. This was followed immediately by a meeting in a nearby church where the subject was "Cooperative Health Protection." Some of the doctors came. Thus six cooperative events characterized the first day in Ohio, and revealed the earnest interest of the people to engage themselves in actual cooperative supply business.

Old and New Cooperators

Back to Columbus the next morning to broadcast over WAIL and to speak at the Columbus Advertising Club lunch-

eon. Business men need not be repulsed by a message that comes with their interest and sympathy can be won.

Next to Dillenovale for an all-the-even-

ning meeting of the old New Cooperative Company. It is edifying to see a con-

sumers' society like Dillenovale started by poor miners—expand to eight stores sup-

plying not only foods but clothing, house furnishings, hardware, and practically everything the members want. In the appreciation of the consumers' cooperative movement, the auditorium. This meeting occupied nearly three hours, and indicated the desire of the people to engage themselves in actual cooperative supply business of some kind. And here is the present question: where and how is the efficient management to be found? Ten thousand cooper-

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Seething with Cooperation

Ohio is seething with cooperative sen-

niment. The work of the Farm Bureau has penetrated every part of the state. The highly efficient leadership of this organi-

zation and the ability of its educators are making a profound impression upon the economic thinking of the people. As membership in cooperative societies becomes unrestricted by membership in other organizations, as the societies move on into the supply of ultimate consumer needs, and as education in consumers' cooperation is made the main purpose ac-

cessory to successful business adminis-

tration, the Farm Bureau of Ohio is on the way to become the agency for the making of the economic system of this highly complex country. Time and experience will perhaps drive these lessons home to others as they have to me.

Harrisburg, Pennsylvania—The Penn-

sylvania Farm Bureau Cooperative Asso-

ciation has underway an educational pro-

gram which has already organized more than 40 discussion groups. These discus-

sion circles will serve as the basis for the evolution of cooperative buying clubs, co-

operative stores and filling stations in every section of the state. R. N. Ben-

jamin, president of the association, esti-

mates that more than 500 members of the Keystone State are now active members of the consumers' cooperative movement.
Tenth Annual Congress, Central States Cooperative League

The Central States Cooperative League smashed all attendance and interest records April 25th and 26th, at its Tenth Annual Congress in Viking Temple, Chicago. Seventy-nine voting delegates and forty fraternal delegates from Illinois, Indiana, Ohio, Lower Michigan and St. Louis mirrored the nearly 100 per cent growth in the number of societies that are League members. The number of cooperatives leaped from 22 to 38, representing some 10,000 families organized as consumers. (These are in addition to large farm organizations representing from 22 to 38, representing some 10,000 families organized as consumers. (These are added to large farm organizations represented through their own Coopera-

tives.)

A warning against pseudo consumer's cooperatives and quack opportunist-promoters who have been attracted to the cooperative movement by its recent burst of popularity was sounded by the Congress. It was pointed out that the Central States League is the only officially recognized central educational federation of consumers' cooperatives in the district, and is so sponsored by The Cooperative League of the U. S. A., and by the International Cooperative Alliance.

V. S. Almane, Secretary of the Northern States Cooperative League, observed that much harm may be done the cooperative movement by organizations which he labeled "American Rochdale." These organizations differ from the top down instead of from cooperative principles in three major respects: (1) too much hurry and haste and the desire to build big over night, (2) too much leadership by one individual, thus depriving the movement of the democratic, building-from-the-ground-up principle. The further favored the plan of starting a store in each neighborhood, saying it would prove more practical and efficient and faster. However, from the evidence presented it seems that the former plan has introduced the best results so far in that stores are coming into existence quite rapidly where this method is used while in cities where the latter method is being tried, few if any have resulted, yet, Robert Overtree, Manager, Consumers' Cooperative Services, Chicago; George Garhart, Lieu-tion Director, Lower Michigan Co-opera-tive Federation, Detroit; Mary Son-erville Grossman, of the Cooperative Consumers of St. Louis, St. Louis; and Edward Center, of the Cooperative Trading Company, Waukegan, led a panel discussion on the subject.

The Congress spoke rather sternly to the swarms of small buying clubs which have been formed. Unless these clubs are formed as stepping stones to cooperative stores, said J. Linkku, General Manager of the Cooperative Trading Company, Waukegan, they have no place in the cooperative movement.

Unless they did develop into stores within a period of two or three years they should no longer be recognized as a part of the cooperative movement. "Many buying clubs," said Ivan Lanto, Sales Manager of the Central Cooperative Wholesale, "are merely groups of bargains hunters and are doomed to failure as cooperatives." Other reasons for failure in buying clubs, he remarked, are unwillingness to sacrifice for the future and the tendency to delay too long plans for the purchase of a store. A three-point program by which buying clubs should be guided, first, charge a $5 membership fee so that capital can be accumulated, but do not charge more than $25, second, charge $25 in additional capital to any 5 members at $5 or more, or more than one member at $25, he said. Second, charge market prices to guard against unforeseen losses and build additional capital. Third, apply rebates toward the purchase of shares to finance the store instead of paying them out to the members in cash.

The American labor movement's interest in consumers' cooperatives cropped up on two different occasions. Mr. Carlson, in his president's address, reminded the cooperators that they should also be definitely concerned with other significant social issues. He mentioned the necessity for supporting labor's right to organize, the need for child labor legislation, for non-political schools, for proper housing and for the development of cooperatives.

Later, John H. Walker, veteran Federation of Labor leader speaking as a fraternal delegate, declared: "I have lived over again I would devote it to the Cooperative Movement. . . . I don't think it is at all possible to have an effective trade union movement in this country without at the same time having a strong consumers' cooperative movement."

Formation of The Cooperative Wholesale, Inc., was announced and its set-up explained by J. Liukku, its president and A. W. Warner, the manager. Located in Chicago, it commenced business March 1, this year. Plans are to supply cooperative stores throughout the League district with Co-op labeled goods.

Two regional federations, subsidiary to the League, have been formed—the Chicago Cooperative Federation and the Lower Michigan Federation of Cooperatives.

Nathan Usiskin, Director of the newly formed League Accounting Bureau, and J. L. Reddix, president, Consumers' Cooperative Trading Ass'n., Gary, Ind., stressed the importance and absolute necessity of strict accounting and bookkeeping practices, even by cooperative buying clubs. They also pointed out the importance and value of a cooperative auditing service as compared with private auditing service. Mr. Reddix urged taking monthly inventories by the new societies for a while until a regular procedure is worked out.

The bureau is preparing a pamphlet for the laymen explaining how to read and interpret balance sheets and other sets of figures usually contained in a cooperative financial report to members. A standard-ized bookkeeping system for cooperatives is also being prepared.

The Educational Committee of the League plans to promote a number of cooperative schools and institutes during the year. Numerous week-end conferences, publication of new and additional educational material and in general to pursue a very active program of cooperative education.

Edward Carlson, of the Cooperative Trading Company, Waukegan, John Konceny, of the Workmen's Cooperative Mercantile Association, Chicago; Joseph Blaum, of the National Cooperative Company, Dillonvale, and Edmund E. Alu-bowicz, of the Flint Cooperative Asso-ciation, Flint, Mich., were elected to the Board of Directors of the League, the first three being elected to succeed themselves. Mr. Carlson was re-named president, David E. Sonquist, vice-president and Mr. Konceny, treasurer.
Consumers’ Cooperatives in Action

Columbus, Ohio — Jumping two rungs in the ladder, Farm Bureau Mutual Auto Insurance Cooperative moved from tenth to eighth place among mutual casualty companies in the United States according to the listings of The National Underwriter. The cooperative showed an increase in assets from $3,779,970 in 1934 to $4,460,155 at the close of 1935. Producing an annual gain of 19.5 per cent with the final report showing 160,000 policies in force.

Emporia, Kansas — “A store on wheels” is the first business venture of the recently organized Emporia Cooperative Association. Until the membership has been increased to the number needed to establish a cooperative store the co-op will distribute groceries, drugs, and other commodities as it goes. The new association has been developed with the assistance of the Lyon County Cooperative Oil Company.

New York City—Eastern Cooperative Wholesale, youngest member of National Cooperatives, Inc., announced in May that twelve new cooperatives and cooperative buying clubs have been added to its membership in the Metropolitan area since February. Purchases of buying clubs through the cooperative wholesale zoomed from a few hundred dollars a month early in 1935 to $3,000 a month in April 1936. This is in addition to the regular cooperative business of the wholesale.

Economy, Indiana—Following the trail blazed by health service cooperatives in Elk City, Oklahoma and Akeley, Minnesota, a medical cooperative has been organized here. With sixty-three families already signed up, the cooperative is aiming for 200 members. Each family will pay a fee of $1.30 a month which will pay the services of a regular practitioner in including ordinary medicines, with a small fee to cover basic costs for operations, with pressing men’s clothing, coal and several other commodities.

Minneapolis, Minn.—International Cooperative Day, the first Saturday in July this year falls on the Fourth of July. Educational plans are now being laid for a joint celebration of these two major holidays. The cooperative has invested $13,000 in equipment for a central kitchen, furniture for cooperative houses and other equipment necessary to serve the four hundred members of the cooperative. At the same time a bi-weekly paper, the SCA News was launched to stimulate further interest in the cooperative.

New York City — E. R. Bowen, General Secretary of The Cooperative League of the U. S. A., addressed a nation-wide radio audience May 25 over the facilities of the Columbia Broadcasting System. His subject was “Consumers’ Cooperation and Future of Retailing.”

Columbus, Ohio — Eighteen cooperatives for the distribution of power to farm homes have been granted corporation charters to date. A total of approximately 20,000 members will be served by these cooperatives. Organization work is progressing rapidly in 30 other counties.

Chicago, Illinois—An address by Prof. Paul H. Douglas, University of Chicago economist, was the highlight of the annual meeting of Consumers’ Cooperative Services. Professor Douglas has just returned from a tour of cooperatives in Europe and is working on a text book on Consumers Cooperation for use in high schools and colleges which will be published this fall.

Chatham, New Jersey—Co-op News, published by the New Jersey Consumers’ Cooperative reports that forty-two separate cities and towns are now represented in its membership. The cooperative handles fruits, vegetables and meat with a special delivery service and has contract arrangements for laundry, cleaning and pressing men’s clothing, coal and several other commodities.

Bangor, Maine—Spurred on by the example of Nova Scotia fishermen who are helping themselves by their bootstraps through cooperative purchasing, credit has become an important service of the Cooperative Center.

Seattle, Washington — The Student Cooperative Association, one of the most progressive college co-ops in the country, has invested $13,000 in equipment for a central kitchen, furniture for cooperative houses and other equipment necessary to serve the four hundred members of the cooperative. At the same time a bi-weekly paper, the SCA News was launched to stimulate further interest in the cooperative.

The Press Boosts Consumers’ Cooperation


PRINTERS INK, April 30, 1936, “Co-ops in America,” Richard Giles.


SCHOLASTIC, May 2, 1936, “Cooperative Production and Consumption—Is This the Democratic Way Out?” Dr. Harold Rugg.


FELLOWSHIP, April, 1936, “Toward a Cooperative Society,” Dwight Stevenson.

SOCIAL ACTION, April, 1936, “Church and Cooperatives—Friends,” Eldon Russell.


CHICAGO DAILY NEWS, April 15, 1936, “Consumers’ Co-op Overrun as Trade Menace,” Herman Gatsell Seely.

PROGRESSIVE GROCER, April, 1936, “Business Highlights.”

CHRISTIAN ADVOCATE, April 30, “Foolish Frugality from Iowa,” an answer to an attack on Consumers’ Cooperative within the Church of Christ.


After Mr. Fowler's series of interesting articles on consumers' cooperation in the United States, published in various periodicals during recent months, his book will be eagerly welcomed as a popular account of the amazing growth of cooperation in America, especially in the last fifteen years, and more particularly during the last three. It will be news to many Americans (though not too readers of this magazine) that close to two million Americans are members of consumer cooperatives that do a million dollars a day, and that a wide and ever-widening cooperative movement has been done in goods and services, including gas and oil, farm machinery, food, seed, fertilizer, groceries, coal, paint, lumber, life, fire and automobile insurance; clothing, auto-tires, credit unions, housing, restaurants, bakeries, rural electrification, milk distribution, cooperative hospital, mail order house, etc.

Mr. Fowler, in his opening chapters, touches upon the historical beginnings of the movement in Rochdale, and upon some highlights of its present development in Great Britain and the Scandinavian countries, refers briefly to some early efforts in America. He then traces in detail the enormous growth of the movement among American farmers, including the Eastern states, Middle West and Pacific Coast. Perhaps the most dramatic single chapter of the book is that which he describes in detail. High point is the remarkable significance of the beginnings of the typical "reaching back" from competitive distribution to manufacturing, as illustrated in oil blending plants, fertilizer, feed and seed plants, flour mills, auto tires, and some farm machinery. Here the author considers the importance of this latter development in Great Britain, the Scandinavian countries and elsewhere in the world, achieved by consumers cooperatives of factories, making hundreds of articles, of tea plantations in Ceylon, and other sources of supply for consumer needs, even the beginnings of such a development in this country takes on added importance.

This book makes a real contribution by giving us a popularly written account especially of the recent achievements of cooperation in America. Many practical lessons on causes of success or failure, strategies, techniques, and methods can be gathered from these pages where they present descriptions of actual experiences of cooperatives.

In the field of more ambitious generalizations the book makes a less realistic contribution. Rather than give the author's criticism of the lack of an automatic guarantee of world peace by the spread of cooperatives, the book is a discussion of such conflict, the elimination of which will remove a major cause of war. It would seem that insufficient account is taken of the peculiar interests of interest as would remain to be resolved between producers' cooperatives and consumers' cooperatives, between employers and employees, as such, (even when the employers are cooperatives). This has been happily worked out in Great Britain where all employers of cooperatives are members.

While the author states that public ownership of electric power and other utilities will be needed (along with cooperative control of distribution of these services) he does not allude to the need of political action. Nothing can be more public ownership as he suggests. He does not refer to the possible fact that in one cooperative is the Scandinavian countries and elsewhere in the world, an enormous growth of the movement among Americans, is most extensive and successful. The author has illustrated in Great Britain, Denmark, Finland, Belgium and Sweden, it has had the sympathy and support of a farmer or labor party, but other nations have this movement have been supplemented by other measures of public ownership through the influence of such parties.

Yet if some of the author's interpretations and conclusions at various points seem rather sweeping and unorthodox, it is too easy to assume general trends and probabilities seem to be made from somewhat limited data, one can easily understand the enthusiasm of the author who has traveled about the country and seen with his own eyes the amazing progress which he describes, and has felt the sense of vitality, of growth, of life and progress. This book is a work of a cooperative spirit. It is taken of such relative conflicts of interest as employers and employes, as such, (even when the employers are cooperatives). This has been happily worked out in Great Britain where all employers of cooperatives are members.

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CONSUMERS' COOPERATION
June
STUDY CONSUMERS’ COOPERATION

"Education Is The Keystone Of Cooperation"

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CONSUMERS’ COOPERATION

OFFICIAL NATIONAL JOURNAL OF THE CONSUMERS’ COOPERATIVE MOVEMENT

PEACE—PLENTY—DEMOCRACY

Volume XXII. No. 7

JULY, 1936

Ten Cents

EDITORIAL

Consumers’ Cooperation proves the practicality of the brotherhood of man.

"The Folk Schools of Denmark have made a national fellowship aimed at creating a country that should become rich in the true sense of the word,—with few rich people and still fewer poor,"—Dr. Peter Manniche, Principal, International Peoples College, Elsinore, Denmark.

There is no recovery," John Flynn says. Keep this incisive sentence in mind when you listen to the business and political spinners. As he says, what we really have is an unhealthy stimulation due to "increased government deficits" which, if continued, must certainly lead to "a more serious and deplorable crash." We, of the generation on the stage today, should remember that we have tried the anesthetics of credit twice—once during the war when we tried private peace loans, and once after the war when we tried huge government domestic loans.

The popularity of the cooperative rural electrification program in the state of Ohio is indicated by a statement made by Murray D. Lincoln, Secretary of the Ohio Farm Bureau Federation, who said at a recent meeting of the Directors of National Cooperatives, Inc., at Columbus, "In Champaign County, Ohio, 1925 farmers out of a total of 2135, not served with electricity, have signed petitions declaring their intention to use cooperative

As an option to spread the knowledge of the Consumers’ Cooperative Movement, whenever the people, in voluntary association, produce and purchase for their own use the things they need.

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E. R. Bowes, President; W. C. Smith, Associate Editor; Contributing Editors of The Cooperative Magazine and Educational Directors of Cooperative Wholesale and District Leagues.

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CONSUMERS' COOPERATION

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Mr. W. E. Williams, Secretary of the British Institute of Adult Education, in speaking before the Tenth Anniversary Celebration of the American Association for Adult Education, stated that the cooperation of the whole British workers adult education program has been the three year tutorial classes. Students who take the course must attend a two hours seminar, every Thursday for 24 weeks, during each of three consecutive years. Mr. Williams declared, "Not only are the directors of our Trade Union and Cooperative Societies recruited largely from this source but equally a large number of our towns are ruled by men who have graduated from a course which is a test of stamina and stability." The fact that the Cooperative Movement in Denmark has drawn 80% of its leadership from the graduates of the Folk Schools and that the Cooperative Movement in Great Britain draws its directors largely from the Workers Education Association courses is surely evidence that we need in America a far more definite educational program for the training of cooperative managers, employees and directors than we now have.

We agree with the suggestion of President Lewis of Lafayette College that there should be an international agreement that in any future war the draft age should be from 40 to 60 instead of from 18 to 28, which would probably prevent such a war. Why should those of middle age load the responsibility for their son's fate onto their own shoulders? War is of the father's making and not the son's. Of course, far better than any law would be to start "economic disarmament" faster in every community by reorganizing all industry, utilities and government over into Cooperatives.

Encouraging indications are arising in the educational world. During the recent national conference of the Progressive Education Association, the replacing of competition with cooperation was emphasized. Unorganized consumers today are pitted against three groups of trained salesmen, wholesale salesmen, and manufacturers. The American Cooperative Builder that the fundamental difference between a corporation and a cooperative is that in a cooperative machinery has been established for buying goods "not to be sold for profit." Unorganized consumers still do not have the same advantage as cooperatives, where the authority of the national government is open to them to take part in the general meetings, to presumably serve on managerial and educational committees, and to accept the highest responsibilities in the movement. Friends can help the efforts of all to make education and spread of cooperative ideals the maintenance of the fair treatment of employees and the purity and quality of goods (or, where necessary, to secure their improvement) and the cultural standards of Consumers' Cooperation. We have been impressed with the important part that the Movement can play in international friendly unity between the peoples of different countries and so assisting the forces of goodwill in the promotion of pacific relationships."

America's eyes should be focused on France where a Socialist leader has recently become head of the government. Leon Blum is the new Premier in France. What workers can do when they unite politically and vocationally is beginning to be illustrated in France. By uniting politically they won the leadership of the government. To win the two wings of Labor, which has been split for fourteen years, united in the General Federation of Labor and called a general strike to enforce their political demands. The result at this writing is that Premier Blum has declared for the program including the right of collective contract, forty hour week and vacations with pay. We would not dim anyone's enthusiasm over such signs of the possibility of reorganization both politically and vocationally, but we cannot help but comment that we sincerely hope that French workers will not depend upon political and vocational action alone for the advance more rapidly on the consumer front which is the real method of recover-
seen this question even suggested in any newspaper or magazine comment as yet. Why should any one be appointed or elected for life to any position in a democracy? It only isolates such a person from responsibility and responsiveness to the current stream of thinking of the people. The evolving stream of the people's thought should be the power which should always rule in a democracy. To set some persons aside from a definite relationship to and control by that evolving stream which is current at any time only results in their falling behind. When persons are given such vital power as we have allowed to the members of the Supreme Court, and through life-time terms are isolated from responsiveness to the immediate thought and will of the people, we inevitably shackle ourselves to the past. In a rapidly changing time such as this, the past cannot too rigidly control in a democracy without danger of violent reaction. We cannot amend the Constitution, but is not the real key to our difficulty in the fact that we appoint the Judges for life and thereby we, the people, lose control over their minds and actions. We do not see that such will be the future method of a Cooperative Society.

The final outcome of the General Conference of the Methodist Church at Columbus has a real meaning for Cooperators. The subject of Consumers' Cooperation was forced into the discussion by those who have become committed to this Movement as the means of implementing the principles of brotherhood to which they have given their lives. If they are successful in this battle we have to ask ourselves, "What do we do now?" We have to ask ourselves the question, "How can patients get more medicine?"

Economics of Health Protection

In the United States, thirty-eight per cent of the population get no medical treatment when they are incapacitated by disease. Still the medical colleges are being urged to produce fewer doctors in conformity to the economy of scarcity. The real purpose of industry should be to supply consumers with things they need rather than workers with wages. And medicine, to attain its full social value, cannot have as its object the making of money. Medicine is a social or scientific basis until its purpose is to prevent sickness and to heal disease in the interest of patients. Medicine is for the consumers. The profit and scarcity economy makes it a business; and as a business it is failing for the same reason that all business based on scarcity is failing. The world now signs shows signs of moving toward another economic purpose which is based upon the supremacy of the consuming interest and the economy of abundance.

Let us turn from the question, "How can doctors get more money?", to the question, "How can patients get more doctors?" The inquiry leads to the service motive in medicine instead of the profit motive. It is an interesting fact that this service motive is slowly taking the place of the profit method in precisely those countries which have the highest standards of civilization, which suffer the least from "depressions", and which are the least threatened by such disturbing factors as communism and fascism.

The principle of the dominance of the consumer has quite as much to offer to medicine as to any other field. It is only natural that the people who need the services, who pay the bills, who suffer the pains, and who do the dying should control the business. The service motive in medicine means consumers' control. That this control is natural is evidenced by the fact that in the United States most of the hospitals, medical colleges, and laboratories of medical research are owned and controlled, not by the workers in these institutions, but by laymen. It is also an important fact that the element in society which is most concerned that doctors be well educated and efficient are the patients and prospective patients. And that efficiency is promoted by adequate rewards for medical service.

Various Social Methods in Medicine

In the practice of medicine, the prevalent profit system has produced certain advantages, but it is no longer functioning effectively. The doctor competing with his fellow physicians for medical business is passing from the scene. Medical knowledge has become so great that no individual can possess it all, and the specialist has become necessary. The family doctor is disappearing. The competitive system is destroying him. As is the case in other lines of business the patient has the advantage. The government regulates, and advises them, then controls and finances them, and finally takes them over. This general trend toward state socialism is due to the deficiencies of the prevalent methods. The same is taking place in medicine as in other businesses. The private competitive doctor represents the individual craftsman plying his trade. He has lasted longer in medicine than in most other crafts.
The method which exemplifies profit business in its purely modern form is seen in the commercial "health societies" common in the United States. This is the truly American method of business. In this, the business man or the corporation employs doctors at the lowest possible price and sells medical service at the highest possible price. The difference constitutes the profit—and the success of the business. It presents the same disadvantages as are inherent in other phases of the profit system. Labor is underpaid and the customers who need things do not get them, for the reason the owners are unaware of what it might be or is of poor quality.

Some organizations, in which a physician or physicians are the middle-men owners, render excellent service and pay the employed doctors good salaries. They charge "subscribers" $2.50 a month. So long as the owners are idealistic, all is well; but as soon as they begin to think of the continuation of the idealism in the future owners of these enterprises, they are destined to go the way of all private profit business.

Another profit-system form of medical service is that in which business corporations employ physicians and maintain clinics and hospitals for their employees. This form is different from the others in that the contributions from the workers, by compulsory subtraction from wages, or by adding the cost to the price of the commodities produced by the business, are collected for the use of the medical service. The voluntary contributions of the owners, as are inherent in other phases of the profit system, are not found.

Cooperative Health Protection

The cooperative method in medicine is based upon the interest of the patients and the ability of the physician to serve them. It is the method exemplified by the Rochdale cooperative. It is the practical attempt to make democracy workable. In it the consumers discover that they are in a position to supply their own needs for service and commodities. A century of experience has witnessed its expanding success.

The cooperative method can begin with a few people uniting, pooling their resources of funds and ideas, each making an annual payment to employ a physician to protect their health, or when he is overworked. The physician will treat only the simple ills. Some will send him to the hospital or when he is overworked.

The group may be divided into three classes according to incomes: class A with $2,000, class B with $2,000 to $5,000, and class C with more than $5,000. Class B would pay at the rate of 100 per cent, class A at 50 per cent, and class C at 20 per cent of the population who are sick. The 98 per cent are more important and should be enjoying benefits of medical science which are not seen. The preventive measures, quarantine, the practice of medicine, etc., are largely promoted by the State. The doctors' economic advantage depends on the people becoming sick.

Under the cooperative method, the physician should call at the homes of members at regular periods, once a month, to discuss their health problems. He should see that the patient gets this done. Safety first, so the doctor might charge $20 a year. This gives some more human means can be employed. The voluntary organization of patients is seen in groups of doctors with hospitals and the states of medical service. The religious denominational hospitals and many of the most important hospitals in the United States are of this nature. They are consumers' institutions.
Some physicians in the United States are taking the initiative in such cooperative efforts by organizing themselves into a cooperative health society which appoints him as its physician. In order to make his society self-sustaining, he employs his patients to take care of all the necessary work in the society, to submit accounts to the society, to fix the salary he is to receive, and to arrange for the services of the specialists to whom he refers his patients. He then pays the doctor a fixed salary based upon his average yearly income for the last three-year period. This covers the expenses of the society, including the doctor's income, and the hospital service is provided by specialists and is free of charge to the patient. The physician can then afford to accept as a guarantee a half or three-quarters of his former yearly income. No health cooperatives develop unless someone takes the initiative. A few socially minded people are spoken to and made interested in the project. It is advisable to have at least one physician in the group. Meetings are held and a plan of action adopted. Only high class physicians should be brought into the enterprise. The physician should beware lest a physician, who is not well qualified for the position, take the initiative in organization for the purpose of making a job for himself. It is for this reason that the advice of other doctors is sought in connection with the selection of a physician. No attempt should be made to get a bargain in a cheap doctor; there is no such thing. The doctor should be adequately compensated, and he should see prospects of improvement of his income and leisure as the enterprise advances.

Education should go along with the organization. Meetings should discuss cooperative problems. Good literature on cooperation should be placed in the hands of members. The group should always have in mind expansion of their own enterprise and explore the possibilities of other cooperative projects. They should keep in touch with other cooperatives. Isolation and stagnation are fatal to cooperation.

(The Issue Is Raised.)

DEHIPS the most significant leftist handed compliment which the Consumers' Cooperative Movement has gotten is contained in an article entitled "Consumers' Cooperatives" in the April issue of Nation's Business, published by the Chamber of Commerce of the United States. The expression "the consumer movement prevents depression" was coined by a public recognition on the part of big business that the people are beginning to think through the issue of the ownership of American life. The organization of Consumers' Cooperatives.

Underneath an illustration showing the consumer, with Uncle Sam, a minister and an educator grouped behind him is the caption: "The consumer movement is the promotional support of university, church and government." That is frankly what the Cooperative Movement has started out to endeavor to get. It is, however, only true as yet to a far limited degree. But the interest is rapidly growing. And why not? In a democracy why should the earlier types of democratic developments such as religious, educational and political organizations not be concerned about extending democratic principles into the economic field as well? It should not only be a matter of principle for them to promote the widest possible extension of the forms of democracy as a matter of protection to themselves, but religious, educational and political organizations today should surely realize that unless democracy is extended into economic organizations as well, that democracy will disappear from within their own organizations by the eventual domination of economic dictatorships. In order to maintain themselves as democratic organizations they must assist in developing the forms of democracy in economic organizations as well.

This issue is raised in religious organizations. And why not? Religious leaders face the fact that Communism attempts to destroy the church and that Cooperation (Fascism) attempts to take away its soul. The church is the first to go. As W. Howard Bishop, former president of the Catholic Rural Life Conference, says, "The Communists have a program and are making headway with it. The Fascists have a program and are making headway. The Church must have a program if these forces are to be checked."

Why then should not and must not the church promote a democratic economy? If the church is to be a cooperative enterprise under which freedom of worship, which means expression, will be fully preserved.

Religious leaders are also facing the fact more and more that Capitol attempts to prevent freedom of expression. In Rochester, to which city Kagawa was invited to deliver the Rauschenbusch lectures, attempts were made by the Mayor through the Board of Education to prevent Kagawa's address by requiring that no controversial issue be discussed and that no mention be made of the Cooperative Movement. In Iowa the Secretary of the Iowa Association of Lumber and Building Material Dealers sent out a letter to the members urging them to interview delegates to the Methodist General Conference and "report to us" on the Cooperative Societies, so that they might attempt to prevent the discussion of the subject.

Truly "the issue is raised" in the religious world. Many are finding as Kagawa says, "Without Cooperatives, Christianity doesn't amount to much today." Or as J. L. Reddix says, "If I hadn't found the Cooperative Movement, my religion wouldn't have been worth a dime."

Christian Centrals are using the significance of the issue being raised in the religious world by saying, "In the Cooperative Movement the Christian church has discovered what seems to be a way of making up its economic convictions ... the Cooperative Movement has now come into focus of the church's attention and is making a far more potent appeal than the concrete program has ever made as a plan of Christian activity on the economic level." Religious leaders and laymen are discovering that Cooperation as an economic expression of the second commandment "Thou shalt love thy neighbor..."
Cooperative Employee Education in Sweden

The central training of the employees in the cooperative societies in Sweden is done by two concurrent lines: the Correspondence School and the Training Courses at Vår gård.

**Shop Assistants Correspondence-Course**

All that can be learned by the correspondence-courses must be learned in that way, that the more expensive oral education may be devoted to the most important subjects. Accordingly, the young shop assistant may already in the beginning of his employment study the preparatory correspondence-course for salesmen. This course deals with the fundamental cooperatives principles and the technicalities of shopkeeping.

**Shop Assistants Training-Course**

At the age of seventeen the shop assistant has a right to apply for a week's training course for young salesmen at Vår gård, provided that he or she has passed through the preparatory correspondence-course for salesmen. The course deals with the fundamental cooperatives principles and the technicalities of shopkeeping.

