New Co-op. Literature

Cooperation: A Middle Way for America, by Dr. Paul H. Douglas, published by The Cooperative League, 16 pages, 10c.

An address delivered before the American Institute of Cooperation, Ames, Iowa, in June, 1937. The pamphlet sets forth the Role of Cooperation in American Life, The Limitations on Cooperation, What Cooperation Can Do, and the Need for Unity in the Cooperative Movement. The pamphlet will be reviewed in an early issue.

Rebuilding Rural America, by Mark A. Dawber, Friendship Press, New York. 50c in paper, $1.00 cloth.

(This book has been adopted by the Mission Boards of the major Protestant Churches in the country and is being used for missions study together with a special study leaflet "The Church and American Rural Life," written by Benson Y. Lands—25c.)

The future of our country depends on two groups—the Farmer and the Laborer. They have strength as never before. This was shown in the last national election and was reflected in the laws passed by the "New Deal" Congress. Dr. Dawber says, "Farmers as producers and consumers must join hands with the industrial workers who are also producers and consumers, to bridge the gulf between production and consumption." But, "agriculture is still the primary industry. Upon its economic strength the nation's economic life will finally depend."

This economic strength is not very high just now, however. Within the past twenty years one million two hundred thousand farmers have either lost their farms or have been reduced to tenancy. "Many and varied are the schemes being tried to meet the baffling problems of our economic life. During recent years the government has sent to this task an army of specialists, but in the end the farmer must solve his own economic problems." To do this, "rural people are beginning to organize cooperatives to meet their economic problems. They are discovering that it is possible through the Cooperatives to balance the budget, to prevent the cities from continually draining the country."

The chapter on the Cooperative Movement is very strong. Dawber challenges the rural leadership and especially the church to "take seriously the question of its responsibility to the masses of under-privileged people and develop some program of social action through the Cooperatives." In fact, the whole book is built around this theme. The author does speak of religious education, of church buildings, of the need of an educated ministry, and these chapters may not be so definite as others. For "never did the church have a finer opportunity to proclaim the inescapable laws of God, and to bring us back to a sense of partner-

ship with Him in protecting, salvaging and re-keeping." To this task Mark A. Dawber calls the rural layman and minister in positive, straightforward language. May the church and its leaders heed the call!

Rev. J. Henry Carpenter, Brooklyn Church and Missions Federation.


Anders Orne got his early practical training fighting with labor. He went through the strike in Sweden in 1909 and learned that labor could not solve its problem by the general strike. A man of education and background, with a degree in philosophy from the University of Uppsala, he applied his mind to economic questions. As a result, in 1910, he entered the service of the Swedish National Cooperative League. It was clearly demonstrated that the influence of Orne that the Swedish cooperative movement has become the strongest in cooperative neutrality of any in the world—neutral not only to matters of politics and religion but in labor matters also.

This is one of the most important books on cooperation. Orne does not write as a socialist or trade unionist or reformer, but as a cooperator discussing cooperation as an economic system. Naturally socialists, laborites, and farmers, not yet grasping economic fundamentals, attempt to oppose some of Orne's ideas. His book has caused much controversy in Sweden, just because of its cooperative nature.

Orne's early socialist training still affects his thinking. While he no longer entertains the fantastic notion that the state can solve the problems of society, as he once did, still he retains a tenacious notion that the state, always will be indispensable for the protection of rights and justice, for education, and for the care of the sick. This very assertion contradicts itself. However, the education and the thinking of cooperators goes on, and advances with the advancement of cooperation and Orne is among the most advanced.

Dr. J. P. Warbasse.

"Industrial Conflicts—Strikes," by Charles C. Webber, National Council of Methodist Youth, 740 Rush Street, Chicago, Ill. 75c plus $ postage.

This is a four section study unit written by the Secretary of The Methodist Federation for Social Service. It is primarily intended for church youth groups and includes a worship service in connection with each of the four lessons which cover (1) Why do workers go out on strike? (2) What happens when strikes take place? (3) How can strikes be eliminated? (4) Why can young people do in strike situations?

The Consumers' Cooperative Movement is suggested as one of the means of eliminating strikes. The author is becoming well known among co-operators for his strong advocacy of the Consumers' Cooperative Movement in his addresses and writings.

These books and pamphlets may be ordered through The Cooperative League, 167 W. 12 St. N. Y. City.
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CONSUMERS' COOPERATION
OFFICIAL NATIONAL JOURNAL OF THE CONSUMERS' COOPERATIVE MOVEMENT

OUR HOPES FOR 1938!

When individuals get through hoping for a happier New Year they are usually through trying to make it one. We are still hoping and here are some of our sincerest hopes.

1. We hope for a greater economic application of Brotherhood.
2. We hope for an increase of mutual confidence which can only come from economic cooperation, not competition.
3. We hope for the strengthening of political democracy and the greater extension of universal suffrage.
4. We hope for more rapid progress in organizing Consumers’ Cooperatives to reduce prices and Farm Cooperatives and Labor Unions to raise pay.
5. We hope for the greater extension of public ownership of monopolistic utilities and finance.
6. We hope for wise government assistance to farm and labor producers to enable both groups to gain higher minimum incomes.
7. We hope for higher taxation of excessive profits and incomes to remove these stagnant savings from the hands of the few who cannot consume them and for social insurance to redistribute them into the pockets of the millions dispossessed of jobs, incomes and ownership of personal and productive property who can consume them.
8. We hope to be able to help in the accomplishment of these economic aims.
9. We hope to develop culturally through group recreation.
10. We hope all are increasingly happier through 1938.

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

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.

Contributing Editors: Editors of Cooperative Journals and Educational Directors of Cooperative Wholesales and District Leagues.

COOPERATION BETWEEN PRODUCERS AND CONSUMERS

There are just two basic elements in an economic system—producers and consumers. These two elements cover the entire fields of production and distribution.

In her pamphlet "The Discovery of the Consumer," written after forty years of research, Beatrice Webb sums up the significance of a correct analysis of the functions and relationships of producer and consumer groups in these striking words, "I believe this distinction between the kinds of organization—between Associations of Producers on the one hand and Associations of Consumers on the other—to be no idle fancy, but perhaps the most pregnant and important piece of classification in the whole range of sociology."

Who Are Producers? How Are They Organized?

Producers include only a limited number of the entire population. Necessarily they must largely omit small children, the sick, the physically and mentally handicapped. The constant tendency of society is to raise the minimum and lower the maximum ages of those whom it expects to be active full-time producers. The years of production are beginning to shorten from both ends.

As society has developed through the ages, three general groups of producers have evolved. They are commonly termed farm, labor, and professional. Farm producers' organizations have adopted the name "Farm Cooperatives." Labor producers' organizations use the name "Labor Unions." Professional producers' organizations call themselves "Professional Associations." It has been suggested that it would be better if all producers' organizations would adopt the same name and call themselves "Unions"—that is "Farm Unions," "Labor Unions" and "Professional Unions"—and leave to consumers' organizations the use of the word "Cooperative" and to all other organizations the use of the word "Association." By so doing, a discussion of the relationship of consumers, producers and social groups would be greatly clarified.

Fundamentally there is no reason why every producer should not be a member of the organized vocational group of which he is a part. In no other way can his interests as a producer be fully represented in any negotiations with consumer groups. There should be, as Beatrice Webb phrased it, a "ubiquitous (omnipresent) organization of the producers by hand or by brain."

Who Are Consumers? How Are They Organized?

While producers include only a limited and ever decreasing percentage of the population, as we have seen, on the contrary consumers include everybody. A child consumes even before he is born and the aged until their last breath. Neither sickness nor any physical or mental handicap eliminates anyone from the ranks of consumers.

When individual consumers began organizing to supply their needs and represent their joint interests as consumers in general they have largely used the name "Cooperative" to describe their organizations. There is no field of human consumption into which voluntary consumer cooperatives have not entered.

It is commonly accepted that it was John T. W. Mitchell, an early President of the English Cooperative Wholesale Society, who early emphasized most clearly the significance of consumers' cooperative organization. It was Beatrice Potter (Webb) who drew out of John Mitchell's mind and wrote down in philosophic terms the first clear description of the modern Consumers' Cooperative Movement. Later, as told in her autobiography, "My Apprenticeship," she met Sidney Webb who led her to an understanding of the second type of Consumers' Cooperative organization—namely what is commonly known as Public Ownership. With his unusual historical knowledge and analytic ability, he described how all forms of public organizations had evolved from original voluntary types. This second type of consumer organization Mrs. Webb calls the "obligatory" type, as compared with the original voluntary type.

To illustrate, originally each person as an individual carried his own lantern, acted as his own protector, put out his own fires, drew his own well and carried his own water, delivered his own communications and taught his own children. In time men learned the advantage of carrying on such functions as voluntary groups of consumers. It was later found that it was inadvisable to depend altogether upon voluntary organizations in some fields—that a policeman could not and a citizen who was being slated whether he belonged to a voluntary protective organization, which hired the policeman, before helping him; that the fireman could not wait to ascertain if the house on fire was insured in the voluntary fire association which employed him; that there was no good reason for laying a water main past the house of a citizen and putting him to refuse to pay his share of the cost. Such consumer functions accordingly were eventually transferred from the "voluntary" to the "obligatory" type of consumers' cooperatives and the services either paid for out of taxes or by fees on the basis of the amount used. It should be added, to complete the statements of the Webbs, that they advocate the reorganization of government functions to separate economic from political matters. In other words, they urge that such "obligatory" economic services as water, electricity, communication, transportation, etc. should be organized separately from the political functions of protection, justice, taxation, etc., and that we should vote as consumers for those whom we desire to direct our public economic services separatively from voting as citizens for those whom we desire to direct our political affairs. A similar general proposal is also advocated by Toyohiko Kagawa with a descriptive chart of such a suggested governmental reorganization in his book "Brotherhood Economics."

The Primacy of the Consumer in an Age of Plenty

It is becoming clearer that our economic system is organized on the wrong base to meet our present problems.Originally, Dr. Horace M. Kallen argues in his "Decline and Rise of the Consumer," mankind organized its economic services primarily on a consumer basis. Later the producers became dominant over the consumers. He argues for the reorganization of our economic life on a consumer foundation. "We are born consumers and become producers," says Dr. Kallen; "We are consumers by nature and producers by necessity." Professor Leroy E. Bowman has phrased the same thought in somewhat these words, "When the problem was production in an age of
scarcity it was necessary to organize as producers to solve the production problem; now the problem is consumption in an age of plenty and it is necessary to organize as consumers to solve the distribution problem.”

Swedish Voluntary Producers' and Consumers' Organizations

In discussing the relationship of Producers' and Consumers' organizations with the leaders of Kooperativa Förbundet, the general consumers' cooperative wholesale of Sweden, their interpretation and the lines along which they are organizing, producers' and consumers' groups in Sweden could be illustrated by the accompanying chart on page 3.

Each individual has two economic interests—his producer interests and his consumer interests. There are two producer interests—the sale of products or services. In some cases producers sell their services directly, in other cases they sell their services through the products which they individually produce. Generally farmers and fishermen and some other primary producers sell the products of their labor, rather than their labor. On the other hand, factory and office workers and professionals generally sell their services directly. To sell their products farmers organize marketing cooperatives; workers organize labor unions and professionals organize associations to sell their services.

Consumer interests are the purchase of two forms of goods—household goods and vocational goods. Household goods include food, clothing, furniture, shelter, etc. Vocational goods include farm supplies, workers' tools, and professional equipment. Both forms of goods—household and vocational—are supplied through consumers' cooperatives. In some cases such consumers' cooperatives specialize in household or vocational goods—whether or not they handle both or only certain goods is altogether a matter of efficiency and service to their members.

By organizing farm cooperatives, labor unions and professional associations the producers of Sweden increase the pay they get; by organizing consumers' cooperatives as public utilities the consumers of Sweden reduce the prices they are charged. Thus they distribute purchasing power widely among the people.

The Relation of Organized Farm Producers and Consumers in Sweden

After organizing into voluntary groups, the producers and consumers of Sweden have formulated the beginnings of a cooperative economic constitution. They have entered into an agreement between the producers and consumers of farm products in which the pay to producers and the price to consumers is determined by a coordinating board representing the two groups, with no private monopoly-middleman or any government authority between them. There is no toll of either profits or interest taken from the producers or consumers. The chart illustrates the working out of the agreement into which they have entered in the case of some of their farm products.

There is no good reason why the fields of farm producers and consumers' organizations cannot be definitely determined by joint agreement between the representatives of the two organized groups. From time to time it is probable that certain shifts of functions will be found advantageous between which organized farm producers and organized consumers should perform. The joint board can agree upon such changes from time to time as are in the interests of justice and efficiency. What is needed in the United States is that a more rapid advance be made towards the formation of such a cooperative economic constitution as has been done in Sweden.

The Relation of Organized Workers and Consumers in Cooperatives

It has also been possible to set up similar joint boards to act between the organized workers and consumers in the cooperative movement in many countries. In general the agreements entered into between cooperatives and their employees are based upon standard labor contracts with somewhat of an increase in wages or reduction in hours from the standard, in addition to vacations with pay, insurances and better working conditions. Coordinating boards are set up to deal with questions which arise as to relationships between the cooperatives and their employees, as illustrated.

RELATION OF LABOR AND CONSUMERS

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RELATION OF LABOR AND CONSUMERS

There is no good reason why the fields of farm producers and consumers' organizations cannot be definitely determined by joint agreement between the representatives of the two organized groups. From time to time it is probable that certain shifts of functions will be found advantageous between which organized farm producers and organized consumers should perform. The joint board can agree upon such changes from time to time as are in the interests of justice and efficiency. What is needed in the United States is that a more rapid advance be made towards the formation of such a cooperative economic constitution as has been done in Sweden.

The Relation of Organized Workers and Consumers in Cooperatives

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A Cooperative Economic Society

Secretary of Agriculture, Henry A. Wallace, says that "a cooperative economic society will be the living stream of thought for the twentieth century as a political democratic society was the living stream of thought for the eighteenth century." He appeals for the formation and adoption of an economic constitution on which to build such a cooperative society. He sums up the future cooperative economic society in these words: "The Cooperative way of life must pervade the community, and this means there must be consumers' cooperatives as well as producers' cooperatives."

As comprehensive a summary as has been made of the future cooperative economic society of organized producers and consumers is contained in Beatrice Webb's pamphlet "The Discovery of the Consumer." In concluding this pamphlet she says, "Unless I completely misinterpret the irresistible ground-swell of (British) democracy, it is this consumers' cooperation, in its twofold form of voluntary association of members (in what we now know as the cooperative society) and obligatory association of citizens (in the economic enterprises of national as well as local government)—all of them in organic connection with an equally ubiquitous organization of the producers by hand or by brain (in farm cooperatives, trade unions and professional associations) which will constitute the greater part of the social order of a hundred years hence."

Toyohiko Kagawa of Japan, considered by many to be the world's most practical idealist, says, "If producers and consumers come together in a spirit of cooperation, then society has coordination. Then producers are consumers and consumers are producers... We must organize Producers' Unions and Consumers' Cooperatives."

Dr. Horace Kalten describes the future free society as one where "each citizen of the land would enter twice into economic association with his fellows: once as consumer, with all his fellows; once as producer with the members only of his craft, industry or profession."

The ideal towards which we are progressing is a self-contained economic society of producers and consumers dealing directly with one another as organized groups, in the same way that individual producers and consumers once dealt directly with one another. Fortunately, we, in the United States, do not have to depend entirely upon theoretical idealism. In the Scandinavian countries these ideals have been applied and have proven to be thoroughly practical. It is only for us to follow their example and apply them to American conditions. What we need in America is not so much either theorizing or even original thinking—both of these have largely been done for us. What we need badly is action in organizing as producers and consumers.