**Branch Managers Training-Course**

Then the students continue their education at home by practice and correspondence-courses. When they have attained the age of twenty-three, they may try for a course for the training of branch managers. To gain an admission to this course, that lasts for a month, they should have passed through the corresponding courses in bookkeeping and arithmetic, or otherwise gained corresponding knowledge. Moreover, they should have studied some cooperative and economic literature. And it is reckoned as a merit having taken part in the work of Members' Study Groups. Contrary to the course for shop assistants this course is of free charge, and in order to get a good selection, the candidates have to undergo certain tests to show their qualifications.

Finally there is one more advanced course, that is intended as a superstructure to the course for branch managers. The minimum age for admission to this course is twenty-six years and the claims for admission are raised. The course lasts for a month.

In addition to these general courses there are also some special courses for employees in drapery, boot and shoe, butchery and dairy departments.

**Small Self-Active Groups**

The principal subjects of the courses are: Cooperation, Economy, Shop Practice and Commodities. The College strives in its teaching to get the students into self-activity as much as possible. So the students learn to make displays, to do in America the work of the correspondent, to be their own masters, to select, to be engaged in small groups, to write their own reports and to conduct their business on an economical way, for the economic world. The students are divided into small groups consisting of six or seven students, but the result of the work is always discussed by the whole class. The method of dividing the class into small groups is used for every student, not only for this particular subject. A subject is first discussed by a small group, who give a report of their discussion, which is then duplicated by a small group consisting of six or seven students, but the result of the work is always discussed by the whole class. The method of dividing the class into small groups is used for every student, not only for this particular subject.
whole class, the College strives to get the student into self-activity. Thus the teacher is not actually a lecturer but rather a leader of the discussion.

**Education Without Text Books**

No special educational material is used except duplicated papers, programs, etc. The students do not use any textbooks during their visit to the school.

**Permanent and Temporary Teachers**

The teaching staff at Vår gård consists partly of a few teachers in permanent positions and partly of eight or ten teachers with temporary engagements for a term of two years. The temporary teachers are, as a rule, young managers from the societies and half of them are changed every year.

This arrangement has many advantages. The College will always be in line with the development of the societies and the pedagogical knowledge and knowledge of men that the temporary teachers bring. Thus Vår gård will be very useful in their coming work as secretaries and leaders of the employees in the societies.

### Ethical and Economic Lessons from Cooperative Denmark

There are now appearing in various magazines in America many excellent articles covering various phases of the Cooperative Movement. One of the best was an article in the last December 25th issue of the CHRISTIAN CENTURY under the title "Cooperative Denmark" written by Soren K. Ostergaard. As we read this article it seemed to us it emphasized in a striking way both the ethical and economic results of the Cooperative Movement in that country.

#### Ethical Results

Among the ethical results which have appeared are the following:

1. **Mutual responsibility for debts** — liability is unlimited, each is individually responsible for any debts.
2. **Mutual responsibility for quality** — they take care not only to deliver their own milk in good condition but they see to it that their neighbors do the same.
3. **Mutual responsibility for honesty** — the farmer who fills his hogs with sawdust just before they are weighed cheats nobody but himself — cooperative slaughtermen pay for the weight of the dressed hog.
4. **Individual responsibility for quality** — each member has a number which must be marked on each egg — responsibility for stale eggs can be placed where it belongs.

### Economic Results

Among the economic results of Coopera
tion in Denmark are:

- **Reduced spread in prices** — where the dollar spent on food in the United States in 1934 was divided 38.5 cents to the farmer and 61.5 cents to the distributors and processor, the latest figures available for Denmark (1933) show that the Danish consumer’s dollar was divided 63.4 cents to the farmer and 36.6 cents to distributors and processors. The position of farmers and distributors in the two countries is exactly reversed.
- **Reduced prices** — Cooperative distribution reduced handling charges so that in 1910, the year Mr. Ostergaard came to America, American corn was sold at considerably lower prices in the cooperative stores in Denmark than in the feed stores of New York.
- **Riches practically impossible** — because the bulk of the profits are returned to producers and consumers it is practically impossible for anyone to amass great riches.
- **Major economic forces of the situation** — such as credit, transportation and insurance have developed a new morality.

The general results are that "the cooperatives have developed a new morality."

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Philadelphia — The American Federation of Hosiery Workers has approved in principle the organization of workers as consumers and has authorized its general office to take steps leading toward the organization of consumers' cooperatives.

In a resolution endorsed unanimously by the Twenty-Fifth Annual Convention of the Federation early in May, the hosiery workers declared:

WHEREAS: The Labor Movement throughout the Nation must in the future utilize every possible means at its command to preserve its economic position;

WHEREAS: Organized Labor has in recent years realized the possibilities of consumer cooperative organization; and

WHEREAS: Among our membership there is already a manifest recognition of the benefits possible by consumer cooperative action; therefore

BE IT RESOLVED, That we, the Twenty-Fifth Annual Convention of the American Federation of Hosiery Workers, hereby recognize the fundamental soundness of the cooperative principle as expressed in the Rochdale Principles and

BE IT FURTHER RESOLVED: That the General Committee of the Federation make available to constituent organizations educational literature and organizational information on this vital subject;

BE IT FURTHER RESOLVED: That a portion of available space in the Hosiery Worker be devoted to this subject.

New York — Knickerbocker Village, Manhattan's model housing project, is the home of an enterprising cooperative which has grown from 25 to 100 members in the six months since it was organized. Each resident member is entitled to one-coat of milk, the coop has extended its services to include eggs, oranges, butter, coffee and tea. Working on a small overhead the coop operated last year will be devoted to the extension program.

New York — Forty-four German carpenters and cabinet makers organized a fire insurance cooperative in New York City late in 1872. In 1936 the membership of Workmen's Mutual Fire Insurance Cooperative reached an all time high of 5,000 members and the Executive Secretary reported furniture fire insurance in effect totaling $85,272,000. Two thousand new members and $2,500,000 in new insurance were added in 1938, and an excess in excess of $1,000,000 in fire losses of only $66,000 the Co-op reported a better financial position than ever before.

A reorganization of the society as a mutual association early in 1935 made possible for it to offer licenses for operation in New Jersey and Maryland in addition to New York. Applications for licenses have also been filed in several other states.

Superior, Wis. — One of the far reaching decisions of the recent annual meeting of the Central Cooperative Wholesale was a move toward the establishment of a National Cooperative College. An subscription to more than 100 cooperative stores affiliated with the wholesale voiced the opinion that the rapid growth of consumers' cooperatives in every section of the country has made it imperative to train competent managers and employees for cooperatives. To meet this need the board of directors of the cooperative was instructed to take initial steps to make available to the members of other cooperatives, toward the establishment of a national cooperative college.

As a first step in this educational program an eight weeks training school was held in Superior under the direct supervision of Central Cooperative Wholesale, toward the establishment of a national cooperative college.

New York — Cooperative Distributors completed its third year of operation with a mail order business totaling $100,000. Serving individual members and consumer clubs in all sections of the country, the company, which is the first of its kind, will work to extend the cooperative spirit. The volume of business was more than double its original point of $46,000 a year ago.

New York City — Appleton-Century will publish Horace M. Kallen's volume, "Decline and Rise of the Consumer," this fall. Dr. Kallen's book is a complete history of the consumers' movement, an analysis of the basic economics of the movement and is carried by several educators who have read the manuscript as one of the most important economic treatises ever written.

Chicago, Ill. — Hailed as the "correct" cooperative in Chicago, Everson Consumers Cooperative credits the rapid growth to membership education. The money-membership history is briefly as follows:

April, 1935 — 12 members — $50 sales — no capital — no store.

October, 1935 — 75 members — $225 sales — $200 capital — one store.

April, 1936 — 183 members — $1,568 sales — store, milk route, meat market, credit union.

Member education included a three day co-op institute for members, a visit to neighboring cooperatives, a four discussion series, a mimeographed news sheet, and a planned program of volunteer work providing "a job for every one." Member purchase check up, a membership committee of 25 and several other features were held by the coop on its toes.

Chicago, Ill. — The Interreligion Commission of the Chicago Urban League has outlined for the development of cooperative study groups on consumers' cooperatives in every section of the city. It is expected that the group will develop into a full fledged cooperative by the end of the year.

Chicago, Ill. — The Cooperative Wholesale, officially opened March 2 in the headquarters of the Central States Cooperative Wholesale and the Northern States Cooperative League, reported sales totaling $1,750 in the first month of operation.

The Press Boosts Consumers' Cooperation

SOCIAL FRONITERS, May 1, "A Fourth Alternative" Edmund de S. Brunner.

TIDE, May, "Capitalists," this month and last are meeting to discuss collectors and men's suits.

RAILROAD TRAINMAN, May, "What is the Consumers' Cooperative?" A. F. Whitney.

ADVERTISING AND SELLING, May 21, "Consumers' Cooperatives—Threat or Challenge?," Bertram B. Fowler.


COMMON SENSE, June, "Consumers Cooperation in America," a review, E. R. Bower.

VETERANS LEADERSHIP, April, "Social Significance of the Cooperative Movement," Harry W. Ladd.

NEW HUMANIST, April-May, "Sweden Shows What the Common Man Can Do," Llewellyn Jones.

RETAIL COALITION, February, Consumers Organizing to Buy," editorial.

April, "Consumers Urged to Organize," editorial.


CHRISTIAN EVANGELIST, April 16, "Kagawa is Half Right," a criticism of the cooperatives.

Harry L.冰.

GASOLINE RETAILER, April, 400 Oil Co- ops in U. S. have 500,000 Membership," News article.

CONSUMERS' GLIDE, April 6, "Cooperation," a special section of developments in consumer cooperatives.


OZANAM (Phi Beta Sigma), April, issue devoted to "Better Business and the Cooperative Movement," a criticism of "Business As Usual," "Consumers Cooperation in America," a review.

NEWSPAPERS


MIDWEST REVIEW OF SOCIAL PROGRESS, May 23, "Consumers Cooperation—Does It Stretch the Dollar?" a full page pictorial description.


NEW YORK POST, "Consumers Cooperatives Make Rapid Growth in U. S. Under Pressure of Great Depression," a review, Herschel Briddell.
**International News**

**London** — Five million dollars a year have been spent by the Cooperative Wholesale Society during the last three years in extending its productive plant. Among the factories just completed are a cabinet factory which is the largest in the country, a toilet soap factory and mills and factories producing foodstuffs, knitted wear, shoes and hats. During the last year 2,000 additional workers were added to CWS payrolls bringing the total number employed in cooperative factories to 49,900 and in all cooperative activities to well over a quarter of a million.

Twenty-seven thousand new members were added to the membership of the Royal Arsenal Cooperative Society in the first week of its expansion campaign; 42,000 were added in the two weeks of the campaign.

**Basle, Switzerland** — A recent survey of the effect of cooperatives on prices levels showed that in towns in which no active cooperative was in operation prices averaged 6% higher than in cooperative towns. Particular care was taken in conducting the survey to cover comparable towns.

**Stockholm, Sweden** — Membership in Swedish cooperatives reached a new high in 1935 with a total of 568,161—eighty per cent greater than in 1925. With four persons to a family, more than one-third of the population is taking part in the cooperative movement.

**Manchester** — The recently completed Blackpool Cooperative Bakery is one of the largest and most modern baking establishments in England. The CWS architects department made plans for the bakery and the co-op plumbing, joinery and electrical equipment feature the new plant. The bakery is set in the midst of a beautifully landscaped plot and will probably be known as the "bakery in a garden." The bakery was erected at a cost of $225,000.

**THE FORTIETH YEAR OF THE I.C.A.**

The first "Congress" of what has now become the International Cooperative Alliance met in London, 1895. The "Friends of Cooperative Production," as it was then called, was born without great flourish in the hall of the Royal Society of Arts in London. Two hundred delegates and friends from cooperatives in fourteen countries attended. In the fall of 1934 the great International Cooperative Alliance, having made a tour of Europe with its congress, returned to London for its 14th congress. More than 100,000,000 individual members in 40 countries have united in an actual "People's League of Nations."

The world's largest economic movement has supplemented individual membership with economic institutions. Thirty-eight national wholesale societies, 18 federations of workers' productive societies, 30 cooperative banks, 40 insurance societies, 10 credit and agricultural unions back the movement with the people's money, the people's factories, the people's labor and the people's goods.

The I.C.A. has weathered the storms of war and the greater storms of poverty and "competitive peace." It has followed a policy which not only demands but works for the creation of domestic and international peace and the abolition of poverty and crime. At the close of its fortieth year it has become the beacon light to which those who are seeking a better world can look with renewed assurance that in the direction of cooperation lies the road to peace.

**ORDER THESE THREE NEW COOPERATIVE BOOKS**

- **"CONSUMER COOPERATION IN AMERICA"**
  Bertram B. Fowler
  President, The Cooperative League

A vivid, up to date report of the Consumers' Cooperative Movement, written by an outstanding journalist who has spent the past year studying the co-ops in action. Special Cooperative Edition: $1.00.

- **"COOPERATIVE DEMOCRACY"**
  James P. Warburg
  President, The Cooperative League

A third completely revised edition of an American classic in Consumers' Cooperation which has already been printed in six languages. Discusses the philosophy, methods, accomplishments and possibilities of cooperation. Special Cooperative Edition: Price $1.50.

- **"SWEDEN—THE MIDDLE WAY"**
  Marquis W. Childs

An interesting and analytical study of the factors which have produced Sweden's remarkable recovery: consumers' cooperatives, labor organizations, government operation of utilities. Beautiful illustrations of Sweden's outstanding cooperatives. $2.50.

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**THE COOPERATIVE LEAGUE**

167 West 12th St.
New York City
Many cooperatives seem to be germs which were planted in a community but which, while successful in themselves, have not germinated into a crop of other types of cooperatives. The result of the first cooperative is to be the germ of a cooperative community.

We had a bad evening when we were compelled to leave the picture and read the story of three brothers, Denmark, Hastie andsyn in his coffin dead of malnutrition and in the same newspaper another story of four-month-old A. Felix duPont 3rd for whom a special cradle was constructed so that his parents could take him along on their seaplane flights from Pennsylvania to their summer home on Cape Cod. The baby child had a real chance from birth, because there are not born into a world where they could really be equal as consumers.

Senator Borah declares that the fact that both major parties have stated that they will “destroy monopoly in the United States” is the most notable event since Lincoln struck the shackles of the slaves”. But he adds “if this is a settled policy”. And of course it isn’t. Destroying monopolies has been a good political slogan for fifty years but economic evolution has constantly increased them. Destroying monopoly requires citizen-consumer-producer ownership of industry and utilities rather than attempts at political regulation of private-profit business and banking which is about all that major political parties propose to do.
only "what labor was robbed in wages and the public robbed in prices". Under consumer-citizen ownership, the workers could have at least $100,000,000 a year to distribute among the workers and the customers. When will we, the people of America, wake up to these facts and organize accordingly?

"We have more money, more members, more machines, more employees, more education, more buildings, more benefits, more services and more surplus." With this sentence Mr. George Riddle, President of the Cooperative Congress, Great Britain, opened his presidential address. He did not, however, spend his time complimenting the Congress, but instead in challenging them with the statement, "A great movement and little minds go ill together". He first raised the question, "When is the authority of Congress going to be acknowledged and its decisions honored in the Board rooms?" and then went on to state that in all history, Congress has never made a serious mistake; yet the decisions of the Congress are being evaded by the retail societies. While there were 1177 society members of the Cooperative Union, only 526 were members of the International Cooperative Alliance, 671 shareholders in the Cooperative Press, 150 in the collective advertising scheme, and only 489 affiliated to the Cooperative Party. Mr. Riddle challenged the delegates to maintain territorial integrity, pointing to one case in which five societies were serving one area. Raising the question, "Are we cooperatively minded?" Mr. Riddle declared, "Occupation of office in the Cooperative Movement is not alone a guarantee that we are cooperators" — non-cooperatively minded in positions of power is a weakness. He recounted how competition was beginning to organize a new cooperative movement, which he called "the new individualism"; finance, industry and distribution were being centralized in one voice. "We must realize", said Mr. Riddle, "that the only opportunity to voluntary cooperation is enslavement under this organized individualism or under governmental control." Concluding his address Mr. Riddle declared, "Competition always brings death, distress and disaster. Cooperation always enriches, ennobles and safeguards life. It is for us to decide who are to be masters of the world in the future—the men and movements that live for self or the men and movements that live for service.

The final Kagawa International Conference held at Lake Geneva, Wisconsin, at the end of June marked the conclusion of Dr. Kagawa's amazing six months speaking tour in America. The Conference resulted in the decision after three days of intense discussions to set up a continuation program organized under the name of the Christian Cooperative Fellowship. The membership of this fellowship is expected to be among the liberal-minded ministers and members of churches generally throughout America. The need was clearly realized for such an interchurch fellowship of liberals and for the promotion of such causes as will bring about a Cooperative Society. The fellowship may consist in some cases of a single minister and his church, who is largely isolated in his social thinking and efforts in the church to which he is attached. In other churches it may consist of a group of individual churches, who are banded together, or church or county-wide fellowships as well as regional organizations are planned. It is predicted that this may be a most significant organized group in America's future progress. Announcement was made at the Geneva Conference that Dr. Kagawa had spoken to more than 750,000 people including about 30,000 ministers in from 160 to 150 cities during his six months visit here. He has made a notable contribution to cooperative thinking in America for which cooperators are deeply appreciative. In his tour he personally visited many of the large cooperative wholesales and met many cooperative leaders.

The various speaking engagements which the secretary-editor has recently revealed clearly the increasing interest in Consumers Cooperation and the cross currents it is cutting through all groups of society in America. Starting with the farm membership in New England and a visit to Massachussets State College, Amherst, Mass., we shuttled through New York City on to New Brunswick, New Jersey, where at Rutgers University we spoke to the New Jersey Federation of Labor Institute, then back again through the city to Mt. Holyoke, Mass., to speak before a large group at the luncheon of the Social Action Department of the Congregational Christian Churches: again back through New York on the way to Berea, Kentucky, to the first National Hi-Y Conference of a thousand high school junior delgates from some 200,000 members of Hi-Y groups; from there to a Conference of another thousand college and high school junior delegates to the Christian Youth Conference of North America at Geneva, Wisconsin, where the Secretaries of the three principal national Protestant organizations were present with other prominent church leaders. National church, school, political and economic organization platforms and press are now opened up widely for the presentation of the message of consumer cooperation. Such causes as will bring about a cooperative movement in America are being directed now straight ahead toward this democratic economic system. Only five or three years ago, as Dr. Arthur E. Holle, Chairman of the National Interchurch Fellowship, said, "The American nation is now starting on to the final Kagawa Conference at Lake Geneva, Wisconsin, where the Secretaries of the three principal national Protestant organizations were present, and the American Cooperative Movement is ready to spread more rapidly the facts about the American cooperative leaders will receive a most hearty welcome as those of us who have been there well know. We sincerely hope that more cooperators will take the tour this summer and in the future and that we may have one more real chance to take a fine combination vacation and significant cooperative sightseeing and study trip this summer by attending the annual Rural and Industrial Conference of cooperative educational and business leaders at St. Francis Xavier University, Antigonish, Nova Scotia, on August 19 to 21. Some outstanding American adult education leaders have made definite plans to be there. American cooperative leaders will receive a most hearty welcome as those of us who have been there well know. We sincerely hope that more cooperators will take the trip there this summer in order to spread more rapidly the facts about the great success of the discussion-circle method of organizing cooperatives. As an outgrowth of the study circle project..."
CONSUMERS' COOPERATION

August

William Lloyd
Chairman Study and Planning Division
Racine Consumers' Cooperative, Inc.

In 1933 Racine, Wisconsin, like most other American cities, was a "coop age desert". At least two previous attempts to establish a cooperative store had failed and the bursting of Harrison Parker's million-dollar so-called "cooperative" bubble had shattered the faith of many Racine residents whose enthusiasm for a cooperative ideal was not matched by a working knowledge of Rochdale principles.

It would not be an exaggeration to say that Racine is very nearly dominated by citizens of Danish birth or parentage; yet these Danish-Americans somehow lacked the interest or ability to apply the heritage of their fatherland to this country in the same measure as the Finnish-American settlements had done in Northern Wisconsin and Minnesota, at Waukegan, Ill., and other places.

Economic Distress

But Racine, a city of 67,000 persons, depends for its existence chiefly on the farm equipment industry and the production of capital goods. As a result, the depression hit Racine perhaps as hard as any other city in America. Faced with drastic lay-offs, and wage cuts, Racine workers turned enthusiastically to unionism the moment that the new labor laws nine months ago. Virtually all the major labor organizations became active, and, with the exception of one international alone which were born in that organizing wave.

Meanwhile the unemployed were demanding a just consideration for their right to live. One of their most effective speakers and leaders was a man who was not unemployed himself, but was making a success of his own small business.

Against the necessity of finding some way of using the inspiration which rekindled the cooperative movement in Racine when he stopped in at a cooperative gasoline station in Wausau, Wisconsin, in June, 1934.

The idea looked good to union leaders with whom he conferred on his return, and it was only a month before Lynn Matteson, fieldman for the Midland Cooperative Wholesale, was brought in to explain the possibilities of a cooperative and to lay definite plans.

Organized Labor Takes a Hand

Only about seven enthusiasts for the cooperative cause were present at that first meeting. Included in this group were members of the Painters", Tool and Die Makers", Plasterers' and Machinists Unions. In the subsequent months of organizational work they proved their ability in successfully spreading the message of cooperation among Racine's union organizations.

This voluntary committee distributed literature and gave talks to labor meetings throughout the summer of 1934. At Racine's Labor Day picnic that year twenty-six $10.00 shares were sold. During the campaign the committee held meetings every two weeks, and in addition educational meetings for new shareholders, at which leading cooperators from other cities spoke. Members of the committee appeared before every one of the 52 Racine unions during this period and at least 50 per cent of the shares were subscribed by union men.

On October 24, 1934, the Racine Consumers Cooperative, Inc., was formally set up. Three hundred shares of $10.00 each were pledged, and the membership proceeded to the election of officers.

Profit Business Objects

Anxious to own their own gasoline station, the cooperators at first decided to lease a lot and erect the required building on it. As more and more of pledges were collected and private gas station operators realized that the non-profit
group really meant business, those already in the field brought pressure upon the city council to refuse the necessary license.

The opposition was successful in its attempt to block the building of a new station, but the cooperators avoided the obstacle by leasing a station on one of Racine's main traffic arteries. The former operator, whose profits were not very great, and who became more sympathetic to cooperation the more he heard about it, was glad enough to take the job of station captain with an assured salary.

Herbert Katt, the leader who had brought back the inspiration from another cooperative association, was selected as manager. With years of experience in the auto repair business, he undertook the application of the broad social ideals of cooperation to the gas station business on February 1, 1935.

Starting with a paid-in capital of only about $1,500.00, the new enterprise did a business of $38,447.41 to the next nine months. The net income available for purchase refunds totalled $3,537.77, or 9.2 per cent on every dollar spent by the consumers.

Membership forged ahead from the original 300 to a total of 1,500 car owners. Many of these, of course, took advantage of the cooperative plan for acquiring a share through the accumulation of patronage refunds.

Expanding Cooperative Activity

In July, 1935, a credit union was set up to provide the members with their own savings and small loan facilities on a cooperative basis. This institution made loans to members totalling $1,675.00 up to April 30, 1936, and had accumulated a share capital of $1,230.05.

With the success of the gasoline station apparently assured, the Racine Consumers' Cooperative in October, 1935, tackled the distribution of coal to its members on a non-profit basis. Leasing a small yard which was barely earning its overhead, the Co-op concentrated on building power of its membership and sold a total of $25,397.31 worth of coal by April 30, 1936.

As the business has grown, educational activities have been initiated so that the members might become better acquainted with cooperative principles. Prominent outside speakers such as E. R. Bowen, secretary of The Cooperative League of the U. S. A., and John Barton, formerly of the International People's College at Ebinoe, Denmark, have been brought to address membership and special educational meetings. On one occasion a motion picture of a tour through Sweden's giant cooperative enterprises aroused wide interest. During the past winter the more advanced members attended a regular weekly class in cooperation under the WPA workers' education program.

Education and Recreation

Last spring, a Co-op softball league was launched under the city's free recreational program. This form of group activity for members, like the more directly educational work, is under the direction of the Study and Planning Division—a name which has seemed to be much more inviting to those whom it is planned to serve than the usual "educational committee".

By means of affording the members the opportunity of playing together, the Study and Planning Division hopes to lay the groundwork for more serious future group activity, with the final goal of a well-coordinated system of study groups, now recognized in the movement as the prime method of cooperative education. During the summer months picnics of neighborhood groups are also counted on to provide for the gradual development of cooperative discussion.

It need hardly be pointed out that the directors of the Racine Consumers' Cooperative look upon a well-developed educational program as one of the most effective means of building their organization on a solid foundation. The Study and Planning Division was at first allotted five per cent of the net earnings, but with a realization of the continuing need of educational activity even in periods of adversity, the board of directors recently decided to apportion educational funds on a basis of one-half of one per cent of the gross earnings.

On April 25, headquarters, on April 25, hundreds of members thronged into the hall for a card party, a cooperative one-act play and dancing.

In spite of the recognized difficulty of establishing permanent cooperative organizations in American urban centers, the Racine Consumers' Cooperative has found that the cooperative conquest of the city is greatly facilitated by recognizing that the movement is as much a social development as it is an economic one.

Cooperative Medicine

By James Peter Warbasse, M. D.

GOOD medical service is not to be had at a low price. In general, all of the above figures as to costs could be advantageously made higher. Purchasing health is a good investment. In the United States, $30 per person a year is now paid for medicines and medical service of all kinds. This means $120 per family.

Much of this goes for quackery. The cooperative method is showing the way to better use of money by medicine. It is equally applicable to the dental and nursing professions.

According to the report of The Committee on the Cost of Medical Care (1931), less than 21 per cent of the population of the United States receive any dental care during the course of a year. Most dental attention is for the relief of pain. The poor receive the least attention. Dental care is much a matter of income, as is medical care in general.

A full-time dentist in an average community should be paid about $3600 a year. His helper is paid $1,200. They can take care of 1,000 patients a year. With dental materials costing $1,200 and office expenses $1,200, an assessment of $7.30 per member suffices. Or a dentist may be employed with a salary, and patients who use his services may pay at a fixed rate.

This latter method is preferable, because it places the costs within the means of those who use the service. On the other hand, the protection of teeth, by a semi-annual inspection and cleaning, should be made available for all members. To meet these conditions, the board decided to pay an annual unending employment of from $1 to $5, to cover certain routine mouth attentions which every member receives, is desirable. Then in addition to this the member pays for whatever dental work he has done for himself.

In one cooperative dental society, each member pays $5 for a share of stock. He is entitled to a semi-annual inspection of the mouth and cleaning of the teeth. He pays cash for all other services at the current rates. At the end of the year each patron member receives a savings return on his investment, based on his patronage. The stock may be turned in for cash if he wishes to withdraw from membership.

Loading up the society with people with bad teeth, who discontinue their membership after their teeth are repaired, occurs where an annual fee covers all dental service.

Nurses may advantageously be employed by a cooperative health society as assistants of the physician, to be sent to such cases as he designates. The costs may be assessed against every member or members may pay only as they employ the nurse.

Expansion of Cooperative Health Protection

Many groups as above described are organizing in the Linda town where there are specialists and hospitals. When enough groups are formed, each with its family physician, they should federate the same as cooperative commodity societies federate for wholesale advantages. When fifty such ad-
The cooperative method promises hope for the preservation of the fast disappearing general practitioners. It makes use of the voluntary insurance principle. By making their contribution to the defraying of medical expenses, bring down the cost to the sick and provide income for doctors. This method makes the medical people out of competitive traffic and business, guarantees income, and places them more definitely at the field of science and service.

Insurance against unemployment and death can well be carried on together with such service. Many European societies make this combination. The cooperative society of The Hague, for example, conducts stores, a bakery, and many commodity enterprises. It has a health department with 120,000 members who pay $5.20 a year for medical service. It offers one of the greatest opportunities to both patients and doctors.

An example of a cooperative society making use of hospitalization as one means of beginning medical service is the St. Andrews Cooperative Company of the city of Elk City, Oklahoma. This is a town of 7,000 population. The cooperative health association sold stock at $50 a share to raise capital to build an eighty bed hospital. Medical service is given to members for $25 a year for a family of not more than four. This supplies periodical medical examinations, medical care, surgical operations, dental care, and room, board and nursing in the hospital.

When necessary a smaller or larger hospital may be taken over or arrangements can be made to use a wing or a ward of a hospital. A private dwelling is often converted into a cooperative clinic.

There are many medical services and hospitals in this country, run in connection with certain industries, which are essentially cooperative. There are those of the clothing workers, railroad employees, etc. Many are independent of the employers and are controlled solely by the employees. Fraternal societies and trade unions carry on health service and have many hospitals.

The methods of organization of the cooperative health societies follow the general plan of any cooperative organization. One vote for each member is practiced. Membership may be called upon to consider and to ask and answer questions. This superficial method should not suffice for the selection of the family physician the whole membership may be called upon to consider the choice. When there are several candidates, the history and credentials of each should be submitted to the members. It is well to permit the candidates to meet with and talk with the members and to ask and answer questions. The superficial method should not suffice for making the decision. The directors or a committee on physicians should have consulted with doctors about the candidates and gotten all necessary information. The best man is not always the one who makes the best impression at a meeting. The members should understand that each member has prejudices and whims and the doctor who is selected will be the one whom the majority prefer. But the recommendation for appointment should be made by the directors or the committee.
of good background and a graduate of a College of Medicine. He should have had hospital internship of at least one or two years and preferably should have been in private practice for a few years—enough to have discovered its difficulties. Such a physician will be found acceptable to most families. As in the case of the minister of the church, there may be members who are irremovable. There remains only one thing for them to do: that is to withdraw from the organization.

State vs. Cooperative Medicine

Cooperation is the opposite to state socialism or communism. It represents nonpolitical, voluntary, private, non-profit organization. This should be made clear. The objections sometimes offered to it by physicians should not be an obstacle to the cooperative method. Progressive doctors are sympathetic to cooperative health protection. The profession in general, as it becomes better informed, approves this plan of service.

The more people who make possible the practice of preventive medicine. This is the great field of medical science. It offers advantages surpassing everything else in the relief of disease. If disease can supply. Doctors should be employed by cooperatives with the prevention of disease as their supreme object.

Only physicians understand the importance of recognizing disease in its early stages. Only the salaried physician can render this most important service. This family doctor visiting the home in a friendly way to discuss the health problems of the family will have called to his attention the minor ills—particularly if it is not going to cost anything to get his advice. The slight loss of appetite, the little headache, the fluttering of the heart, the shortness of breath, or the little lump are the beginning signs of the diseases which kill most adults. And still, the ordinary competent family doctor can recognize these early signs of the fatal diseases, and, when recognized, most of them can be ameliorated or absolutely cured. It is the tragedy of medicine, that the multitude go on and suffer and die from which they could be saved by the application of a simple economic principle: science but cooperation can carry it to heights yet undreamed.

Wider Need of Doctors

In the United States, doctors' incomes, like the average of incomes in other useful services, are inadequate. Some few doctors have large incomes. Most have small incomes. The former raise the average of the latter. The average is less than $3,000 a year. But that does not tell the story. There are two doctors with incomes of $250 or less for every doctor with an income of $10,000 or more.

Were the $30 per person that is spent in the United States on health complaints and disease taken out of the field, less than $5,000 a year. That does not tell the story.

The cooperative method should double the practice of preventive medicine. This historic celebration was attended by the original pioneers in cooperative oil development Messrs. Griffin and Smith of Cottonwood and Messrs. Cort and Osborne of Midland. Dramatizations of historical cooperative events were presented with the aid of a loud speaker system. Oil trucks which carried last year's crop of cotton and gasoline that any private distributor in rural Missouri led a parade. Cooperative leaders including Dr. J. P. Warbasse, I. H. Hull, Joseph Gilbert, James R.

ACCEP TED the invitation of Midland Cooperative Wholesale, the Directors of The Cooperative League and National Cooperatives, Inc., meeting from July 2-4 at Glenwood, Minnesota, and there, with thousands of cooperators, celebrated the starting of the first retail cooperative oil station in the United States fifteen years ago at Cottonwood, Minnesota. That is the first retail cooperative oil association (Cottonwood) is affiliated with the first wholesale cooperative oil association (Midland) and that the retail celebrated its sixteenth anniversary the same year that the wholesale celebrated its tenth anniversary made the event doubly historical. This historic celebration was attended by the original pioneers in cooperative oil development Messrs. Griffin and Smith of Cottonwood and Messrs. Cort and Osborne of Midland. Dramatizations of historical cooperative events were presented with the aid of a loud speaker system. Oil trucks which carried last year's crop of cotton and gasoline that any private distributor in rural Minnesota led a parade. Cooperative leaders including Dr. J. P. Warbasse, I. H. Hull, Joseph Gilbert, James R.

New York City — The largest "Tour to Cooperative Europe" sponsored by The Cooperative League of the U. S. A. sailed for Europe July 10. The itinerary called for visits to cooperatives in Scotland, England, Norway, Sweden, Finland, Russia and Denmark. Three college professors, two Agricultural Extension men, two students, two high school teachers, two managers of cooperatives, one president of a cooperative and the president of a Cooperative Women's Guild, a statistician and a public relations council spoke on the significance of co-operative methods and the problems which comprise the cooperative program which will complete its journey September 1.

To be continued.

Consumers' Cooperatives in Action

Minneapolis — Midland Cooperative Wholesale added twenty-nine new cooperatives to its member societies during the last year, bringing its total to 145 and increased its business 38 per cent for a new record of $2,423,000 in 1935. One of the most important decisions of the Annual Meeting June 8 and 9 was the approval of the five year revolving fund plan which provides for the payment of the patronage earnings of the wholesale to the member associations in cash after a period of five years during which time earnings are credited to the retail societies. The plan does not affect the payment of retail patronage dividends and

(To be continued)
makes possible expansion without calling on local co-ops to pay out of their treasuries for wholesale plant.

Washington, D. C. — Consumers' Cooperation became big political as well as economic news in Europe. The original commission was enlarged to include two farm representatives, Robin Hood, secretary, Cooperative Marketing Council, and Clifford Gregory, editor, The Prairie Farmer, and one women representative, Miss Emily Bates of Kansas City. The last three appointees expected to join the commission in Stockholm or Copenhagen.

New York City — Joseph Martinek, editor of Provo Lidu, the second largest labor paper in Czechoslovakia, and former member of the staff of Goodman Theatre, Art Institute, Chicago, was launched to build up membership. A permanent Cooperative Association for Recreation Education was elected by the members of the school to continue the work of the school.

Lakeside, Ohio — A thousand delegates to the “Christian Youth Conference of North America” meeting here June 1 endorsed the following resolution on Consumers Cooperation. “We are convinced that present economic system is unchristian in its motivation, operation and results, and that a Christian economic order can be obtained only by a fundamental change. It is our conviction that Christian youth should support the organization of consumers through the principles and methods of the Rochdale cooperative movement as an effective Christian technique.”

Woodridge, New York — The Associated Cooperative Fire Insurance Companies of Sullivan and adjoining counties announced a record increase in its assessment rate this year, with the cut of 20 per cent in assessment made last year the cooperatives are able to insure dwellings for approximately forty per cent less than the price of the same amount of insurance in the competitive market. The cooperative set aside $10,000 addition to the contingent loss reserve, added 165 new members, bringing the total membership to 1,340 and the outstanding insurance to $13,905,000.

Maryland, Mass. — With every state from Maine to Delaware represented for the first time in its history, the National Cooperative Recreation School held at Camp Wildwood, June 1 to 13. The school was dedicated to the extension of the creative expression and included in its curriculum drawing, dancing, folk songs, singing games, design, sketching and architecture. The faculty included Miss Neva Boyd, professor of sociology, Northwestern University; Mrs. Charlotte Choppeneau, director and member of the staff of Goodman Theatre, Art Institute, Chicago; Mrs. Esther Greenleaf, director, Cooperative League Design Service, New York; Mrs. Alta Mae Calkins, music instructor, Columbus, Ohio; Lynn Rohrbough, manager, Cooperative Recreation Service, Delaware, Ohio; Mary Wimble, pianist, Sullivan, Indiana, and Carl Hutchinson, member of the education staff of the Ohio Farm Bureau Cooperative Association and director of the Institute. A permanent Cooperative Association for Recreation Education was elected by the members of the school to continue the work of the school.
cooperative wholesale to serve existing cooperatives the convention took action designed to create a branch office for the Eastern Cooperative League and Eastern Cooperative Wholesale in Boston.

Delegates from Philadelphia reported the organization of 40 discussion groups, 15 cooperatives, buying clubs and a Cooperative Center within the last year. Thirty-five cooperative clubs in New Jersey and Metropolitan New York have built a wholesale business volume of almost $200,000 a week. The Massachusetts League of Cooperative Clubs reported the organization of six additional clubs in the state and the extension of youth education throughout the territory.

Among the speakers at the convention were Dr. James P. Warbasse, president of the Cooperative League of the USA, Bertram B. Fowler, author, Cols- ton Warne, professor, Amherst College; James C. Drury, New York University; Leonard F. Dickey, director United Parents' Association, R. N. Benjamin, president, Pennsylvania Farm Bureau Cooperative Association; Elizabeth Graham, Charles Manty, Peter Wartinainen and Prentis Foss, leaders of cooperative associations, and L. E. Woodcock, manager, Eastern Cooperative Wholesale.

New York City — Consumers' Union, independent consumer-controlled testing organization, carried in the June issue of Consumers' Cooperative League No. 5 the stories of the Massachusetts League of Cooperative Clubs. The executive committee of the Massachusetts League of Cooperative Clubs has received commendation from the Co-operative League of the USA for its cooperative movement. The organization of 40 discussion groups, 15 cooperatives, buying clubs and a Cooperative Center within the last year. Thirty-five cooperative clubs in New Jersey and Metropolitan New York have built a wholesale business volume of almost $200,000 a week. The Massachusetts League of Cooperative Clubs reported the organization of six additional clubs in the state and the extension of youth education throughout the territory.

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"COOPERATIVE DEMOCRACY" by Dr. Warbasse is a book giving the theoretical as well as practical background of the consumers' cooperative movement. In itself, consumers' cooperation is a very simple question. However, in its simplicity it also touches the whole fabric of life, both economic and political.

The Movement meets a multitude of problems. Although our attitude in regard to particular problems is clear, we want to eliminate it—we must take into consideration the existing conditions. What is our attitude toward the trade-union movement, what are our relations to organized farmers and their marketing associations: what about politics and a host of similar questions. Many of us have the habit of evading the burning issues and problems. Dr. Warbasse presents the issues, answers them and leaves his opinions to the readers to either accept or reject.

When reading the book with the aim of reviewing it, I marked certain paragraphs which I thought were of importance. But soon I found that were I to refer to these paragraphs, the review would become an abridged edition of the book.

The first part of "Cooperative Democracy" deals with the Principles, Methods and Accomplishments of Cooperative Democracy. It explains in a popular way the ABC's of practical cooperation. Here one learns the origin and how of the international cooperative movement.

The primary hypothesis of cooperation is that the person who possesses the greatest part of the machinery of industry and the organization of society should be in the consumers' interest. When this is true, the consumer is brought to pass, it is found that the consumers have become the producers and that the interests of producers and consumers are one.

This statement touches perhaps one of the most complex issues in the philosophy of consumers' cooperation. Granted that we are all consumers, statistics prove that a very small portion of the product of the natural resources and the means of production, control the banks, etc. Naturally, this small group does not interest itself in the consumers' problems, except to make more money. Dr. Warbasse indirectly admits this by saying, "Cooperation is a radical movement. Those who desire that the prevalent economic and social conditions should continue stop to see in the philosophy of consumers' cooperation. Granted that we are all consumers, it is necessary to have a division among the consumers based on their economic status.

The second part of the book deals with Cooperation and the State. Regardless of our opinions about the state, "The state exists; it affects cooperation and is affected by cooperation." On the other hand, cooperators may have different political opinions: therefore, "Cooperative societies, as a rule, do not enter into alliance with political governments or parties. Political neutrality is a cooperative principle".

Does this neutrality mean that cooperators will take a negative attitude toward politics? The author answers: "Surely it is good for the social morality that the people strive to have better laws and better government. The doctrine of prohibition has no objection to the people capturing the state and trying to bend it to their common good, if they can. But we may well acknowledge the fact that they cannot succeed until they have got control of the economic machinery upon which the lives of the people depend. There is no such thing as political democracy without industrial democracy."

The decisions of the Supreme Court emphasize that "Measures for political democracy are not yield until the people have already obtained economic power sufficient to compel the government to grant their demands. Who controls the man's means of livelihood controls the man. And there lies the significance of cooperators' cooperation. "The cooperative movement is naturally close to the trade-union movement. There has been and will be a conflict of interests at some point between producers and consumers, but the cooperative movement is a ground on which these differences are being worked out." And the idea of reorganizing the capitalistic employer and the employee in capitalistic industry is entertained by servile employees, but so long as profit is produced there cannot be such reorganization. The labor movement is working for the control of the labor movement. The author points out many examples to that effect. Therefore the trade-union movement should be in hand with the consumers' cooperative movement.

Most of the cooperative movement in the United States have been organized by farmers. In order to make better "wages," the interest of the farmer demands that he control the power with which other farmers. Thus in reality farmers are organizing "Trade-unions," although they may call them "Cooperatives." The cooperative movement has the same influence as other producers' societies all over the world that are catalogued as "cooperatives," so long as they do not permit guarding for their members, but still only, are essentially trade-union or labor organizations.

"The Larger Possibilities of Cooperation," "The Place of Science and Art in Cooperative Society," "The Future" and "General Resume" conclude this remarkable and masterly book. It is no wonder that "Cooperative Democracy" has been translated into many languages. It is a book for any student in economics and social science, as well as a valuable handbook for trade unionists and farmers. It handles courageously the most profoundly revolutionary of all the workers' movements, and will be a conflict of interests at some point with the trade-union movement. It is up to us all to prevent this in America by widely publicizing the power of our Movement for the healing of our economic ills. We have succeeded in our initial efforts to secure a large amount of publicity with a very small amount of expense compared with ordinary publicity

CONSUMERS' COOPERATION
OFFICIAL NATIONAL JOURNAL OF THE CONSUMERS' COOPERATIVE MOVEMENT

Editorial

All roads will lead to Columbus on Oct-ber 8-10 for the Tenth Biennial Con-gress of The Cooperative League. Read the list of subjects and speakers given on the preliminary program on page 132 and plan to be there.

The "Declaration of Economic Inter-depence" issued by the International Cooperative Alliance to be read on Interna-tional Cooperators Day, this year took place on July 4, extended the pledge of the Founding Fathers of America of loyalty to the principles of freedom and equality, by declaring unswerving loyalty to the principle of non-profit-making economy. This, of course, is only a more specific expression of the application of the word "equality" to which America has given lip service for 150 years and its extension into our economic as well as our political organization.

Dear A. G. Weidler of Berea College, Kentucky, ordered twenty copies of "Consumer Cooperation in America" by Bertram B. Fowler for use in his class in cooperation in the summer school. High school students are not only studying cooperation but in addition the class is a member of the local cooperative oil association and grocery store in Berea and the members of the class are active in assisting in education, auditing and other matters connected with the cooperative association.

We have students in colleges and high schools generally in America are supplied with cooperative textbooks and given an opportunity for practical experience in cooperatives while they are studying the subject. Further, we will then move forward at a far more rapid speed toward the building of a cooperative society.

Great Britain has a vast Workers Edu-cation Association which publishes a 90 page booklet on Cooperation as one of its study outlines. The introduction is striking. It speaks of Cooperation as "The greatest constructive work of the human race ... the most profoundly revolutionary of all the workers' movements," but then adds this serious indictment, "there is probably no great Movement that is so little known as the Cooperative Move-ment." It is up to us all to prevent this in America by widely publicizing the power of our Movement for the healing of our economic ills. We have succeeded in our initial efforts to secure a large amount of publicity with a very small amount of expense compared with ordinary publicity.
The Securities and Exchange Commission is making a new research into the symptoms of the dying private-profit system. Interstate Equities Corporation has been on the stand. A witness explained the fundamental fault of the present economic order when he said, "The purpose of the syndicate was to make money and that was all." Thorstein Veblen once sarcastically described 100% perfection as "all velvety." We are apparently to have another public campaign. This, however, should only prove the depth of depravity to which private-profit business and banking will surely lead us.

The 1936 Friends General Conference at Cape May, N. J., has the honor of being the first General Conference of any kind to feature the Cooperative Movement as the main subject which will form the program of adult education. Under the title "And Unto God," Dr. Worth M. Tippy answers a previous article printed in Nation's Business and The Black SWoop of Consumers' Cooperative Association. To imagine that our Founding Fathers—political, religious, and educational liberty, even though only partial, shall be given up in an attempt to divide the jobs, incomes and ownership more equitably. No one of us in America has much right to criticize the actions of the peoples of other countries who have not had such a heritage of liberties as have we. For us to give up freedom in order to blindly endeavor to gather the crumbs of the world's wealth is a crime. The generation of Americans on the scene today already has on its shoulders the responsibility of having brought this country into the greatest war, the greatest speculative period and the greatest depression ever known. For us to give up the democratic struggle would be to demonstrate our utter degradation of spiritual and mental quality.

In his new book just published under the title "The Decline and Rise of the Consumer," Dr. Horace M. Kallen makes the assertion that the great need today is the formulation of a new consumer-personality image. What is the word which will best express the new ideal consumer-image that will take the form of a consumer-personality image? What is the word which will best express the new image to replace the present political-image? In his three page letter to Mr. Howard A. Cowden of the Auto Insurance Co., Mr. George W. Jacobson of the Midland Cooperative Wholesale of Minneapolis, Minn., to Mr. Howard A. Cowden of Consumers Cooperative Association, North Kansas City, Mo., suggests that it will take the form of a new consumer-personality image. What is the word which will best express the new ideal consumer-image that will take the form of a consumer-personality image? What is the word which will best express the new image to replace the present political-image?

The two old dreams of America have perished and there is not even definiteness to take their place. The first was the dream of the citizen who came to be expressed in the phrase "Every boy has a chance to be President." The second was the image of equality as a producer which was expressed in the words, "Everyone has a chance to become a millionaire." The political-image was compounded of not only the lives of Washington and Lincoln, which are developed on the cooperative association, but also the lives of Schwab and Ford and others who have not only achieved the distinction of owning a million but of having million dollar yearly incomes. Now that we have become largely disillusioned with these two dreams, shall we dream the new dream of equality as consumers be best described, and how shall it be compounded? Dr. Kal- 

The producer-image has been compounded out of the lives of Schwab and Ford and others who have not only achieved the distinction of owning a million but of having million dollar yearly incomes. Now that we have become largely disillusioned with these two dreams, shall we dream the new dream of equality as consumers be best described, and how shall it be compounded? Dr. Kal-
CONSUMERS' COOPERATION

PRELIMINARY PROGRAM

Tenth Biennial Congress of The Cooperative League
October 8-10, 1936, Columbus, Ohio

(October 7-7:30 P.M.—Director Meeting).
October 8-9:00 A.M.—Registration.
10:00 A.M.—Address of Welcome .............................................. Perry L. Green
Greetings from other National Cooperative Associations.
Reports of Officers: President, Dr. J. P. Warbasse; Secretary, E. R. Bowen.
Appointment of Committees.
1:30 P.M.—Cooperative Electrification ....................................... I. H. Hall
Discussion Leader ................................................. A. E. Halberman
2:30 P.M.—Cooperative Insurance
Discussion Leader ................................................. M. D. Lincoln
3:30 P.M.—Cooperative Medicine
Discussion Leader ................................................. Dr. J. P. Warbasse
Dr. Michael Stadul
7:30 P.M.—Sectional Meetings
Electrification ......................................... Chairman, M. J. Briggs
Chairman, I. H. Hall
Insurance & Finance .......................... Chairman, J. B. Taylor
Chairman, Dr. J. P. Warbasse
Publicity & Education .......................... Chairman, V. S. Alumne
Recreation ................................................. Chairman, C. R. Hutchison
Art and Architecture 
Chairman, Esther Greenleaf
Housing ................................................. Chairman, A. A. Kanan

These sectional meetings can be continued at 3:30 P.M. the following afternoon if desired.
3:30 P.M.—Cooperative Music and Recreation
Directed by Lynn Rohrbough
October 9-9:00 A.M.—City Cooperatives
Discussion Leader ................................................. A. W. Warinner
Dr. A. Warinner
10:00 A.M.—Cooperative Management
Discussion Leader ................................................. L. E. Woodcock
Chairman, George W. Jacobson
11:00 A.M.—Cooperative Publicity & Education
Discussion Leader ................................................. J. R. Moore
Chairman, V. S. Alumne
How May Freedom Be Preserved?
What can be done about it? The answer to this question will be determined largely by one’s convictions concerning the need for society today and the type of social organization which one believes must evolve if freedom in any real sense is to be preserved and if the benefits of peace and plenty which an advanced civilization such as ours should bestow upon every person are to be realized to any substantial degree.

The primary conviction upon which the discussion of education is based is this: That the principal weakness of our American society today is that the democracy under which we live is not effective. The typical man in America, either worker or farmer, has three main interests, which affect his relationships with society: (1) As a citizen in the political state, (2) As a consumer of goods and services, and (3) As a producer of goods and services. In each of these fields there are instruments or techniques through which effective democratic control may be exercised by the masses of the people. As citizens they may have political parties which represent their cause. As consumers they may have consumers’ cooperatives through which they may own and control the manufacturing and distributive facilities which serve them. And as workers and farmers they may have labor unions and farm marketing cooperatives to bargain for their fair share of the national income. The combination of effective organization in these three fields constitutes the bulwark of democracy. If one or more of these three fields is not adequately organized, a substantial proportion of the people will not share in the fruits which a democratic society is capable of providing for all people. Suffice it to say that in America today the masses of people do not exercise the democratic control over these major interests for which effective techniques have been demonstrated. Why? Education for Life
There are many possible explanations, but one important reason is the fact that in the process of formal schooling there is for the average man little "education for life" in any real sense. That education which gives the incentive and the direction to the people to utilize the techniques of democratic organization and action in these fields of their major interests. Yet if any real progress is to be made in the reconstruction of our social and economic order by democratic means, the rank and file of the people of this country—the workers and farmers—must learn to utilize the techniques of democracy in these fields. Thus the basic problem of our age is one of education, not the education of supermen to deliver the ideal state through the aristocracy of a ruling class, but the education of the common people and the leadership which is indigenous to the common people. One of the tragedies of our day is the way in which the elaborate school system which is available to so many people stresses scholarship, fosters competition, and stimulates the lead-
posals for attaining them have generally the same fundamental fault as Plato's Repub.

and culture themselves swallow them both up, so that the people for all of their labor get only proud tyrants to obey, to support, and if that can comfort them, to admire. He found that the prevailing educational system served the interest of school

ars only. "We are immeasurably rich in ideas, but great beggars in reality; rich in knowledge, but poor in vital force."

Scholarship or Education

In the period of young adulthood, from 18 to 25 years, Grundtvig recognized that there was in most people a moment of 'spiritual creation' which is the richest opportunity which any educator could grant. There is the moment when the slumber of youth and adolescence is over and the young adult embarks upon maturity. One of the great possibilities for education—the Grundtvigian day, and which is equally neglected in our country today, is the utilization of this spiritual awakening to give direction to the life of adulthood. Grundtvig's approach to the education in this period should not be scholarship. "Scholarship is one thing," wrote Grundtvig, "and education and fitness for life is another; they may well be united, but not in the case of the majority; they must not be hostile to each other; they must be kept separate, otherwise they seek to drive each other out and necessarily spoil each other. Scholarship or Education

The second of the doctrines of Grundtvig which have had great influence on the people's schools is the doctrine of the 'living word.' He taught that only the spoken word can convey life force to the individual. The written word, to the great majority of people, is ineffectual in this work of giving life. The spoken word is filled with hymns from Grundtvig's pen. The Living Word

Out of the writings of Grundtvig two doctrines emerge which may leave their stamp upon the schools of the world for some time to come. The first of these is his concept of the functions of the school for life. On the one hand it must aid the individual to unfold his potentialities to the full; "to make men all they are --- to enlighten human life. Know thyself is the right inscription above all school doors. Then the school for life must fit him for active and constructive membership in the civic community. How is the school to do this?

The Stream of Life

What shall be the sources of its power to give life a vital force? Grundtvig gave three media,—history, native language, and song. History, taught as the inspiring and creative experience of men and as dates and events, was in everything, as all teaching was related to the stream of life of which the student was to be a part. Native language—the student must speak and write it, thus the leadership of the people of Denmark was made articulate. And song—every lecture started with sentimental jingles but songs of great meaning for the young people of Denmark. The Danish hymnal of today is filled with hymns from Grundtvig's pen.

Spirit of Freedom

Out of these doctrines a three fold statement of principle has been distilled from the writings of Grundtvig which has much of the Biblical passages—"The Spirit is power;" "The Spirit speaks through the living word;" "The Spirit speaks only in freedom." Simple as these precepts are, out of them have come strong People's Schools which have given a better life to the common man.

The Character of the People's School

Briefly the method and aims of the People's Schools may be summarized as follows:

1) The emphasis of instruction is upon the awakening of the spirit, rather than upon the acquiring of knowledge or skills.

2) The method of instruction stresses the 'living word'; lectures and discussions in which there is life are the principal program.

3) The historical approach characterizes all instruction; source, process, and history is a living subject.

4) The subject matter is confined largely to that which is useful to the average man in his personal or civic life.

5) There are no grades, credits, degrees, or examinations. The primary emphasis is upon instruction and not upon competition between students.

6) The fact of a group of students living together is utilized as a fundamental educational medium. The teachers utilize the opportunity of living with the students and using their influence to create a cooperative community.

7) The schools are dominated by a high ethical purpose. They seek to give the student an ethical education—-to help him to know himself and to supply him with the motivation to exert a constructive influence in all relationships of life.

8) The schools furnish an incentive to leadership which is loyal to the people's cause. No effort is made to attract people who aspire to scholarship or wealth or opportunity, but to offer them the possibility of self development or advancement.

The Result—A More Abundant Life

The Denmark toward which the efforts of Grundtvig and his followers were directed was a land of despair. The depredation of war and the loss of part of the country to Germany left the land poor in material wealth and depressed in

The People's Schools grew out of the teachings of the Danish religious reformer, Grundtvig, a scholar, a poet, and a theologian whose philosophy of education still dominates the people's school movement in Denmark and elsewhere, and which has been an inspiration to this country. Grundtvig, a part of the philosophy of life by which the Danish people live. Through a long and active life which was spent with energy and enthusiasm up to his 90th year, Grundtvig was the consistent champion of freedom and of culture and culture themselves swallow them both up, so that the people for all of their labor get only proud tyrants to obey, to support, and if that can comfort them, to admire. The People's Schools grew out of the teachings of the Danish religious reformer, Grundtvig, a scholar, a poet, and a theologian whose philosophy of education still dominates the people's school movement in Denmark and elsewhere, and which has been an inspiration to this country. Grundtvig, a scholar, a poet, and a theologian whose philosophy of education still dominates the people's school movement in Denmark and elsewhere, and which has been an inspiration to this country. Grundtvig, a scholar, a poet, and a theologian whose philosophy of education still dominates the people's school movement in Denmark and elsewhere, and which has been an inspiration to this country. Grundtvig, a scholar, a poet, and a theologian whose philosophy of education still dominates the people's school movement in Denmark and elsewhere, and which has been an inspiration to this country. Grundtvig, a scholar, a poet, and a theologian whose philosophy of education still dominates the people's school movement in Denmark and elsewhere, and which has been an inspiration to this country.
spirit. A change in agricultural markets during the nineteenth century had cut and dried the established agricultural export business and had left the farmers in a condition which seemed hopeless. It was in this setting that the People’s Schools undertook to bring a better life to the farming community in Denmark.

The early People’s Schools were under some pressure to convert their program to what was termed a more practical or vocational approach. But Hogsbro, the first school at Rod enhanced the first school after the war with Germany in 1850, resisted this pressure as well as that directed at what was then termed the radical aspects of education in the social sciences, and the school stood by the principles of Grundtvig. Later schools underwent some of the same difficulties, particularly in avoiding regulation by the state department of education as some state subsidies ultimately were given to the schools. Finally after much exacting pioneering a People’s School movement came about, with marketing and processing facilities for his produce and purchasing facilities for his material to buy coal but also the impressive organization which to buy coal but also the impressive organization which was principal in awakening the young people to use of said garage? Probably they would not be difficult for one to find. A system of agriculture was developed which was not so bad. Off the main street, not in too good condition, eyes a building of much promise. It was rented forthwith, with a provision that as long as this was open it would be used for storage purposes. The possession of a sure-enough store meant to accumulate profits for others than customers, and they were willing to do the actual managing themselves while he learned.

How An Eastern Cooperative Store Developed
Frank Eakin

In the summer of 1935 members of consumer’s clubs which a year or two earlier had come into being in Madison and Summit, New Jersey, found themselves embarrassed by the lack of some of the things they needed in cash—this accumulation of funds being due to advance payment made by members on the cooperative purchase of coal. There was room for doubt, apparently, as to whether such joint possession of money by an unincorporated group could be legally safeguarded.

Then why not incorporate? The move was easy, under New Jersey laws. It was made. And that is how the united group of cooperators came to possess not only a sum of money with which to do business but also the impressive organization New Jersey Consumers’ Cooperative, Inc.

Opposition—And the Result

A further increase of property, as things turned out, was just around the corner. In Chatham, midway between Madison and Summit, an abandoned garage was available for storage purposes at the modest rental of ten dollars a month. Such commodities as soap and citrus fruit, brought by truck from wholesale warehouses, could be stored there pending delivery to member families. Moreover there was a store's shelf, in much better condition than customers, and they were willing to do the actual managing themselves while he learned.

By all ordinary calculations the Chatham store should have failed within six months. But somehow it didn't. Perhaps it was partly luck that saved it. Certainly it was not altogether that.

The store's books showed net earnings from the opening week. At the end of the first quarter's operation the total sales volume—including groceries, coal and fuel oil—stood at $6,471, of which sum about thirty-four hundred dollars came from groceries and other direct store sales. During this first three-month period the stock of goods on the store's shelves had increased from $68,07...
to $645.12; member-families from 134 to 185; paid in capital stock from four hundred dollars to $791.25. Net earnings for the quarter were $250.74, which sum was returned to members as a "patronage dividend," after small deductions had been made for legal reserve and interest on capital stock, all of which of course is owned by members.

The Co-op Moves Ahead

At the end of the second quarter—which brings the story down to March 31, 1936—paid-in capital had increased to $1,012.77. The price of a share is five dollars. Members are therefore entitled to receive $0.50 in return for the capital stock they have invested. By virtue of having paid in one dollar toward the purchase of a share, the remainder to be made up by leaving patronage dividends in the treasury instead of drawing them in cash. No member may own more than five per cent of the total outstanding stock. For this second quarter net earnings were $360.52. Meanwhile grocery sales had increased considerably. The chain-store price level, the number of member families had more than doubled since the store opened, a second full-time paid staff member had been engaged, store equipment had increased to a value of $198.50, fresh fruits and vegetables had been added to the store's regular stock and special arrangements had been made for the supply of meat and of laundry and other services, and an impressive amount of volunteer work had been given by officers and members to management, research and education.

NJCC had not exactly become big business, but it had done certain things and gave the appearance of being on the way to doing other things. Those who had been active in it had learned a lot, had a lot of fun, and acquired confidence in their collective ability to do something about the existing economic mess—something more than talk.

Factors Making for Success

How was it done? Here is the answer given by the educational committee in its final report (Nov. 15, 1936) to their well-edited little "Co-op News":

1. Back of the organization of our cooperative lay almost two years education of our members in the Madison and Summit consumers' clubs.

2. We were already doing a fair business in coal, which provided some income from the start.

3. We adhered faithfully to the tested, democratic, Rochdale principles.

4. At least a score of our members were willing to volunteer plenty of good hard work in a genuinely cooperative spirit.

5. Our directors, and particularly our president, burned gallons of midnight oil studying and analyzing problems of efficient purchasing and management.

6. Our members were loyal enough to keep patronizing the store through the earliest period when by trial and error we were learning the new co-operative system.

7. We of NJCC believe in consumers' cooperation with profound conviction. We feel that in working for its success we are not only helping ourselves; we are also helping all consumers—that is to say every human being who has a stomach.