THE EDUCATIONAL PROGRAM OF THE FARMERS' UNION

MORE important than organizing new cooperatives is building an educational program as a foundation for them. That is the belief and the practice of the Farmers' Union Central Exchange, the Farmers Union Terminal Association and the Farmers Union Livestock Commission. It is also the belief and practice of the state divisions of the Farmers Educational and Cooperative Union of America who own these cooperative agencies at St. Paul, Minnesota.

The Farmers Union membership of the states of North Dakota, Montana, Minnesota and Wisconsin take seriously the word "educational" in the name of their organization. It comes first in the title and it therefore comes first in their program.

Growing Cooperatives—A Greater Need for Education

Each state has a well-developed program of Junior education, under supervision of a state director. But as the cooperative businesses sprang up in greater and greater numbers, a need was felt for a coordinating office which could assist in keeping the educational program in step with the cooperative development. So the Farmers Union Cooperative Educational Service came into being. In North Dakota, for instance, cooperative oil companies affiliated with the Central Exchange, blend the state in a network of cooperatives. It is the function of the Farmers Union membership that a man may traverse the entire state and never put a gallon of any but cooperatively owned gasoline in his gas tank. The cooperatives rank second only to Standard Oil in North Dakota.

The Farmers Union membership owns not only petroleum cooperatives, but creameries, elevators, shipping associations, poultry and egg processing plants, stores and credit unions. Only a thorough and constant educational program could keep this varied group of cooperatives alive and functioning. To meet the need for added educational facilities, the state organizations of Farmers Union, together with the Farmers Union Central Exchange and other terminal businesses, owned by the states, formed a central educational office called the Farmers Union Cooperative Educational Service. This office acts as a coordinating and distributing unit for educational material used by the states and the business activities, thus cutting costs and eliminating duplication. The educational program of the Farmers Union embraces age groups from eight to eighty. It is comprised of such elements as art books and lesson outlines for regular classes, essay and four-minute speech projects, study circles, winter institutes, summer camps, county leadership schools, circulating library and a monthly program service to locals.

A Program for Juniors

The Junior members of the Farmers Union are designated by the Constitution as being those children of members, who are between the ages of sixteen and twenty-one. All rights and privileges of dues-paying members are theirs. They are already a part of the Farmers Union and their educational program is designed to give them full understanding of the cooperative movement.

A Junior Leader is in charge of educational work in each local. Juniors are organized into classes—not into separate locals. A study topic is chosen for the year and lessons are prepared upon this topic. The lessons are prepared by the Junior classes. Culmination of the annual topic is through an essay contest. Juniors learn to speak adequately and briefly upon a current topic through the four-minute speech project which also culminates in a national contest. Out of the four-minute speech project which was originated in North Dakota has grown the minute men project. Young people desirous of gaining additional experience in public speaking, meet with various groups and deliver speeches upon the cooperative movement. A final qualifying speech is then given, upon which the speaker must be prepared to answer...
questions asked by the audience. If he has delivered his speech and can answer
the questions upon it in a manner satis-
factorily, thereafter, when there is need of a speaker in that minuteman’s
territory, he is assigned the job. Minute-
men have done fine work in organizing
and selling share capital in new cooper-
atives. They have worked for peace legis-
lation and have done a splendid job of
publicizing cooperative enterprise.

The minuteman badge is an oxidized
silver disk bearing the insignia of a lan-
ter, denoting that the minuteman is to
keep the light of knowledge burning, to
awaken their sleeping fellows to their
need to band together. Girls as well as
boys become minutemen.

Cooperative Summer Camps

Summer camps were started for the
Junior members, as was all the rest of
the educational program of the Farmers
Union. Like the rest of the program, they
now take in all age groups. Subjects as
well as topics are taught in summer camps
are: public speaking since no one may be a truly
capable cooper as he is able to express himself; parliamentary usage—
since cooperatives must operate their own
businesses and must know the rules by
which they can do so; social problems—
because cooperatives must know what
forces are at work in the world today,
the relationship of one group of society
to another, and the effect of the various
problems of society upon the individual;
cooperative history and principles—be-
cause cooperatives must know what has
gone before, and what principles to ap-
ply in solving their problems; and com-
munity recreation, drama and handicraft
—because the cooperative movement is
by nature a folk movement and people
must learn to play together if they are
ever to learn to work together.

Some 5000 young people have at-
tended Farmers Union Camps since they
were a part of the program in 1934. The
camp idea has spread from North Dakota
and Montana, which states initiated
it, to Wisconsin, Minnesota, Colorado,
Nebraska and South Dakota. The summer camp season now

ends with a ten-day session at an All-
State Camp centrally located. This year,
students from all the states and visitors
from eleven states attended the All-State Camp
which was in the Black Hills of South
Dakota.

Training Leaders

The Junior program of education can
not be carried on without trained leader-
ship so county training schools for lead-
ers are conducted. Thus, the educational
work is carried into the adult field. The
same topics as are taught at the junior
 camps are taught in these schools, plus
the addition of a course upon the annual
study topic. These are examples of the
topics chosen: world peace, the coopera-
tive movement, the machine age, money
and credit, and peace and patriotism.

Workers Education under W.P.A. has
then to the Farmers Union for help in
making up courses and in several states
has carried on a rural workers’ education
program, under supervision of the Farm-
er Union.

Leadership camps are now sponsored
by North Dakota, Montana, and Wis-
consin organizations where the adult
members may meet to study and discuss
their work in the cooperative movement
and community cooperation. The classes
in leadership camps are largely discussion
classes.

Winter institutes for three to four
weeks duration are conducted for a
group whose ages range between eight-
teen and thirty-five years. Older students
are accepted if they are leaders in their
community or if they are employed by
cooperatives in any capacity. Subjects
social science, economics, public speaking,
practical parliamentary work through
operating their own cooperative meal as
socialization, drama and handicraft are the courses given at
the institutes. Part of this work is done by
volunteer instructors from colleges
located in the states sponsoring the
institutes.

Junior Reserves

Children younger than Juniors are
rarely called Junior Reserves. They are thirteen
to fifteen years inclusive. Their studies
are conducted by class work in the local
union, but an older Junior is often the

WHY CHURCH PEOPLE TAKE TO CO-OPS

The still almost pathetic eagerness with
which many church people, and es-
specially leaders, have welcomed cooper-
ation to their collective bosoms, merits an
understanding which it has usually not
received. The rash of articles on coopera-
tion which many religious journals have
suddenly broken out has described the
movement and discussed its supposed
virtues and limitations. Of greater signifi-
cance is the view of the Church, an appreci-
ated and often misunderstood nature of the
social idealism which has for so long
occupied the minds of practical men and
women, and the possibilities of cooperation of
adequately furnishing such an outlet.

Christianity and Economics

The discovery of the social implications
of Christianity opened up for many a
whole new area of religious living and
belief which was hitherto nonexistent. Economic
motives and practices seemed to explain
much of the lack of progress in the world, and
the apparent inability of the Church to
function more effectively in the solu-
tion of human problems. The Kingdom of
God, conceived in social terms, gave to

Sylvanus M. Duvall,
Associate Professor of Economics,
George Williams College

January, 1938

A Living Ideal

Class meetings for these young people in
rural areas often offer their major so-

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religious activities a meaning and a goal which did much to inspire both confident and conscripted efforts.

The first joyous response consisted mainly in preaching the "social gospel" and passing resolutions. We students used to sweep down upon conventions with prepared resolutions demanding changed economic practices, the abolition of the profit motive and whatnot, in the name of the Christian Ideal. We had fun in those days; just as the small boys in and around Boston in 1775 had fun snowballing the British soldiers. And like them, we were terribly in earnest about a really serious problem. As we framed our congregational resolutions with devastating indictments and demands for speedy economic reconstruction, I am frankly amazed at the tolerance of our business men members who joyfully continued to pay the salaries of those who flogged them. It was a thrilling experience; all this resolving and declamating. And as long as it remained fun, we didn't worry about learning to evaluate it. But after a while the newness wore off. The annoyance of the "enemy" with our verbal snowballs grew tame.

Snowballs Won't Stop Depressions

Not only tame, but obviously futile. The tornado of depression blew us out of our comfortable security and close enough to the precipice of economic collapse so that we could look over the brink—and shudder. Something more than preaching was needed here. The volcano of American enterprise, which did not stop, was in full force, strewing the world with its products. But the smallest boys in and around Boston in 1775 had fun snowballing the British soldiers. And like them, we were terribly in earnest about a really serious problem. As we framed our congregational resolutions with devastating indictments and demands for speedy economic reconstruction, I am frankly amazed at the tolerance of our business men members who joyfully continued to pay the salaries of those who flogged them. It was a thrilling experience; all this resolving and declamating. And as long as it remained fun, we didn't worry about learning to evaluate it. But after a while the newness wore off. The annoyance of the "enemy" with our verbal snowballs grew tame.

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operating county units have an additional net worth of $109,000. This striking development is best described in terms of cash sales:

<table>
<thead>
<tr>
<th>Year</th>
<th>Cash Sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>1934</td>
<td>$24,837</td>
</tr>
<tr>
<td>1935</td>
<td>274,868</td>
</tr>
<tr>
<td>1936</td>
<td>511,887</td>
</tr>
<tr>
<td>1937 (nine months)</td>
<td>754,699</td>
</tr>
</tbody>
</table>

The development of cooperative housing in the United States has been almost entirely in the apartment-house field; it has been concentrated in New York and has been restricted by the large amount of capital necessary for building. Of the 39 projects for which statistics are available, 35 are in Brooklyn, Bronx, and Manhattan. Two new projects are being developed in New York, the other two in Wisconsin.

The co-op apartments in New York have been built to meet almost every income level. They range from an 8 apartment dwelling to a twelve-story apartment house with a pent house and an eight-building, 750 apartment project. Most apartments are 2, 3, or 4 rooms per month. The value of the apartments vary from $75 to $700, depending on the location or type, while rentals range from $4 per room per month to $12 per room per month with the single exception of one co-op estimating its rental value at $2 per room per month.

In addition to operating the apartments, the co-op maintains stores, milk delivery, laundry, electric heat, summer camps, classes and recreation.

Cloquet, Minnesota—America's largest retail cooperative is still growing. During the first 11 months of 1937 business totaled $1,059,354 and it is expected that the volume will pass $1,200,000 by the first of the year.

Salt Lake City, Utah—The Utah State Federation of Labor, meeting here for its thirty-third annual convention, endorsed the formation of Consumer Cooperatives and urged immediate organization by unorganized labor. The resolution, approved unanimously by the convention, is as follows:

"WHEREAS, labor unions are economic organizations designed to increase the living standards of workers through obtaining higher wages and improving working conditions; and
WHEREAS, Cooperative organizations similarly seek to provide organizations designed to increase the living standards of workers by lowering prices of goods and services by reducing profits and overcharges. Therefore, BE IT RESOLVED, that the Utah State Federation of Labor in its thirty-third annual convention do hereby endorse the formation of Consumer Cooperatives and credit unions, and urge their organization among organized labor."

The Elizabethan Age was the most glorious art period in our island story; in fact, England with her Shakespeare and fellow dramatists, her Spencer and a ring of poets, her Bacon and other philosophers, her school of native music composers who still are masters of the madrigal, was then mistress of the world in matters artistic. The Victorian Age, the other brilliant period in the history of our country, saw the art life of the people sacrificed to the twin gods of Mammon and Machinery, with their profit-making, labor-saving, but soul-destroying doc-
trines. The baser gold of trade and commerce became the currency of the nation's thought and activities instead of the pure gold of Art.

**Competition—The Blight of Art**

The reign of Competition was ushered in with the beginning of the Industrial Revolution, and a blight fell on Art. The money-making became highly materialistic. The spiritual life of the people, for which all true Art stands, began to revive, however, with the awakening of the nineteenth century. For it was heard in the wilderness crying out the way of salvation through Cooperation. Competition truly is death—the death of all the highest motives in man—the annihilation of the soul. Cooperation is life— the preservation of the noblest ideals—the uplifting of man to the heights of the eternal verities.

**Cooperation Restoring Civilization**

Art and Cooperation seek not to make profit, but to bring joy into life. Cooperators! we say we want the best in everything. Let us prove our words. Our home should be a treasury of things beautiful. Art and Cooperation mean a struggle, not against individuals or any class or party, but against a social system based on selfishness and working through competition. Our destiny is the Cooperative Commonwealth, which shall have for foundation sure and strong the freedom of the individual to develop himself, in peace and through industry, for service in the common good.

**The Comradeship of Art and Cooperation**

Cooperation makes for the right understanding of life, and through its collective thought, has a culture distinctly its own. And why not an art? "The conscious utterance of the highest actions, or any action to any end, is art," according to Ralph Waldo Emerson. What better medium for an all-embracing effort? The earnest longing for the betterment of humanity, the dawn of the progress of the people, the fervent faith in the salvation of the world through cooperation, what inspiration is here for poets and painters, musicians and sculptors, orators and dramatists!

Art and Cooperation, in glorious comradeship, stand for grace in thought, graciousness of speech, and gracefulness in action, and so will make life sweeter and more materialistic side of our activities.

**New Co-op. Literature**

Cooperative Health Associations, by the Executive Board of the Bureau of Cooperative Medicine, published by the Bureau of Cooperative Medicine, 32 pages, 25c.

The Bureau of Cooperative Medicine has compiled general information about medical care in the U. S. and the need for Cooperative Medicine to make better provision for the sick, and especially those who are not adequately served. The pamphlet will be reviewed in an early issue of Consumers' Cooperation.


Sherwood Eddy and Kirby Page have written this book primarily for college students. It is basically a book urging them to enter the three primary fields of Consumer, Producer, and Public economic organization—namely, Consumer Cooperatives, Labor Unions, Farmer Cooperatives and Public Utilities. These three major fields of economic activities are discussed in the first three chapters of the book. The fourth chapter discusses race relationships; then follows a chapter on choosing a vocation and the concluding chapter discussing social religion.

That is a practical book. It is not in the clouds discussing "Heaven, on Earth, and a Cooperative Commonwealth." While there will probably be some disagreement with the authors as to the classification of the fields of consumer and public economic activities, these differences of opinion can readily be eliminated by the practice of democratic discussion and practical organization. There are pages in the book suggesting definitely the cooperative character of the fields of labor and public utility fields which should be of great help to the youth of America.

This book might be termed the forerunner of "A Crusade for Cooperation" which may be similar to the Student Volunteer Movement. The suggestion is much of a possibility, "Student Cooperative Movement." Such a movement might well adopt a slogan "A Cooperative World in This Generation," similar to the slogan adopted by the Student Volunteer Movement. The Evangelizing of the World in This Generation. The authors, after that they are not attempting to form a new organization and rightly conclude, "If there is to be a student movement for social action, the students themselves will have to go forward in this day, as did the generation of 1938, and form the "Institutional Human rights" which constitute the foundation and ideals of our cooperative system. Money is urgently needed to supply food and shelter to thousands of cooperators who have lost their homes. Funds should be addressed to The Cooperative Commonwealth, West 12 Street, New York City; they will be forwarded to the I.C.A. to purchase food and medical supplies which will be sent directly to cooperators in Spain.
THE PRESS BOOSTS CONSUMERS' COOPERATION

Bollinglars Journal, November, "Organization Answer to H. C. L.", Albert H. Jenkins, Federal Consumers' League, holds cooperation is the answer to warering prices.

Better Times, December, "Cooperation as a Social Force," J. P. Warburke. The importance of the cooperative movement to the social worker as a solution to many of our problems.


Commonwealth, December 3 and December 16, "Workers' Cooperative," Joseph H. Fisher. In the first of these two splendid articles the author tells of the working conditions in cooperative factories and stores as revealed by the President's Commission. The second article deals with the necessity of a close alliance between the labor movement and the cooperative movement and the steps that are being taken in this direction.

Consumers Guide, November 1, "Should Consumers' Unite?" Consumers' Counsel D. E. Montgomery sums up the case for consumer organization.


Midwest Mutual News, September, "Must Cooperatives Be Built from the Ground Up or the Run Sucessfully?" Albert J. Hanglin. The author's answer is "yes."


November, "Cooperative Housing in 1936," a survey of cooperative housing. Valuable statistical material.


The Queen's Work, October, "In Nova Scotia Three Men Drive Poverty Plunge Cruzy." "Nova Scotia—Land of Cooperatives" by Albert J. Hanglin. The author feels that the small grocery man should welcome the opportunities that cooperatives offer to the experienced retailer, rather than fighting against the movement.


Scholastic, October 16, Special Consumers Cooperative Edition. Nearly all of this issue of the high school weekly is devoted to articles and features on the cooperative movement. "Labor and Cooperation," an article by The British Press. "Help Wanted in the Co-ops," "Cooperative Housing in Sweden" and acoop radio play are some of the feature articles. Excellent illustrations.


Women and Missions, November, "New Ways for Old," Dorothy Franklin. The story of the Delta Cooperative Farm at Rochdale, Mississippi.

COOPERATIVE PAMPHLET CLUB OF 1918

The Ohio Farm Bureau Cooperative Association last year formed its first Cooperative Pamphlet Club. With a $1.00 membership fee a set of pamphlets was distributed, free of cost, for as many months as possible with the capital subscribed. Through group buying, the 766 members of the pamphlet club made a good saving of 23c on the dollar, which was returned to them in additional literature.

Beginning January 1, the second club will get under way. Among the early selections are:

Education and the New Social Order, by John Dewey.

Producers and Consumers Cooperation, by Murray D. Lincoln.

Cooperative Recreation, by Carl Hutchinson.

Although most of the members of the club are in Ohio, persons outside the state may join for the same fee. Subscriptions should be sent to the Club, Farmers' Cooperative League, 214 North High Street, Columbus, Ohio.

Spokesmen for Big Business have learned a few words which they repeat like parrots: "Repeal Taxes," which really means "lighten the load on the rich"; "Balance the Budget," which really means "reduce relief payments to the poor"; "Get the government out of business," which really means "let utility rates rise."

An unusual statement was made by Cardinal Verdiere, Archbishop of Paris, as reported in the New York Times. The Cardinal said: "During the three social stages of slavery, serfdom and wage-earning through which it has passed, humanity has been obliged to make an incessant effort to throw off the chains that one of its groups has loaded upon the other, and revolutions in the last analysis only represent a new emancipation of the sacrificed classes. When one studies closely these periodic crises that convulse the world, it will be found that they have no other object than to achieve greater equality and a fairer place for the individual, that is to say, for everybody."
Who is Right?

Before leaving for Florida in his private plane, Mr. U. S. Business declared that America would swing immediately into an age of prosperity such as we have not before enjoyed if Congress would give to business “the green light” by repealing the undistributed profits tax, modifying the capital gains tax and balancing the budget.

Just after spending his last pay check as a result of being laid off, Mr. U. S. Worker declared, before going on relief, that “when the excess income of the few are distributed to the many through increased pay and reduced prices, then permanent prosperity for all will arrive.”

Go To Nova Scotia Next August

The January issue of “The International Journal of Religious Education,” published by the World Peace Council, contains a splendid article by John R. Scotford on “Adult Education in Nova Scotia.” Dr. Scotford is Editorial Secretary of the Commission on Missions of the General Council of Congregational and Christian Churches. He was a member of the Cooperative Tour of Nova Scotia last summer and makes several very important observations on the adult education program there.

Dr. M. M. Coady, the inspiring leader of the movement, told Dr. Scotford that the economic problem is also the great religious problem today.

Economically, Mr. Scotford emphasizes the cash benefits to the members, and also adds “the manager of a cooperative store confessed that it was far more satisfying to return dividends to his members than to make profits for himself.” Educationally, Dr. Coady declares, “There is nothing which encourages intellectual activity more than thinking which pays.” Mr. Scotford adds, after talking with members of cooperatives, “Once they felt themselves lost in a hopeless maze: now they are experiencing the thrill of being a part of a movement which is going places.” Religiously, Dr. Coady says, “If drawing men together in a common purpose is not religion, then what is?” Politically the implications of the movement are clear, for it is only by extending the principles of democracy, which are liberty and equality, to the building of an economic democracy that political democracy can be preserved.

It now appears that a large number of Americans are likely to take the Cooperative League Tours to Nova Scotia next August to see first hand these study-circles and cooperatives.

The False Face of Big Business

That Big Business talks one thing and does the opposite thing is indicated by the eight-point platform adopted by the 2nd Annual Congress of American Industry, called by the National Association of Manufacturers. What Big Business says and what it does is summarized below:

1—Big Business encourages private initiative. Yet the development of monopolies, which is rapidly taking place, is destroying private initiative.

2—Big Business promotes sound industrial practices. Yet industry produces shoddy and adulterated products and sells them on credit terms, both of which are the opposite of sound business practices.

3—Big Business supports equitable employment relations. Yet the LaFollette Committee investigation reveals that industry spends millions on a labor spy system which breaks down the foundation of friendly relations.

4—Big Business claims to be fair to buyers and broader markets. Yet Assistant Attorney General Jackson stated in a recent radio address that industry “pumped itself out of the market” instead of creating broader markets.

5—Big Business makes constructive efforts to alleviate depression effects. Yet industry lays off employees and continues to pay high salaries to officers and dividends to stockholders, which deepens rather than alleviates the depression effects.

6—Big Business supports sound government policies. Yet Big Business violently opposes equitable taxation and social insurance as well as public utilities, which are the soundest kind of government economic policies.

7—Big Business cooperates with agriculture. Yet monopoly processors of farm products force down the prices to producers to the lowest point possible.

8—Big Business stands for peace. Yet private-profit-seeking, which is the heart of monopolistic industry, is the primary cause of war.

It is because the people are seeing through the false face of Big Business more rapidly with each passing day that they are organizing themselves as consumers, producers and citizens, to take over business and operate it in the interests of all the people.

THE FIRST LADY VISITS THE COOPERATIVE LEAGUE

HYDE PARK, Sunday—One citizen of these United States spent a most interesting hour and a quarter yesterday morning being educated in the cooperative movement in the United States. She went to The Cooperative League, at 167 W. 12th St., New York City, and talked with Mr. Eugene R. Bowen, the general secretary, and Mr. Wallace J. Campbell, the assistant secretary.

The opening conversation explained how little she knew of what was going on in the cooperatives of this country. She thought it best to admit this at once, knowing it would be found out in a very short time. Then she was shown a map with the location of the large wholesale cooperatives. They deal almost entirely in farm supplies, such as seed, feed, fertilizer and gas and oil. Only a few of them have dealt in groceries but these are now expanding.

The whole movement is in its infancy here in comparison with the way it has developed in Sweden and in England, where it serves not only the needs of the lower income group, but as a balance wheel to the general price level.

After a short time, Dr. James Peter Warbasse, president of The Cooperative League, came in and announced he had just been giving his examinations at the only medical college which requires a knowledge of cooperative medicine, the Long Island College of Medicine and Surgery. He feels this branch of medicine is still getting scant recognition, but sixty-four per cent of our people are either unable to avail themselves of medical services because of cost, or because they live where such services are impossible to obtain, it seems obvious that something in the nature of cooperative medical and dental services will have to be furnished.

I would have liked to visit the cooperative institute on the upper floor, but I was late and could only murmur that I hoped to return some day. A dentist appointment kept creeping up on me in spite of my interest in the cooperative, and finally I had to dash off.

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Mrs. Roosevelt (right) Dr. J. P. Warbasse (center) E. R. Bowen (left)
A FARM LEADER LOOKS AHEAD

Murray D. Lincoln
Executive Secretary
Ohio Farm Bureau

(Extracts from an article "What Will 1938 Bring Forth?" in Ohio Farm Bureau News, January, 1938).

EVERYBODY wants economic security, a decent income, a permanent job, protection against accident and sickness, enough money to take care of one in old age and so forth.

Enough for All

Blessed as is this nation, particularly with natural resources, there is enough to provide everyone with the above desired objectives. But because of the present economic and political system they are denied the great mass of people. And the people have within their own hands the tools to assure them. We must keep repeating that until it is accepted, and understand that you have. But they are here. They constitute, with farmers, the great group of people who have too little incomes. Consequently, we as farmers have a similar problem with the laboring people, and somehow must find ways and means of working with them.

How are we going to get them?

First—organization. The individual is helpless in the present complex system of society. You can’t go it alone.

And as I have said so often—the cost of organization is never as great as the cost of the lack of it.

Producer Organizations Needed

We first need organization of groups who have a similarity of interests—farmers, laborers, white collared workers, small business men, and others. You must have producer organization first.

Consumers Organization Needed

Second—then after we have producer organizations developed we must find the community of interests between groups and work out a program of common objectives.

That does not necessarily mean that the different groups will agree on everything. That is not possible until we find one common meeting-ground.

There is such a common meeting-ground but people are not ready to accept it as yet. We are all consumers—that’s the only essential common meeting-ground for all our people. It’s the only place where we have a complete similarity of interest. But we have thought of ourselves so long as producers that we can’t see the woods because of the trees—yet. We will some day.

Farmers must find a common meeting-ground with the laboring people for they constitute, with farmers, the great group of people who have too little incomes. Consequently, we as farmers have a similar problem with the laboring people, and somehow must find ways and means of working with them.

Now be sure you understand me. I said the laboring people. I have the same reservations about some of the labor unions that you have. But they are there. They are the only organized groups representing (to whatever small or large degree of effectiveness) the American laboring man.

Organize! Organize!

Finally, economic power leads to political power and in turn those two determine what our social development is to be.

So to me, we need organization first, and much stronger farm organizations than we have ever had to date. Then we need to work with other people in America who have a similarity of interests. Third, we need to develop our own economic power. This will come through the development of cooperative services owned and controlled by the people who use them, with profits going back to those who made the business possible in the first place.

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Special Events of 1937

In a year studied with important developments these were some of the most

The report of the Inquiry on Cooperative Enterprise in Europe was presented to
President Roosevelt in April after the six-man commission had spent almost a
year in its preparation. To date no official action has been taken.

The Congress of the International Cooperative Alliance in Paris, attended by
10,000 delegates, clarified the Rochdale Principles: created an international
organization of cooperative youth and took action to set up an office of the
International Cooperative Wholesale Society in London.

Edward A. Filene, Boston merchant and father of the credit union movement
in the U.S., who a year earlier set up Consumer Distribution Cooperatives with
assets of $1,000,000 to organize a chain of cooperative department stores, died in
Paris a few days after the close of the ICA Congress.

Anders Hedberg, executive of the Cooperative Union of Sweden, and Sydney
Elliott, Editor of the British cooperative Sunday newspaper Reynolds's News,
toured the American cooperatives under the aegis of The Cooperative League.

Mrs. Franklin D. Roosevelt "dropped in" at the office of The Cooperative League
December 18 to discuss the growth of the cooperative movement with leaders of
the American movement.

The Cooperative Builder changed from a semi-monthly to a weekly co-op newspa-
per in March. The Farmers Union, at its national convention in Omaha, tried to
"cooperate" by making the development of cooperatives the major emphasis of its
national program. Rural Electrification made its greatest progress to date. Dur-
ing the year the Rural Electrification Administration loaned $33,000,000 to coop-
eratives for the erection of lines and to put them in operation.

Important Support from Other Fields

Endorsements of the consumers cooperative movement were voted by the con-
ventions of the American Federation of Labor, the United Rubber Workers of
America and the Steel Workers Organizing Committee in addition to a number
of state and local labor organizations.

Governor Herbert Lehman of the State of New York endorsed consumer coop-
eratives in his annual message to the New York State Legislature and ad-
vised the organization of milk cooperatives to determine the fair price of milk.

The Federal Trade Commission, in the report of its study on Agricultural In-
come, declared that heavy costs of distribution cannot be kept in satisfac-
tory check without consumer cooperatives. But before the report was
published that section was withdrawn.

Anders Hedberg, executive of the Co-
operative Union of Sweden, and Sydney
Elliott, Editor of the British cooperative Sunday newspaper Reynolds's News,
toured the American cooperatives under the aegis of The Cooperative League.

Most significant events of the year as far as support from religious organiza-
tions were concerned were:

The formation of a special committee on the Church and Cooperatives as a
section of the Industrial Division of the Federal Council of Churches;

Important emphasis on the cooperative movement at the Catholic Rural Life
Conference and Richmond;

And the National Assembly of the Student Christian Movement and the Na-
tional Conference of Methodist Youth which took uncompromising positions in
support of the consumers cooperative movement.

Educational Progress

In the field of cooperative education several extremely important steps were
taken.

The State of Minnesota approved the expenditure of $5,000 for the prepara-
tion of study materials on consumers cooperation and cooperative marketing to
be used in the public schools. The Dakota State Legislature also approved a
bill providing for instruction in consumer cooperation and cooperative mar-
keting in the public schools.

A survey of the teaching of consumers cooperation in colleges, conducted by
The Cooperative League, showed 18 colleges with specific courses on the co-
operative movement and an additional 131 colleges and universities where the
cooperative movement is discussed in courses in marketing, economics and
sociology.

In the number of institutes conducted the Northern States Cooperative League
led all other cooperative organizations.

The Ohio Farm Bureau Cooperative Association pioneered in cooperative camp
work with 20 camps from three to ten days duration for youth, employees and
cooperative executives.

A National Cooperative Recreation Institute in Des Moines in June drew 50
students, many of them education and recreation directors of cooperatives.

Aduiming the year the Rural Electrification Ad-

Publications of 1937

Outstanding in the periodical field were a special cooperative issue of The
Annals of the American Academy of Political and Social Science. May, a
comprehensive survey of the American consumer cooperatives in the March is-

sues of Fortune, and a special cooperative issue of Scholastic, the National High
School Weekly, October 16.

Books and Pamphlets published during the year included:

"Cooperative Enterprise," by Jacob Baker
"The Brave Years," by William Heyliger
"The Cooperative Movement in Sweden," by Anders Hedberg
"The Cooperative Movement in Sweden," by Axel Gjores
"Swedish Consumers in Cooperation," Anders Hedberg
"Cooperation: The Dominant Economic Idea of the Future," by Henry Wallace
"The Consumers Cooperative Movement," by Harry Ladd and Wellness J. Cavendish
"Cooperation: The Middle Way for America?" by Paul Douglas
"Cooperators," A Headline Book, by R. A. Goslin
"A Primer of Bookkeeping for Cooperatives," by Werner Reel
"Consumers Cooperatives," by Rev. Edgar Schneider, O.S.B.
"A Primer of Cooperative Medicine," Bureau of Cooperative Medicine
"Cooperative Medical Health Associations," by J. P. War-

baste, Kingsley Roberts and others.

Feebruary, 1938
CONSUMERS' COOPERATION DEFINED

We all need to learn to talk the same cooperative language. "To this end The Cooperative League has submitted to the International Cooperative Alliance for acceptance as a world-wide definition of Consumers' Cooperation the following, "Consumers' Cooperation, in its broadest sense, is understood as a cooperative purchasing of all forms of goods, food and services by ultimate users organized on the basis of Rochdale principles."

European Interpretation

The Cooperative Wholesale, VOLG of Winterthur, Switzerland, as nearly as any other, was similar in its earlier beginnings to most of the cooperative wholesale in the United States. The report of the Inquiry on Cooperative Enterprise in Europe says in describing VOLG, "Consumer Cooperation among the rural population began near Winterthur with the organization of a society that engaged at first only in the joint purchase of fertilizer, but later added other farm supplies and consumers' goods. It should be particularly noted that the report says that "Consumer Cooperation among farmers started with the joint purchase of fertilizer," which is one of the principal items in farm supplies.