The preliminary education referred to in the first point had come from listening to speakers, from reading books and pamphlets and magazine articles about the movement abroad and in the United States, and from exchange of information and ideas in discussion groups, and above all from trial-and-error experiments.

A Turn at Collective Bargaining

Of these experiments most did not turn out very well—group coal-purchasing being the one conspicuous exception. Before the store was opened the Summit group had come to terms with a local grocer, who agreed to pay a ten per cent commission to the club in return for the united patronage of the members. This agreement lasted about a month. The grocer's prices, it was learned, averaged about ten per cent above chain-store prices. There was thus no saving in the arrangement, and as it held out the promise of working toward any worthwhile objective it was abandoned. The bright idea of buying canned goods directly from South Jersey canneries proved equally disillusioning to the inexperienced cooperators when put to the practical test. Prices paid for goods bought in this way, it developed, were substantially above those which the chain-stores paid to the manufacturers.

The importance of these purchasing experiments, then, lay in the education received from them. In the pre-incorporation period the New Jersey groups had not only read and heard about such methods of operation and had tried them, and having tried them were ready, as they could not otherwise have been, to turn to a more thorough-going application of Rochdale principles and procedures.

Technical Experience

The fourth and fifth points in the summary are also worthy of special emphasis. Long before the incorporation stage was reached the Summit group in particular had gained knowledge of the various forms of member interest in cooperation at the start was practical rather than idealistic in what might be called the religious sense. They belonged to the engine and technical class, most of them being employed by one large industry. Annoyed by their dependence, as consumers of goods, on advertising ballyhoo, they welcomed the incentive which membership in a cooperative group gives. The only lesser interest in the overcoming of this consumer handicap.

There can be no question but that the success of NJCC to date has been due in large part to the value and the technical ability which these men gave and are still giving to it. A technical committee of some ten members has devoted a great deal of time and skill and energy to the task of learning, and helping their fellow-cooperators to learn, how to buy goods on merit, regardless of advertising claims. Studying results of scientific tests by federal and other research agencies, and making laboratory tests of their own as far as practical, these zealous technicians have obtained much enlightenment of a very practical sort. They discovered soap, for example, of a brand quite unknown to the country at large, which was in every way as good as the best of the nationally advertised brands and could be bought for considerably less. They have tested a large number of various other products. Buying by specification rather than merely by brand name on established principle of the cooperative store avoids the trap which is being put to work as effectively as possible.

Meeting Chain Competition

Savings of the type just referred to tell part of the story of the Chatham store's remarkable achievement in keeping prices at the general chain-store level while maintaining a delivery service and ending each quarter with a profit of $250.74. The cooperative store avoids the expense of solicitation—solicitation of customers through a prominent store location which involves heavy rent and through the expensive advertising which is back of most nationally brand products, and keeps their prices at higher levels than would otherwise be necessary.

That is one reason why it has been able to compete successfully with the chain stores, in spite of the very low margin of profit available for any dealer in grocery staples. At home it is a reason given by officers of NJCC. And there is another reason which they give: The cooperative store, as compared with the chain store, has the advantage of larger units of sale and a better known demand. The bulk of sale at the Chatham store has averaged between two and three dollars, several times larger than the chain store average.

Touchstones of Future Growth

Where do we go from here?

1. Into credit cooperatives, insurance cooperatives, housing cooperatives? Possibly. But at present writing there are no plans for moving into any of these fields.

2. As to geographical expansion, over forty separate cities and towns are already represented in the membership of NJCC and in some of these localities cooperative stores will almost certainly be established in the near future. The experience gained by these Chatham store and the organization back of it is available for all. Delegations come from week to week to observe, ask questions, and take out membership as a means of learning about cooperative procedures. What the relationship will ultimately be between NJCC and the cooperative groups which are springing up at numerous points in the populous sections of the state is to be seen. A recent issue of the local "Co-op News" expresses the view that whatever plan is worked out, through study and conference of leaders from the different communities, it will "definitely preserve the value of local initiative and democratic control in each cooperative unit."

1. Provide the benefit of large-scale purchasing and experienced mar-
agreement for the technical and business phases of cooperation, (3) Prevent unnecessary duplication of effort in promotion, education, research, and other non-technical activities.

Several Sobering Thoughts

In conclusion, let no reader get the impression that consumer cooperation is taking New Jersey by storm. Only a small fraction of the great population of this area has been touched by it at all.

Many of those who have heard about it, including not a few who have been in study groups considering it, are critical and disposed to hold aloof. Some consider that the local set-up is not meeting the real need at all because it has not as yet penetrated the really needy low-income groups. From the original movers—college graduates and at least semi-professionals—the movement has spread mainly among families of similar status. There is no prejudice against families on a lower income level, but no one has had time, or taken time, to do missionary work in such quarters. Other critics, especially such as have a smattering of farming knowledge, feel that American attempts at cooperation which came to nothing, think that the present movement will repeat that history—that it is riding on the crest of a wave of enthusiasm which will soon subside. Still others are sympathetic with the idea but can't see their way clear to join because of infrequent delivery service and other inconveniences which they would have to put up with at least until the early stage of development is past. Some, accustomed to a grocery charge account, view with misgiving the requirement, based on dearly bought cooperative experience, that cash must be paid for purchases. And outside of these various groups there are many who have never grasped more than the penny-saving aspect of the movement and lose interest when they learn that immediate savings are not impressively large. The considered judgment of leaders of NJCC that education of their membership in the long-range significance of the cooperative movement is imperative if the local enterprise is to achieve more than superficial success.

Meanwhile the membership continues to grow, and so does the store's business. It is no makeshift but a real store, filling orders in business-like fashion and providing good quality at fairly reasonable prices. A new and more commodious delivery truck has lately been bought—as the store entered upon the ninth month of its history!

Consumers' Cooperatives in Action

Cooperative Housing Pulls Through

Standing out prominently on the wall of the office of the manager of the amalgamated cooperative apartments in Van Cortlandt Park, N.Y., is a letter from then Governor Franklin D. Roosevelt. The letter, dating from January 1936, reads: "I am pleased to note the successful completion of the Van Cortlandt Park cooperative apartments. The cooperative has become a model for other cooperatives and has provided a valuable service to the community. I commend the members of the cooperative for their hard work and dedication." The letter is signed by the governor and is dated January 1, 1936.

As the depression deepened, sixty-five, and as high as seventy per cent of the members of the Amalgamated Cooperative Apartments in Van Cortlandt Park, N.Y., are lettered that the cooperative and lease individual apartments. To prevent speculation the Amalgamated Cooperative is not to sell apartments. Rent scales were established in 1927 at a cost of $3,700,000. Savings ran from five per cent up on many of the items and services, otherwise out of reach, were brought to members of the cooperative.

The Van Cortlandt Park cooperative was completed in 1927 at a total cost of $3,700,000. The Grand Street project, one of the lower East Side, and the Cortlandt Street project, was built two years later at a cost of $1,425,000. Members own stock in the cooperative and lease individual apartments. To prevent speculation no member is allowed to put stock on the open market—the Cooperative will buy it back from the member at face value. Rent scales are based on use value, consequently do not rise and fall with the vicissitudes of the real estate market. At no time have rentals increased since the erection of the cooperative.

New York Edison furnished the cooperative with light and power on a joint contract for the entire Van Cortlandt project until a year ago. At the request of the Utility, the New York State Public Service Commission voided the joint contract and oil station is the second expansion of the 20-year-old cooperative within the last two years. A fully modern store and meat market was opened late in 1934.

Superior, Wisconsin — The People's Cooperative Wholesale reported nearly a million dollar increase in sales of groceries and oil in 1936 over sales of the first six months of 1936 over January to June business in 1935. Volume jumped from $1,994,370 in the first half of 1935 to $2,941,656 for the same period in 1936, an increase per cent.

Superior, Wisconsin — Central Cooperative Wholesale pushed its sales of groceries and oil in 1936 over 1935 by 7 per cent over sales in June 1935. Total sales for the month totaled $220,491, bringing the volume for the first half year to a new record of $1,204,343.

Seattle, Washington — Grange Cooperative Wholesale reported an increase in business of 63 per cent in 1936 over 1935. The greatest increases were in gasoline, kerosene, diesel oil and farm supplies. The volume of the cooperative wholesale passed $1,400,000 for the month of June, and sales of its 4,000 cooperative members well over $3,000,000.

Lake Elmo, Minnesota — The American Farmers Mutual Auto Insurance
Cooperative registered greater premium income in the first six months of 1936 than was received in the entire year of 1935.

North Kansas City, Missouri — June shipments of refined petroleum products and lubricating oils set a new high for a single month's business for Consumers Cooperative Association: 711 cars of refined petroleum products, 32 more than its "train load a day" in June 1935, and 143,000 gallons of lubricating oils were shipped from the cooperative wholesale to affiliated retail cooperatives.

An average increase of 20 per cent is the general gain for the first six months of the year over the same period in 1935.

Columbus, Ohio — Employees of the Ohio Farm Bureau established their own co-op a year ago. With a very limited membership, the co-op did a business of $20,400 the first six months of the year in ice cream, candy, hosiery, ties, shirts, canned goods, laundry, gas and oil. July first the employees distributed to themselves more than a thousand dollars in patronage dividends.

Washington, D. C. — The Rural Electrification Administration reported Aug. 5 that it had earmarked or loaned $21,- 400,000 for 116 rural electric projects. Cooperative projects in Indiana, Ohio, Minnesota and Virginia have been the first completed with several thousand members of cooperatives already securing light and power. It is estimated that more than half the appropriations allotted have been to cooperative associations.

North Kansas City, Missouri — Because it realizes the importance of sound finance, Consumers Cooperative Association has added a Department of Finance with Clifford Miller, former manager of the Farmers Cooperative Association, Brewster, Kansas, as assistant. Mr. Miller has been a financial critic of local retail cooperatives affiliated with CCA.

Superior, Wisconsin — The Northern States' Women's Cooperative Guild is making plans for extensive educational programs during their traditionally known as "Cooperative Month." Program numbers, suggestions to speakers, songs and Co-op Month socials are listed among suggested activities.

Columbus, Ohio — Ohio private profit utilities are attempting to cut off their nose to spite their face. Offered the opportunity to supply power to rural electric cooperatives, the utilities have stalled or refused to try purely on the grounds that the rural electric associations are cooperatives. To meet this emergency cooperatives organized to distribute power produced by private companies are being forced to build plants to supply their own power. The Independence Rural Electric Cooperative, organized to serve 5,000 farm homes in Highland, Fayette, Ross, Clinton and Pike counties, will begin construction of a modern generating plant early in September.

Commenting on the situation the Ohio Farm Bureau News declared Ohio farmers are finding that they can get electricity efficiently by distributing it to themselves. They are now concluding that if it is also necessary to produce their power, they will produce it.

New York City — Because of the consistently increasing volume of business, Eastern Cooperative Wholesale and Eastern Cooperative League moved their headquarters to 112 Charlton Street. The new location will provide the organizations with four times the floor space of the previous office.

North Kansas City, Missouri — International cooperative trade in oil established itself as a reality when the second shipment moved out of North Kansas City consigned to the Scottish Cooperative Wholesale Society, Glasgow. A fifth shipment has been made to the cooperative wholesale association in France.

Columbus, Ohio — The Cooperative Life Insurance Company has written more than $1,000,000 worth of life insurance on cooperative basis in the five months since the Life Insurance Company of America was purchased and reorganized as a cooperative, The Farm Bureau Mutual Automobile Insurance Co. now has 750,000 policy holders and the Farm Bureau Mutual Fire Insurance Cooperative reports the value of property protected at more than $35,000,000.
NEWSFORFARMCOOPERATIVES,July,
PITTSBURGH CATHOLIC,July 30,“More
NEWS FOR FARM COOPERATIVES, July,
“Cooperative Purchasing Comes of Age,”
Joseph G.Knapp.
A NEW WORLD,June,“The Masses Go Into
Big Business,”a condensation of Bertram B.
Fowler’s article in Scribbner’s Magazine for
April.
“What is the Consumers’ Cooperative?”by A.
F.Whitney,President, Brotherhood of Railroad
Trainmen, has been published in the following la-
papers:
RAILROAD TRAINEE,May,
QUARRY WORKERS JOURNAL, June,
WYOMING LABOR JOURNAL,June 19.
NEW LEADER,June 20.
MILWAUKEE LEADER, June 23.
RAILWAY CARRIERS JOURNAL, July.
BROTHERHOOD OF LOCOMOTIVE FIRE-
MEN AND ENGINEMEN’S MAGAZINE, July.

NEWSPAPERS

(It is, of course, impossible to list all newspaper
stories and articles devoted to the consumers
cooperative movement. The following are a few
of those which have come to our attention. In ad-
motion more than 450 newspapers and magazines
country the receive regularly a Cooperative
League News Service carrying highlight
of these publications use the material
news of the cooperative movement. A very high
percentage of these publications use the material
regularly while others use those news stories of
particular interest to their readers. The metro-
politan press has been reciprocated to a high
extent by this service. Within the last
month the New York Times, Herald-Tribune,
World-Telegram and Post have used articles from
the service. The number of readers reached
by a single story in CLENS through coop-
erative and general publications averages about
2,750,000.)

NEW YORK TIMES, Sunday, August 9, “A
Local Cooperative is a story of the Amal-
gamated Cooperative Apartments. Rose C. Feld.
Credit Union Idea Spreads,” R. C. Doersay.
“Consumers’ Cooperative of Boston,” George J.
Booming, Say Brinman, an interview with Sir Fred Havward and A. V.
Smythe of the Cooperative Union.
WORLD-TELEGRAM, August 1, “Coop-
eratives and Profit,” an editorial.
NEW YORK WORLD-TELEGRAPH, August 1,
“Cooperation,” an editorial.
ASSOCIATED PRESS, a series of three articles
on the Cooperative Movement, syndicated to all
affiliated morning papers for publication August
13, 14 and 15.
BOSTON GLOBE, July 5,“Dictators Don’t Like
the Cooperatives,” an interview with James P.
Warbase by James H. Powers.
CHRISTIAN TRIBUNE, June 14, “Consumers’
Cooperatives,” an attack on the Cooperative
Movement by William Harmon Norton.
CHRISTIAN SCIENCE MONITOR, July 3,
“President’s Study of Cooperatives Begins in
Sweden.”
NEW YORK POST, July 28, “Swedish Co-ops
Displace Trusts,” July 30, “Cooperative Store
Sales Spurt to New Records,” August 7, “Rural
Co-ops Volume Doubled in Decade,”
NEW YORK HERALD TRIBUNE, August 4,
“Briton Terms Cooperatives Bar to Fascism,”
an interview with Sir Fred Havward.
BOSTON HERALD, June 27, “The Nation’s
Politics—Roosevelt Plan Based on Scandinavian
System,” Paul Mullen.
WORLD TELEGRAM, August 10, “Consumers
Cooperatives Opposed by New Dealers,” Ray-
mond Clapp.

CONTINUING NEWS BULLETINS
UNITED BUSINESS SERVICE, August 8, “Co-
sumer Cooperatives Not a Serious Threat.”
BABSON’S REPORTS, July 27, “Consumer
Cooperatives in New Move.”
THE KILPINGER WASHINGTON LETTER,
August 1, “All Kinds of Consumer Cooperation
Flourish in U. S. Today.”

Book Reviews

Sweden, Land of Economic Democracy, by E.
R. Bowen, The Cooperative League, 15 cents.
This booklet of 24 pages, with four full pages of
beautiful illustrations, is a supplement to not a
substitute for Maurice Claph’s “Sweden: The Mid-
dle Way.” Mr. Bowen tells the story of the pro-
spersity of Sweden, with the account of the coop-
erative movement, as does Mr. Claph, but with
more emphasis, which are the more appreciated
after reading Mr. Claph’s more historical account
and comparison between the Swedish K. F. and the cooperative movement in
other countries; the significant development of
adult education and particularly the study circle
in Sweden; and the reservation of eco-
omic and civil liberty through governmental com-
dominion over industry and trade. In the main,
the rewards of each group are in propor-
tion to its contribution to the product . . .
under this system America produces the
greater output of wealth, pays the highest
rate of wages, gives the highest standards
of living, in the history of the world.
“How long, Oh Lord, how long?”
might well be repeated until the audiences of
America will boo such speakers off the
platforms.

The editor wishes to pay his personal
tribute to the late Governor Olsen of
Washington whom we never met personal-
ly but who was one of the four prominent
men outside the cooperative movement
who, more than any others, thoroughly
convincing us of its merits. We heard him
summarize his philosophy at the Conven-
tion of the Northern States Cooperative
League at Cloquet in the fall of 1933 in
somewhat these words, “I stand for the
cooperative Commonwealth, and because
I do not want anyone to misunderstand,
I mean the cooperative ownership of indus-
try and the public ownership of utili-
ties.” He was a good persuader in the
case of the common good.

Some excellent expressions which we
have recently noted include the follow-
ing:
“A cooperative is a business democracy,” C.
C. Teague, President, California Fruit
Growers Exchange.
“The pursuit of profit is neither ethical nor
efficient,” Common Sense Editorial com-
ment.
“Consumers’ Cooperation is the economic pat-
tern of the ‘American Dream.’” Dr.
Horace M. Kallen, New School for So-
cial Research.
All of these are splendid for quotation
by cooperative writers and speakers.

Economy in Action” by Gardiner C.
Means and Caroline F. Ware says, “No
to action is definitely pointed out.”
This is primarily where American intel-
ligence should be in the process of
triumphing over all other forms of
philanthropy and socialism.

An organ to spread the knowledge of the Consumers’ Cooperative Movement, whereby the people, in
order to associate, purchase and produce for their own use the things they need.
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lectuals have failed us. It's easy to point out specific signs of breakdown in our present competitive-profit economy and likewise easy to generalize about a future cooperative-service organization of society. But destructive attacks and generalized proposals do not indicate thinking through on the part of authors and speakers. When American intellectuals propose specific remedies we will move faster. We hope to persuade them more to act and advocate the four program for the building of a cooperative economic society: first, social security legislation to be paid for primarily by inheritance, gift and income taxes; second, vocational organizations of ownership of utilities; third, consumer-citizen ownership of utilities; fourth, consumer-producer ownership of industries.

The railroads are in a quandary. They instituted a suit against the reduction in rates and now find that the reduction has increased their revenues. It's just too bad that they had to be shown up as incapable of acting voluntarily even in their own best interests. They would have to be forced to do so by the government. There may not be so much of that great virtue of initiative in private business after all.

In one issue of the New York Times appear two parallel stories in one of which a prominent Protestant speaker is identified “against Communism” and another in which it is said that the Notre Dame National Alumni Association will offer its assistance to Pope Pius XII against Communism. Might we suggest that it is more important for the churches to be pro-Cooperation rather than anti-Communism. Negative opposition to Communism will be of little use unless a positive program of Cooperation is advocated as a substitute.

An interesting article by Miss Merle Elsworth, one of the members of the 1936 Cooperative Tour of Europe, appears in the August issue of The National Grange Monthly telling the story of the pioneer work in Cooperation of the Grange. Their Declaration of Purposes adopted in 1874 was simple and significant: “We propose meeting together, talking together, working together, buying together, selling together, and, in general, acting together for our mutual protection and advancement... we must dispense with a surplus of middlemen, not that we are unfriendly to them, but we do not need them.”

New York City has again had the honor of entertaining a youthful visitor from the West, this time in the person of Miss Erma Young from Chouteau, Montana, winner of the essay contest on the question, “Why I Want to Stay in Montana.” She has discovered that for every three young people in Montana who have an opportunity to go to college eight have the same opportunity in New York City. So she expressed her hope for equal opportunity by saying, “I can’t help wishing that some of these New Yorkers and other wealthy Easterners, part of all of whose wealth is derived from the mines and ranches and lumber and oil industries of Montana, would give some thought to the young people of our State.” We respect such “wishful thinking” but it would be forced by the government to do so for the government. There may not be so much of that great virtue of initiative in private business after all.

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Private-profit business seems to be having nightmares about the Consumers Cooperative Movement today and is striking out as blindly as is done in one's sleep. We feel like offering a suggestion that spokesmen not only give up their fears but also that they stick closer to the truth. The present type of wild knocking only exposes private-profit business to easy knock-out replies. A news item reporting an address before the Western Conference of Trade and Commercial Secretaries on the Stanford campus at Palo Alto, California, by Ned Harlan, manager of the Boise, Idaho, Chamber of Commerce, says: "The very idea of unsettling the co-ops, on the other hand, has a plausibility which is far more insidious. There is, after all, not as much as some rich men suggest, the inherent danger of the movement. Quoting from Catholic, Protestant and Jewish publications he declared that many lay members are urging production for use programs and means!" "The Sin of Enthusiasm"

In a house organ, "Bruce-Every Month," Mr. C. Arthur Bruce, Vice-President says, under the title, "Speaking Frankly About Consumers Cooperatives" that "the insidious thing about this movement lies in the religious enthusiasm with which the propaganda is carried on," as though it were a sin to be enthusiastic about a Movement that promises to assist in eliminating crime, war, unemployment and poverty, the four black horses of private-profit capitalism. Mr. Bruce should not infer that Consumers' Cooperation has anything to do with a "program to put all business in the hands of the State." For some of his readers are wise enough to know that Consumers Cooperation is a non-political movement.

"Not as Efficient"
The Progressive Grocer for August carries an article by a former co-op manager who speaks of his experience with the "celebrated California Rochdale co-op network" from 1907 to 1914. Those who know say that there wasn't much "Rochdale" in that experiment. Mr. Blaine, the author, says that "co-ops are certainly not as efficient as independent stores whose owners work any and all hours, heroically." He seems to think that in independent stores there is more goodwill and affection on the part of customers for the dealers. We feel that he fails to realize the idea of cooperation is at last employing employees as well as for a cooperative store of which they are partners. Co-op stores have a magnet to draw and hold trade which private stores do not—some arm of the magnet is democratic control and the other is patronage dividend.

"Contrary to the American System"

A "National Conference of Christian Ministers and Laymen" assembled recently at Asheville, N.C., which is reported to have included such persons as Mrs. A. W. Dilling, author of "The Red Network," Rev. John Evans, Religious Editor of the Chicago Tribune, and others, who came together, according to the call, "To uphold the Christian religion, stimulate to formulization plans to effectively combat communism," Chicago Tribune's correspondent says that the final statement of principles which it adopted "presents the first positive defense of capitalism and the present economic order to come from any religious conclave in recent years. The promotional literature stressed criticism of the Federal Council of Churches because it sponsored Kagawa's tour; of Kagawa because he promotes cooperatives because they are bad for private business and contrary to the American system," and of President Roosevelt because he instituted a study of the cooperative movement.

A Banker Looks at Cooperation

Banking, the journal of the American Bankers Association, for September, 1936, carries an article on "The Cooperative Revival" by Edward H. Collins, who says that "co-operatives are certainly no longer the dwarf of their former years after giving the habitus of the muntant and the squirrel for the habits of the free man, ceasing to resist change, replacing accumulation by distribution! Then in the course of events, a social configuration could not help establishing itself, widespread as the world, where the institutions of society might enhance, not diminish and destroy, the life, liberty and happiness of the individual." Lacking at the top the courage which is window dressing dangers and vigilance which is the price of all good in life, habits will remain what they are, fear about possessions will override hunger for liberty and joy. But at the bottom, anxiety and despair will bring to birth what fear and greed above closed off.

"Why Should Anyone Want to Be Rich?"

It is reported that when J. P. Morgan returned from Europe that he predicted the great fortunes would be gone in 30 years. John D. Rockefeller, Jr. who, upon his return was asked to comment on this prediction, is reported to have said that the dream was optimistic. One of the great questions ahead in America is whether rich men will oppose the redistribution of wealth in such a way as to bring on violent conflicts or whether they will accept the handwriting on the wall and by their attitude and actions help to save themselves as well as others. Dr. Horace M. Kallen appeals to them in his "Individualism, an American Way of Life" in these words:

"Had only the captains of industry the courage! They would find precedent enough from Robert Owen's day to this. Each successful experiment would multiply endeavors geographically, and not too long a time would pass before the character of each plant would be changed from a machine driving men into men driving a machine. Such a transformation is the whole meaning of democracy in industry. If the captains of industry were not afraid to extend the ways of science to the economy of life, why should one be reluctant to learn the way of life?" To some a class conflict is necessary between the rich and poor. They argue that the rich have never gotten off the backs of the poor without violent conflicts in the past. American accept any dogmatic statement as infallible. What may be possible in America is unknown. Our 150 years of training in forms of liberty should give everyone, both rich and poor, different attitudes than those in countries who never experienced democracy as we have. The policy of persuasion, if genuinely followed may be able to help us achieve an economic democracy in America by peaceful means. In fact some poor may be as hard as some rich to persuade. The issue is not altogether one-sided. At least persuasion is worth trying with everyone.
What Do We Mean by Democracy?

Charles A. Beard

(EDITOR'S NOTE. In the following article written especially for Consumers' Cooperation, Charles A. Beard, America's greatest living historian has set forth the relation of ownership of property to the continuation of democracy. Private ownership without private profit is a basic principle of consumers' cooperation.)

THE words "American democracy" now roll from tongues and pens in an impressive volume. Aided by William Randolph Hearst, the Liberty League, in multitudinous releases, announces its purpose to defend and preserve this democracy in the forum of opinion and before the courts of law. President Roosevelt tells us that he is enlisted in "a war for wisdom to conserve its fruits. In their experience and their writings, we can find the courage to make a revolution and the wisdom to conserve its fruits in their experience and their writings, we can find the means to direct, institutions to preserve, and economy to sustain.

Ideals

The ideals set forth by the founders of American democracy are incorporated in the Declaration of Independence and in other proclamations. They include a view of human nature and human rights. They rest upon the belief that human life has a value in itself and cannot be exploited for ends alien to moral worth. All the people have a right to life, liberty, and the pursuit of happiness. The purpose of government is to maintain these rights. When this purpose is violated, the people may reconstruct their government and adjust it to meet their needs.

When these principles were proclaimed in 1776 they seemed revolutionary. Indeed in contrast to the long practices of humanity, they were revolutionary. They represented a hope, rather than a fact, an aspiration, rather than experience. All around were glaring contradiction, even in the United States. Yet the founders of American democracy set out with a chart in hand to realize, as far as the cruel circumstances of life would permit, the principles they had so bravely declare.

The conflict and the hope are thus described by Thomas Jefferson: "The doctrines of Europe were that men in numerous associations cannot be restrained within the limits of order and justice by physical and moral wielded over them by authorities independent of their will. Hence their organization of kings, hereditary nobles, and priests. Still further to constrain the brute force of the people, they deemed necessary to keep them down by hard labor, poverty, and ignorance, and to take from them, as from bees, so much of their earnings as unremitting labor shall be necessary to obtain a sufficient surplus barely to sustain a scanty and miserable life. And these earnings they apply to maintain their privileged orders in splendor and idleness, to fascinate the eyes of the people, and excite in them a humble adoration and submission, as to an order of superior beings to keep in Europe, for they were always accompanied by crowds of property-less artisans likely to make periodical revolutions and continually disturb the social order. He agreed with Governor Morris that the penniless masses of the great cities either made revolutions on their own account or served as the tools of the very rich in destroying popular government, in establishing aristocratic dictatorships, in short.

Jefferson knew that nations are not immortal, that governments are transient, that concentrated wealth and widespread poverty cannot forever endure side by side in a democracy. Madison was equally well acquainted with the long story of mankind. He also warned his countrymen of perils to come. In the constitutional convention, on August 7, 1787, he said: "In future times a great majority of these people will not only be without land, but any other sort of property. These will either combine under the influence of their common situation; in which case the rights of property and the public liberty will not be secure in their hands or which is more probable, they will become the tools of opulence and ambition in which case there will be equal danger on another side."

Long afterward, but while Jefferson was still living, Daniel Webster summed up anew the conception that a wide distribution of property forms the foundation of democracy. In an address delivered on the 200th anniversary of the landing of the Pilgrims he said, "They came to a new country, and yet no lands yielding rent, and no tenants rendering services. The whole soil was unclaimed from barbarism. They were themselves, either from their original condition or from the necessity of their common interest, nearly on a general level in respect to property. Their situation demanded a parcelling out and division of the lands, and it may be said that this necessity as well as the future frame and form of their government . . . The consequence of all these causes has been a great subdivision of the soil and a great
equality of condition; the true basis, most certainly, of popular government.

Property and Democracy
And if the American form of government is to endure, Webster argued, then stable distribution of property must also be maintained. "The practical character of government depends often," he said, "on a variety of considerations, besides the strength of the constitutional organization. Among these are condition and tenure of property; the laws regulating its alienation and descent; the presence of military power; an armed and united spirit of the age, and the degree of general intelligence. In these respects it cannot be denied that the circumstances of this country (in 1820) are most favorable to the hope of maintaining the government of a great nation on principles entirely popular. In the absence of military power, the nature of government must essentially depend on property. Property is an index of strength; the absence of military power, the nature of government when there was great inequality of property; the laws regulating its alienation and descent; the presence of military power; an armed and united spirit of the age, and the degree of general intelligence. In these respects it cannot be denied that the circumstances of this country (in 1820) are most favorable to the hope of maintaining the government of a great nation on principles entirely popular. In the absence of military power, the nature of government must essentially depend on property. Property is an index of strength; the absence of military power, the nature of government when there was great inequality of property; the laws regulating its alienation and descent; the presence of military power; an armed and united spirit of the age, and the degree of general intelligence. 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Finnish Cooperative Executives Visit U. S.

What is perhaps the largest and most significant group of European cooperative leaders ever to visit the United States arrived in New York City, August 28, from Finland for several weeks' investigation of Consumers and Producers Cooperatives. Five executives of Cooperative Education, Wholesale and Credit Associations representing Agricultural Cooperation in Finland make up the party: Armas Aho, General Manager of the S.O.K. Wholesale; T. Arola, General Manager of the Haukkia Cooperative Agricultural Wholesale; and J. W. Rangell, General Manager of the Central Bank for Cooperative Agricultural Credit Societies.

American cooperators who welcomed them at a dinner given at the Consumers Cooperative Services cafeteria in New York learned that over half of the population of Finland and almost all members of consumers' cooperatives; 40% of the entire trade in Finland is done cooperatively, increasing at about 15% per year; the volume of business of the S.O.K. Wholesale is by far the largest of any wholesale, amounting to about $25,000,000 compared with $10,000,000 for the largest voluntary private chain and less than $5,000,000 for the largest private wholesale. There are no cooperatives included in the 2,482 bankruptcies during the three severe depression years of 1930-1932. Only 206 workers are unemployed in Finland, while farm tenancy has been reduced from 60% in 1901 to 9% in 1929.

The group planned to visit the Farm Credit Administration and the Department of Agriculture in Washington, D.C.; cooperative feed mills at Buffalo; cooperative petroleum wholesales and oil compounding plants at Minneapolis; S. Paul, North Kansas City and Indianapolis; the Central Cooperative Wholesale, Superior, Wisconsin; and grain and livestock marketing cooperatives at Chicago and fruit marketing cooperatives in California. Concluding the trip members of the party will attend the Tenth Biennial Congress of The Cooperative League of the U.S.A. at Columbus, Ohio, October 8-9-10.

Antigonish Becomes International News

A whole sheaf of clippings has arrived telling of the Fourteenth Annual Rural and Industrial Conference at Antigonish, Nova Scotia, organized by the Extension Department of St. Francis Xavier University. Last year three cooperative leaders and their families from the United States attended the Conference. This year the registration listed 30 Americans and included such significant names as Dr. Charles A. Beard, President of the American Association of Adult Education; Michael Williams, editor of The Commonweal; Rev. J. M. Campbell, credit union leader; Rev. James Byrnes, executive secretary of the National Catholic Rural Life Conference; Elmer Scott, director of the Civic Federation of Dallas, and others who were speakers on the program.

The news stories of the Conference most justly pay high tribute to "Dr. James J. Tompkins, the prophet of the movement..." Dr. M. M. Coody, dynamic leader..." A. B. MacDonald, powerful organizer. Opening the Conference Bishop James Morrison declared that "St. Francis Xavier University is making an honest effort to do something for the economic, social and moral welfare of humanity." The problem and the fallacy of today was stated by Dr. Coody. The crux of our social problems is an economic one and the fundamental fallacy is the idea of profit in the capitalistic society.

Man's right to a remuneration from his fellow men must be founded on the idea of service. Anything over and above payment for that service has no foundation in ethics or philosophy.

After a visit to the "university of Reserve Mines," as he described the program, he made up his mind to do more in his line. Dr. James A. Byrnes paid tribute to the work he saw in these words, "The buildings aren't much, but what a man is the most important thing of all!" Dr. Father J. J. Tompkins, the chancellor, accepted the program at a dinner given at the Consumers Cooperative Services cafeteria in New York City August 28.

Yet undeveloped territory and the enthusiastic representatives of the young Cooperative Clubs. Geographical distribution ran from Pittsburgh, Pa., to New Bedford, Mass., and Schenectady, N. Y., to Wilming, Delaware. Among the innovations this year was a course on Discussion Methods and Material and "Talking Cooperation." Dr. Hartley W. Cross of Springfield College and Dwight S. Davis, high school principal of Orange, Mass., taught the courses on Cooperative and Consumer Economics. Outstanding cooperators participated in the series of evening lectures. Among them were J. P. Warbasse, President of The Cooperative League, Quentin Reynolds, Manager, Eastern States Farmers Exchange, Merlin G. Miller, Professor of Economics, and E. R. Bowen, General Secretary of The Cooperative League. Round tables on cooperative purchasing, credit unions, cooperative legislation and other topics tied cooperative theory directly to the practical problems of the group.

Folk games, sports, camp fires and picnics contributed to the enjoyment of the week's study. A similar institute at Camp
Newton, Hamilton, Pa., co-sponsored by the Pennsylvania Farm Bureau reached 85 students making a total of 218 as contrasted with 24 in 1933 and 75 in 1934. An unusual tribute to Robert Smith, Educational Director of Eastern Cooperative League and director of the Cooperative Union, was published in the final issue of the Institute Daily Press: "We have been prevailed upon by Bob Smith to lay off of him in these columns. This we have religiously done, after the warning, but since nothing more than a verbal objection can result (this is the last issue) we open fire. Speaking with some authority on work of an organizational nature open tribute is paid with all the adjectives in the vocabulary for the most remarkable piece of work that has come under our observation. The fact that everything runs so smoothly makes everything look easy, but behind the scene are long hours of preparation and innumerable quick decisions, an affability which is sorely tried but never lost, an endurance which can only be the result of inspired action. Hats off to you, Bob Smith. May the Eastern Cooperative League enjoy your personality and services for long years to come."

Consumer Cooperatives in Action

Chicago—National Cooperatives, Inc., took definite action to set up a national office in Chicago at the meeting of the board of directors of the cooperative business federation here September 2. Ivan Lantos, for years head buyer for Central Cooperative Wholesale, Superior, was selected over a number of other candidates as the national office and will take over the position October 1.

Los Angeles—Sir Fred Hayward and A. V. Alexander of the British Cooperative Union addressed an enthusiastic crowd of 400 assembled at the Clifton Cafeteria August 30. "We distributed a hundred million pounds worth of goods last year through our Cooperative Wholesale Society. We have made a millionaire. We shall never make a pauper," declared Sir Fred Hayward, President of the Cooperative Union while describing the operation of the British cooperatives.

Superior—Central Cooperative Wholesale, described in "Consumer Cooperation in America" as The Cornerstone in the North, continued breaking records in June and July boosting total sales to $1,489,496 for the seven months period last year. Sales of all commodities reached $1,661,532 which represented a gain of 35% over the first seven months of 1935.

Harrisburg, Penn.—On August 5 the first poles were set for the Northwestern Rural Electric Cooperative Association. Crawford County, the first rural electric co-op in the state, now has 19 miles of line at an estimated cost of $114,000. Four thousand members will be served by the cooperative.

Indianapolis—The Farm Bureau Oil Company Cooperative has added to its membership the Grange League Federation, operating in New York and New Jersey, the Maryland Farm Bureau Federation and the Farmers Cooperative Exchange doing business in North Carolina. The Farm Bureau Oil Company is now serving cooperative organizations in Indiana, Ohio, Pennsylvania, Kentucky and Michigan. The Farm Bureau Oil Company is a member of National Cooperatives, Inc., which is in turn a member of The Cooperative League.

New York—Four moves in two years by Eastern Cooperative Wholesale and Eastern Cooperative League have grown so rapidly they have been forced to rent increasingly larger headquarters. The present office at 112 Charlton Street with 6,000 square feet of office space is more than six times the size of the original.

Purchases for cooperative buying clubs in addition to the regular cooperative business grew from $1200 in January to $3000 in June. None of these clubs was operating two years ago. The most important feature of the new move is that E.C.W. now located in New York’s wholesale district, has acquired sufficient capacity and volume to carry on regular wholesale activities in addition to acting as buying agent for local cooperatives. E.C.W. will sell a full stock of Co-op label goods.

The board of directors of the Wholesale has just completed a survey of the possibilities of opening a branch wholesale office in Boston for New England cooperatives. Acting on the results of the survey E.C.W. decided to open a Boston Branch October 1.

Superior—Realizing the importance of a basic education program, the Mesaba Range Cooperative Federation hired Ed White, a Co-op Training School graduate and employee of Central Cooperative Wholesale to be the first district educational director in the C.C.W. area. The Northern States Cooperative Youth League will also hire a full-time educational director to take charge of youth work.

Washington, D. C.—Not to be outdone by Chicago, New York and Philadelphia city cooperatives, the Washington Consumers Club has opened a Cooperative Educational Center, started publication of a bulletin, organized a speakers bureau, writers bureau and organized the buying union (neighborhood club). The members of the Washington club are buying coal, tailor-made suits, books and milk on a contract basis and are planning to open their own cooperative station within the next few weeks.

Tillamook, Oregon—When the private oil companies launched a price war here recently, the Farmers’ Cooperative reduced the price to wholesale cost. When the price went still lower, a sign was hung on the co-op pump advising the members to buy gas at the price-cutting companies. Needless to say, the sign did not last long after that. The Tillamook co-op formed only a year ago, includes in its membership nearly half of the 900 producers of the County Creamery Association, which operates 18 cheese factories in northwestern Oregon. The group started business with a debt of $3,000. In nine months half of the debt has been paid off. Commodities handled are gas, oil, tires, and farm equipment.

Harrisburg, Penn.—The Pennsylvania Farm Review which in the last two years has boosted its circulation from 12,000 to 22,000 under the able editorship of T. Warren Metzger, has taken another forward step. With the September issue the publication changed its name to the Pennsylvania Co-op Review. The change is in keeping with the breadth of view the publication has consistently maintained since its inauguration.

Los Angeles—The Cooperative Institute under the direction of the Cooperative Wholesale Association of Southern California completed its eight day sessions at the Vohris School, San Dimas, August 21-23. Among the instructors were Charles Kenyon, education director of the educational staff of the Wholesale, O. J. Ringle, executive secretary of the original California Cooperative Council, Jerry Vorhis, director of the school, Rev. V. V. Gustafson and Charles Walla Walla, Washington—Ten new cooperative associations handling gas and oil and general farm supplies have been organized in Southern Idaho since March 1. The new co-ops were organized with the support of farmer organizations and the advice and assistance of representatives of Pacific Supply Cooperative, wholesale cooperative association with headquarters in Walla Walla. The local cooperative associations are in Weiser, Payette, Emmett, Mountain Home, American Falls, Rupert, Burley, Pocatello, Idaho Falls, Menan, Rigby, and Preston. Eight membership coopera
tive associations affiliated with Pacific Supply Cooperative were already in operation in the state.

Pacific Supply Cooperative was organized two years ago. At that time members it has grown to include 65 local member associations in Oregon, Washington and Idaho. More than 16,000 individuals are members of co-ops affiliated with the organization.

In spite of a bitter price war that pre-
valled for a substantial part of the spring, the cooperatives' volume of business increased 40% in gasoline and 50% in lubricating oil, with corresponding gains in other lines. The co-op reported a total wholesale business of $1,370,560 in 1935.

Superior — Deluged with applications for admission to the Cooperative Training School, the course committee was forced to select 35 out of 110 applicants for Central Cooperative Wholesale Co.'s school which opened September 28.

Washington, D. C. — Of the fifty credit unions granted federal charters in August, two were organized by established consumers cooperative societies in Turlock, California, and Evanston, Illinois.

Walla Walla, Washington — Pacific Supply Cooperative launched its own newspaper, The Pacific Northwest Cooperative, July 1. The appearance of The Cooperative increases the number of journals and trade papers representing associations affiliated with the Cooperative League to fifteen with a total circulation well over half a million. We welcome The Cooperative to this distinguished company.
The Decline and Rise of the Consumer, by Horace Kapital, Dr. Kallen has done for the consumer in these words, but how many cooperators have also felt it! In Dr. Kallen’s Decline and Rise of the Consumer, the need for a philosophy of consumer cooperation in this country has been foreseen by many cooperators, and the need itself has been felt by many contemporary thinkers. The Decline and Rise of the Consumer is a painful necessity; consumption, the result of individualism—an American Way of Life, and A Consumer’s Cooperative Movement Organizes for Action

The Cooperative Movement Organizes for Action

A summary of the Ninth Biennial Congress of The Cooperative League in 1934 made by the Christian Century was headed, “The Cooperative Movement Prepares to Move.” A prominent cooperative leader said last spring at the annual meeting of National Cooperatives, Inc., that in his judgment we did not yet have in the United States a cooperative movement in the European sense of the word. We would be inclined to predict that future historians will record that the Tenth Biennial Congress of The Cooperative League held in Columbus, Ohio, on October 8-10, 1936, marks the definite beginning of a national Consumers Cooperative Movement in the United States “organized for action.” During the past two years leaders of the various cooperative groups, which came into membership in The League prior to the 1934 Congress, have been learning to know one another and to think through together more definite methods of cooperative organization which culminated in a significant way at the 1936 Congress.

A summary of the Congress could be made from different viewpoints. Some of them are indicated below:

Our Largest Congress

One way to summarize the Congress would be to record the simple figures of 694 registrations in all, with 184 delegates and 28 alternates representing cooperative associations with over 885,514 members—by far the largest attendance and the largest representation ever recorded at any Cooperative Congress in the United States.

First Official International Cooperative Alliance Representative

Another way to express the significance of this Congress would be to cite the fact that it brought to the United States Consumers Cooperative Movement its first official personal recognition by the International Cooperative Alliance, London, England.
on the part of the International Cooperative Alliance in the person of the General Secretary, Mr. Henry J. May. This is an epoch making Congress," he declared. Mr. May stated that he had come to the United States at this time to learn first hand the reasons for the great up-surge of interest in and organization of Consumers Cooperatives. Following the Congress he made a three weeks swing around the oval of the North Central and North Eastern States during which time he visited most of the large cooperative organizations which are members of The League. He spoke some 40 times to various addresses. Dr. Warbasse, with E. R. Bowen as secretary, will officially report to the Alliance will be summarized in the International Review and will be reprinted in Consumers’ Cooperation following its publication. In interviews and personal conversations he has expressed his general admiration of the cooperative leaders he met, both as to the evident business efficiency of their organizations and the high personal cooperative ideology. He declared that while the Consumers Cooperative Movement in Europe concerns itself primarily with the supplying of elemental human needs in the form of food, music, drama and art. A special cooperative play written by Ivan Lanto and Eric Kendall and a concert by the cooperative band of the New Cooperative Company of Dillonvale, Ohio, were presented to the great delight of the delegates and visitors.

Five Program Highlights

Another way to present a summary of the Congress would be to describe the main features of the program. There might be said to have been five highlights. First, the discussion by those leaders best fitted to present them of what are probably the six principal current cooperative subjects, namely, Cooperative Electrification, Insurance and Finance, Medicine, City Cooperatives, Cooperative Management, and Education. Each of these subjects as well as others such as Cooperative Recreation, Art and Architecture, Housing, Auditing, College Co-ops, Women’s Organizations, Youth Leagues, etc. were discussed at length in two hour sectional meetings. An unusual feature was a series of discussions of the present status of four other national movements, namely, Consumers Cooperative Movement, namely, Credit Unions, Public Ownership, Farm Cooperatives, and Labor Unions. We were fortunate in having the subjects of Credit Unions and Farm Cooperatives presented by the national secretaries of these movements and to have personal messages from the secretary of the Public Ownership League and the American Federation of Labor. The banquet brought together over 450 to hear three new voices on an American Congress program. Dr. Horace M. Kallen, the philo-pedagogic educator; Edward A. Filene, the business cooperative, and Henry J. May, international cooperative secretary.

Outstanding National Publicity

A final possible method of summarizing the Congress would be to point out the recognition given Consumers’ Cooperation in the form of national publicity both in the newspapers and magazines. Advance favorable announcements appeared generally. Interest was heightened by attacks on the Movement just preceding the Congress. Many national newspaper and magazine representatives were on the ground. Newspaper stories during the Congress and general articles immediately following have been notable in number and length and in favorable viewpoint. A national radio broadcast was a part of the Congress program. The magazine Tide described the advance favorable publicity, the opposition attacks and the program itself as “a million dollar press agents dream.”

Address of Welcome

Perry L. Green, President, Ohio Farm Bureau Federation

IT IS with a great deal of pleasure that I, in behalf of the Farm Bureau and other cooperatives of Ohio, welcome the leaders of the cooperative movement of the United States and visiting leaders from many other nations of the world.

Two Notable Years

No former Congress has been held with a larger measure of success to review. We have seen the awakening as never before of the clergy, the laity, the organized church itself, the farmer, the laborer, the educator, and the leaders of finance and business, to the need of changing our economic processes. The cooperative movement is being recognized as one which is setting in motion evolutionary forces needed to produce these changes. We have seen during the last two years a greater accumulation of economic power coming into the possession of cooperative societies than has ever taken place in any other two-year period during their development in the United States. This advance just preceding the Congress would be to point out the recognition given Consumers’ Cooperation in the form of national publicity both in the newspapers and magazines. Advance favorable announcements appeared generally. Interest was heightened by attacks on the Movement just preceding the Congress. Many national newspaper and magazine representatives were on the ground. Newspaper stories during the Congress and general articles immediately following have been notable in number and length and in favorable viewpoint. A national radio broadcast was a part of the Congress program. The magazine Tide described the advance favorable publicity, the opposition attacks and the program itself as “a million dollar press agents dream.”

Special Congress Issue

A more lengthy introduction to condensations of the Congress addresses, resolutions, editorials, articles and news items. It is, we believe, most worthy of your careful reading. We urge that you preserve it for future reference.
is happening in the world. The nations of Europe are seething with internal strife. The civil war in Spain, the tremendous struggle in France, the unbalance of Fascist Italy and Germany may seem to have little significance to the average American citizen but to those who are charged with the responsibility of leadership, all this assumes tremendous significance.

In America we have been gradually approaching a similar economic position to that which is the basic cause of European unrest, civil war, and revolutions. Through similar legislative palliatives to those used in Europe, we in the United States have been only delaying the time when we must inevitably face squarely and honestly the causes of our basic economic inequalities.

Competitively and by political force we are striving to place one group of our citizens on a par with another group rather than trying to remedy the real cause of the inequality. All such measures have failed or will eventually fail because of the unsoundness of their approach to the problem. We have failed to realize, despite the fact that the United States is supposed to be a political democracy and consequently an economic democracy, that we have gone dangerously far from business generally an economic democracy.

More than 42 per cent of our families have incomes under $1,000 a year; one-tenth of 1 per cent have more income than the majority of this material is of common need to all. It seems to us that there could be set up and financed a national staff of editors and writers covering all the nation, whose services could be put together in a coordinated way for the common use of all, in the development of our educational program.

The oncoming attacks against the cooperative movement need national attention and cannot be met alone by individual societies.—consequently the need of financing an enlarged national public program.

We are in a position now where we have a great need for some common plan of providing adequate wholesale facilities for the numerous consumers cooperatives springing up everywhere which may, in some cases, fall the prey to old line discriminations. We should be uniting in a much larger way to supply our wholesale needs and thus more effectively laying the groundwork for cooperative production.

Other Problems Ahead

Perhaps the greatest need of all is to begin with ourselves individually as so-called “leaders” and ask the question whether we are thinking of ourselves and our own associations rather than the ultimate aims and purposes of the movement.

Economists, financial and business leaders the world over are coming to agree that the unsoundness of our money power is, in some way, returned to the people, legislative action is of little enduring importance.

It should be and is the purpose of this Congress to plan for a better concerted attack on economic maladjustments and consequent social unrest.

The Need for United Action

There are many things which we, as community or regional societies, must of necessity plan and do in a way best suited to our geographical and historical backgrounds, but there are some things in common to all that cannot be well accomplished without associated action.

In Ohio one of our greatest problems is to provide reading and study material for our people. Much of this we must provide to meet the local needs, of course, but a vast majority of this material is of common need to all. It seems to us that there could be set up and financed a national staff of editors and writers covering all the nation, whose services could be put together in a coordinated way for the common use of all, in the development of our educational program.

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The Collapse of Private Profit Business

The failure of 10,000 banks in sixteen years, the literal insolvency of a business fabric, the growing demoralization of the people due to unemployment and a substandard of living, the artificial prosperity bought by mortgaging the future, and the evidence of a prostrate country owing with inevitable certainty to the next prostration are circumstances which prompt thoughtful citizens to think in terms of remedial and constructive policies, even in the presence of a temporary artificial stimulation.

You who are assembled here at this Congress of the Cooperative League in the interest of efficiency in business have done more than cogitate upon remedial measures. You represent those who not only have thought, but who have then added action to their thinking. You are laying your hands to the task of building security.

The cooperative method of business, which you delegate represent is wholly constructive. In contrast with the hostilities of profit business which lead to the destruction of other businesses and to the wars which destroy civilization itself, the friendly methods of cooperative societies indicate that an economic system can be based upon the very virtues which give humanity its strength.

Cooperative Stability

Consumers’ Cooperative business is the most stable business in the world. When we examine the countries in which cooperation is most highly developed, there we find business most secure. With profit business collapsing on every side, it is noteworthy that in such countries as Sweden and Finland, with great cooperative movements, no failure of a cooperative business has occurred during these past six fateful years.

More than 30,000 new workers were doing. No other cooperative enterprise needs our serious thought and consequent planned action more. This cannot be a local matter in its larger aspects.

Many current newspaper comments have intimated that the consumers’ cooperatives are courting government aid. This Congress might also do well to clearly state its desired position in relation to government support now or in the future.

I welcome you with the sincere conviction that we shall go forward to more and better things.

President’s Address

J. P. Warbasse

President, The Cooperative League of the U. S. A.

Shortly after the World War, Sir Auckland Geddes, British Ambassador to the United States, said to an American audience: “In Europe we know that an age is dying. Here in America it would be easy to miss the signs of the coming change, but I have little doubt that it will come.”

As was the case before the fall of the Roman Empire, before the French Revolution, and before every historic collapse of an economic, cultural, or political nature, those who thought they were advantaged by the existing conditions not only wished for the continuation of those conditions, but refused to believe that they were coming to an end. So it is today. Those very elements in our society, whose activities are responsible for the disintegration of a business system, refuse to recognize the signs of decay.

The collapse of private profit business is the failure of 10,000 banks in sixteen years, the literal insolvency of a business fabric, the growing demoralization of the people due to unemployment and a substandard of living, the artificial prosperity bought by mortgaging the future, and the evidence of a prostrate country owing with inevitable certainty to the next prostration are circumstances which prompt thoughtful citizens to think in terms of remedial and constructive policies, even in the presence of a temporary artificial stimulation.

You who are assembled here at this Congress of the Cooperative League in the interest of efficiency in business have done more than cogitate upon remedial measures. You represent those who not only have thought, but who have then added action to their thinking. You are laying your hands to the task of building security.

The cooperative method of business, which you delegate represent is wholly constructive. In contrast with the hostilities of profit business which lead to the destruction of other businesses and to the wars which destroy civilization itself, the friendly methods of cooperative societies indicate that an economic system can be based upon the very virtues which give humanity its strength.

Cooperative Stability

Consumers’ Cooperative business is the most stable business in the world. When we examine the countries in which cooperation is most highly developed, there we find business most secure. With profit business collapsing on every side, it is noteworthy that in such countries as Sweden and Finland, with great cooperative movements, no failure of a cooperative business has occurred during these past six fateful years.

More than 30,000 new workers were
Cooperation offers the way to make the detour around fascism and to arrive at an economy of abundance without passing through the horrors of social chaos and the valley of economic destruction and death.

We are assembled here to dedicate this end such talents as we possess. We have come to discuss our problems and to plan for the continuation of cooperative programs. We are here to prevent, if we can, an age from dying. The wisdom and the sagacity which we bring to bear toward the continuance of cooperation - inadequate purchasing power on the part of the consumers.

The universal fact that wages and cooperative employment are larger than in similar competitive industries is another contribution toward this end.

The transition from profit business to cooperative business need not be difficult. Cooperation, like capitalism, stands for the private ownership of property. It is not the cooperative system which is at the basis of the problem, but the ownership of property and the fact that it is opposed to cooperation. It is strictly private and peculiarly honest business. It is honest for a very human reason. Consumers have no cause to cheat themselves; it is always somebody else who finds profit in cheating them.

The ordinary capitalistic corporation may become cooperative by taking four specific steps. First, it carries on education among its stockholders and consumer patrons, gives them understanding of cooperative principles and methods, and encourages non-stockholders to purchase stock when they can. Second, stock or dividends on stock are limited to the current pecuniary results of the concern. Fourth, commodities or services are retained at the current price and the difference between this price and the net cost price is returned to patron members in proportion to their patronage or is used for the collective social needs of the whole membership.

By these natural steps a profit economic system can transform itself into a cooperative system without shock or cataclysm or without any action of government whatever, and by the simple processes peculiar to the lost in failures. Had it gone to big business it would have disappeared as dividends for the comparatively few stock holders of big business or to pay salaries and bonuses to officials receiving incomes beyond their spending power. Cooperative surplus savings go to people who need the money and who use it mostly in the community where their business is located. Cooperation stimulates industry because it gives people greater consuming power. It is addressed to the correction of just that deficiency in our economic system which is at the basis of our collapse and inadequacy purchasing power on the part of the consumers.

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Report of the General Secretary

E. R. Bowen

I GREET you as members of a Cooperative Economic Congress—as pioneers of economic democracy in America, as our forefathers were pioneers of political democracy. In his new book "Whose Constitution?" Secretary of Agriculture Wallace has well compared ours and their times when he said, "A cooperative economic society will be the living stream of thought for the twentieth century as a democratic political society was the living stream of thought for the eighteenth century."

Purpose of Congress

Hon. Sidney Webb of England says, "The purpose of a Cooperative Congress ought to be a gigantic sounding board for national advertisement." So at the beginning I would paraphrase a challenge that was once made to the Democratic party in these words, "Let us build here a program so great that those who come after us will think us mad even to have dreamed of it."

Publicity

The eyes of America are turning toward Cooperative Economic Democracy. This may have been caused, first of all, by necessity. As George W. Russell, the late great poet-philosopher, expressed it, "America is turning her eyes inward through the gate of sorrow." A second cause could, we believe, be correctly described as the significant publicity which the Cooperative Movement has now gotten.

The publicity program of The League has been formulated on two basic assumptions: First, that we are all Americans and are all at least somewhat influenced by the ideals of democracy no matter what our vocation; second, that the Cooperative Movement should make friends with the leaders of other groups who control the press and platforms of America. It would not be far from a full summary of the publicity work of the staff of The League to say that "we have been engaged in making friends in all groups for the Cooperative Movement."

Perhaps the best indirect admission that this effort has been accomplishing results is a cartoon in Nation's Business, the organ of the National Chamber of Commerce, picturing a consumer surrounded by representatives of religion, education, and politics, underneath which was the title, "The Consumer Movement has the promotional support of the university, church and government."

Platform Addresses

During the first nine months of 1934 prior to the last Congress, it was difficult to get opportunities to present Consumers' Cooperation upon significant platforms, not more than half a dozen speaking engagements being secured. While during the first nine months of 1936 we have been literally flooded with requests in far greater number than we could fill—the Secretary and Assistant Secretary having spoken on over 60 significant platforms, besides making many minor addresses, a number of engagements being before national bodies.

Articles Published

One writer says, "The barometer of the public press can best be relied upon to register the attention being focused upon the Cooperative Movement. From sporadic mention a few years ago, the subject of Cooperation has leaped into prominence in practically every publication of national or locally wide circulation." A comparison for the first nine months of 1934 prior to the Ninth Biennial Congress and the first nine months of 1936 prior to this Congress, shows the following statistics of increase in the publication of articles and news items by the press:

Our national magazine Consumers' Cooperation listed 8 articles in the first nine months of 1934, compared with 235 articles in the first nine months of 1936.

The Readers Guide to Periodical Literature, which listed only 1 article each in the first four five-year periods of this century, listed only 12 articles in the year ending June, 1934, compared with 40 articles during the first nine months of 1934, to $2,121.88 for the first nine months of 1936, or more than triple the income for two years ago.

Opposition Attacks

From the standpoint of the opposition it is unfortunate for the supporters of private-profit business that the Cooperative Movement grows on attacks as well as boosts. A cooperative publication has suggested that one attack read like that of a speaker addressing a convention of lively stable owners about to be superseded by automobile garages. The height of foolishness in attacks was revealed by a cartoon in Hardware Age which shows the "big bad wolf" of Consumers' Cooperation striding across the Atlantic Ocean from Great Britain and Sweden.

Education

Cooperatives will not be permanently successful which fail to develop an education program for their members and employees, intermediate between their publicity and organization programs. We believe that we have now proven out in a limited way in America the best
methods of cooperative education of members, youth and employees. These three methods are described by the study Circles, for present and prospective members. Recreation and Education Institute, for youth and adults; Training Schools, for employees and directors.

Study Circles

It is officially stated by the International Cooperative Alliance that Sweden originated and developed in their Study Circles the most successful programs. They were the training of members, and that the principal outgrowth on the North American continent of this organization results are more definite. At the time is definitely arrived when you are justified in providing the necessary budget for the study Circles the most successful program yet devised for the training of members, and directors.

Education Organization

To develop a real efficient and economical educational program in the Cooperative Movement will, we believe, require the hiring of an Educational Assistant Secretary to better coordinate education programs. Outside the Cooperative Movement it is still a need that other devices not work directly on the matter of the consumer organization of labor. The time is now ripe, we know the technique, it will pay you both directly and indirectly to do so.

Other Educational Activities

A number of other significant educational activities have been organized this year under the auspices of The League. A Cooperative Leaders Recreation Institution was held at Columbus. The Third Cooperative Tour to Europe increased in size to 18 members, compared with 8 in 1935 and 7 in 1934. Cooperative Educational Service has been set up as the Art and Architecture Division of The League. A film of Cooperative history and current developments is being prepared.

Educational Organization Suggestions

To develop a real efficient and economical educational program in the Cooperative Movement will, we believe, require the hiring of an Educational Assistant Secretary to better coordinate education programs.

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Employee Training Schools

We suggest that cooperative leaders study more closely the Swedish and British systems of Correspondence Courses for employers and directors, supplemented by short courses of from one to four weeks after the correspondence courses have been successfully completed.

Recreation and Education Institute

Recreation and Education Institute for youth and adults are being developed to a constantly increasing degree quite generally. The District Leagues, they have now spread until 1936 saw other states, such as the Wisconsin law, providing for the teaching of Consumers' Cooperation in all the schools.

Organization

It might be somewhat difficult to show statistically the direct effect of the work of the National League upon the organization of cooperative farm supply associations during the past two years. A few farm marketing cooperatives can be traced as having been started directly from correspondence and personal contacts with the League office and staff. But in the field of city development the direct organization results are more definite. At the beginning of 1934 we were able to find hardly a single cooperative store or oil station in a large city organized and successfully run by American English speaking groups. Plainly the principal need in America was the organization of city cooperatives. The city developments since then can accordingly be carried forward. The cooperatives and organization work of The League, carried on with the cooperation of the District Leagues and Wholesalers, slowly but definitely have now learned the necessary techniques of organizing a city and developing successful cooperative stores and oil stations.

There are three major steps in the process of organizing a city for cooperation. The first is the organization of a City Cooperative Council among socially minded individuals to publicize the Movement, study together and do citywide purchasing for themselves of such commodities as coal, laundry, cleaning, etc. The second step is the starting of Neighborhood Study Circles, Buying Clubs and Cooperative Associations. The third step is the conversion of the original Council over into a Delegate Body made up of officially elected representatives of the Clubs and Associations. This delegate body has the responsibility of organizing citywide publicity, education and purchasing programs, and in time develops a wholesale where needed.