The Swedish Cooperative Wholesale KF has published a pamphlet entitled "Farmers and Consumers' Cooperation." In this pamphlet they have a diagram showing the consumer and producer economic interests of farmer, labor and professional groups. The chart showing the consumer economic interests of farmers describes them as of two types, namely: the cooperative purchasing of household goods and the cooperative purchasing of vocational goods. As used by KF, the word "vocational" includes all forms of farm supplies. The subhead in the pamphlet further clarify their definition of the Consumers' Cooperative Movement as needed, "The Farmer as a Household Consumer" and "The Farmer as a Vocational Consumer." Under the first heading of "The Farmer as a Household Consumer" they discuss cooperative purchasing by farmers of all forms of household supplies. Under the second heading of "The Farmer as a Vocational Consumer" they include the cooperative purchasing by farmers of all forms of farm supplies.

A new book describing the cooperative movement in Norway indicates the cooperative purchasing of all forms of goods as parts of Consumers Cooperation. It says, "Taking all the members of the different consumers' cooperative organizations into consideration, the Cooperative Union and Wholesale Society, the independent cooperative societies and the cooperative purchasing pools, it is a safe estimate that between 30 and 35 per cent one-third of the population of Norway are members of cooperative consumers' societies of one kind or another.

On a trip through France, Switzerland, Denmark, Finland, Sweden, England and Scotland we discussed this subject of the correct definition of Consumers' Cooperation with the leaders in each country. Universally the leaders with whom we talked decided that they considered the cooperative purchasing of farm supplies to be part of the Consumers' Cooperative Movement.

Vaino Tanner, President of the International Cooperative Alliance, General Manager of the Elanto Society of Helsinki, and President of the International Cooperative Alliance, General Manager of the Elanto Society of Helsinki, and said, "We have two great Consumers Cooperative Organizations in the field of petroleum products, with its membership entirely of farmers in the beginning, has been adopted as its slogan "An Organization Devoted to Building the Consumers Cooperative Movement.

The newer Cooperative Wholesale Wholesale at St. Paul, Minnesota, says, "A consumer cooperative is formed for the purpose of pooling the purchasing power of the consumers Union Central Exchange is this type of a cooperative. This wholesale largely handles farm supplies. The Union Oil Company of North Kansas City, Missouri, which started on the wholesale of farm supplies, and whose trade is still primarily in farm supplies although it has now added a grocery department, changed its name to Consumers Cooperative Association. This association is an example of its greater understanding of the fact that it is a part of the world-wide Consumers Cooperative Movement. An address delivered by the leader of the Ohio Farm Bureau Cooperatives is entitled, "We Are Powerful as Consumers" and clearly sets forth the fact that the cooperative purchasing of farm supplies is so largely a new idea that it is not to be wondered that it takes time for everyone to come to a full realization of the fact that the cooperative purchasing of all forms of food, goods or services by ultimate users are all part of the Consumers' Cooperative Movement. It is understood that the Swedes have thought through the economic classifications of society correctly when they describe us all as having two economic interests and name them "Consumer or Buyer Interests" and "Producer or Seller Interests."

A Great Consumers' Cooperative Movement Needed in America

The more rapidly this clear definition is understood, the more rapidly will we build in America the great and all-inclusive Consumers' Cooperative Movement which this nation should and must have to match the large producers' organization of Farm Cooperatives and Labor Unions and together, as organized consumers and producers, be able to solve our economic problems of unemployment, poverty and tenancy as has already largely been done in Sweden and Finland.

Vaino Tanner, President of the International Cooperative Alliance, concurred with his comments on the American Cooperative Movement by expressing in question form his great hope for America, "Are American cooperative purchasing groups understanding more and more that they are Consumers Cooperative Movement. We were happy to be able to answer that they are.
CHRISTMAS week was cooperative week for several thousand American college young people this year.

The students attending the National Methodist Student Conference in St. Louis, December 28-31, took a definitely critical attitude toward the profit system and recommended general social education, establishment of cooperatives, and support of the labor movement.

"We recognize Rochdale cooperatives as being one of the most Christian ways yet evolved for building a more Christian economic order. We recommend that cooperatives on Rochdale principles be set up on campuses by the students whenever they be advantageous, in order that we may become acquainted with their advantages and carry them on in later life."

The First National Conference of University Students in Canada was held on the campus of the University of Manitoba in Winnipeg, Christmas week. More than 350 students, representing every large university in Canada, passed unanimously resolutions pressing for instruction in the cooperative movement as a regular part of the college curricula and urging the formation of student cooperatives.

The National Student Federation of America holding its annual convention of student body presidents and secretaries and editors of college publications at Albuquerque, N. M., approved the organization of campus co-ops as an effective way of cutting the costs of educational and campus co-ops to the official student body organizations. At Vassar College, Poughkeepsie, N. Y., 600 delegates to the American Student Union devoted their major consideration to the role of the college student in the present international crisis. But the assembly renewed its approval of campus co-ops and 50 students meeting in a special delegation to cooperatives discussed the technique of organizing student cooperatives and representatives from co-ops on several eastern campuses reported the progress they had made during the past year.

The economics commission of the National Assembly of the Student Christian Movement meeting at Miami College, Oxford, Ohio, December 27 to January 1, went definitely on record declaring that the present system is unchristian because it fails to distribute equitably the goods we are able to produce. The commission recommended a change to a system based on the service motive and advocated as the methods to attain that goal the organization of cooperatives, a strong labor movement and public ownership of natural monopolies in the interest of all the people.

Twenty managers and members of cooperative dormitories, eating clubs and book stores held a special meeting in connection with the National Assembly at Oxford and proposed the organization of a League of College Cooperatives which would continue the work of the National Committee on Student Cooperatives which has been assisting the organization of campus co-ops during the last two years. William Moore, Hanover College, Hanover, Indiana, was appointed head of a committee to draw up tentative constitution and by-laws for the proposed league.

A week before the Christmas holidays, managers of student co-ops at the Universities of California, Oregon, Washington, Idaho and British Columbia met at Seattle for a Pacific Coast Student Cooperative Conference. Approximately 1650 student members were represented by the 50 delegates. The three-day conference was devoted to discussions of methods of organization, technical problems of administration and bookkeeping and educational programs. A second conference will be held at Washington State College during the Easter Vacation.

There are student co-ops on more than 160 campuses in the United States today. According to a report presented by William Moore at a special session on campus co-ops at the National Assembly in Oxford, these co-ops are operating 225 dormitories, eating clubs, book stores and other cooperative ventures with more than 70,000 members.

FILL 'ER UP

A RADIO PLAY

(As recorded for radio in "The American High School Weekly"

Editor's note: Although written for radio use this play can very effectively be presented on a stage before a visible audience. It is easy for groups to stage as no sets or costumes are required.)

Permission to broadcast "Fill 'er Up" is granted, freely given, provided the following announcement is made over the air: "This is a Scholastic Radio Play presented through the courtesy of Scholastic, The American High School Weekly."

The incidents in this play are based upon the true history of several oil cooperatives of the Middle West. Names and characters, however, are wholly fictitious.

EFFECT: Fade in on the sharp roar of a motor car. Brakes screech and wheels churn in gravel as car comes to a stop. Two blasts of auto horn, staccato and rhythmic. These set the pace for the dialog which is carried on in a sing-song manner with special voices to each side.

The effect is of many motorists and many attendants.

Herb: (High-pitched, reedy voice): How's your car feel today, Dolly? (Nearby sound of a hammer.)

Dolly: It's a hot day for walkin'. Did you check your oil?

Herb: S'long! (pause)

Dolly: (High-pitched, reedy voice): How's your car feel today, Dolly? (Nearby sound of a hammer.)

Herb: S'long! (pause)

Dolly: (High-pitched, reedy voice): How's your car feel today, Dolly? (Nearby sound of a hammer.)

Herb: (Fading): S'long. (pause)

Dolly: Sounds like the heat's got 'em. (They both laugh). Well, s'long, Herb. (Fading) Quit buyin' oil.

Herb: You mean they're puttin' the oil company on its feet. They're puttin' me on my back. Price went up another ten cents today.

Dolly: Maybe we oughta boycott them.

Herb: We gotta have oil. Can't run your farm without it.

Dolly: Seems like somebody in town would sell it cheaper.

Herb: Nope—same price all over town. Except that cooperative society the boys are talkin' about.

Dolly: What kind of a society did you say?

Herb: Cooperative ... some of the boys got a crazy notion about havin' the people in town who buy oil own their own station. Run it for themselves 'stead of for profit. Sounds cr-acked to me!

Dolly: S'long, Herb. (They both laugh).

Herb: Cooperative ... some of the boys got a crazy notion about havin' the people in town who buy oil own their own station. Run it for themselves 'stead of for profit. Sounds cr-acked to me!

Dolly: (Fading): S'long! (pause)

EFFECT: Fade in on telephone ringing persistently.

Burton: (Calm, forceful voice): Burton speaking.

Jed: (A tinny, excitable voice heard through the phone receiver): This is The American High School Weekly.

Burton: (Calm, forceful voice): Burto...
Jed: I think they will.

Effects Fade in confused roomful of voices. A gavel raps and the voices subside.

Burton: Yes, the Co-op station opened up again.

Brown: The co-op station opened up again. Well, we shall have to compete with them. (Receiver clicks). Miss Jones, take a telegram.

Effects Telegraph tickets for several seconds. Hold underneath.

Telegraph operator: (Monotonous feminine voice reading): Telegram for J. P. Burton, Consumer Cooperative Association, Zenith. "Regret it is impossible to accept further orders for oil from you until you are prepared to handle larger quantity. Signed, Brown, Tycoon Wholesale Company." Charges collect.

Pause. Telegraph tickets continue underneath.

Same Voice: Telegram for J. P. Burton, Consumer Cooperative Association, Zenith. "Regret your recent order cannot be filled until it is possible to include it with a large shipment. Signed, Gray, Giant Wholesale Company." Charges collect.

Pause. Telegraph tickets continue underneath.

Burton: They have been increasing steadily. We can’t buy more oil than we can sell.

Woman: You mean, none of these companies wants to have anything to do with the co-op. As we buy, so do we save. We limit rates on loans, growth and knowledge help us build a world the buyer owns.

Effect: Fade out as they begin the chant a second time. Pause. The click of typewriters is heard. The noise grows louder until—

Oil Company President: (In a booming voice): Take a letter, Miss Jones. From the Home Office to Smith, Smithington Smith, Retail Sales Manager, Tycoon Oil Company, Zenith. “Dear Smith: We are too small. We can’t raise the amount of our purchases. We won’t buy more than we can handle it. The Co-op station shall be closed. The question is called for. All in favor say ‘aye’.”

Scattered chorus of “aye’s.”

Voice: (continuing): All those opposed?

Voice: (continuing): The motion is carried.

Effect: Loud murmur of voices. Fade out for telephone bell.

Brown: President Brown speaking.

Smith: (Tinny voice over the phone): “Regret tank car not available...” (Voice changes to natural speaking tone.) Just a minute, Joe. Burton left town today. He said to forward telegrams to the Congress Hotel, Omaha.

Effect: Fade in on mixed voices.

Brown: President Brown speaking.

Smith: Yes, the Co-operative station closed yesterday.


February, 1938
BURTON: I might have told him that, at the rate the cooperatives are growing, instead of buying his oil, we might buy his whole plant.

J. S. IVY: I hear they are seriously interested in selling their plant because they are losing so much money lately. (Fading out). Do you suppose there is any truth to that story?

Pause. Gavel sounded.

AUCTIONEER: (A decisive, clamorous voice): By order of the court, the property of the Tartan Oil Blending Company, capitalized at $246,000 is hereby offered for public sale to the highest bidder. (Rising on the last two words). Pause.

AUCTIONEER: (Impatiently): What's the bid, gentlemen? (Pause) This property has been ordered for sale because the Tartan Oil Blending Company was not paying its debts. It wasn't paying its debts because it could not pay interest on its quarter of a million dollar investment and pay salaries at the same time. Some of the people to whom Tartan owes money have foreclosed this bankruptcy sale. They do not expect to get all of their money. What do you offer?

BURTON: $40,000. (Spoken in a quiet voice.)

AUCTIONEER: Forty is bid by the Cooperative Wholesale. Do I hear another? Two bids are needed to make the sale legal.

Voice: Forty-two.

AUCTIONEER: (Fading): Forty-two is bid.

BURTON: (Impatiently): Forty-two is bid by the Cooperative Wholesale. Do I hear another bid? (Pause) The property of the Tartan Oil Blending plant is SOLD for $56,000 cash to the Cooperative Wholesale Company of the Middle West. Clamor of automobile horns, fade out.

THE END

TARTAN OIL BLENDING COMPANY

THE END

Cooperatives are growing, in many sections of the country doing practical field work. Many of them have already found prominent places in the movement.

The Spring term will last for five months. The first three will be spent in New York, the two following to be devoted to field work in cooperatives.

Okahoma City, Okla.—The tendency of farm groups to turn from political regulation to the organization of producers and consumers cooperatives as the permanent means of achieving economic equality is indicated by the special full-day program on cooperatives which was held immediately following this year's regular program of the National Farmers Union Convention.

The special cooperative day "marks a new start in the development of cooperation," according to Editor A. W. Ricker of the Farmers' Union Herald. "Henceforth," said Mr. Ricker, "the emphasis will be more on cooperation and less dependency on political regulation." Editor S. Hannon of the Nebraska Central Union Farmer, declared that "Cooperation holds the answer to such contrasts as profits and poverty, so-called surpluses and unemployment.

Chairman of the cooperative day was C. L. McCarthy, manager of the Farmers Union State Exchange, Omaha, Nebraska. Said fellow co-op manager J. L. Nelles of the Farmers' Union Central Exchange, St. Paul, "There are tremendous possibilities in consumer cooperation.

Pittsburgh—The Steel Workers Organizing Committee, meeting here for its annual convention December 14, 15 and 16, unanimously endorsed the Consumers Cooperative Movement and urged its leaders to join consumer cooperatives to protect the workers and their families as consumers of goods, in terms of lower prices and higher quality of goods."

"WHEREAS, one of the fundamental reasons for organization of labor is to protect the workers from the abuse of employers and to insure a better standard and living for the workers and their families; and WHEREAS, the labor organizations, fighting to make wages keep pace with the rising costs of living, discover that each wage increase is met with still higher living costs and WHEREAS, the workers organized as Consumers' Cooperative Organizations for the purpose of protecting the workers and their families, as consumers of goods, in terms of lower prices and higher quality of goods; and WHEREAS, The Cooperative Distributors, Inc., is ready to serve trade unions and their families as a nation-wide purchasing and mail order association and The Cooperative League of the U.S.A. with its affiliates is working for consumer cooperation between Labor, Farmer and Middle Class groups; RESOLVED, that this Convention endorses and supports the Consumers' Cooperative Movement, urging our members to join these Consumers' Cooperative Organizations for the purpose of protecting the workers and their families, as consumers of goods, in terms of lower prices and higher quality of goods.

New York—With its initial funds provided by chain store interests, the Consumers Foundation, Inc., completes its organization here Saturday, January 5th with the election of William Trufant Foster, director of the Pollack Foundation, as president.

In a press conference preceding the organization meeting of the board, Dr. Foster frankly admitted that the $25,000 grant which led to the organization of the Consumers Foundation was made by the Institute of Distribution which is supported by chain stores, variety stores and mail order houses.

Members of the Board of Directors and the National Council include heads of women's clubs, ministers and college professors as well as several nationally-known business men including Henry I. Harriman, former head of the S. Chamber of Commerce, George F. Bunkhart, Vice-President of the General Motors Acceptance Corporation, D. M. Nelson, Vice-president, Sears, Roebuck and Company, and Harlan T. Redmond, director of the Nash-Kelvinator Corporation.

Conspicuous by their absence are Donald E. Montgomery, Consumers Counsel, Agriculture Adjustment Ad-
ministration, Dr. Stacy May, of the Rockefeller Foundation, and Mrs. Bert Hendrickson, chairman of the New York State Federation of Women's Clubs, who resigned, according to Mr. Montgomery, "because decisions of the committee were not being carried out and because we were not convinced that the procedure was such as to insure an organization that would operate effectively and honestly in the consumer interest."