If the menace of middleman monopoly is to be solved we cannot do it alone by farmers organizing producers and consumers cooperatives or by workers organizing labor unions and consumers cooperatives. It can only be done by farmers and workers joining together in consumers cooperative groups and dealing with farmer and worker producers. It is only by such direct contact between farmers and workers as consumers and producers that the double wedge of finance interest and industrial profit can be squeezed out of the economic system, and both farmers and workers receive full value for their labor. This is only possible in a Cooperative Economic Society where prices and pay are not separated by private profit.

Having proven that we have found the successful techniques of organizing a city for cooperation, I believe that the time has definitely arrived when you are justified in providing the necessary budget for the hiring of a Labor Assistant Secretary to work directly on the matter of the consumer organization of labor. The time is now ripe, we know the technique, it will pay you both directly and indirectly to do so.

Problems Cooperative Leaders Must Face

The first internal problem, as I see it, has to do with the question of the speed of organizing. Democratic action is normally a slow dictatorship. But it does not have to be so delayed that the "Black Beast of Fascism" will overtake us. I would urge you forward, ever faster, lest the people in their desperation over unemployment and poverty finally act to discard democracy.

The second internal problem is that of the need of steady organizational advance. The problem in the United States is the greatest in any country. I am sure that cooperative leaders will all be challenged by the declaration of Dr. Kallen in the prologue to his new book where he says, "The differentiation of the consumer personality must become more precise, more numerous and widely perceptible in the leadership of the cooperative movement. Their cultural spirit, their personal disposition, their social attack, their economic method must oppose themselves in unison with all contrast to those of the duces, fuhrers and commissars of the Fascist, Nazi and Communist cults as well as those of the captains of industry and finance of the capitalist economy."

Another problem with which cooperative leaders have to deal is outside the cooperative movement and has to do with the relationships of the movement to other economic organizations. We are happy to have on our program representatives of the three national consumer organizations, namely, consumers' cooperatives, credit unions and public utilities, and the three national producer organizations, namely, farm marketing cooperatives, labor unions and professional associations. The combination of whose programs into one great whole, I believe, will eventually largely solve our problems of unemployment and poverty as well as the economic causes of crime and war.

The Challenge of the Future

I challenge America to reach the point in ten years, when the Rochdale Cooperative Movement ends its century mark, when half the people of the United States are members of cooperatives. We have just gotten our real start in cities as well as the country. We must progress fast if we preserve democracy in America. With Walter Rauff, I would pray, "Speed now the day when the plains and the hills and the wealth there of shall be the people's own, and thy freemen shall not live as tenants of men on the earth which thou hast given to all." It is for us to vision such a day and then implement our own vision through cooperative organization.
Cooperative Rural Electrification

I. H. Hall, Manager
Indiana Farm Bureau Cooperative Association

I BECAME interested in rural electrification two years ago when a party made a tour of Denmark and Sweden and saw the effect of that development in those Scandinavian countries. We saw there things that rather disabused our minds of some of the traditional faith we have had in our American standards of living. We visited little country homes in Denmark where we saw two out of every three farm homes electrified. We thought of the people back in Indiana and these other states. In Indiana only one out of every eight homes is electrified. We wondered where the term sprang from “American home standards of living.” We thought of the drab conditions around our State and in our Indiana homes and the desperate hopelessness of the conditions under which a lot of our people live. We could not help but think perhaps there is something that they have been missing.

The Only Way to Rural Electrification

One of the reasons why I have been particularly interested in rural electrification has been that that is one line of activity that cannot be done any other way except cooperatively. I will ask you to put that down as a foundation thought. Dr. Warbasse and several others have said that the cooperative way has proved its superiority. In the matter of rural electrification it can do more. It can prove that it is the only way it can be done. There is no other way of getting power on a cooperative basis.

On the March in Indiana

Then the Government came along with this loan program. Having the advantage of that loan program offered to farm cooperative groups, the development did begin to go ahead with the result that we now have 160 miles of line built in Indiana. We have six counties with an average of about 500 miles to the county that will be built within the next few months. The projects have been approved and the contracts will be let probably within the next month or two. We have five other similar projects that are about ready for approval.

We anticipate that in the nine years left of this program under the special loan law as many as fifty counties out of the rest of the United States will be served with electric power on a cooperative basis.

In Indiana thousands upon thousands of farmers are signing applications in co-operative rural electric associations who never before were interested in any type of cooperative activity. To me, that is probably the most significant thing that has occurred. People who never signed before are now willing to sign applications and join with their neighbors for the obvious benefit of working together in the distribution of electricity. I wonder how many of us have thought through this idea of what really is involved and what is the importance of reaching farmers to cooperate. Certainly the advantages are not limited to farmers.

Producing Man Power

Most of you people probably have read Mr. Wallace’s new book “Whose Constitution.” There is one chapter in that book in which Mr. Wallace has cast upon the trends of population. Over a relatively short period of years the population of the United States comes from the farms. In 100 years from now if we take 100 farm people today and give them the same advantages as the descendants as 100 city people will have in that same time. Literally speaking, the farm is the supplying ground of the man power of the nation. We don’t need to blush about that situation.

It has always been true in the United States whether times were good or bad. The farm has produced surpluses not only of agricultural commodities but of man power and it is only because of that fact that we have been able to maintain a stable population. During the 1920’s several million young people left the farms to go into other lines of activity. Thirty-four billion dollars were spent to rear and train those young people who left the farm during that period to take up other activities. The farms are going to supply a good share of the population leadership for the rest of the country. It is my dream that, some of these days, out of these farm cooperatives will come a good share of the leadership needed to put over a general cooperative program throughout the United States of America.

 Keeping Youth on the Farm

In my opinion, the rural electrification program will contribute perhaps more to developing the proper attitude and the development of a rural cooperative program than any other one thing that will move general throughout the country. My guess is that when we get to the place where we develop a program as in Denmark and Sweden and when our people have learned the advantages of rural electrification then for the first time we are going to have the bright boys and the best boys on the farm. As it stands at the present time, living conditions are so unhappy and desolate in the average farm home throughout the Central West that the best boys and girls have been leaving the farm and going to town. And back here where the foundation stock of the nation is being produced, the stock is being depleted in quality. If we go ahead and build up our foundation stock from the least efficient we are going to put the development of mankind into reverse.

As we go ahead with the development of our cooperative rural electrification program we are going to make that home in the country so happy and successful and congenial that our farm boys and girls are going to be happy to stay on the farm. That idea is not altogether original. They told us in Denmark in several of those farm homes that instead of the bright boys and girls wanting to get away from the farm that it was the popular thing to do to get on the farm. Reverse the psychology and look out for what will happen over a period of a couple of hundred years when one country is keeping the best and another is keeping the least desirable stock of its nation.

Long Run Benefits

Rural electrification will contribute as much to the city in the long run as it will to the farm. We are interested in rural electrification first in order to beauty and help our home life on the farm. Then we are thinking that in a generation or two that thing is going to benefit indirectly the folks in the towns. We are thinking, too, that as that thing develops, just as the Bohemians and Finnish people have brought cooperation to certain localities in America, the people from our farms are going to have a large share in taking the whole cooperative philosophy into the towns which will in turn benefit from it.

Because it was necessary to publish in one issue the proceedings of the Tenth Biennial Congress of The Cooperative League, we have found it advisable to omit the November issue. This 48 page December issue takes the place of 16 page issues in November and December. Additional copies may be purchased at 25 cents a copy.

An index of the 1936 issues of Consumers’ Cooperation will be sent free on request.
Cooperative Insurance and Finance

Murray D. Lincoln, Secretary, Ohio Farm Bureau

Whoever finances a business controls it. This is axiomatic with one exception. The exception is that the public finances a lot of business that it doesn't control.

Cooperatives and cooperators must control their own finances if they are to be assured control of their own enterprises. And finance in its broadest aspect should be more thoroughly understood by those who are members of and those who manage our cooperative businesses.

The Dictatorship of Finance

I believe Ramsay McDonald in 1921 made a most effective statement concerning the need of a people to control their own financial system. He said:

"One of the things that can be assumed as a cause of the outcome of war is that finance is to hold a more important grip on international industry than hitherto, and that, in their own interests, communities must protect themselves so far as possible against an imperious international financial trust. Finance can command the incomes of every stream that runs to turn the wheels of industry, and can put fetters upon the feet of every Government that exists. Its ramifications are as fine as a nervous system, and as centralized. It is the nervous system of capitalism. Those who control finance can paralyze society, can make it drunk, can keep it normal. They can fix exchanges, bank rates, capital values; they can tighten or loosen the purse strings for government and manufacturers; they can control the money which our government in a recent edict that: 'The Congress shall have power to coin money, regulate the value thereof, and of foreign coin,' rather than to delegate this function to a private corporation, which has no connection with the national welfare of our people. Like our major systems of production and distribution, this system is conducted largely for private profit and its control is highly centralized. However, in the control of the financial system, with all its ramifications, that really brings about the need for and the opportunity of the cooperative movement.

The Lifeblood of Monopoly

Our finance system is the lifeblood of monopolies. And the important thing to remember about it is that it is largely accomplished through the use of the money and credit of the masses, but the profits and control go to the few.

Senator Norris, in a speech to the Senate in 1933, said this:

"We are gradually reaching a time when the business of the country is controlled by men who control the fingers of one hand, because those men control the money of the Nation, and that control is growing at a rapid rate. There is only a comparatively small part of the public that is left between the rich. And the way that they control the money, they control the banks, they control the manufacturing institutions, they control the aviation companies, they control the insurance companies, they control the publishing companies, through the control of advertising, they control the avenues of publicity."

Cooperators everywhere should read Louis D. Brandeis' pamphlet, "Other People's Money," and Senator Norris' "Spider Web of Wall Street," and recent accounts of the efforts of the present French Government, which has taken over the control of the Bank of France from the immortal 200 in whose hands it was placed by Napoleon in 1800, and where it has remained until the present time, being passed either to the State or to part of their family heritages.

This week certain business interests expressed disapproval of the proposal that machinery be set up to lend money to consumers cooperatives. They view such a procedure with alarm. Yet I really believe that all the consumers cooperatives existing in America today would not, if they could, part with the sum of money which our government in a recent year loaned to one Chicago bank. And the last I heard it hadn't been paid back after four long years.

Steps Toward Cooperative Finance

I need not go on with more illustration. The question is, what can we do about it? My suggestions are:

First—We should insist as citizens that our government carry out the constitutional edict that: "The Congress shall have power to coin money, regulate the value thereof, and of foreign coin," rather than to delegate this function to a private corporation, which has no connection with the national welfare of our people.

Second—We must build more cooperatively owned financial institutions.

The brightest spot in all this financial history is the development of the credit union movement. Through this medium people are mobilizing their own financial resources, influencing interest rates, and getting out of the clutches of the wealthy.

Third—Rural cooperators should set up their own agricultural finance corporations, as has been done in some states.

We in Ohio, as a farm group are now getting money for a wholesale rate of 2 1/2 per cent, from the Intermediate Credit Bank to finance farm operations and purchases. By lending this money to our farmer folks to buy fertilizer, for instance, they save 10% which is the usual additional charge for purchasing on time and in addition, have the advantage of large scale cooperative purchasing.

Farm groups should use their own cooperative finance organizations to furnish credit to their members and customers, and by so doing eliminate the necessity of carrying on a credit business as part of their mercantile operations, which is a violation of a cardinal Rochdale principle of selling for cash only. If we would do this, we would eliminate one of the primary causes for the failure of cooperatives by the over-extension of credit.

I am coming to the belief that before long the consumer movement should consider the organization of cooperative banks for reasons that time will not permit me to go into.

Farm Credit Administration activities have been of tremendous help to farmers in our recent difficult economic times, but I am convinced that it is not going to reach its highest point of service until the local units are actually in a position to act as independent, voluntary cooperative groups.

Credit for the Consumer

Fourth—Prepare and attempt to have legislation passed making government credits available, on a strictly business basis, to cooperative societies that desire to use them.

Don't let anybody make you think that this would establish a new precedent. Consider the millions that have been loaned to banks, insurance companies, and railroads, and other private profit businesses.

I see no reason why consumers as such should not have a similar credit system, as has been set up for agriculture in the Farm Credit Administration. And the only reason why it has not been done is because as consumers we have not demanded it.

I believe that the only way to effectively control monopoly and exploitation, which government regulation has not accomplished, is to furnish low-priced credits to voluntary consumer groups to serve themselves, and increasingly regulate monopolies by the establishment of effective competition.
The Rural Electrification Administration is a splendid example of what I mean. Fifth—Build and consolidate our cooperative insurance activities.

Our insurance companies constitute the secondary financial system of our country. By the control of the assets of insurance companies, using your money and mine, the control of industry and finance has been aided.

Cooperative insurance can serve us not only in its primary function of transforming unknown hazards into known costs, but can do much to help mobilize the people’s own capital and direct it into channels that will help increase mass purchasing power and bring about a better social development, rather than detracting from it.

Ohio Co-ops Lead the Way

In 1926 the Ohio Farm Bureau from its membership fees, furnished $10,000 to make up the capital of the Farm Bureau Mutual Automobile Insurance Company. This enabled the company to issue policies of $5,232,000 and a surplus and reserves of $1,172,000. It now writes policies in eight eastern states with 160,000 in force.

What company first started, the premium charged was approximately 40% lower than stock companies were charging. And even at those rates we have accumulated a sizeable surplus. And, as many thousands will testify, our claim service is as prompt and just as any other company operating in our territory.

Because we have our own company we control the investment of reserves. And as a consequence, we have the ability to buy the controlling interest of a life insurance company—and also to furnish the necessary capital to set up a fire insurance company.

In addition, we have invested a certain amount of the reserves in the capital stock of the Ohio Farm Bureau Corporation, which in turn gave us the capital for our Central Credit Association and our Farm Bureau Cooperative Association, which is our buying and selling organization.

Our insurance companies now make mortgage loans to individuals and cooperative societies. It has furnished us a home for all our activities, and last, but certainly not least, it has furnished in the last ten years over $500,000 to our various sponsoring organizations for the educational and promotional activities connected with our cooperative endeavor.

All of this has been done in the face of the keenest kind of competition, is strictly legal, and good practical business sense in every way.

We are making ourselves into a position to do what the other fellow has done for his own profit with the reservoirs of capital that we as consumers’ have furnished.

Seemingly the American people as a whole do not realize that they furnish the money to make their own exploitation possible, wherever it exists.

The People Can Control

It is the daily purchases of goods and services, our bank deposits, our insurance premiums, that go to make our gigantic enterprises, the profits of which not only make for concentration of wealth and the limitation of our own purchasing power, but also produce the wealth control and advertising which is told the people, to influence legislation through campaign contributions, and so on.

What the country needs for is an evolutionary, American, Christian way to bring about such changes as are needed to bring more social and economic justice to the masses, eliminate the causes of war, and bring peace and good will to the peoples of the world.

People have within their own hands the tools and the power to fashion their own social and economic destinies, if they will only organize themselves to use them.

And for the present, at least, I know of no movement that has more possibilities than the one with which we are concerned—consumer cooperation.

To quote Justice Brandeis again:

"And may we not expect that when the cooperative movement develops in America, manufacturers will learn from farmers and workingmen how to help themselves by helping one another and thus join in attaining the New Freedom for all? When merchants and manufacturers learn this lesson, money kings will lose subjects, and swollen fortunes may shrink; but industries will flourish, because the faculties of men will be liberate and developed."

City Cooperatives

A. W. Warner, Secretary, Central States Cooperative League

ONE of the most difficult problems with which the consumers’ cooperative movement has had to deal, in this and other countries, is the establishment of successful cooperative enterprises in the large metropolitan centers. While the problem has perhaps presented more practical difficulties in the large American cities, the first efforts to establish consumers’ cooperative businesses of the large European cities met with failure.

Early City Cooperatives

There is scarcely an American city of any size where, at one time or another, an attempt has not been made to establish some kind of a cooperative enterprise. Some of these have been successful but the vast majority of them have failed.

Practically all of the unsuccessful attempts were made prior to 10 years ago when the influence of The Cooperative League commenced to be felt throughout the country and when the district Leagues started to function. The few that did succeed were those which were started by foreign-born immigrants who brought a working knowledge and understanding of the movement with them from their native lands, notably the Scandinavian and Slavic peoples. Since the various Leagues have been organized and started to function failures among cooperatives of every type have grown fewer and fewer until today cooperative failures are almost a thing of the past.

Causes of Failure

In studying and analyzing the failures of big city cooperatives in the past, we find that one of the outstanding causes of failure has been organizing stores with a membership scattered over wide geographical areas. This has been true even in comparatively small cities in many instances.

The retail distribution of food in our cities is organized on the basis of the corner grocery and people are conditioned to buying from hand to mouth, from day to day. If our cooperative stores are to meet the competition of the neighborhood grocer and the neighborhood chain store (and this they must do if they expect to survive) they must be neighborhood stores. Meeting this competition does not leave a sufficiently large margin to enable the cooperative to give delivery service to members who live miles from the store and the housewife will not travel these same miles to buy food when she can get it at the corner grocery. Other types of cooperatives, such as restaurants, dairies, housing cooperatives and all those types which can distribute their products or services on a city-wide basis have not had this difficulty and many of these have succeeded from the start.

The chief cause of failure in attempting to establish cooperative stores in large cities has been the failure to recognize the necessity of having a membership residing in a comparatively small area. Other contributing factors were poor location, starting with insufficient capital or too few members and customers and last but not least, little or no educational activity.

City Cooperatives Today

Interest in organizing cooperatives in the large cities has never been as great as at the present time. There are in the city of Chicago and its suburbs today no less than 24 groups that are organizing or have organized cooperative business enterprises of various kinds and 22 of these have been organized within the past two or three years. They are in all stages of development from small study circles to going cooperative stores, meat markets and restaurants. What is true of Chicago is true, to a somewhat lesser degree in all the large cities in the country and especially of those in the Central States District which includes more large cities than any of the other District Leagues. We are today in contact and working with new groups in Milwaukee, Chicago, Indianapolis, Detroit, Toledo, Cleveland, Youngstown, Cincinnati, Columbus, St.
Louis, Lansing, Kalamazoo, Pontiac, Dearborn, Saginaw, Muskegon, Battle Creek, Racine, Gary and a few other cities. In the majority of these several groups have been organized.

Types of Urban Organization

These new groups naturally fall into two distinct methods of organization. In one the development is taking place among independent neighborhood groups in various parts of the city from the beginning. These groups eventually set up a loose federation for the promotion of their common interests. In the other method, the movement starts as a single citywide group with the intention of establishing a chain of neighborhood stores in one organization and under one management.

We find that in those cities which have adopted the small, independent neighborhood group type of organization, consumers are establishing stores much faster than in the cities where the citywide type of organization prevails. In Chicago, where the former method is being used, six of these groups starting as buying clubs within the past three years already have stores in operation and several others have stores in operation by the end of the winter. In St. Louis and Cleveland where the citywide type of organization is being used and where it has been the intention to establish the first store in the chain in the neighborhood that first gets a sufficient number of members to support a store, they have not yet been able to get the first store started, although they have been carrying on their educational and organization work longer than some of the organizations in Chicago that now have their stores in operation.

Advantage of Neighborhood Co-ops

We are not yet ready to say that the citywide type of organization is a failure or that it may not produce better results in the future. There is no doubt but that this type of organization makes for greater economy in operation as it will eliminate duplication of general administrative expense, as well as affecting others, but we are prepared to say positively that is the neighborhood independent group type of organization is getting cooperative stores established much faster than is the citywide type of organization. Undoubtedly, the time will come when these small neighborhood units will see the wisdom of merging into one large organization for more economical operation, but the evidence so far is distinctly in favor of the independent unit type of organization.

We are beginning to feel that the independent neighborhood type of organization has another distinct advantage in that it brings the cooperative closer to the individual members and thus promotes a greater degree of loyalty than is inspired by the citywide type of organization. It encourages the individual member to assume more direct responsibility for the success of the enterprise and gives him also a great opportunity for experience in controlling and directing its affairs.

Building on Past Experience

There are, in the Central States district, at the present time, 41 new consumers' organizations in cities of 100,000 population and over, with which the League is in direct contact. We do not expect that all of these will develop into large cooperative ventures, but that many of them will develop into smaller stores in operation by the end of the winter. In St. Louis and Cleveland where the citywide type of organization is being used and where it has been the intention to establish the first store in the chain in the neighborhood that first gets a sufficient number of members to support a store, they have not yet been able to get the first store started, although they have been carrying on their educational and organization work longer than some of the organizations in Chicago that now have their stores in operation.

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receive medical, surgical and hospital care of charge.

These men approved the idea, and we formed a temporary organization committee to incorporate what was then called a "Community Hospital Association" for a sum of $100,000 which capital stock was divided into 2,000 shares of $50.00 denomination.

My first thought was to do it without injury to existing vested interests in hospitals. Forthwith, I called on three doctors in my town who were interested in the hospitals then existing in Elk City. I laid the plans for a cooperative hospital before them, and invited them to join me in a scheme to be the best in the field, the hope that the proposed cooperative hospital association would purchase their hospitals and build no other. The doctors rejected the idea as being unwise for they were making more money than they could under any cooperative arrangement.

I therefore proceeded to organize the hospital association single-handed with the good wishes of doctors who purchased the first ten shares of stock myself and sold the first three hundred shares to my own patients as they came into my office to remain, and that we are trying to get to membership of the association.

Although we built an addition to the hospital two years ago we are now building our second addition in order to accommodate our growing patients.

Cooperative Hospitalization

From my experience I have formulated a few primary principles which I consider essential to the success of a medical cooperative. Most of these will apply to all types of cooperative ventures.

The first and most important of these principles is that a medical cooperative must be supported by a dues paying system and that dividends be paid in the form of low dues and improved services.

Secondly, the dues must be low and yet consistent with the best service obtainable. If the dues are not low enough they may not be paid regularly; if they are not high enough the best service possible and to employ the best talent, success is by no means certain.

At the Community Hospital we charge a dues fee of $10.00 for one person, $18.00 for two persons, $22.00 for three persons, and twenty-four dollars for a family of four or more. These dues entitle the subscriber and his family to free examinations, treatment, surgical operations and nursing care. In addition to the dues we charge an additional one dollar a day when the member or a member of his family is ill in bed in the hospital and also a fee of $8.00 for the obstetric and operating room in minor surgical cases and $18.00 in major cases. Medicine to take home are also paid for extra.

If we did not charge these extra fees or trimmings as some call them we would have to have a dues of fifty dollars. We know we cannot command such dues and succeed — we therefore lower the dues and charge these extras when the patient alone, by the number of patients we are now building.

Third, the dues, to be low, must be based on sufficient volume. Two thousand families is the minimum number required for a medical cooperative in my town and a hospital and I do not think it advisable to establish a medical cooperative without a hospital.

Fourth, the dues must be compulsory, and default in their payment after a generous period of grace should result in cancellation of membership. Every cooperative in the world can succeed if its members would patronize it. The Rochdale principles of cooperation do not provide for compelling the members to patronize their cooperative.

If a cooperative enterprise fail, because of want of patronage, then the non-patronizing members who are the cause of the failure should be required to pay their share of the fixed overhead expense of the enterprise, in the form of dues, so as to prevent financial failure. In profit business the business man or manufacturer, pays the fixed overhead expense, whether of it, he makes expenses. In the cooperative movement, a member may cause the failure of his enterprise by lack of patronage through disloyalty, and still be immune from paying his share of the fixed overhead expense.

The initial membership fees for building and operating a hospital must be low, although they may be paid over a period of years if necessary. The member must feel that he has an investment that cannot afford to lose by cancellation.

In this manner, he is apt to be a loyal and a permanent member of the association. The initial membership fee should range anywhere from 50 to 100 dollars.

Competent Physicians

The doctors employed must be very competent, otherwise a failure is likely. The member must feel that he is getting what he pays for himself and family as good medical and surgical care as he can obtain elsewhere.

To secure the services of competent men in the profession the association must have by that will attract the type of men desired.

The interest of the doctor should be identical with that of the hospital association. To this end, a bonus in addition to a basic salary and a vacation each year, should be a part of the compensation.

The staff doctors should have no private practice separate and apart from that of the hospital; they should be full-time men and should be dependent on the type of work they put out to hold their positions, as judged by the members of the board of trustees and the general membership.

Whenever possible it is far better to employ physicians who are sold on the cooperative idea. Although the average physician is soon sold, if the idea supports him adequately.

The staff doctors should be organized democratically and given a voice in administration after serving a period of probation.

It would seem imperative that some agency like the "Cooperative League" should act in an advisory capacity to different associations over the country directing to build Cooperative Medical Associations, and to make recommendations based on a comprehensive study of local conditions. In this manner, serious pitfalls may easily be avoided.

Advantages to the Profession

Under our set-up the doctors completely control the order of the work free from interference of laymen, and have as much to say about their compensation as they do in private practice.

Our compensation, as doctors, during the drouth and the depression compares favorably with the income for similar work before the depression, for we do more work than we did before the depression. We are free from economic matters including bookkeeping, collections, worry, overhead expense, etc. We take a month or so off each year on pay. The interests of the doctors and the public are identical as never before under individual competitive practice. Our patients come to us early, when in need of operations or hospitalization. We enjoy their respect and confidence, for they know that our advice is not tinged with personal interest, but wholly for their own good. We do more good, which after all is the chief object of the profession. The profession and the public are benefited, and none else is hurt. This set-up is in conformity with the recommendations of the Committee on the Cost of Medical Care, "group practice and group payment," and we have a letter from the executive secretary of that committee saying so.

Those in control of the policies of the American Medical Association do not agree with recommendations of that Committee; but is that any reason why we should label group practice and group payment, "Unethical, communistic and revolutionary," as the editor of the American Medical Association journal opines? Do we not need a new definition of ethics? Do we not need to modify the practice of medicine to conform to the times in which we live? Must we never advance the profession in organizational and business methods as we advance in medical and surgical treatment?

Hospitalization lends itself readily to cooperative effort, and is indeed more vulnerable to cooperative attack than any activity with which it is identified. The cooperative movement should lose no time in taking it up either as an independent enterprise, or as a supplement to existing cooperative associations or institutions, and thereby advance the prestige of the cooperative movement, and greatly benefit its members as consumers.

December
Cooperative Education and Publicity

James R. Moore, Editor, Ohio Farm Bureau News

T

HE democratic structure upon which cooperatives are built demands a comprehensive educational and publicity program for their successful operation and growth. Such a program is the only effective basis for efficiency in democratic control and operation. A cooperative should not begin until a well-developed nucleus of prospective members has studied and become well informed relative to the basic cooperative principles.

If the membership is to be enlarged and the scope of activities broadened, continual education and publicity must be regarded as the main factor in the growth of the institution. The members of a cooperative must know the demands of offices to be filled in order to select competent officers for them. They must know the workings of the organization in order to weigh opinions, supply suggestions and recommendations for progress. They must know the facts about operations in order to be able to propose policies for further progress; to understand and appreciate the significance of the cooperative principles; and to vote intelligently on all proposed actions.

Education for Cooperative Growth

A comprehensive educational program for the cooperative movement has been developed in several European countries for which credit is given for the widespread activities among the consumers. Likewise educational programs of the cooperatives in America are leading the way and opening up new territory. There are local, state and regional cooperatives in this country which have very efficient educational departments and are doing good work. Although there is a similarity in their educational programs, there is little coordination among them. It seems to me that a lack of combined efforts along this line creates an unfortunate situation. However, the educational committee of The League has been discussing ways and means for national coordination and it seems very probable that some good results may be obtained in the near future.

Let me give a few observations in connection with our activities here in Ohio during the past year or two. We find that we must build cooperatives faster than we create cooperators. All groups expecting to serve themselves through a machinery of distribution owned or controlled by themselves should first thoroughly study the basic principles of the movement of which they are desirous of becoming a part.

Books and Libraries

There are available several textbooks for individual use and considerable general comprehensive reading material. The increasing demand for such books is evidence of the widespread interest in the movement. Books on the historical principles of cooperation are forming the basis of cooperative education in numerous new fields of operation.

Cooperative libraries are playing an important role in education and publicity. They should play a larger part. Books on true cooperation are not generally found in the average library. Library trustees should be contacted and interested in getting some good authoritative books for their reading rooms. They should be encouraged to subscribe for cooperative papers and magazines.

Colleges and Public Schools

Some few colleges of the country have established more or less adequate courses in consumer cooperation. Other colleges should be constantly encouraged to include such courses. They can have a very influential bearing on the further development of the new economic order. Public schools are being urged to include courses. Wisconsin is the first state to make the study of consumer cooperatives mandatory. It is hoped that other states will follow in her footsteps. It is up to our own people to promote the idea in their respective states.

Discussion Circles

Discussion groups provide a most effective technique for thorough study. They create informality and encourage all persons to participate, they lead to frankness, and final agreement because of complete purging of misinformation, misunderstanding, and false opinions. These discussion groups allow the greatest amount of democracy in expression and contribute to final decision and action.

It is inspiring to note that many young people are re-thinking the social and economic order of which they find themselves a part. Many of these young people graduation from high schools and colleges are without gainful employment. Today youth is literally almost dis-inherited economically and therefore culturally. We must include them in every step of the way as we advance the torch of collective action. A true cooperative educational program must include a definite program for youth, a program which will in turn stir up adults to the need of cooperative endeavor.

Cooperative Camps

We find that five-day cooperative youth camps are destined to give youth a genuine baptism of the ideals and philosophy of cooperation. Discussions in such camps are giving students a basis for understanding the history and development of the economic reasons for cooperation, how to organize cooperatives, and how to enrich the cultural and social aspects of community life through cooperative types of recreation. Leaders in addition to youth, should have opportunity for special training in cooperative camps. General, historical, philosophical, and economic phases of cooperation should be discussed during such occasions. The duties and responsibilities of each particular group should be considered equally significant when the program is planned. Special cooperative groups having opportunity for camp fellowship and experience should include presidents, and secretaries, managers, employees and publicity and educational directors.

Cooperative Recreation

A creative recreation program is a basis for effective education. Cooperative play leads to an open mind and cooperative thinking. It leads to an appreciation of mutual interests. It trains in technique for cooperative action.