Albany, N. Y. — Herbert H. Lehman, Governor of the State of New York, in his annual message to the state legislature, January 5, declared that consumer cooperatives should be definitely encouraged and urged their organization as "yardsticks for the measurement of fair and just distribution costs."

Pointing to the failure of both state and industry control in attempting to provide fair prices for the consumer, Governor Lehman declared:

"There can be no satisfactory solution of the milk problem, either under state or industry control, if the milk of the producer is not made available to the consumer at a price he can afford to pay."

"The state should continue to lend its influence and aid to those efforts to discover the correct solution of this problem. Establishment of cooperatives for direct distribution of milk from producer to consumer should be definitely encouraged. These undertakings could be made yardsticks for the measurement of fair and just distribution costs. Their results will supplement previous inquiries and the present audit of the company books, should provide the practical information on price spread that has heretofore not been available."

Properly operated consumer cooperatives can supply milk at better retail prices and yet not impair fair return to the producer."

New York—To fill the demand for a publication of a magazine stressing cooperative health association, the Bureau of Cooperative Medicine, 5 East 57 Street, New York, is planning to launch a 32-page monthly publication. The magazine, "Cooperative Health," will be digest size and will appeal not only to members of cooperative health associations but to farm, labor and cooperative groups as well as socially-minded doctors.

Publication of "Cooperative Health" is planned for early spring. The subscription price will be $2.00 a year with a special rate for quantity orders to groups.

Church Committee on Cooperatives To Sponsor Four Regional Seminars

New York — The Church Committee on Cooperatives and the Industrial Division of the Federal Council of the Churches of Christ in America will sponsor four Regional Sight-Seeing Seminars on Consumers' Cooperation this winter.

The first will be held at Columbus, Ohio, on February 3, at the close of the Ohio State Pastors Convention. Later, the Ohio Council of Churches is also planning to cooperate on a number of one-day seminars in a number of counties.

The second Regional Conference will be held at Washington, D. C, February 14 and 15, and will be jointly sponsored by the Federation Council of the Churches of Christ in America, the Social Action Department of the National Catholic Welfare Conference, and the Social Justice Commission of the Central Conference of American Rabbis.

A New England Seminar under the auspices of another inter-faith committee is planned for Boston, February 27 and 28. Trips will again be made to local cooperatives and to Maynard, Mass. A fourth Seminar is being planned for the Central Atlantic States, probably at Madison, N. J. The date has not yet been determined upon. J. Henry Carpenter is Chairman of the Committee on the Church and Cooperatives of the Industrial Division of the Federal Council. Leslie Bates Moss is Vice-Chairman, and James Myers is Secretary.

Cooperative Interpretations

Getting Labor's Rights

After declaring that, "Every citizen of the United States has a right to work," John L. Lewis prophesied that, if the corporations which control American industry in their management of industry's affairs fail to provide that work, then there must be some power somewhere in this land of ours that will go over and above and beyond those corporations and their inadequate policies, and provide a job and insure the workers the right to live.

Cooperators must teach labor leaders and members that the "some power somewhere" is in their own pocketbooks. By organizing into consumers cooperatives and directing their purchasing into cooperative stores, wholesales and factories which they themselves own, workers can become their own employers. This is the only way they will ever insure steady jobs and incomes. The cooperative ownership of industry is the only guarantee of the right to work and the right to life, liberty and the pursuit of happiness.

Political Unity of Farmers and Workers in Sweden

Farmers and industrial workers in Sweden have finally found a common denominator in politics. A bulletin of the World Association for Adult Education describes the unifying of these two great groups as follows:

"The interests of the farming population and of the industrial workers of Sweden had been found to coincide. A Social-Democratic Government was formed in September, 1932, which had the support of the Farmers' Party. The final consummation of this development was achieved in September of last year (1936) when representatives of the Farmers' Party entered a Government under Social-Democratic leadership, a coalition of which no one today is able to foresee the end."

America will really move forward, instead of limping along as we are now doing, when farm and labor and office workers learn that they have common interests and join together as consumers and citizens to promote them. Sweden points the way! There each vocational group has its own separate organization, but all the groups have found a common denominator as consumers and citizens.

To Sponsor Four Regional Seminars

Cooperative Interpretations

Getting Labor's Rights

Political Unity of Farmers and Workers in Sweden

Cooperative Interpretations

Getting Labor's Rights

Political Unity of Farmers and Workers in Sweden
Good Theory But Business Cannot Practice It

Robert H. Jackson, Assistant U. S. Attorney General, says that one "essential first step" is "for big business deliberately and speedily to go to a policy of high-salaried and charge the most possible in certainty of the demand. So big business not change the rules of the game. And to make the largest possible profits. Big business itself can the government cannot change the rules that consumer cooperative ownership is calling Names vs. Solving Problems

What good will it do today to charge at the foundation of our economic trouble. It is more good theory which cannot be accomplished in slurring the 2% b poor and the few to be rich. We must learn that it's the system of monopolism which we have that lowers pay to pro-

The Poor—Rich

One of America's "Poor—Rich" girls, the former Barbara Hutton, heiress to the Woolworth millions, returned home from Am-

1938—AN UNUSUAL OPPORTUNITY

In Third Depression Since World War II

Political and business leaders may call this period a "recession" instead of a "de-

The People Now Aroused Generally

Depressions are always favorable periods for organizing cooperatives in dead earnest; and today should be the best opportunity of all since the people are far more generally aroused that they were after 1920 and 1929. Then they had been lulled into lethargy by the speculative booms of the previous years, but the present depression follows years of unemployment for millions in security for the masses. The minds of the people are today far more receptive to self-help cooperative action. They are disillusioned about our get-rich-quick economic system, as well as about the ability of the government to regulate the profit system and provide employment and incomes for all.

Cooperatives Proven Successful

The 1929 depression started farmers organizing cooperatives in dead earnest; the 1929 depression started office workers in cities organizing themselves into cooperatives. The Industrial Department of the Federal Council of Churches has recently set up a special "Church and Cooperatives Committee" which is actively organizing sight-seeing seminars on cooperatives. The National Catholic Welfare Council is including the subject of cooperatives in both its rural and industrial conference programs.

National educational leaders have been aroused by the action of the States of Wisconsin, Minnesota and North Dakota
in legislating to include the subject of Consumer Cooperatives in public school curricula in those States. Curriculum leaders, such as the Society for Curriculum Study, the Curriculum Laboratory of Teachers College at Columbia University and the National Education Association are now active in responding to the demand for material for teachers and pupils on the subject of Consumers' Cooperatives.

National political leaders are showing an increasing interest in the Consumers' Cooperative Movement. Not only did President Roosevelt send a special commission to Europe to study the subject, but Vice-President and later personally visited the office of the Cooperative League to learn more about the movement. This year also opened with Governor Lehman of New York specifically advocating the organizing of Consumers' Cooperatives in the milk field; with Governor Murphy of Michigan creating a State office of Consumers' Counsel; with Governor LaFollette of Wisconsin proclaiming February 14 to 18th as Wisconsin Cooperative Week and with Governor Aiken of Vermont, urging everyone to study the Cooperative Movement.

National youth organizations started the year of 1938 off by devoting part of their holidays to studying Cooperatives. Four national youth organizations met during the Christmas vacation on whose programs Cooperatives were featured. A section of the National Committee on Student Cooperatives called a two-day Conference on the west coast. Ninety-five delegates have registered. They are reaching out to help city residents to organize and are opening membership in their cooperative wholesale sales to include city as well as farm cooperatives.

1938—The Consumers' Cooperative Movement's Greatest Opportunity

The private-profit economic system is today giving another of its periodic evidences of its inability to distribute purchasing-power widely among the people, with the result that production has declined and unemployment has increased.

The contrast is showing up all the more strongly today between the results of the competitive and the cooperative economic systems. The competitive system is proving its inability to stabilize production, employment, prices, prices; on the other hand, the cooperative movement is proving that it is able to do so. Cooperative volumes are being maintained, cooperative employees have not been laid off, and cooperatives have not lost money for their investors. Cooperatives proved successful after the 1929 crash and should prove all the more successful now after the 1937 crash.

Will the Consumers' Cooperative Movement Rise to the Opportunity?

A great test confronts the leaders and members of the Consumers' Cooperative Movement today. Is there the greater opportunity toward which the Consumers' Cooperative Movement has been building and which has been the subject of a great deal of public and educational and organizational campaign? The Cooperative Movement seeks a larger share of the national income, and for this purpose they have organized their cooperative effort in such a way as to make it possible for everybody to benefit from the cooperative work. They are now in the position of being able to provide a better life for everybody, and they hope to do so in competition with the competitive system. They are striving to do so by providing a better way of life, by providing better products, by providing better services, and by providing a better way of living.

In a great new book, "The Choice Before Us," the world famous writer, E. Stanley Jones, challenges us:

"Chances are the basis of society from competition to cooperation and the more you produce the more widely you distribute, for now you are the motive and the technique for distribution, namely, cooperation. And under this the whole level of life goes up for everybody. The machine is now no longer harassed to the private-profit of the few, but to the good of the many, and the more you speed up the more widely you distribute to the raising of the general level. You are no longer afraid of the machine; it is not now the agent of unemployment and confusion, but the agent of the people. Under a cooperative order there need be no unemployment. Unemployment is not inherent in a cooperative order as it is in a competitive one. If there is danger of over-production (which would be small, for our real problem is not over-production but under-consumption), the number of working hours for everybody would be further reduced. Thus, if we could supply the world's needs in less time, so much the better. We would have more time for cultural living."

It's either a case of developing economic democracy faster by building cooperatives everywhere or succumbing to greater and greater economic dictatorship, which will finally involve religious, educational and political dictatorship as well. Cooperatives everywhere should rise to this great occasion. It may well be a historical turning point which this third depression has placed before us. We have built the groundwork, now let every individual cooperator and every cooperative association act upon this opportunity!

NEWFOUNDLAND GOES COOPERATIVE

Mabel Reed
Mary Ellicott Arnold

the neighboring villages began to arrive. Stephenville only eight miles away and Lourdes, two hours ride across the Bay.

As it neared 2:30 the delegates took their places in the front rows. The morning had been cloudy but by noon the sun shone on the conference and the back rows filled quickly. We meet Father Kerwin from Port au Port and Father O'Reilly from Lourdes and the Rev. Mr. Jackson, Supt. of Missions for the United Church of Newfoundland. Then there is the Rev. Mr. Butler, Church of England, from St. Georges. Like Nova Scotia, the Cooperative Movement in Newfoundland looks to the Church for leadership and finds it alike in Protestant and Catholic.

The speeches in the opening session reflect the feeling of the meeting. "The Cooperative Movement is new in Newfoundland," said Mr. Downy, the Chairman. "We are attempting something unique in the history of this country. We have got to lay aside our selfish ideas and work for the common good." "We must get the people interested in the cooperative way," said another speaker. "They learn about it through their study clubs.

Consumers' Cooperation
The Cooperative College  

J. P. Warbasse

COOPERATION as an economic method is leading the world into new ways of business which may prove to be of salutary social importance. It may do the same in the field of education. Cooperative methods and ideals are equally applicable here. We may devise ways of education quite as different from the prevalent methods as our cooperative economics are different from prevalent business.

The Cooperative Institute of The Cooperative League, which was started in New York in the fall of 1937, was experimental; but, as an experiment, it proved three important points. It proved that it is possible by certain tests of aptitude and ability to select students who are particularly qualified for service in the cooperative movement. It proved that such selected students can be given training that especially fits them for cooperative service. And it also showed that the cooperative movement of this country not only needs people of this character and with this training, but that it can give them jobs and supply them with a livelihood.

Because of the existence of many institutions in the cooperative field and on account of the collegiate nature of this particular institution, the name has been changed to the Cooperative College. College is from the Latin word collegium, meaning a collection or assembly of people. The word has been used to mean a staff, an order, or a cult of persons trained and qualified for some special function. I was once a member of what was called the "Collegium" of a hospital, meaning the attending professional staff of that institution. College, in the sense used here means a fraternity of educated persons organized for the purpose of promoting their continuous education.

A Fellowship of Cooperators

I envisage the Cooperative College of the future as an institution which shall include, in its scope and function, all that has been done by various groups. It should be a fellowship of those who by special training and observation have been especially qualified for cooperative service.

March, 1938
The great economic evils of today can be summed up in the three words: Poverty, Unemployment, and Tenancy. Or they could be stated as: Loss of Income, Loss of Jobs, Loss of Ownership. An income, a job and ownership of property are the three basic elements of economic justice. They spell economic security. They are implied in the "inalienable rights" of the Declaration of Independence. An income, a job and ownership of property should be every man's inalienable economic rights.

Disease Diagnosed

No cure for a disease was ever effectively applied without a correct diagnosis. "The best way to cure anything is to diagnose it correctly." Correct solutions to economic as well as physical diseases are based on facts: first, sound theorizing and second, proven analysis.

Probably the simplest and best stated theoretical analysis of our great economic disease which has ever been is by Dr. Henry Pratt Fairchild in "The Fallacy of Profits." The sum of his theory is stated in these words, "In a fully capitalized society true profits must always be limited by the owners' capacity to consume."

Likewise the best statistical diagnosis of our economic disease is contained in a summary of the Brookings Institution research studies entitled "Income and Economic Progress"—"The source of our economic difficulties lies at the root of our difficulty is to be found rather in the unequal distribution of income and a resulting excess of savings as compared with consumption expenditures." 

The Brookings Institution study "America's Capacity to Consume" revealed that there were 15 billion dollars of individual savings in 1929. Furthermore that two-thirds, or 10 billion, of these savings were concentrated in the hands of 5% of the population having income in excess of over $10,000 a year. These savings were accumulated after the 25% had spent all they could in both ordinary and in "riotous" living. No wonder that they concluded, "Our diagnosis of the economic system has revealed that the way in which the income resulting from the nation's productive activities is divided among the various groups which comprise society, lies at the root of our difficulties." The further conclusion is reached that 5 billions of the amount saved by the 95% were sufficient to take care of normal productive investment needs.

Remedies Prescribed

The problem of a remedy narrows down to the simple question: how shall we equitably redistribute the unnecessary 10 billions of excess savings which are now being concentrated in the hands of the 25% who need them, nor can consume them, nor invest them profitably? To do so is not injustice to the 75%—in fact it would be relieving them of an unnecessary burden which society now imposes upon them. On the other hand, a redistribution of the 10 billions of the 95% would mean that in receiving their inalienable economic rights since they are the producers of the 10 billions. It would mean the real acceptance by the United States of the principle of equality as applied to economics. The only question is, how best to redistribute such excess savings and likewise to prevent their accumulating in the hands of the few in the future.

The summary of the Brookings study prescribes three remedies: governmental taxation; increased tax to producers; lower prices to consumers.

The difficulties facing the taxation remedy are easily understood. To take away from the few what society has given them is difficult. The assumption is that, since they have received it, they are entitled to it by the rules of the economic game. Most naturally the question is also raised as to why an economic system should give huge incomes to the few and permit them to accumulate more savings, which must afterwards be taken by them by the political government? Why should not an economic system be

Consumers' Cooperation

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The second remedy of increasing pay to producers also has limitations. Everyone knows that, no matter how effectively either farmers or workers organize, the pay for the products or services they sell will be largely fixed by business and finance. Furthermore, even if by organizational action an increase in pay is received, business and finance will almost immediately extract the increase out of the pockets of farmers and workers in the higher prices they charge them as consumers of the finished products. It is also difficult to distribute the excess profits uniformly through the medium of increased pay to producers. Business and finance have found it possible to pit farmers and workers against one another as producers and largely nullify the efforts of each producer group to achieve justice in the pay it receives.

After discussing these two proposed remedies, the summary of the Brookings Institution study concludes by strongly urging the adoption of the third remedy of lowering prices to consumers: "Taxation is a possible means of redistributing income, although tax-supported public works tend to stimulate the production of non-essentials as contrasted with such primary wants as food, clothing and shelter. The general raising of wages as a device for redistributing income also has infinite possibilities. Its weakness lies in the fact that over half of the population, including many of the poorest groups, are not wage-earners. Most promising of all the proposals that industry revise its price policy and pass on to the ultimate consumer all of the benefits which are obtained from technological progress."

These remedies are prescribed after the root of our economic disease is determined. "Our diagnosis is now complete. We have found the root of our difficulty in a concentration of income brought about by the price-fixing policies of monopolies and trusts."

**Applying the Remedies**

The Brookings statistical study led to a diagnosis of our economic disease in line with the best theorizing on the subject by Dr. Fairchild and others. It has also determined the cause and the remedies. Now it is a question of applying them. And here is where the Brookings study stops. How to apply the remedies is not told. Business is only asked to apply them voluntarily. But business, by itself can not and will not do so. Business is organized primarily to produce more profits. Its excess profits have been diagnosed as the root of all economic disease. What is required is an organization more powerful than private-profit business to force the lowering of consumers' prices and the raising of producers' pay.

The organization to which the people of the United States have turned is the political government. And with what result? For fifty years we have fooled ourselves by believing that it is only possible to regulate industrial and finance monopolies through the political government. Donald Richberg calls them "years of self-deception." We passed anti-trust laws and then set out with a "big stick" to "bust the trusts." We have dissolved them, only to find that they were hydra-headed monsters which re-appeared in additional numbers. Finally, under the NRA, we legalized them for the time being. We gave into the hands of code authorities, made up largely of representatives of the industries which wished to fix prices and production, the legal right to fix prices and production, in the false notion that such action would bring back the elusive "prosperity" we had lost and lead us to the "Promised Land of a Balanced Abundance."

We should look across the water to Sweden where they have never fooled themselves by putting an anti-trust law on the statute books. They realized from the beginning that they could not effectively control private-profit business by any laws passed by the political government. Instead, what did they do? They turned to the political government. Donald Richberg calls them "years of self-deception." We passed anti-trust laws and then set out with a "big stick" to "bust the trusts." We have dissolved them, only to find that they were hydra-headed monsters which re-appeared in additional numbers. Finally, under the NRA, we legalized them for the time being. We gave into the hands of code authorities, made up largely of representatives of the industries which wished to fix prices and production, the legal right to fix prices and production, in the false notion that such action would bring back the elusive "prosperity" we had lost and lead us to the "Promised Land of a Balanced Abundance."

By fixing higher pay for farm products and higher wages for workers, private-profit business is forced to follow the cooperative yardstick and also raise pay to producers. By lowering prices for food, goods and services, private-profit business is also forced to follow the cooperative yardstick and lower prices to consumers. By organizing consumers, producers' and public cooperatives in Sweden, the people have thus set up cooperative price and pay yardsticks which private-profit business must follow.

What has been the result? Everyone who can should go to Sweden and see first hand. It will inspire you to find there a country where the three great economic evils in the United States today are largely eliminated and on the way to being relics of a past profiteering age—the evils of unemployment, poverty and tenancy. The people of Sweden have good jobs, have incomes and are recovering ownership of productive property. They have learned how to apply the remedies which the Brookings Institution recom-

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**Swedish Yardsticks**

In order to raise pay, the Swedes have organized Farm Cooperatives and Labor Unions. In order to lower prices, the Swedes have organized Consumers' Cooperatives and Publicly Owned Utilities. The chart below will illustrate the types of Consumers' and Producers' organizations they have developed and the results as applied to American conditions.

<table>
<thead>
<tr>
<th>Price and Pay</th>
<th>Result of Monopoly</th>
<th>Price and Pay</th>
<th>Savings</th>
</tr>
</thead>
<tbody>
<tr>
<td>5 Billion</td>
<td>Too High Price</td>
<td>5 Billion</td>
<td>Increased Productive Investment</td>
</tr>
<tr>
<td>15 Billion</td>
<td></td>
<td>5 Billion</td>
<td></td>
</tr>
<tr>
<td>20 Billion</td>
<td></td>
<td>Too Low Pay</td>
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</tr>
</tbody>
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**Consumers' Cooperation**

March, 1938
higher standard than the Soviet officials of Russia, while the poor do not live on as low a standard- They have already reduced their tenancy (from 60% to 9%). The Soviet consumer cooperatives do 30% to 40% of the business of the country and, according to the President of the Bank of Finland, control the price level of the whole country.

Sweden and Finland have proved that it is possible to apply the theories formulated by Dr. Fairchild and the remedies suggested by the Scandinavian Institution and thereby heal the diseases of unemployment, poverty and tenancy with which the United States is today so greatly affected. The diagnosis of the causes of the remedies prescribed are proven to be correct. Private-profit must and can be eliminated by organizing Farm Cooperatives and Labor Unions to raise producers' pay and Consumers' Cooperatives and Publicly Owned Utilities to lower consumers' prices, which in turn will eliminate unemployment, poverty and tenancy.

"Can Sandburg in "The People, Yes," calls the remedies proposed by Brookings Institution and proven out by the Scandinavian countries "one little idea," and summarizes it as: "After allowing for items to protect future operations, every cut in production cost should be shared with the consumers in lower prices with the workers in higher wages. Thus stabilizing buying power and guarding against recurrent collapses."

**Organize America**

With this groundwork of theoretical analysis and statistical diagnosis of the causes of our economic crisis and the experience of Sweden in proving out the remedies, we should be able to solve our own difficulties here in America. It is only a case of being willing to do so, of thinking our way through in applying remedies which are already proven to be effective and of developing the necessary organizations to do it.

**Producers' Cooperation**

We have already developed large nation-wide producers' organizations in both the farm and labor fields. Farm Cooperatives number now in their membership 3,280,000 of the six million farmers in the United States and do a seasonal business of $1,530,000,000. They have developed principally in the fruit, grain, livestock, and potato fields. They have become an effective factor in eliminating waste in the handling of their products, up to the principal processing stage, and by going have increased the pay to farm producers. Labor is again in a great organizational drive and numbers in its ranks over seven million members in all. By group bargaining labor has, like organized farmers, pushed up the pay level. On the side of organization as producers, we are on the way in America to push up the pay line for both capital and labor. Increased pay among producers generally the excess savings which now go into the pockets of the few as the result of too low pay to producers.

**Consumers' Cooperation**

As a whole, we are only getting started organizing as consumers. Since organizing consumers means going into business, rather than becoming members of a bargaining organization, it is not possible to successfully develop Consumers' Cooperatives by group drives. The people must begin by studying how to run businesses on Rochdale cooperative principles, then they must learn by practice how to perform for themselves the functions of distribution and production of finished products which we have turned over to private middlemen, who now act between us as producers and consumers. However, even though we are only now purchasing a little more than 1% of our food and goods cooperatively, we have begun to prove to ourselves that in America, can build up powerful cooperatives as have been done in Scandinavian and other countries. After many false starts over the past half century, the farmers finally started on the right road in 1929 and after that they went ahead. They now purchase one-eighth or 12 1/2% of their farm supplies cooperatively. They have developed, largely in the past ten years, 29 large wholesale groups, each of which does a minimum of over a million dollars. They have entered principally into the handling of feed, seed and fertilizer in the East and petroleum products in the West. They have developed strong cooperative associations in the automobile, fire and life insurance fields. They are now increasing into the field of cooperative purchasing of household needs such as groceries and electrical appliances.

City residents have only begun to be interested in the need of organizing as consumers into cooperatives within the past few years. The reason probably is due to the fact that the cities did not feel the force of depression until after 1929, while farmers have had to undergo it since 1920. By the false foundation of credits to foreign countries and the stimulation of installment buying, the city kept our factory production going and our payrolls up from 1920 to 1929, when farm prices were constantly depressed. However, after the first shock of 1929 had worn off and city residents began to realize that we were in for a permanent depression under the present economic order, they began to hunt for real remedies and after learning that the best way of lowering the prices they pay for food, goods and services by consumer cooperative organization. A wave of interest developed and consumers' cooperative grocery stores and oil stations have been organized in many cities. Enough time has passed to indicate that city people can operate their own businesses as organized consumers, and that residents can lower their prices.

While the number of cooperative stores and oil stations in cities is small, they are parts of the new cooperative economic society that is developing. It has only been fifteen years since farmers started their first cooperative oil station and now there are over 2,000 of them. There is no reason to assume that city consumers cannot and will not develop cooperatives in increasing numbers from now on.

Another principal need in organizing as consumers is to develop cooperative financial institutions such as Credit Unions and Cooperative Banks.

**Public Cooperation**

We have made a start in organizing, Publicly Owned Utilities. We accept without question public ownership of the post office, schools, libraries, roads and parks. We have largely converted our water-works into Public Utilities. We are increasingly doing the same with electric plants in the cities and are organizing rural electric cooperatives among the farmers. The TVA is an electric public utility on a regional basis, which is unquestionably the forerunner of other regional developments. There is a growing tendency towards converting our transportation and communication systems into Public Utilities as has been largely done in Europe.

A second major type of public cooperation, in addition to Public Utilities, which we need to develop much further is the organization of Social Services in fields of accident, unemployment and old age.

**Willingness, Knowledge and Action**

Three things only are needed to enable us all to live in a world of plenty here on this earth. The first necessity is for us to be willing to accept economic justice. A French cooperative film has this challenging title, "When Mankind is Willing." The second necessity is for us to increase our knowledge. The solutions are comparatively simple, once they are desired and understood. With willingness and knowledge, action in the way of organizing of Consumers' Cooperatives, Public Utilities, Farm Cooperatives and Labor Unions to achieve plenty for all and peace on earth will most naturally result.

**COOPERATIVES ON THE MARCH**

Columbus, Ohio — The Cooperative Life Insurance Company of America wrote more than $6,000,000 worth of life insurance in 1937 bringing the total amount of cooperative life insurance in force to well over $20,000,000.

New York—Four new cooperative health associations are in the process of formation in and around New York City, the
FOUR GOVERNORS ENDORSE CONSUMER COOPERATIVES

New York—George D. Aiken, Governor of Vermont, became the fourth governor to recognize publicly the importance of cooperatives for the development of economic security and social progress when he endorsed the organization of marketing and consumer cooperatives in an article in the February issue of the Ohio Farm Bureau News.

Governors Herbert Lehman of New York, Philip LaFollette of Wisconsin, and Elmer Benson of Minnesota had previously endorsed consumer cooperatives. Of particular interest was the non-partisan complexion of the group which included Republican, Democratic, Progressive and Farm-Labor governors.

Governor Aiken emphasized the importance of the close relation of marketing and consumer co-ops when he declared:

"I believe that the only safety for the dairymen of New England lies in looking forward to the time when they, by themselves, will distribute a far greater percentage of their products in the city market than they are doing today."

"The Governor of New York is not radical. He is considered as hard-headed and practical as there is in the State, yet in his message to the New York Legislature last week he advocated the establishment of consumer cooperatives for the distribution of milk in the cities."

Governor Lehman's endorsement of co-ops followed the failure of both state and producer control to give a fair price to the farmer without an exorbitant price to the consumer. In his message to the legislature he said:

"There can be no satisfactory solution of the milk problem, either under state or industry control, if the milk of the producer is not made available to the consumer at a price he can afford to pay."

"Establishment of consumer cooperatives for direct distribution of milk from producer to consumer should be definitely encouraged. These undertakings could be made yardsticks for the measurement of fair and just distribution costs. Their results, supplementing previous inquiries and the present audit of the company books, should provide the practical information on price spread that has hitherto not been available. Properly operated consumer cooperatives can supply milk at better retail prices and yet not impair a fair return to the producer."

Governor LaFollette set aside the week of February 14-18 as Wisconsin Cooperative Week, declaring in his official proclamation:

"Today, more than ever, it is recognized that many of our problems must be solved by the people themselves, working together in general educational, commodity marketing and purchasing groups."

"To take inventory of the important part that cooperation is playing in the economic and social welfare of our people and to emphasize the possibilities of service through cooperative action, Wisconsin Cooperative Week will be observed from February 14 to 18 of this year."

"Governor Benson, speaking at the Ninth Anniversary of Midland Cooperative Wholesale last year, continued his long-standing endorsement of the cooperative movement by asserting that:

"Through the development of cooperatives farmers and laborers can build machinery which, together with progressive political parties and labor unions, will prevent them against the rise of fascism and communism."

"The Cooperative Wholesale, Inc., Chicago, reported business of more than $200,000 as against $35,000 in its first year. The Farmers Union Central Exchange, St. Paul, handled $4,233,000 worth of commodities in the first 11 months of 1937. This was equal to its volume for the previous year."

New York—The board of directors of the Cooperative Book Club announced last month the addition of a number of outstanding liberal leaders to the National Advisory Council of CBC. Among the members are:


The Cooperative Book Club moved January 25 to its new headquarters at 118 East 26 Street, in New York's publishing district.
RECENT COOPERATIVE ARTICLES


Christian Leader, January 22, "Christian Cooperatives," Sheldon Christian. The author feels the principles of cooperation are more compatible with Christianity than are the principles of competitive, capitalist business.

Cooperative Merchantile, January, "A Congressiond Clarifies the Consumer Cooperative Issue" The article points out that Congressman Bellows (Wis.) urges no Federal subsidies for consumer cooperatives.


New Material on Recreation

"Leisure Resources" (Kit M) Cooperative Recreation Service, Delaware, Ohio. A condensed list of books for supply for recreation materials and a directory, 25 cents.

"Fill 'er Up," A Radio Play, Marc Rosenthal and Pauline Gibson. 15c.

"Contacts" by Anne Walter, the three-co-operative play, reviewed in the December issue of Consumers' Cooperation, is priced at 50c, not 65c.


BOOK REVIEW


American cooperators will be delighted with the new book, for on its second page it suggests it is the amazing story of "A People with the Spirit of Cooperation." The author, O. B. Grinley, a former American educator, has lived among the Norwegians for the last ten years, observing how they have grasped the problems, social and economic, that afflict the world today. Throughout its 159 pages, the reader feels the determined drive of a one-time individualistic people toward solving the problems of a changing world order with the simple, yet potent, technique of mutual aid and cooperation.

On all cooperative fronts, the producer, the consumer, the social and the public, this land of the Vikings is pushing forward with remarkable strides. The devotion to a labor government to plan and function for the benefit of the greater number will, among other things, start Americans readers. This very readable book, attractively illustrated, should be added to every co-op library. It will do much to cheer and hearten those who still believe in progress, social justice, peace and democracy. Here we see another country proving to the world that the democratic ideal can work if the people have a will to know and cooperate.

Leon V. Robet.

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LIN YUTANG says in the new book "The Importance of Living" that "The sad thing about economics is that it is no science if it stops at commodities and does not go beyond to human motives."

At a meeting of the trust division of the American Bankers Association a speaker said that today "a man can't afford to get rich."

The "right to work" was appealed to by big-business during the sitdown strikes. President Roosevelt stated that the Brotherhood of Railway Trainmen now tells the Senate Unemployment Committee that "This right to work is divine at all times." He also belittles the cry of "in this country, which will come from assuring them jobs with fair pay and thereby enable them to buy automobiles, homes and other commodities and services which the present American standard of living requires."
Richard Whitney, "pillar of Wall Street," once floor broker for J. P. Morgan, five times President of the New York Stock Exchange, was convicted of theft of securities after his firm had been speculating on the fruitless speculation. We hope that more question was raised in the minds of the American people about the profit system, rather than simply condemning another victim of that system. This is another good illustration for cooperators to use in converting others to the cause by pointing out the non-speculative nature of cooperative shares.

For fear of burning the paper we will not attempt to comment at length on Hearst's new publicity campaign to "humanize war." Sherman expressed it once and for all—"War is hell." It can never be made to be anything less.