Recreation organizes people. On the recreation floor a crowd of strangers becomes a group of friends whose activities become coordinated in the game. More and more our educational directors and committees are finding that recreation unites individuals into groups which carry over into their work the unity of spirit generated in play.

Recreation educates a people. Democracy can survive only where general participation is prevalent. Cooperative recreation affords opportunity for active play on the part of all.

We should no longer look upon recreation as a means of keeping youth out of mischief, or merely a device for drawing crowds. Under proper leadership recreation may be a most potent educational and cultural force.

We have had occasion to use various forms of recreation in cooperative camps and at various other meetings. We are convinced that we have barely touched the social energy which may be released through cooperative play.

Mass Education through Publicity

Publicity in its many forms is the principal medium of mass education. It is the medium through which interest may be created among great numbers of people. It paves the way for expansion by attracting attention to a new and better order of life. Magazines, newspapers, and radio are great molders of opinion. At the present time, the amount of publicity being given the cooperative movement by the press is amazing and no doubt it is playing a very prominent part in the expansion of cooperative activities of the immediate future.

The published facts of the present expansion of cooperative thought and activities in the United States are creating new advocates in untold numbers. However, these advocates are not cooperators, just because they become enthused over stories of success. The most eager, of course, seek further enlightenment on the movement, and thousands are being supplied with more intensive educational ma-
terial. Thus, new converts are forming study groups or joining established cooperatives or making provisions to establish new ones.

Publicity of the movement through newspapers, magazines, radio, motion pictures, and public meetings are early steps in the "selling process" for conversion of people to the cooperative movement. It attracts, creates interest, convinces, converts, and gets action.

Publicity and advertising make up one of this country's greatest industries. They are generally accepted as a necessary function among an enlightened people. Practically the entire population of the United States can be reached through them. Therefore, they provide one of the masses relative to cooperation. As an economic cooperation is but little instinctive and largely intellectual, it is evident that a large amount of publicity from an educational standpoint is a fundamental necessity. Good advertising is a strong factor in promoting ideas and in stimulating cooperative distribution. European cooperatives are spending large sums for advertising purposes. I understand that the Scottish cooperatives are spending $90,000 for outside advertising this year. In our own country, the Maynard Cooperative Society, Maynard, Mass., is spending more for local advertising than any other business firm in that city.

Advertising comprises two major factors — (1) ideas (or information) and (2) attractive (catchy) presentation. There is nothing wrong morally, ethically, or any other way with the distinctive display of words and pictures—if the contents are truthful. The objection to much advertising today is not—or should not be—that it is advertising, but that it is dishonest and false theory, misinformation, anti-social in its aims, and even malicious in some instances.

Truth in advertising should be the motto of a cooperative rather than a scanty advertising budget. A comprehensive publicity program will include periodic news releases to all newspapers in the territory and to press associations and feature stories and articles for intellectual and cooperative journals. Motion picture reels of cooperative facilities and activities—local, national and international, and an increasing use of radio must be adopted as part of our technique. We must put our "show windows" where the people look for them. In addition to all this, every organization's own monthly, semi-monthly, or weekly publication will forever prove to be an effective and valuable boon to the continuous moulding of group morale, the supply of constant local publicity, and inspiration and encouragement to cooperative action.

**Cooperative Management**

**H. V. Nurmi, General Manager, Central Cooperative Wholesale**

**Cooperative Management involves teamwork.**

The requirements and duties of a Cooperative Manager may be divided into three classifications: knowledge of cooperation, business ability and character. Thorough knowledge of Cooperation is the basic requirement and must receive first consideration. The Cooperative Manager should be familiar with the history, principles and aims of the Cooperative Movement, as well as the general Labor Movement. A thorough knowledge of the present system of society is very essential in that respect. Important, also, is the necessity of raising the moral, cultural and economic standards of labor.

**Personal Qualifications of a Manager**

The Cooperative Manager should have the broad an education as possible. He should have an extensive knowledge of merchandise and should know how to buy and sell goods. In addition to merchandising experience he must possess executive ability, initiative and skill in organization. A person who lacks these qualifications will not make a good manager. A few other things which are expected of a manager are honesty, punctuality, good judgment, carefulness, courage, decisiveness, thoroughness, sincerity, tact, patience and self-confidence. A manager must be cautious in making decisions; prompt and efficient in his work. He must take orders from the Board of Directors, but the Board should not dictate or interfere outside of the regular meetings. He should not be of a domineering nature, although he must have backbone. Tactfulness at all times is required in everything he does.

One thing which must be remembered is the fact that in the case of sickness or death someone must be trained and in a position to fill the vacancy. Failure to train a successor will jeopardize the entire program.

A very desirable qualification is the possession of an optimistic frame of mind for optimism is contagious. Another desirable characteristic is a friendly attitude...
which will demand the respect of those who work under him. The cooperative manager should listen to the suggestions and complaints of his fellow workers. He must remember that he is also an employee, but with added responsibility. When his fellow employees learn to analyze his motives and problems and to perceive lessons from them, a valuable understanding will spring up. In this respect the study of human nature is of immense value to a cooperative manager.

The Manager's Job

It is the manager's duty to coordinate the actions of the department heads and other employees. Should the manager fail, confusion will reduce the efficiency of the entire force of employees.

In speaking of production managers, we feel that the most successful production manager is the one who knows all the duties and requirements of his particular position. He does not necessarily need to supervise every detail in the system of production but he must know the manufacturing methods to be applied.

In any system of Government is created it develops, changes, expands and contracts. The functions of the manager will change with the economic developments and, therefore, the cooperative manager is required to follow economic and political events. His important position should compel him to be interested in those striving young men who have his attention and guidance, for there will be great opportunities in the field of cooperative management. We are now establishing training schools and have courses which will bring starting progress in the near future.

The Manager and the Board

One question which will enter the realm of a manager with the advice and counsel of his board is the development of a wage scale for cooperative employees. We are demanding a great deal more from our help than is necessary in private business. It will require a great deal of time and study on the part of the managers to make a final decision as to the proper wage scale. Until that is accomplished we will be retarded in our Cooperative expansion.

These remarks have pertained more or less to the cooperative manager and the demands we may set upon him. In addition, we have a series of problems we as Boards of Directors and members must face. Probably the most important of these is the question of training employees. This is so important I cannot refrain from devoting a paragraph. You should have a definite policy as to how to train employees whether it be through vacation training schools, cooperative training camps or local cooperative courses. All of these cooperative schools will aid the on-coming cooperative manager to solve his problems.

DISCUSSION

Quentin Reynolds, General Manager, Eastern States Farmers Exchange

S o brief a time can be devoted to a discussion of the subject so admirably introduced by Mr. Nurmi that as discussion leader I suggest that we try to confine ourselves to the discussion of principles, a few of which I shall briefly state.

Division of Responsibility

Many pitfalls can be avoided and much progress can be made if the line is clearly cut between the responsibilities of directors and of management. The directors are responsible to the members for the policies and for their effective administration. The management is responsible to the directors for the administration of policies, management, of course, and should suggest new policies and the revision of existing policies from its departmental standpoint of efficient work, but remuneration shall not exist in any form.

No true cooperative employee will ever have to be told by his superior that buying through agencies which will advance his interests or the interests of those near him is not tolerated. Of course, it was to avoid such evils and fully protect the interests of consumers that we went into cooperation. To keep the service of cooperative purchasing that responsible employee, at least, and if possible all employees, be paid straight salaries rather than a sum varying with volume. In a service agency, volume is never a full measure of efficient work, but remuneration should be based on volume on places emphasis on getting volume.

Personnel

The selection of personnel is most important, all important, for the success of the cooperative depends on the way the employees go at their job. You do not want "yes" men and women. You want men and women with ideas. You want only those who can make suggestions. You must have those who, however earnestly they believe in their suggestions, have the capacity to make the programs finally adopted as the organization program. You want stars, but the stars that know how to play on, with and for the team.

Finally, let's get rid of the absurd notion that any individual is responsible for any cooperative league or association. No one can believe in cooperation and hold such a notion. Yet many a cooperative is going temporarily under leadership which has built one that fails. The leader that on the cooperative ideal loses himself in helping cooperation to establish itself in the strength of the group of individuals who compose it. The supremacy sought is the supremacy of individuals through cooperative service.

Consumers' Cooperation in Finland

Hugo Vasarla, General Manager, S.O.K.

(Editors' Note: Because Mr. Vasarla was forced to terminate his visit to the United States earlier than he expected, his message was read by Mr. George E. Urstatt, American representative of S.O.K.)

The cooperative movement in Finland is about 35 years old. During this time it has succeeded in attaining an important position in the economic life of the country. The agricultural cooperation comprises about 60% of the entire population of Finland as members and supporters, while the cooperative stores taking care of the distribution of commodities for consumption have a membership equal to about 50% of the population of the country. It may be said without exaggeration, that the Finnish people can no longer get along without the cooperation, whether in respect to distribution or consumption of goods.

The cooperative movement in Finland is centralized in two large groups, the S.O.K. (Suomen Osuuskauppojen Keskusliitto) to which belong the rural population and the urban middle class, and the O.T.K. (Osuustuotteita Kukauppa) whose members are chiefly drawn from the laboring class. Both these groups have been operating with remarkable success and have been able to offer their members considerable advantages. In the course of the years they have succeeded in saving, out of their annual surplus, such large funds of their own that they have become independent of outside creditors. Thanks to these funds of their own, they have also been able to erect fully modern office buildings for cooperative Wholesale Society, Finland.
themseleves and to establish many large factories and thus to influence the industrial production.

Finland's Biggest Business

I wish, however, to illustrate here with a few figures, the importance of the cooperative trading in Finland. The country's domestic wholesale trade is divided into groups, whose sales represent the following percentages:

Cooperative Wholesale Societies, 40% of the total sales of the domestic wholesale traders. Wholesale Federations of villages, 10%. Private Wholesale Firms, 40%.

At present, the Cooperative Wholesale Societies are the biggest wholesale units in Finland. The turnover of S.O.K. was last year 24 million dollars, and that of O.T.K. slightly over 17 million dollars, thus averaging 21 million dollars. The biggest village traders federation had a turnover of about 10 million dollars, and the average in this group was a little more than 5 million dollars. The biggest private wholesale firm had a turnover of about 4½ million dollars, and the average for the group was only 550,000 dollars.

Year by year, and by about 1½% per year, the cooperative wholesale trade has been gaining ground from the private trade. This is a quite natural development in view of the fact that the operating costs of the cooperative wholesale societies have been only 3.9% as compared with those of the private firms which have amounted to 6.8%. The operating costs of the Wholesale Federations of villages have been 4.1%, but it is to be remembered that this group is representing cooperation between private traders.

Efficiency Plus Ethics

The gross margin, that is to say, the gross profit on retail sales in the Cooperative Societies affiliated with S.O.K., averaged last year only 8.3%. The corresponding figure for the O.T.K. Societies was 12.5%, which is also very low, when regard is paid to the fact that these societies are to a great extent, working in urban districts where expenses are higher. The low gross margin is partly due to a refusal to extend the wholesale price policy, which means that the Societies are selling, according to their lower expenses, below market prices in order to increase sales. The low margin, however, in itself an incentive to rationalization, and not only for the societies themselves but for the whole trade of the country.

The work already done by Cooperation for the rationalization of the economic life in Finland is certainly very extensive. It has resulted in a complete structural change in the organization of trade, and a cutting down of cooperative costs. To this it may also be added that the Cooperative Movement, while observing the spirit and letter of the existing law, has formulated its own principles of working and trading, and has developed for its own wholesale and retail trade a suitable, sound and impartial trading code, while considering the interests of the buying public, and, simultaneously, has purposefully developed the trading code in this country and raised the standard of business morals.

The Place of the Credit Union

Roy F. Bergengren, Executive Secretary, Credit Union National Association

There is no single circumstance in our economic life so completely, so radically un-American as the denial of legitimate credit resources to the masses of the people, nothing so wrongly used, so unpatriotic as higher price differentials to those of the people who have the smallest money resources.

Stretching the Consumer's Dollar

If we do nothing else through credit union operation than to increase mass buying power by eliminating obvious sources of waste from the worker's dollar we will have performed a great service.

But we shall, for while it has been said that money is the root of all evil, it is the abuse of money which is the evil thing. When we have our own money, what we earn in factory and field, not last under our own control and we have learned its power to serve the masses of the people in America, then and not until then, will we indeed be free.

The House of Cooperation

In the average dwelling are many rooms and each room has its particular use, the rooms together constituting a useful whole adapted to the needs of the family. The house has a common roof. It is built on a foundation which should be strong enough to carry the whole structure. If a modern house, it has a central heating plant which serves all the rooms; it doubles as the service of city water, of gas and electricity from outside the house, which services are general in character and are utilized by other houses as well.

The cooperative movement has a common roof, the principle of cooperation which protects all parts of the movement of the house— from economic imperfections which would, if permitted within the cooperative movement, make all the rooms untenable. It is built on an extraordinary foundation, a new conception of the economic life, that the rank and file of the people can manage their own affairs efficiently if they are sufficiently instructed in cooperative technique and are willing to make the effort necessary to put that technique into effective operation.

The Role of Government

Sheltered by the cooperative principle, with a solid foundation in cooperative technique and a new faith in the average man, the cooperative movement depends on central services. One of these is government; we want the government and government is—or should be—all of us working out public affairs in the common good (note that I say should be, too often it isn't). It gives us free for our orderly development and then to pretend much to leave us alone so long as we operate in faithful conformity with those laws.

And there is nothing illogical or un-patriotic in pointing out that it is not the function of government to prefer in its law making one economic philosophy as against another. It is true that we have been and are economically organized on the basis of capitalism as against the principle of cooperation—but there is nothing in the Constitution which differentiates between the two systems. They should be honestly competing systems and in the long run the system which is best adapted to our American conceptions should (and doubtless will) prevail. But there is, meantime, no sense in the attitude of those who assume that capitalism is synonymous with Americanism and there is no basic reason why our legislators should not apply to the cooperative house what should be this common service of adequate laws for the proper government of cooperative economic associations.

Democracy vs. Dictatorship

Cooperation is opposed to dictatorship—whether it take the form of communism or fascism. We have everything to lose from any attempt to break away from our American basic conceptions. This common purpose to resist both the dictatorship which might come from the mob and the dictatorship which might find its origin in highly organized capital is common to us, and should not extend to the cooperative house.

The cooperative movement is a cutting down of cooperation. It is true in both Germany and Italy; in Russia it is the mob and a system however outmoded which made great accumulations of wealth possible at whatever cost to our basic conceptions of democracy. This common purpose is the heating system in our cooperative house. It must warm us through and through with a sense of our common interest against any form of dictatorship— for, I repeat, dictatorship means the end of cooperative effort. That has been true in both Germany and Italy; in Russia the effort of the Communist dictatorship was to destroy cooperation. It is of first interest to cooperators in the United States that there be no form of dictatorship in our country. That may be a subject on which we must one day unite for political action.

Cooperative Neighbors and Peace

The house is in a neighborhood. All the world today is a neighborhood. That is something which is so hard to understand and which, if understood, would make so much difference in our thinking. We in the United States, for example, believe, most of us, that we can remain out of the
next World War which is scheduled to begin within two years. How very foolish! The Atlantic Ocean is no longer a guarantor of our security or a warranty that we can mind our own business when the whole world is embroiled in war. Further, we lack the courage or the good sense to take the profit out of war munitions and so long as it is profitable for anyone to make war—there will be war.

Will cooperators find the open road to international security—to this World of Good Neighbors about which the President speaks so intelligently? Have we as cooperators in the United States—no matter in what phase of the cooperative movement we may be interested—have we no common obligation to the cooperators of the world that we should do some intelligent thing to protect what of civilization the ages have produced by preventing it from complete collapse?

The Credit Union Room

Returning from this grave consideration (and we must bear in mind that cooperation has everything to lose and nothing to gain from another World War) let us think of the rooms in the cooperative house, for it is one of these rooms which we must not be a part of the cooperative set up which has to do with banking, a room for the credit union.

A credit union is nothing more or less than a cooperative bank. It is organized with great care, operates on the one-man one-vote rule, does business exclusively with members of the group, brings to them the credit side of banking, dividing what it earns among the members as dividends on their savings in the credit union.

There are nearly 5,300 credit unions in the United States. They operate under a single State and a Federal law. It is possible therefore to organize credit unions anywhere the American flag flies. They are increasing (except in the summer months) at the rate of from 150 to 200 a month; the membership is well over a million and increases better than 8,000 a week. They operate in great variety of situations—in factories, mills, stores, in church, in social groups, in small communities, within both urban and rural areas—there are credit unions of white men and of black men, of all men and all women, in open spaces and walled rooms.

The fact of the spread of credit unions which makes it necessary for us to concentrate our effort on the room in the cooperative house which has been assigned to us.

Just as we would not the less classify a member cooperative as a cooperative because he neither belonged to nor believed in the credit union plan, so, by the same token, we do not exclude from the great family of cooperators those of our number who are at present interested only in cooperative credit.

Evolution Toward Economic Democracy

We live in a world which is changing rapidly. I think it was Lincoln Steffens who said that "revolution is a disorderly interruption of the evolutionary process." Evolution given time enough will give us a better and a better world. As I have said many times we need to apply to our economic thinking the same process. As we apply to our thinking about auto- motive transportation or medicine or surgery, many a man who can hardly wait to swap the horse for the car to get the 1937 model simply to have a few new gadgets wants all political thinking to stop with the Farewell Address which Hamilton and Jay prepared for Washington. If we could think about economics as we think about, let us say, the unremitting forward march against tuberculosis, infantile paralysis and all other forms of disease which bedevil the human race, we would know that the economic system is going to be perfected.

So let us not be too hasty in our differentiation between those who are cooperators and those who are not. Our membership in the credit union—every one of them—are consciously or subconsciously cooperators. Nor do I agree with those who are fearful that the cooperative movement will progress in America without immediate amalgamation of all phases of the cooperative movement without pulling down all the partitions and making one great room of the house.

Cooperation or Chaos

I do not mean by all this that we are not interested in other phases of the cooperative effort. We most certainly are.

Cooperation and Public Ownership

Carl D. Thompson, Director, Public Ownership League of America

I believe that in this world, as at present constituted, the contest is between forms of dictatorship in all human affairs on the one hand, Communism, Fascism and the like on the other, and between cooperation and chaos. I believe that the cooperators in the world have the best present sense of how the world should be run; that the race may well be between cooperation on the one hand and chaos on the other. In this race, the cooperative movement can depend on the strong right arm of cooperative credit of an increasing development of men and women in their capacity to manage their own money, to do it cooperatively and to prove day by day in the process the value of the cooperative principle.

Cooperative Ownership

As I see it, there is a very large field in which cooperation can and does function as the best and most effective means of limiting excessive profits and exploiting
tion. It has many advantages that are dear to every one who prizes personal liberty and individual initiative. It is voluntary and thus avoids the compulsion of some educational. It is an experience and training in business and executive management and in democracy. I shall not attempt to mention all the advantages. They are well known to all cooperators. Because of these peculiar advantages of cooperation and others, it is, in my judgment, extremely important that cooperative ownership and operation should be developed as widely as possible. Just how far and to what extent such cooperative ownership and operation may finally be developed may not be definitely determined as yet; but it is evident that the field is very large and expanding.

Some hold that no other form of ownership and operation is needed. And we have seen that final picture of an economic and social order presented as a Cooperative Commonwealth. This much, at least, is clear—there is a very wide and expanding field in which cooperation and cooperative ownership and control function very efficiently to limit exploitation and to establish a greater degree of economic justice.

Public Ownership

And, finally, there is a third type of ownership, long advocated and widely in use throughout the world—and that is public ownership.

It has a myriad of forms and has grown steadily, especially in the last few generations. Schools and roads, postal service, streetcars, fire departments, waterworks and libraries, parks and electric light and power plants—all these and many other utilities and services have come more and more to be publicly owned and operated. There are nearly ten thousand cities in the United States that own and operate their waterworks systems; nearly two thousand their light and power plants. Sometimes it seems that only thru such general public and governmental action can we break the grip of private monopoly and restrain its rampant greed. And any rational public ownership is here. It is one of the characteristic and outstanding features of the American economic and industrial order. And it affords another avenue over which we can proceed to a greater degree of economic justice.

Relation of Cooperative to Public Ownership

Between these two forms of ownership and control, it seems to me, there need be no conflict or friction. The coordination and cooperation of these two lines of attack upon the injustices of a competitive and monopolistic system will greatly strengthen both movements and hasten the coming of the day of both a cooperative commonwealth and a fraternal state of genuine democracy.

In this connection, the wonderful progress of both cooperation and public ownership in such countries as Sweden and their coordination and practical support, the one of the other, in an increasingly democratic state are most encouraging. And here in our own country, the fine leadership and broad vision of such men as the Secretary of your national Cooperative League, together with the friendly attitude of the departments of the federal government and our American municipalities, offers us a magnificent opportunity for cooperation and coordinated efforts that will greatly accelerate our rate of economic and social progress towards our common goal.

It is our sincere desire, in which I believe the Public Ownership League of America will join, that we may work more closely in cooperation with you and the Cooperative League. And we shall be glad to know of any occasion or any line of effort in which we can be helpful to you. In turn, we shall greatly appreciate your help and cooperation on the Public Ownership front wherever we are engaged.

Our Common Goal

We have a common goal—a common purpose; and though our methods may be somewhat different, there is no reason for conflict between them. Your success or failure will be our success or failure; and our success or failure will be yours.

Let us therefore strive to unite and coordinate our efforts with all the good forces making for human betterment throughout the world.

Labor's Interest in Consumers' Cooperation

(Ed. Note: John E. McNamara, editor of the Brotherhood of Locomotive Firemen and Enginemen's Magazine read President Green's message to the Congress.)

LABOR'S interest in consumers' cooperation dates from the early days of the cooperative movement. With our first understanding of this new way of organizing as consumers, to save the middleman's profit and assure honest value for the goods bought in hard work or casual union wages, we grasped the idea with enthusiasm. In the miners' unions throughout Ohio, Indiana and Illinois, scores of cooperative stores were opened and a strong movement built up under trade union leadership. In the South and elsewhere union executives threw themselves whole-heartedly into this effort for cooperative buying and spread the idea with a zeal which paralleled their union activities.

Twin Remedies

In 1917 this interest was reflected in the convention of the American Federation of Labor, which declared:

We believe that the American Federation of Labor should assist in establishing, building up and strengthening as far as possible a legitimate organization of bona fide workingmen in our country and Canada as part of the great world's cooperative movement, so that after the trade union movement has served the community for more than 25 years, Records can be had for a number of such ventures which would be well worth careful study.

Three Foundations of Success

I would point out these three foundation stones on which I believe the cooperative movement must be built in this country if it is to succeed: Sound business management, education, and close alliance with the trade union movement.

In a country where cooperatives will have to compete with chain stores under highly paid management, placing great emphasis on efficiency and shrewd business dealing, capable and experienced business leadership is of the utmost importance.

The second foundation stone, education of cooperative members, is also of the greatest importance. Before they even consider opening a store, cooperators should make careful study of the Rochdale principles and of the business problems they are likely to meet. Such study should teach the history of the cooperative movement, both here and in the countries where it already has long been established and growing steadily, especially in the last few years. And now there are more than 2,000,000 workers and farmers already members of cooperatives, and it is assuming new significance. Labor is fully aware of the great benefit consumers' cooperatives can do for its members, and is pushing the movement with all the good forces making for human betterment throughout the world.

Most of our efforts, however, met with little permanent success. Cooperative stores were short lived and after a few years hundreds of them failed and went out of business. This has been true throughout the early history of the cooperative movement in America.

Today rapid growth in the last few years has brought the movement again to the fore. With 2,000,000 workers and farmers already members of cooperatives, it is assuming new significance. Labor is fully aware of the great benefit consumers' cooperatives can do for its members, and is pushing the movement with all the good forces making for human betterment throughout the world.
show the full significance of the movement, so that cooperators will realize their part in it and their interest will not end with the getting of dollars and cents in profits. Education should seek to build up community spirit through the cooperative so that it will become a true community movement.

Labor and Cooperation

Thirdly, close alliance with the trade union is essential for full-rounded economic growth. There is real danger in the United States, where powerful interests are constantly seeking to keep wages at the lowest possible level, that cooperatives may become merely the means of helping low-paid workers to exist on a mere pittance. Wage standards must be buttressed by strong trade union organization if cooperators are to have income to spend in their stores. Our convention of 1917 made a basic point when it stated that the trade union and the cooperative are “twin remedies.” They must go hand in hand. Living standards must be raised both by wage increases and by the savings of consumer cooperation.

In countries where consumers’ cooperation has been most successful it has been closely allied with the trade union, and this alliance is equally essential in America. In a cooperative economy, the farmer needs his producers’ cooperatives to protect his prices and handle his marketing problems; the worker needs his trade union to protect and raise wage standards; both need the consumers’ cooperative.

The cooperative movement can do much to build up its alliance with labor by insisting that the goods sold in cooperatives are manufactured under fair labor standards, by demanding the union label, by encouraging employees of cooperatives to organize in unions.

The American Federation of Labor is ready to work with any constructive movement for consumers’ cooperation. We realize that cooperation can mean to wage earners and are anxious to see a strong and lasting movement built up in this country.

Farm Cooperatives

Robin Hood, Secretary-Treasurer, National Cooperative Council

The cooperative business organization needed by farmers in the United States are substantial enterprises which have been accorded wide-spread respect as accepted institutions in the national economy. Today at least 20% of all the products sold on American farms are sent to market by the cooperative way. At least 12 per cent of all the production supplies used on American farms are purchased through cooperatives.

These farmers’ cooperative organizations are joined together in various federations for their common good, finally making up the National Cooperative Council. In it are associated more than four thousand separate cooperative associations which last year handled more than a billion dollars worth of business for more than one and one-half million members.

Before I go further may I emphasize that consumer cooperatives and farm cooperatives should be able to maintain a very neighborly spirit. American agriculture cannot thrive without consumers to feed and clothe; and I dare say consumers would find life somewhat difficult if farmers to produce farm products.

Our farm cooperatives adhere to the Rochdale principles of open membership, democratic control, patronage dividends and limited interest on capital, with which consumer cooperatives have reason to be well acquainted.

The Farmer as a Manufacturer

The farmer is a manufacturer in more than a mere figurative sense. He operates a farm factory. He purchases raw materials, equipment, and supplies in wholesale quantities. In his farm factory he compound these raw materials with soil sunshine, and water by means of his own labor, or labor which he employs, to turn out products which he sells in wholesale quantities in the markets of the world. His labor income and his profit—or his loss—depend on buying high quality raw materials economically, upon manufacturing efficiently, and upon selling effectively.

He has created supply cooperatives in order to secure volume prices, transportation savings, quality supervision and bargaining power in the purchase of supplies which he uses to produce farm products. He has erected marketing cooperatives to gain a similar series of advantages in selling the products which he manufactures.

Incidentally, it seems strange to me that the various forms of cooperation should be as much confused with each other as they are. I recently read a long survey of consumer cooperation which devoted its attention almost wholly to the buying of bulk farm supplies, quite oblivious to the fact that feed, seed, fertilizer and other supplies of this character are producer goods, not farm goods.

The farmer has an enormous investment in his marketing and his supply cooperatives. His land, his buildings, his fencing, his equipment, are all a part of his investment in the cooperative enterprise because without a successful and efficient structure to buy his supplies and sell his production, his farm can have no commercial value.

Farm Cooperation Is Just Good Business

It should be apparent that to the farmer cooperation is business. True it also has a social significance because when the cooperative supply-buying and American buying structure increases farm income, it raises the farmer’s standard of living. The community cohesion which cooperation fosters results in better rural life. These, however, are collateral to the fact that if the cooperative is not a successful business undertaking it cannot hope to have any resultant social effect.

Agricultural cooperation is plain good business conducted by farmers who have found that they can perform certain business tasks better by working together than by working individually.

The farmer did not formulate this philosophy of cooperation out of the text books of academicians, nor the sermons of preachers, nor the orations of reformers. He formulated it out of the hard knocks of the school of bitter experience.

Government Assistance

One lesson we learned is this: Government subsidies are dangerous and usually futile.

Agricultural cooperation is a self-help movement. It should rise out of the need and wishes of the members. Paternalism tends to build a top-heavy structure lacking a solid foundation built by a membership capable of understanding its difficulties, and able to “take it” in the competitive race for existence.

A number of farm cooperatives have availed themselves of the facilities of the cooperative banks which are jointly owned by the farm cooperatives and the Federal Credit Administration. But the credit available from these agencies is strictly of a commercial character.

Nor do I wish to convey the impression that farm cooperatives must refuse all assistance from the government. Assembling and disseminating facts—on cooperation as well as on other subjects—is a proper function of a government which is based upon the schoolhouse and upon a free education for everyone. Cooperatives also are entitled to equal facilities with private business in the eyes of the government.

But the cooperative movement cannot remain in a thousand years reach fruition if subjected either to government paternalism or government paternalism.

Monopoly Control

A second important lesson for which agricultural cooperators have paid a high tuition fee is this: Cooperatives cannot be made the vehicle for arbitrary monopolistic advantage.

Through a period of several years some of the literature of agricultural cooperation was replete with this idea of monopoly control, of price fixing, of surplus control, and of guaranteeing cost of production. Producers cannot hope for any ex-
A third lesson our experience teaches is that farm cooperatives cannot be erected as sound business enterprises by high-pressure promoters, fanatics, theories, politicians, reformers, and condescending people who like to work in the rural "slums." Farm cooperation must be built from the ground up by those who are the cooperators, and the development must come in response to genuine economic need on the part of persons who are willing to contribute the necessary capital.

Parties, Isms and Creeds

A fourth lesson we have learned is that agricultural cooperation must stand upon its own principles and remain doggedly independent of all other causes and movements. Farm cooperation has taught us to object vigorously to all efforts to align farm cooperatives with any party, creed, or ism—regardless of how meritorious. At various times throughout the history of farm cooperation some friend or camp follower has proclaimed a blood relationship between the movement and just about every "cause" imaginable.

Politicians have sometimes tried to capture the cooperative structure. Individual farm cooperatives find it difficult at times to keep their organization free from the influence of political parties. There is no place for any political doctrine in a farm cooperative enterprise, but especially there is no cause to tolerate communist activity within cooperative ranks. Cooperation has no quarrel with the principle of ownership of property. The farmer is a capitalist—though a small one—and as we all know, communism would spell the doom of the farm cooperative and the independently owned farm home.