The record of the United States Coal Commission to date is said by Paul Malan to be "Number of prices fixed—about 400; Number of prices unfixed—about 500,000." New York City is also talking about fixing bread prices. We Americans have the democracy to think that the great mistake to take which England did a hundred years ago in attempting to fix prices by legal enactment if we wish to do so, but far more rapid progress could be made if we would study the outlines of an American policy to attack the depression are far to seek. The politicians are broken reeds; a great part of the business world has forgotten the lessons of 1929-33; the economists, to judge by their answers to a recent questionnaire, are in their accustomed disarray.

The reason for our "muddled condition" in the United States is that we are still trying to resuscitate a dying private-profiteering competitive economic system, instead of the public-service cooperative system. But the majority who refuse to bow their knees to Baal are increasing and truth is on our side.

Surely this present depression (not recession) ought to arouse farmers and workers to realize that producers organizations are not enough. The rapid development of Labor Unions did not prevent an increase in prices even higher than the depression are far to seek. The politicians are broken reeds; a great part of the business world has forgotten the lessons of 1929-33; the economists, to judge by their answers to a recent questionnaire, are in their accustomed disarray.

"Vast numbers of our farming population live in a poverty more abject than that of many of the farmers of Europe who we are wont to call peasants." So said President Roosevelt.

Such farmers are not the owners of farms but the tenants. The primary job for farmers is to recover ownership. The government could give farms away at one time but the government cannot impose permanent ownership. Only farmers themselves can do that. Scandinavian farmers have discovered how to reclaim ownership—it's quite simple after all—by organizing cooperative finance, cooperative marketing and cooperative purchasing. By these methods Danish farmers have recovered ownership of their farms when once had the same percentage of tenancy as we now have—42%; Finnish farmers have already reduced tenancy from 60 to 9%. Tenancy is on the way out in Scandinavia. It can also be eliminated in America by the same means.

It is admitted that it is not news paper in England which has proven to be more nearly right in its interpretations than perhaps any other body, "The Manchester Guardian." Its objective description of the present American scene is significant.

"With Mr. Roosevelt on the run, with Congress almost deserted of the business world angry, with labor divided, the outlines of an America policy to attack the depression are far to seek. The politicians are broken reeds; a great part of the business world has forgotten the lessons of 1929-33; the economists, to judge by their answers to a recent questionnaire, are in their accustomed disarray.

The National Peace Conference is a coordinating medium for thirty-eight nations which increased profits and stock prices. The National Economic Peace Conference did not prevent an increase in prices even higher than the depression are far to seek. The politicians are broken reeds; a great part of the business world has forgotten the lessons of 1929-33; the economists, to judge by their answers to a recent questionnaire, are in their accustomed disarray.

Consumers' Cooperation

Monopolies take the increased pay away in higher prices. Reducing prices by consumers' cooperatives is absolutely necessary and must accompany the raising of pay by Labor Unions and Farm Marketing Cooperatives if we are to climb out of this great depression.

Once in a "blue moon" we come upon a newspaper editorial that helps us. The National Economic Peace Conference did not prevent an increase in prices even higher than the depression are far to seek. The politicians are broken reeds; a great part of the business world has forgotten the lessons of 1929-33; the economists, to judge by their answers to a recent questionnaire, are in their accustomed disarray.

The National Peace Conference is a coordinating medium for thirty-eight national organizations which are concerned with peace. One of the tasks they are conducting is called "World Economic Cooperation." They offer a good suggestion that community conferences be set up to discuss the subject of "Eco- nomics in Our Town Can We Do About It." Right here is where cooperators should come in. The foundation of international peace must be based upon building economic peace into the economic organizations of every community. International economic barriers will not be broken down to any great degree until each nation is composed of "cooperative communities."

Blind Leaders of the Blind

Our most prominent businessmen admit that they are unable to change the working of the private-profit system under which they operate. General Robert E. Wood, president of Sears, Roebuck & Co., was asked to forecast the future of industry with the result before the Senate Committee on Unemployment and Relief. He admitted his failure as a forecaster by saying that last summer he felt that business would remain good and went off on a six-weeks hunting trip, "and when I came back I found I was 100% wrong."

President William S. Knudsen of General Motors, in testifying before the same committee, also admitted his failure as a forecaster. "I don't think anybody in God's world could have told me that the outlook was going to drop 50 per cent in two or three weeks." The American people have the spectacle before them of the presidents of two of our largest businesses in America publicly admitting that they are unable to predict the results of the work which they control large sections. Yet the reason for the present depression is a simple one.

Purchasing power was increased by credits rather than by distribution of cash in payment to farmers and workers for products and services. More was diverted from the stream of purchasing-power flowing to the many, in the form of profits and wages, to the few who could consume or invest profitably in new productive enterprises. The increase in production was built up on a false foundation of credit and had to collapse. The signs of impending collapse were plain last summer in the increase in the pressure to consumers more than pay to producers, which increased profits and stock prices. We cannot forever continue an economic system where we have "blind leaders of the blind." The people must face the fact and learn the facts. Then we will change our unscientific economic system and select understanding leaders.
COOPERATIVES AND PEACE
How the Cooperative Movement Helps End War

Harold E. Fey

I
n a world where civilization is in con-
stant peril of extinction by war, no ques-
tion is more often asked than, Which
Way to Peace? War has become so de-
structive in its methods and so ruinous in
its consequences that it is generally rec-
ognized as the ruling evil of our time.
Conversely, the advancement of an order
of society where peace is the rule of life
becomes a consuming passion for mil-

Imperialism Resurgent

In the years between 1932 and 1938, five wars disgraced the name of civiliza-
tion, Manchuria, the Chaco, Ethiopia, Spain and China—the dismal roll call
brings a succession of visions of peaceful
fellowships disrupted, homes destroyed,
security blocked and wholesale suf-
fering and death in many lands. And
this is but the beginning of war’s
misery. The curse of brother’s blood on
man is a thing of the past. The Chaco conceal oil.
Ethiopia provides crowded Italy with room for ex-
tration. Manchuria, the Chaco, Ethiopia,
Spain and China—the dismal roll call
brings a succession of visions of peace
and war. As a result
of the clouds hold lightning.

Cooperatives Build Peace

The question, Which Way to Peace?
therefore causes increasing numbers of
people to look with new eagerness to the
cooperative movement. They discover
that cooperatives eliminate competition, redistrib
ture, wealth, increase people’s
security and stabilize economic rela-
tionships. If the cooperative way is not the
only way, they ask, may it not be a way,
very important way, toward peace?
Alfred Huxley, Inner English nov-
elist, believes it is. He says, in his
"Encyclopedia of Fascism":

"The cooperative movement has shown
that, without violence and even without the
backing of state or municipality, private in-
dividuals can create, in the midst of capitalist
society, a new form of economic inter-
vention. Cooperatives are a means of
non-competitive, non-exploiting, non-profit-mak-
ing economic activity. Cooperation is applied
pacifism. The more widely the application
can be made, the better. . . To increase the
membership and enlarge the activities of the
coop
movement is work of an es-
tensively pacifistic nature."

Before we begin to examine the ways
cooperatives provide great numbers of
people with security at home so
that their governments are not driven by
their desperation into adventures of for-
nign imperialism, is an aid to peace. For
the story of war in the modern world is
the monotonous repetition of the same
tale of hunger and struggle and blood that
can escape the political consequences of
war materials and munitions. They were
armed by revelations of the Senate
Munitions Inquiry which showed the same rapacious disregard for
human welfare.

As a by-product the cooperative move-
movement contributes to peace by preventing
the cartels that have no use to the world suddenly discover
the need for war. They are not found in themselves8
but in other forces which act on them. A
second way in which cooperation;

I. Cooperatives Increase
Individual Security

To millions of men who are haunted
by fear of unemployment, forever de-
feated in the effort to "make ends meet"
on inadequate incomes, often out of work
for months at a time, war comes as an
opportunity. It is the patronage dividend
which the consumer receives consists of money he
saves. The appeal to thrift is vastly less
dangerous to society than the temptation
to profit, which may easily produce anti-

II. Cooperatives Work Against
Concentration of Wealth

A second way in which cooperation
builds peace is through the wide distribu-
tion of profits. The cooperative move-
ment does not attack the profit motive as
such. The patronage dividend which
the consumer receives consists of money he
saves. The appeal to thrift is vastly less
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The clearest example of how the un-
checked profit motive leads to war is pro-
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armaments race is a distant but logical consequence of the race for profits as cause of the economic system. This is the sign of weakness of an opponent, ability in maneuvering him into a position of disadvantage, adroitness in discovering "soft spots" in the consumer's defenses, capacity for "breaking down sales resistance"—the byword of the expert. Without a shift of gears, so naturally they do not pause to wonder at themselves, they drop the cloak of civilization and after a little "hardening" in military camps are ready for the frightful carnage of war.

Cooperation trains men in another way of life—a way in which the good of society is the common good and the advantage of the individual is supreme. It is he who turns to the surface an entirely different set of attitudes. The cooperator succeeds only as the whole group finds its highest well-being only in a surfeit of profit but in the ability to discover and supply real needs, by his ability to work with others and to get others to work together and by his genius to bring cooperation to ever widening circles of people. So while competition provides the spiritual climate for war, co-operation naturally develops the way of life that makes for peace.

III. Cooperatives Develop Cooperative Attitudes

The death grip which the outworn social order has upon people can be explained in part by the accustomed attitudes which a competitive economic system develops. Under our system most men are constantly engaged in a life-and-death struggle for a living. Their hands must necessarily be against their fellow men, for they can only succeed by triumphing over competitors. One or the other is constantly facing ruin. A staggering percentage of bankruptcies in most lines of business reveals. "Success" comes to the shrewdest, the most ruthless of all the enemies of civilization. It is much less likely to smile on the man who renders the most outstanding public service than it is on the exploiter who is most adroit in discovering ways of making the public pay him the biggest profit. This develops in men's minds those attitudes which are necessary to successful competition: secrecy, smugness in analyzing the weaknesses of the opposition for, in maneuvering him into a position of disadvantage, adroitness in discovering "soft spots" in the consumer's defenses, capacity for "breaking down sales resistance"—the byword of the expert. Without a shift of gears, so naturally they do not pause to wonder at themselves, they drop the cloak of civilization and after a little "hardening" in military camps are ready for the frightful carnage of war.

Cooperation also builds peace because it is organized on international lines, is led by peace-minded men and has a great educational program that promotes understanding, not conflict, and by its operation knows no frontiers, no limitation of color, race or creed. It is deeply significant that the International Cooperative Alliance, formed by groups in thirty countries, was the only organization that maintained contact between all its members during the World War.

Nearly one hundred million people are associated in the cooperative movement throughout the world, and the number is rapidly increasing. In Great Britain alone 28,000,000 people are actively affiliated with it. The business is being done through cooperatives. Over one-third of the people of Sweden are members. In Denmark cooperation has reduced farm tenancy from 42% to 13% of the farms.

Conclusion

In these desperate days, friends of peace are deeply distressed. The day by day threat of the collapse of civilization in the incalculable disaster of war keeps us concentrated on moves which will relieve the immediate crisis. But may it not be the wisdom of mankind to look to the long heritage, to develop cooperative attitudes, by strengthening and extending democracy and by its growing international outreach, the cooperative movement offers a practical way to peace. Its wide extension makes it available to any person who wants to add his bit in a struggle in which not only democracy and freedom but the lives of ourselves and our children are at stake. Its unparalleled ethical basis entitles it to the support of men of good will and its sound economic procedures give it the right to claim the respect of practical people everywhere.
LABOR AND COOPERATION

Mark Starr
Educational Director
Int'l Ladies Garment Workers Union

Faults on both sides have in the past prevented harmonious relations and joint action between the cooperative movement and organized labor in the United States.

The trade unions during the so-called prosperity period before 1929 were only interested in securing high wages and were inclined to shun cooperation to larger ends. In some instances, local unions became job trusts which entered into cooperation with the employers in order to share in monopoly prices. Trade unionists ignored the fact that high wages were not a permanent benefit to the workers if they were accompanied by high prices and inferior quality of goods. In many instances the recognition of the consumer was to ask him to buy trade union label goods and services. Trade unionists shortsightedly believed that they could, by their economic organization alone, successively get for themselves a share in the increased productivity of labor. They forgot that the machine might replace them completely.

Not By Cooperation Alone

On the other side many cooperators in the United States have been "pure and simple" cooperators who thought that trade unions and workers' political action were unnecessary. They have indulged in the vision of being able to buy out the competitive system solely by accumulating their retail trade savings. They have been trying to raise themselves by pulling at their own shoe-strings, and in the United States very weak shoe-strings at that. Cooperators who think that only by cooperation can the workers emancipate themselves with the labor movement and of building up political organizations in conjunction with workers of hand and brain to protect themselves in a Fascist-menaced world. However, the cooperative movement in the United States are only a very tiny fraction of the capital and assets owned by such great corporations as General Motors and the U. S. Steel. Only in an Utopian dream can we see the cooperative movement acquiring ownership of the railroads.

The cooperative movement provides the means whereby the organized farmers and the organized wage-workers can be brought together. At present there are considerable misunderstandings. I quote from a recent letter written by a farmer woman who had performed the proverbial kick at an order for a carload of meat from a labor union.

"Why don't the labor union fight about the meat?" (refunding processing taxes) instead of starting a boycott when the price of meat goes high? We need the cooperation of laboring men. Instead of boycotting meat because it is high priced, why don't they cooperate and buy direct? There are little meat packing plants in Montana, right in the middle of the live stock area. I don't doubt they would be tickled pink at an order for a carload of meat from a labor union."

Influenced by the extensive publicity and growth of the cooperative movement, the American Federation of Labor and some of its unions have lately displayed a greater interest in cooperation. Its conventions in 1936 and 1937 endorsed Consumers Cooperation. The American Federationist articles in the March, April, May, 1937, issues, have been reprinted as "An Idea Worth Hundreds of Dollars." The journals of the railroad brotherhoods have devoted considerable attention to cooperation. Trade union locals are setting up credit unions, cooperative gas stations and grocery stores as a beginning in cooperative methods.

The Farmers

In the United States hitherto, the farmers have been more interested in setting up cooperatives than have trade unions. Now there is renewed interest in farmer-labor parties. Certainly if labor is interested in being a people, there is a great opportunity for joint action between workers as consumers and as trade unionists.

April, 1938
NEW NATIONAL RECOGNITION FOR THE COOPERATIVES

DURING the last few months the Consumers Cooperative Movement has received national recognition from important bodies in the fields of religion, politics, education and peace action—recognition to which it has long been entitled as a nationwide movement of consumers seeking to build by democratic means the economic security and economic freedom of the people.

Religion

Just before the close of 1937 prominent religious leaders set up the Committee on the Church and Cooperatives as a division of the Industrial Section of the Federal Council of the Churches of Christ in America. This action was paralleled by the formation of a special Cooperative Committee of the National Catholic Rural Life Conference.

Education

In the educational field, the National Education Association implemented its interest in cooperatives by appointing a national Cooperative Committee made up of prominent members of the association.

Political

In the fields of political action, the appointment by President Roosevelt of the Inquiry on Cooperative Enterprise in Europe which reported early in 1937 was followed by a visit to the offices of The Cooperative League of the U. S. A. by Mrs. Roosevelt in December. The Senate Committee on Unemployment and Relief invited E. R. Bowen, general secretary of The Cooperative League to testify at its hearings March 16 as to the effect of cooperatives in stabilizing employment, investment and business volumes. Mr. Bowen presented statistical evidence showing an increase of 20% in the business of the major cooperative wholesales in the U. S. in 1937; an increase of 17% in the number of cooperative employees; and no failures of retail cooperatives affiliated with the established cooperative wholesales.

Peace

The National Peace Conference, coordinating body of the Peace movement in the United States, arranged for James Myers, secretary of the Committee on the Church and Cooperatives, to speak on "Cooperatives and Peace" as one of a series of nationwide radio broadcasts, February 26. Again recognizing the place of cooperatives as a factor working toward world peace, the National Peace Conference invited the Secretary of The Cooperative League to be one of the principal speakers at the Conference on World Economic Cooperation in Washington March 24-26. The report of the Committee of Experts used as the basis for discussions at the conference declared:

"Consumers make up the economic interest group which includes all the people, and the interests of the people as consumers most nearly represent the economic interests of the people as a whole . . . .