Unreasoned Attacks Upon American Economy

Farm cooperatives are business institutions. They must compete in an economic world. They cannot exist unless they are efficient. They suffer when diverted by friends or foes, politicians or theorists, bent upon union or cooperation with other causes. It is certain to the cooperatives, which allows itself to be dragged away from its economic job.

I am frank to admit that many agricultural cooperative leaders have expressed a fear of being closely associated in the public mind with the consumer cooperative movement. This attitude is not due to any prejudice against business-like cooperation, but it is because some of the enthusiastic farm cooperators have wanted to associate the movement with extraneous matters. For illustration, statements which have done much to antagonize various farm leaders were the wholly unnecessary attacks, in the name of consumer cooperation, upon the capitalistic economy, and the talk of putting an end to capitalism. Capitalism does not mean the same thing to all people. Some use the term to mean unfair exploitation but others use it to describe the American economic system which is believed to encourage thrift and initiative. Condemning the capitalistic economic system and its elements in society upon which any American cooperative movement must lean—the substantial, straight-thinking, responsible element.

Again, to agricultural cooperative leaders, the concept of a cooperative state or commonwealth is not essential to the fundamental principles of cooperation. Also, the painting of cooperation as a religious or philanthropic movement instead of a business way of performing certain business services has attracted idealists, reformers and preachers of all types to an extent that the economic nature of cooperation is in danger of being forgotten in the shuffle.

Do not misunderstand me. I would not discourage the support of the various well-wishers. I would not condemn the dreams of the movement that dreamers and reformers choose to talk about. But I do submit my protest against permitting these extraneous concepts to play the dominant part in economic cooperation. The experience in agriculture indicates that the economic job cannot be done in a cooperative way unless it is done in a business way.

My purpose in coming to the U.S.A. at the present time is primarily to bring the greetings of the International Cooperative Alliance with which your movement has been associated for many years past and to which your leaders and representatives have brought the contributions, often fresh and original, which have added to the common stock of international relations and information. We have valued highly, as I know you do, the enthusiasm and intellectual integrity of Dr. Warbasse, President of The Cooperative League. The Cooperative League has stood firmly for purity and unequivocal rectitude of cooperative activities in their expression alike of the fundamental principles and the ideal aims of cooperation.

The Seed Bears Fruit

In the past several years I have waited the opportunity of seeing "on the spot" the various expressions of the cooperative idea that have been formed in your great country and the hour has come. In this sense I am here as a learner, coming with an open mind but a not too objective spirit, ready to find new ideas and methods and to see how they fit into the common stock of our ideal aims. Let me first remind you that though the progress of International Cooperation has been retarded by the series of crises which have afflicted humanity since the World War, that that circumstance the Cooperative International was unique among the internationals of the world. It stead erected as a beacon and symbol of brotherhood in that holocaust which brought tribulation and death to millions and laid dynasties in the dust.

Rooted in the Life of the Common People

The social and economic structure initiated by 28 unemployed weavers commencing slowly and laboriously had not reached the ends of the earth and was able to withstand the world's greatest disembarrassment of economic life. That was true of the whole as embodied in our Alliance because of the integrity and force of its national units and, in the final analysis, because it was rooted in the life, the sympathies and the understanding of the common people of the earth.

Truly there is something more in the cooperative system than a new method of commerce and industry—something that cries to the depths of the human soul and is greater and nobler than commercial results or the return of the surplus in the form of dividend on purchase. It is these facts that make us assured in the confidence that if cooperators are true to themselves they can now wield the greatest influence in helping humanity through its present trying experiences and in restoring world economy to a plane on which it will serve the common weal in the highest sense of the word.

England—Sweden—France

Now I know you would like me to give you some indications of the position of the Cooperative movement in Europe to-day and though I have not the time to cover all, I shall endeavor to give you some points of general interest. Of the Movement in Sweden it need hardly be said that its progress in recent years has exceeded the anticipations of its most sanguine supporters. The character of the British movement are well known to you, but let me say that the Cooperative movement in Europe to-day and though I have not the time to cover all, I shall endeavor to give you some points of general interest. Of the Movement in Sweden it need hardly be said that its progress in recent years has exceeded the anticipations of its most sanguine supporters. The character of the British movement is well known to you, but let me say that its progress in recent years has exceeded the anticipations of its most sanguine supporters.
In France the movement plods steadily on from one advance to another and without any very novel features. Our French friends are satisfied that the Consumers Movement is sound financially and flourishing economically in spite of certain unfortunate happenings in connection with their Cooperative Bank, which, from causes quite outside its cooperative constitution, has imposed a burden upon the Cooperative Movement which it has cheerfully shouldered and will redeem.

The Congress of the Alliance will be held in the French capital next year and the organization for which the French movement as the hosts of world cooperation, have accepted is certain to exhibit a striking proof of cooperative solidarity.

Nazis Mutilate Cooperation

The German movement, so long and so honorably associated with the Alliance, has ceased to be included in our ranks following the control exercised by the Nazi Government since the early days of the Hitler regime in 1933—the first acts of the Nazi authorities deprived the movement of its freedom and independence by placing nominees of the government in control of the Boards of Management and to get them replaced by cooperators chosen by the members but subject to the recognition by the Police Department that they were not active politicians.

A Board of Administration was appointed by the government to the Cooperative Wholesale Society but the Cooperative Union left nomially free. The government has controlled the Movements since their inception and until now have discharged their responsibilities with a large degree of freedom.

And these measures were carried out the Austrian leaders called me in Vienna for consultation with themselves and also with the State administrators. Chancellor Dollfus declared to me his intention not to do harm to the movement but to purge it of its political entanglements and confine it to its cooperative activities. When that is accomplished, he said, the complete autonomy and freedom will be the German movement. The pledge he gave to me on behalf of his government in those early days of March, 1934, has been redeemed in full.

In December the State administrators presented their final report and vacated their office. The new Board was immediately elected in the same manner as before the conflict. The Congress of the Austrian Union was held at Vienna in June when the final ratification was given to the freeing of the Movement from state control.

Cooperatives Feed Bleeding Spain

Since the outbreak of the Civil War in Spain which began on the 15th or 16th of July with the revolt of the Army of Occupation in Spanish Morocco and spread quickly to the entire Spanish Army, our attention has been turned towards the Cooperative Institutions of Spain and the possible necessity of coming to the aid of our fellow cooperators in their great emergency. The rapidity and intensity of this movement and the scale on which it has been involved in the most tragic of conflicts, that between people of the same race—members of the same community, have hardly been paralleled in modern times. In a few days every Republican and worker throughout the nation has been aroused in defense of the State, its constitutional liberties, the freedom and authority of its legitimately established Government and the democratic rights of the people—to say nothing of the protection of their homes and families from destruction.

The Spanish people are a proud and gracious race, which perhaps has borne some hearing upon the fierceness with which the terrible conflict has been waged. It also gives force to the man. On this action the French co-ops of Madrid and Barcelona have maintained the functions of cooperative organizations: recognized their true role of economic importance and have thrown their weight into the support of legitimate authority by assisting to organize the Nation’s supplies of food and other physical necessities.

In communication with Madrid we have received from the National Cooperative Union the assurance of the continued functioning of the Societies; of the plans for a National Commission of Food Supply which they have submitted to the Government, and of their firm conviction that should they need—as is more than probable—the aid of the Cooperative Movement of other countries in the movement of the whole International Cooperative Movement—that support will not fail them!

The Philosophy of Cooperation

Dr. Horace M. Kallen
Professor of Philosophy — New School for Social Research

SOME weeks ago, Harvard University was celebrating its three hundredth birthday. Scholars from all the world came to offer congratulations, but with many cases of their congratulations came also expressions of fear for the future of civilization. The most learned and wisest men of most of the countries in the world seemed to be warning us, as with one voice, that civilization is undergoing a crisis which may destroy it. Asked how the danger to civilization might be averted, they gave no one answer but many. The number and variety of their answers left us feeling the fear and anxiety which moral depression, intellectual confusion and spiritual anxiety. The effect of their deliberations was probably negative. The one thing unmistakably affirmed and resolutely insisted upon was the inescapable need for intellectual freedom, the indefeasible right of the spirit of man to doubt, to enquire, to believe, as conscience bids.

The faith in freedom redeemed the festival from utter sadness, and lifted it up to become a celebration of valor and hope. As expressed it was more than faith; it was also reason and philosophy, that philosophy of life. For philosophy, like religion, has an interest in the human spirit. But religion only rationalizes these desires and holds their attainment for certain, regardless of whether it be really sure or not. Philosophy is in search of the causes and conditions of their attainment and reasons out its ground and direction in the march of our experience.

Capitalism — Communism — Fascism

Today, three faiths have forced the older religions of our world into the background, and confront each other as bitter rivals for the allegiance of the human spirit. Each offers itself as the surest guarantee that we shall attain our heart's desire: each calls upon us to surrender ourselves body and mind entirely to its salvation and live happily ever after. The first of the three is Capitalism. The second is Communism. The third is Fascism.

To us who search out the meanings of the older religions of our world into the background, and confront each other as bitter rivals for the allegiance of the human spirit. Each offers itself as the surest guarantee that we shall attain our heart's desire: each calls upon us to surrender ourselves body and mind entirely to its salvation and live happily ever after. The first of the three is Capitalism. The second is Communism. The third is Fascism.
haves. Fascism rationalizes the lust for power and the fear to lose it which makes the haves the merciless exploiters of the have-nots.

Consumers Cooperation—
The Democratic Alternative

Against these three bitter and embattled faiths we cooperators set our fourth and generous and peace-loving one. The faith in Consumer Cooperation is not rationalized and cannot be rationalized. It is a reasoned faith based upon long experience, summing this experience up in a new philosophy of life which rests upon the same discoveries, the same principles, and the same loyalty to the inward truths of human nature as the spirit of political democracy which is embodied in the "American Dream." The principles are the same as those of the Declaration of Independence: that human beings—whatever their race or faith or nationality or sex—are all different people with equal rights—particularly the rights to life, liberty and the pursuit of happiness; that these rights are inalienable, that governments—and all other forms of human association—are formed to secure these rights and that they derive their just powers from the consent of the governed.

In its essence, the Consumer Cooperative Movement is a mode of association by which these fundamentals of Americanism may be made effective in the economic field. It is the movement which can and will Americanize our still un-Americanized national economic system, if sufficient and well-directed power is put into it. It is the movement which rests upon the principle of the free contract of association, to secure the individual, as the structure of the social order as the principle of its control. Thus it preserves individually, where its rivals violate individuality; it enhances freedom, where its rivals destroy freedom; it builds an economy of abundance not by impoverishing those who have, but by enriching those who have not, while its rivals can hold power only so long as they impose scarcity on the masses of the citizens.

The Movement's associative pattern, which is a voluntary confederation of individuals into societies, of societies into regional groups, of regional groups into national federations, of national federations into international alliance, rests upon the principle of the free contract of different individuals and groups so to do things together that each may live more richly, and freely, and happily by himself. It preserves all the good of Capitalism without the burden of its evils; it makes impossible the evils of Fascism and Communism and lays bare the illusory and substance of character of the good they claim.

The Organization of Liberty

If you believe in social planning, then consumer cooperation is a prospering social plan tested by the trials and errors of experience, clarified by adversity, and vindicated by its consequences in the daily lives of those who employ it. Like all its alternatives which can work only on the principle of All or None, any few individuals can apply it, anywhere, at any time, by associating together according to the Rochdale rules. The Capitalist corporation, the Communist and the Fascist state regiment the individual and destroy his initiative; the consumer cooperative society liberates the individual, and provides for his initiative a wider of consuming than he ever had. The Cooperative Movement is thus the implementation of an economic plan which uses, seeks, and encourages the free initiative of the individual; it is the organization of liberty. Where there is no organization there is anarchy; and anarchy is the heart disease of Capitalism; organization without liberty is tyranny and tyranny is the arteriosclerotic paranoia of Communism and Fascism, particularly of Fascism. Compared with them, Consumer Cooperation is the health of the social order as it is testified by the state of the lands where a penetration of Capitalism prevails. Alone among its rivals it employs only means which are identical in nature and form with the end it seeks.

American Business and Consumer Cooperation

Edward A. Filene, President, Consumer Distribution Corporation

Many people still seem to think it strange that a business man like myself, President of the Filene's, first non-profit system, should be devoting his time and energies to the promotion of so-called non-profit, consumer cooperatives. But there is no mystery about it. Unfortunately for business progress, much business thinking is not real thinking but just a re-statement of some ancient business creed—modified of necessity from decade to decade, but with no clear-cut comprehension that many supposed basic principles of business are principles which, if put into practice now, would result in business ruin.

The End of Individualism

Take the principle, for instance, of so-called rugged individualism. No modern business man can really believe in such a principle, for the simple reason that every modern business man believes in organization. That means that he believes in some degree of cooperation, or organization. He therefore believes in some degree of cooperation or organization. Every business man wants, at least, the loyal cooperation of all his employees. Business men want the cooperation of the buying public too; and most of them pay out a large part of their income every year in the hope of securing such cooperation. They pay it for advertising, and it pays them richly to do so. Hardly a business
could get along today unless it does advertise; and I am convinced, contrary to the assumptions of those who lump all advertising as mere ballyhoo, that our cooperative movement must and will engage in large-scale advertising; and that we shall find that truthful, courageous advertising, instead of adding to the cost of distribution, will add its volume as to bring the cost per item down. But what does a business man really want when he provides us a newspaper at a fraction of its cost, or a million dollar radio enter-
tainment to which anybody in the vicinity of a radio set is admitted free?

What they want, of course, and what they must have, is consumer cooperation. Let us assume that the average business man is still in business only for the profits which he hopes to get; it still remains true that he can't make profits unless he can secure enough consumer cooperation. But is the cooperation secured by advertising and salesmanship enough to serve the needs of business today?

Lack of Purchasing Power

No. Positively not. The depression made this very clear. Business men were trying hard as ever to sell their prod-
ucts, and they were doing more advertising than they had ever done before. But their customers failed them. They wanted to buy things as much as business wanted to sell them—they had only trouble being that they had lost their buying-

power and general business depression. There is no such thing possible, therefore, in modern America as maintaining a cer-
tain standard. The masses go on and on to better things, or, because of unemployment, they will find them-

selves slipping back.

When we arrived at the era of mass production it became necessary to organize our work in the interest of the mass consumer, or accept the alternative of poverty in the midst of plenty.

Science of Mass Distribution

But mass distribution, like mass pro-
duction, is a science. The mere will to co-

operate isn't going to solve our problem for us. Enthusiasm, by itself, won't solve it. The only thing that can solve it is the de-
development under scientific management of such an efficient system of mass dis-
tribution that it will furnish an adequate outlet for mass production. I am told, of course, by many excellent people, that if we are to have an effective system of cooperative distribution we must begin as the Rochdale weavers did—in a small way. Fortunately, the great

cooperatives of England and the Scandi

navian countries know better; and they are doing their best to discourage the starting of any more isolated, small co-

operative stores.

Tall oaks, be sure, from little acorns grow, and much furniture is made of oak. If we need a chair in a hurry, however, it would be rather impractical to try to get one by planting an acorn.

Business Muffed its Opportunity

I am in the cooperative movement be-
cause I believe that consumer cooperation can help greatly in the solution of the problem of distribution. If organized busi-
ness had grasped this problem, and had seriously undertaken to solve it, it would probably never have occurred to me to join the cooperative movement. But business muffed its opportunity. Because of traditional thinking, organized by business, failed to see that the time had come when its only chance for continued prosperity lay in distributing prosperity among the whole American people. But perhaps it is just as well in the long run that business has been blind. Perhaps it is better that the organized consumers of America should solve this problem for themselves. I would emphasize, however, that they cannot solve it by the more following of a formula; for the con-

sumer cooperatives, to achieve their pur-
pose now, must be as business-like as the most efficient business, and must be gov-

erned at every turn by scientific, fact-

factual, up-to-the-minute research.

We can expect no miracles. No special provision is going to be made for us, just because we have decided to cooperate in a non-profit adventure, instead of seeking returns on our invested capital. Our job is to learn to distribute with less waste and less lost motion than in the best of the so-called profit-seeking organizations, and, by our successful competition, compel them to discover and to inaugurate still more efficient methods.

Cooperatives and the Profit System

There is no reason, then, why consumer cooperation in modern America should not have the attitude toward the profit system which was natural and proper in the European cooperatives. The indus-

tries which we cannot tolerate are the monopolistic industries—that which seek their profits by limiting their serv-
ices, and those which, because of greed or inefficiency, do not give adequate service and, often, cannot make profits. Many profitable businesses, businesses which are unprofitable because of methods—are as truly a menace to the mass consumer as are those whose profits seem unreasonably high.

Our object, then, cannot be merely to take to ourselves as consumers the profits that would otherwise revert to capitalists. Our object must be to improve and perfect the process of distribution that the people of these United States are enabled to consume according to their capacity to produce.

Our capacity to produce has been almost magically multiplied since the time when the cooperative movement started. All our wealth-making machinery becomes a mockery, however, unless the masses are enabled to buy the wealth produced; and it is the duty of con-

sumer cooperation in America to so eliminate the wastes and injustices of present-day distribution that the people generally can have and enjoy this wealth.

We shall miss out of our hands almost too much of the wealth which now goes to capitalists. There isn't enough of that, all told, to cause any great increase in the general standard of living, if it were all taken from the capitalists and given to the people generally. The wealth which would count—and the wealth which the American cooperative movement should strive for—its primary goal is not now being created but which would be created if modern business were orga-
nized to serve the mass consumer.

The Key to Increased Wealth

It has been calculated by competent statisticians that unemployment, since the beginning of the depression, has already resulted in the non-production of more than three hundred billion dollars worth of wealth—which might have been produced and distributed if the millions of unemployed had been em-

ployed in practical, scientific production and distribution.

And the masses one day will be so em-

ployed if the consumer cooperative movement measures up to its opportuni-

ity.

Tall oaks, be sure, from little acorns grow, and much furniture is made of oak. If we need a chair in a hurry, however, it would be rather impractical to try to get one by planting an acorn.
We must so simplify the process of distribution that those who trade with us shall not have to pay for unintelligently selfish, wasteful, solely-for-profit production and distribution, and that those, therefore, who compete with us shall find it necessary to do as well as we.

I do not wish to engage in any idle fancies, or any grandiloquent dreams. But poverty in modern America is absurd. It couldn't happen except for our traditional thinking. We have sufficient resources, sufficient machinery, sufficient power and sufficient skilled management to provide every American family with economic security and such a standard of living as they have never known before. All that is necessary is that all of these resources, all this power and all this skill be placed at the service of the mass consumer; and a sufficiently strong and sufficiently scientific consumer cooperative movement can bring that about.

**Treasurer's Report**

Mary Ellicott Arnold, Manager, Consumers Cooperative Services

1. What we as member societies have done to support The League financially.

Inasmuch as the report for the current year covers nine months only, comparative figures for 1935 and 1934 are given for the corresponding periods.

<table>
<thead>
<tr>
<th>Years</th>
<th>Budget income</th>
<th>Actual income</th>
<th>Actual expense</th>
<th>Difference between expense and income</th>
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<tr>
<td>1934</td>
<td>$5,531</td>
<td>$11,728</td>
<td>$11,535</td>
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<td>1935</td>
<td>$7,417</td>
<td>$13,169</td>
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<td>1936</td>
<td>$9,534</td>
<td>$13,169</td>
<td>$13,169</td>
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</table>

2. What The League Staff has done to stay within the budget in carrying out the largest possible activities.

(1) In analyzing salaries, rent and other expenses of The League office, the budget which we believe will bring permanent world peace.

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**Resolutions**

Adopted by the Tenth Biennial Congress of The League of the U.S.A., Columbus, Ohio, October 8, 9 and 10, 1936.

**Peace**

Whereas, the cooperative movement believes that a more equitable trading relationship between nations is the only sound basis for peace and that this new basis is possible only when international trading is no longer controlled by the profit motive.

Therefore, Be it resolved that this Congress reaffirms its desire for peace between nations and that the need for continuing the persistent efforts of the cooperative movement to create a new economic relationship which we believe will bring permanent world peace.

**Credit**

Be it resolved that this Congress go on record as requesting the Congress of the U.S. to create an agency similar to Farm Credit Administration for the purpose of assisting consumers' cooperative borrowing activities through the furnishing of low-priced credits.

**International Cooperative Congress**

Because of our gigantic task to rapidly make cooperatives out of masses of Americans awakening to the presence of the Consumers Cooperative Movement, and because we vitally need the inspiration and help of our fellow cooperators across the seas, we invite the International Cooperative Congress to the United States, and so conduct our delegates to the 1937 Congress.

**Electrification**

Be it resolved that this Congress go on record as favoring cooperative action to further extend electrification to all classes of consumers at reasonable rates.

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**Cooperatives and Labor**

Be it resolved that a convention be created to study the relation between the Cooperative Movement and the Labor Movement in the United States.

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**Spanish Cooperators**

Whereas, the International Cooperative Alliance has asked its constituent members to give assistance and funds to the Spanish cooperators caught in the holocaust of civil war.

Therefore, Be it resolved that the Board be instructed to send letters to its constituent members requesting them to ask for contributions for the cooperators of Spain.

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**Appreciation**

Be it resolved, that this Congress expresses its appreciation to the Ohio Farm Bureau for the cordial hospitality that has been extended to the
703 individuals, including representatives of societies attending the gathering. Be it resolved that the next Congress of The Cooperative League be held on the premises of a non-profit institution whose policies do not conflict with the policies and principles of cooperation and that the date of the Congress be changed to the summer time to make this possible.

OFFICERS AND DIRECTORS ELECTED

**OFFICERS**

J. P. Warbasse, President
Howard A. Cowden, Vice-President
Mary E. Arnold, Treasurer
E. R. Bowen, General Secretary

**DIRECTORS**

Elected for Three Year Terms

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
<th>Organization/Place</th>
</tr>
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<tbody>
<tr>
<td>V. S. Alanne</td>
<td></td>
<td>Northern States Cooperative League Minneapolis, Minn.</td>
</tr>
<tr>
<td>George Barrett</td>
<td></td>
<td>Pacific Supply Cooperative Walla Walla, Wash.</td>
</tr>
<tr>
<td>John Hofmann</td>
<td></td>
<td>Workmen’s Mutual Fire Insurance Co. New York City</td>
</tr>
<tr>
<td>James P. Warbasse</td>
<td></td>
<td>The Cooperative League New York City</td>
</tr>
<tr>
<td>L. E. Woodcock</td>
<td></td>
<td>Eastern Cooperative League New York City</td>
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Elected for Two Year Terms

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<tr>
<th>Name</th>
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<tbody>
<tr>
<td>Mary Ellcott Arnold</td>
<td></td>
<td>Consumers Cooperative Services New York City</td>
</tr>
<tr>
<td>R. N. Benjamin</td>
<td></td>
<td>Consumers Cooperative Services Harrisburg, Pa.</td>
</tr>
<tr>
<td>Edward Carlson</td>
<td></td>
<td>Cooperative Trading Co. Waukegan, Illinois</td>
</tr>
<tr>
<td>Gideon Edberg</td>
<td></td>
<td>Franklin Cooperative Creamery Minneapolis, Minn.</td>
</tr>
<tr>
<td>George Halonen</td>
<td></td>
<td>Central Cooperative Wholesale Superior, Wisconsin</td>
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<tr>
<td>A. E. Kazan</td>
<td></td>
<td>Associated Cooperative Houses New York City</td>
</tr>
<tr>
<td>A. W. Warinner</td>
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<td>Central States Cooperative League Chicago, Illinois</td>
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To Continue Office for Unexpired Terms

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
<th>Organization/Place</th>
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<tbody>
<tr>
<td>Joseph Blixa</td>
<td></td>
<td>New Cooperative Company Dillonsville, Ohio</td>
</tr>
<tr>
<td>Howard A. Cowden</td>
<td></td>
<td>Consumers Cooperative Association No. Kansas City, Mo.</td>
</tr>
<tr>
<td>I. H. Hull</td>
<td></td>
<td>Indiana Farm Bureau Cooperative Ass’n. Indianapolis, Ind.</td>
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<tr>
<td>Ralph Ingerson</td>
<td></td>
<td>Farmers Union Central Exchange St. Paul, Minn.</td>
</tr>
<tr>
<td>George Jacobson</td>
<td></td>
<td>Midland Cooperative Wholesale Minneapolis, Minn.</td>
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<tr>
<td>Murray D. Lincoln</td>
<td></td>
<td>Ohio Farm Bureau Cooperative Ass’n. Columbus, Ohio</td>
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Alternates

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
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<tbody>
<tr>
<td>H. Holt</td>
<td></td>
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<tr>
<td>Paul Lambert</td>
<td></td>
<td></td>
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<tr>
<td>Mrs. Helen Lanto</td>
<td></td>
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<tr>
<td>Cliff Miller</td>
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<tr>
<td>James Moore</td>
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<tr>
<td>Corliss Palmer</td>
<td></td>
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<tr>
<td>A. N. Rivers</td>
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<tr>
<td>John Vandermyde</td>
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THE PRESS BOOSTS CONSUMERS’ COOPERATION

SPECIAL CONGRESS PUBLICITY

**MAGAZINES**

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<tr>
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<tbody>
<tr>
<td>LITERARY DIGEST</td>
<td>October 17, “Growth of Cooperatives in America.”</td>
</tr>
<tr>
<td>NEWS WEEK</td>
<td>October 17, “Co-ops: Profits Unequalize, Prophets O.K. at Ohio Conference of Rooters for Consumer Control.”</td>
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<tr>
<td>BUSINESS WEEK</td>
<td>October 17, “Conflict Over Co-ops.”</td>
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<td>NATION</td>
<td>October 17, “Cooperative Congress.”</td>
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<tr>
<td>NEW REPUBLIC</td>
<td>October 28, “The Cooperative Congress.”</td>
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<tr>
<td>TIME, November 1</td>
<td>“Co-op Conclave.”</td>
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<tr>
<td>TIME, October 19</td>
<td>“Cooperative Grocers.”</td>
</tr>
<tr>
<td>CHRISTIAN CENTURY</td>
<td>October 21, “Cooperative Congress Registers Gain,” Harold Fey.</td>
</tr>
<tr>
<td>RETAILING</td>
<td>October 19, “It’s Happening Here,” Earl W. Elhart.</td>
</tr>
<tr>
<td>THE CHRISTIAN COMMUNITY</td>
<td>October 21, “Cooperative Congress Plans Future Developments.”</td>
</tr>
<tr>
<td>BROTHERHOOD OF LOCOMOTIVE FIREMEN AND ENGINES MAGAZINE</td>
<td>November, “The Tenth Biennial Cooperative Congress.”</td>
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**NEWSPAPERS**

<table>
<thead>
<tr>
<th>Title</th>
<th>Date</th>
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<tbody>
<tr>
<td>NEW YORK TIMES</td>
<td>October 9, “Cooperatives Full Spread of System.”</td>
</tr>
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<td>October 10, “Filene Puts Hope in Cooperatives.”</td>
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<td>October 11, “Cooperators Ask Federal Credit Aid.”</td>
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<tr>
<td>NEW YORK HERALD TRIBUNE</td>
<td>September 9, “Total Sales Volume of Consumers’ Cooperatives Small, Despite Recent Expansion.” S. L. Miller.</td>
</tr>
<tr>
<td>October 10, “Cooperators Held Answer to Unemployment.”</td>
<td></td>
</tr>
<tr>
<td>CHICAGO DAILY NEWS</td>
<td>October 15, 16, 17, “Howard Vincent O’Dell devoted his columns, All Things Considered” to the Cooperative Congress.</td>
</tr>
<tr>
<td>CHRISTIAN SCIENCE MONITOR</td>
<td>October 8, “Cooperatives Fie! Safe Way Around Fascism.”</td>
</tr>
<tr>
<td>DAILY DISPATCH</td>
<td>Special Correspondent.</td>
</tr>
<tr>
<td>OHIO STATE JOURNAL</td>
<td>Complete coverage to the Cooperative Congress.</td>
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**NEWS SERVICES**

<table>
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<td>ASSOCIATED PRESS</td>
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<td>UNITED PRESS</td>
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<td>INTERNATIONAL NEWS SERVICE</td>
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<td>FEDERATED PRESS</td>
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<td>TRANS-RADIO PRESS</td>
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</tbody>
</table>

**RADIO**

COLUMBIA BROADCASTING SYSTEM, coast to coast network, address by Dr. J. P. Warbasse.


**OTHER ARTICLES**

MAGAZINES

<table>
<thead>
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<th>Title</th>
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</tr>
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<tbody>
<tr>
<td>SATURDAY EVENING POST</td>
<td>October 17, “Cooperation Can’t Be Done With Mirrors,” Frank Parker Stockbridge.</td>
</tr>
<tr>
<td>HARPERS, November</td>
<td>“The Incredible Swedes,” Hubert Herring.</td>
</tr>
<tr>
<td>AMERICAN FEDERATIONIST, August</td>
<td>“Two Hundred Fighting,” L. R. Bowen.</td>
</tr>
<tr>
<td>CALL OF YOUTH, October 25</td>
<td>“Swedish Co-operation,” Merle Elsworth.</td>
</tr>
<tr>
<td>SATURDAY EVENING POST</td>
<td>October 17, “Cooperatives: A Neglected Socialist Weapon.”</td>
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<tr>
<td>AMERICAN FEDERATIONIST, August</td>
<td>“Cooperative Movement Threatened by Obstacles.”</td>
</tr>
<tr>
<td>AMERICAN SWEDISH MONTHLY, August</td>
<td>September, October, series of three articles, “Consumers Cooperatives in Sweden,” Johan Liljencrants.</td>
</tr>
<tr>
<td>CALL OF YOUTH, October 17</td>
<td>“Swedish Cooperatives Act As Trust Busters,” E. R. Bowen.</td>
</tr>
</tbody>
</table>
NEW BOOKS

Several important new books on the cooperative movement have been published since we last went to press. Since it is impossible to review them in this issue, we are listing below those which may be ordered now through The Cooperative League.


- **CONSUMERS COOPERATIVE ADVEN


- **INTERNATIONAL OBSERVER**, a quarterly devoted to the Peonies School Movement, edited by Peter Manniche, International People’s College, Elsinore, Denmark, $1.00 for two years.