"It would be a strategic move for peace organizations interested in world economic cooperation to investigate the various consumer organizations that now exist among them consumers cooperatives federated in The Cooperative League of the U. S. A. and then help increase the membership and influence of those that seem most promising."

COOPERATIVE CONGRESS

Chicago—The Biennial Congress of The Cooperative League of the U.S.A. will be held in Kansas City, Missouri, October 12, 13, and 14, according to the decision of the board of directors of The Cooperative League, meeting here February 22. Consumers Cooperative Association, with headquarters in North Kansas City, will act as host to the Congress which will follow immediately after the Annual Meeting of C. C. A., October 10 and 11.

THE STORY OF A SONG

(The song has been used with the permission of Cooperative Recreation Service. The story of how it came to be written is taken from "The Classbook" and was written by Vermund Ostergaard.)

A half century ago Kristian Ostergaard, a young Danish educator and writer, sat alone in his study and hummed the tune of an old folksong. He was almost ill from overwork, and he faced the prospect of failure in his chosen vocation; but courage and faith were strong in him.

The rhythm of the tune began to emerge with his thoughts. Tentatively, seizing pen and paper, he wrote a line—and then another—a new song had been born.

Many years later the song was translated. It became known as "That Cause Can Neither Be Lost Nor Stayed" and is often sung by educational and cooperative groups.

The son of a Danish farmer, Kristian Ostergaard was educated chiefly in the folk schools of Denmark. In 1878 he came to the United States to serve as a teacher in Danish-American folk schools. He remained seven years—long enough to help found two such schools; but homesick, he returned to Denmark in the spring of 1885.

For several months Ostergaard sought a teaching position but with no success. The opportunity to found a school of his own arrived unexpectedly when he met the acquaintance of Ludvig Moebak, a horticulturist, who offered the use of space in his warehouse for classrooms. The school, Stovring Hojskole, opened in November, 1885, with one student.

Verbum Ostergaard

Vermund Ostergaard
"Twas a bold step for a young man to take in a community in which he was unknown. His entire capital amounted to about $750. People of the Stovring locality had had little contact with the folk school movement and they were skeptical. Enrollment in Stovring Hojskole, was not equal to the young schoolman’s expectations. He labored mightily to keep his institution functioning. He lectured, initiated the organization of cooperatives, wrote articles, verse, novels, and stories. He found himself seriously impaired in health from constant overwork. In the spring of 1892 his wife’s death left him with six motherless children.

The exact period is not known but sometime before this last blow he wrote "That Cause Can Neither Be Lost Nor Stayed." The song was a cry of faith and prayer of one striving to improve conditions for his fellowmen; of one who had seen the clouds of failure gather and hang over him and the fruits of his work; one who had the courage and faith to believe that although a tempest might temporarily wreck havoc, the wind would scatter the seed of honest labor.

The storm broke, Ostergaard gave up his folk school and sailed again to the United States where he became a minister in the Danish Evangelical Lutheran Church and where he lived until his death in 1931.

In 1932 a translation of the song appeared in "Christian Cooperative". Four years later it was published by Cooperative Recreation Service, Delaware, Ohio, and is included in a leaflet of "Songs from Denmark" (5c).

**COOPERATIVES ON THE MARCH**

Superior, Wisconsin—Sixteen hundred employees in cooperatives in the territory served by Central Cooperative Wholesale took part in a special traveling co-op training course which ended early in March. The training course was sponsored by C.C.W., included both technical and general cooperative training, and "brought the school to the employes."

New York—L. E. Woodcock, Manager of Eastern Cooperative Wholesale, speaking at the opening ceremonies of the new Co-op Shop at Tuckahoe, N. Y., declared that 43 new cooperative stores have opened in Eastern Cooperative Wholesale territory since October 1.

Columbus, Ohio—A total of 15,000 farms in the state of Ohio are now receiving electric light and power through cooperative electric projects sponsored by the Ohio Farm Bureau and the Rural Electrification Administration. The cooperative leadership has stimulated action on the part of private companies which have extended existing lines and dropped many prohibitive charges. According to the Ohio Farm Bureau News, almost as many farms have been electrified since the co-ops began action in 1935 as had been electrified since the invention of electricity.

**Jamestown, North Dakota—Although almost a hundred Farmers Union Cooperative Oil Associations have returned enough patronage dividends during the past six years to completely pay for the new state Capitol, cooperative stores are just getting well under way.

Co-op stores are now functioning at Emmons, Alice and Jamestown. Memberships are being sold for co-ops at Bismarck and Williston and Farmers Union members are arranging to buy out local merchants at Hettinger, Belfield and Maddock.

"Because private merchants in small towns have been hard hit by chain stores competition and poor crops," one report said, "the wind also would scatter the seed of honesty."

**Milwaukee—Midland Cooperative Wholesale’s two midwinter conferences of managers and directors at Milwaukee February 24-26 and Minneapolis March 3-5 reported record attendance. E. G. Cott reported that the retail co-ops affiliated with Midland did more than $12,000,000 business in 1937.

Among the featured speakers at the Minneapolis conference Daniel Houpt, mayor of Milwaukee, E. R. Bowen, general secretary of The Cooperative League of the U. S. A., Paul Miller of the University of Minnesota Extension Division and Earl Selif of the Minnesota State Division of Cooperatives.

**North Kansas City, Missouri—Twenty-five new cooperative retail associations have affiliated with the Consumers Cooperatives Association since January 1. Twenty-one of the co-ops are located in Alabama. The other two are in Durham, Kansas and Hereford, Colorado. More than 360 local co-ops are now members of the cooperative wholesale.

New York—The Eastern Cooperative League called a special conference on Labor and Cooperatives Sunday, April 3, to bring together members of trade unions in the metropolitan area interested in cooperatives.

Jacob Baker, president of the United Federal Workers of America and member of the Central Printers Co-op, Enterprises, and Wallace J. Campbell, assistant secretary of The Cooperative League of the U. S. A., were the principal speakers. Clinton W. Reves, member of the executive board of New York College Teachers Union of the American Federation of Teachers, and member of the board of directors of Cooperative Distributors, chaired the conference.

Miss Dora Maxwell, eastern representative of the Credit Union National Association, reported on the progress of cooperatives in New York from the W.P.A., which has built a series of camps in that section of the state.

Ten institutes under the direction of the Central States Cooperative League and other cooperatives in the territory will begin early in June and continue throughout Labor Day.

New York—The Cooperative Book Club, organized last November to provide a cooperative book buying and selection service for members throughout the country, particularly for those in regions without book stores or library services, was admitted to membership by the American Federation of Teachers. The Cooperative League of the U. S. A. at the last meeting of the board of directors of The League.

With increasing membership and volume, the Cooperative Book Club is planning an unusual program of informal adult education which will include spon-
New York — The Cooperative College has 22 students enrolled in its second term which opened here February 15. The current term will be five months long. The first three months will be devoted to academic work in New York while during the last two months the students will conduct field work in cooperatives in various sections of the country.

Minneapolis — Forty-nine students completed the course study in the Fourth Annual Institute held at Camp Ihlepuhapi January 24 to February 26. At the end of the course the students set up a permanent association of graduates of Midland Management Institutes.

New York — Eight hundred and sixty family members of the Amalgamated Housing Corporation and Amalgamated Dwellings, New York's two largest cooperative housing developments paid themselves $19,000 in cash savings refunds on the operation of their cooperatives. The members of the cooperatives also voted to put another $19,000 savings into reserves for further expansion of services.

The cooperatives have purchased milk delivery, laundry service, grocery and dairy store and power plant, as well as libraries, playgrounds, drama and adult education classes, bus service and children's summer camp.

A recent study of comparative costs of administration for apartment houses showed the co-ops well ahead of comparable government and private apartment costs. Overhead, local, accounting, and advertising and salary expenses were $4.98 per room per year in the Amalgamated apartments as against $15.67 in Knickerbocker Village, the second largest dividend housing venture, and $14.23 per room in Hillside Houses, a P.W.A. housing project.

St. Louis — In spite of constant attacks by the officials of organized medicine in St. Louis, the Wage Earners Health Association showed important progress during the past year. Its 1936-1937 report reveals that an average of 1,866 calls per month were made to its Medical Department by each of its members; 40% of the office visits were credited to specialist departments; more than one-half of the calls were made for preventive services.

Consumers' Cooperation

BOOK REVIEWS


John Daniels, writer, sociologist and former secretary of the English Speaking Union, has written "Cooperation—An American Way," an interesting and enthusiastic, and yet a careful appraisal of the American cooperative movement to the rather impressive bookshelf of cooperative literature which has appeared in the last ten years.

Mr. Daniels is one of the generation of hard- handed radicals of the English Speaking Union. His cooperative literature has made great progress was no proof that cooperatives would succeed here unless he could put his hands on the ears on an American movement. So last summer and fall he set out to see if, where, what and why there were cooperatives.

Without benefit of Rochdale, of C. W. S., of Kossuth or the Finnish cooperatives, he has described a remarkable experiment.

From their premonition birth in Boston in 1845 Mr. Daniels researches have moved the date forward to 1934, matching the opening of the store in Rochdale) the story of the American co-op movement. As the name member of the General Farm organization activities, mutual fire insurance societies, marketing cooperatives, political activities, THE psychological and organizational for the American cooperatives movement. And from consumption cooperatives supplies Mr. Daniels reveals the nature and for, inevitable reaction to the purchasing of home supplies.

Mr. Daniels has made a particularly valuable contribution in what started out to be incidental research. He found that the average farmer spends more for food, clothing and other consumer goods than he does for gas and oil and all other consumer goods combined. This reversal of the commonly accepted belief shows an enormous field for expansion of the marketing co-ops which would result in the annual co-operative purchases of nearly $400,000,000 worth farm supplies.

Scientifically the American movement has achieved respectable proportions. Taken together, the members of the co-ops at present add up to more than 5,000,000 consumers. Mr. Daniels membership to allow for enthusiasm and the "new Americans" after the turn of the century. After the turn of the century...
Public Ownership, January, Special Rural Electrication issue.

Queen’s Work, April, “The Laborer in Cooperative Enterprises is Worthy of His Hire,” Joseph Fichter, S. J. This very interesting article is based on a study by the Bureau of Labor Statistics of cooperatives in Northern Wisconsin.

Unity, February 7, “Look to Scandinavia,” E. R. Bowen. The author shows how Finland and Sweden are solving the problems of unemployment, poverty and tenancy and urges the United States to follow their example.


COOPERATIVE PLAYs, POSTERS AND FILMS

PLAYS

The Spider Web, a 3 act play, by Ellis Cowling ..................... 2c

The Answer, a 3 act play, by Ellis Cowling ..................... 2c

Fill ’er Up, a one act radio play, by Marc Rosenblum and Pauline Gibson ...... 1c

Two One Act Plays, Ellis Cowling ..................... 1c

POSTERS

Organize Cooperatives, 20c

Green, 5 for $1 ..................... 20c

Cooperative Principles, 19c

Blue, 5 for $1 ..................... 20c

Cooperative Ownership, 19c

Mulberry, 5 for $1 ..................... 20c

FILMS

A Trip to Cooperative Nova Scotia, 3 reels, 16 mm, silent with title, based on the 1937 Co-op tour. Rental $1 per day, $1.50 for each additional showing or $10 per week.

FIRE INSURANCE

SAFEL-ECO NOMICAL-COOPERATIVE WORKMEN’S MUTUAL FIRE INSURANCE SOCIETY

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COOPERATIVE COMMENT

Kagawa Speaks Again!

It is a brave thing to declare oneself publicly in support of a minority movement in the midst of peace but a far braver thing to do so in the midst of war. Yet Kagawa has again declared in unmistakable language his faith in “cooperative international economics,” with his own country in the midst of war.

We now have in America copies of his “Proposals for World Peace Based on International Cooperatives” given in an address before Japanese missionaries, based on a previous address to Premier Konoye of Japan. There are few more stirring documents than his argument for “cooperative reciprocal trade” and for “equal opportunity and rights” in which he again takes his stand for the Rochdale Cooperative system. “I am convinced that there is no other way to bring about permanent world peace than by applying the Rochdale principles to international relations.”

We are led to wonder how some social leaders in America can be content to only speak with their tongues in their cheeks about cooperative economics when we have no war censorship to face as does Kagawa.

The Two Crutches—Spending and Lending

Our old creaky system of monopolistic economics is once more in dire need of outside assistance. It cannot carry on by itself. So it indirectly calls upon the government again for help (while all the time shouting, “Keep the government out of business”). And the government is again responding with another pair of new crutches of spending and lending. No other way can be found to carry on without getting too near the danger line of revolution.

Since business cannot distribute enough purchasing power to the many, but instead piles up profits in the hands of the few, the government is called upon to spend money for doles and public employment. This would not be as bad if the administration had nerve enough to tax away from the few the amount it distributed to the many, instead of continuing to borrow. Since the banks cannot lend enough money to business to increase production, even though their
Three Depressions and Their Lessons

We are in the early stages of the third great depression since the war. This is no recession but a genuine depression can be seen by comparing statistics with 1929. Here are comparisons of the first six months declines following the 1929 and 1937 depressions:

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The first depression, starting in 1920, followed eight years of Democratic New Freedom. The second depression, starting in 1929, came at the end of twelve years of Republican New Day. The present depression, starting in 1937, comes during the closing period of eight years of Democratic New Deal. Principally, changing political administrations and slogans has not solved our economic ills and ups.

The 1920 depression followed an inflation of commodity prices. The 1929 depression followed an inflation of both commodity and stock prices. All three depressions were preceded by increasing profit-piling in the hands of the few and were followed by increasing poverty, unemployment and tenancy among the many.

The primary lesson to learn is that the government cannot stop depressions. This statement is predicated on the presumption that America continues a democratic government. Conceivably a dictatorship might do so by the fixing of prices and allocating of production, but a democratic government cannot do these things, and remain a democracy.

The government can do some things. It can cushion the shocks by social insurance. It can establish national minimum wages, leisure, housing, education, health. It can expand public-owned utility yardsticks and thus lower rates, instead of continuing futile attempts at political regulation of private-profit monopolies. But again we say that a dem-

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THE ECONOMICS OF DEMOCRACY

Consumers' Cooperation is being increasingly recognized as the economic foundation of democracy. It is a system alien to the spirit of America, but the natural economic expression of liberty and equality. It is the economic realization of the "American Dream." The same principles which our forefathers applied to the organization of religion, education and government into the economic field as well. Economics must become democratic if democracy is to be fully realized, indeed if our present forms of democratic organization are to be preserved.

From Evangelization to Organization

This fact is now being rapidly accepted by the leaders and members of America's great democratic organizations. They are now including Consumers' Cooperation as an integral part of their own programs. We have passed the evangelization stage and are entering into the education and organization stage. It is a highly significant thing that within the past few months the other great democratic organizations have themselves organized committees of their leaders to carry on programs of education and organization of Consumers' Cooperatives among their own members. What is happening justifies repeating and resummarizing.

1. In the religious world, out of which inspiration toward the building of a new world of brotherhood is presumed to generate, both the Federal Council of Churches and the Church and Bible League Conference have appointed active committees on the Church and Consumers' Cooperation.

2. In the educational world, which has for its responsibility the teaching of facts about every form of democratic development, the National Education Association has also appointed a Committee to study the question of the teaching of Cooperation in the public schools of America. This follows action taken in a legislative way in three states. It might well be added that France has had an aggressive program of teaching cooperation in their public schools, both by book study and by practice, for the past ten years, which has resulted in the organization of over ten thousand children's cooperatives which receive a special publication, "Copain-Coop." A film showing the cooperative activities of the children in the school of France won the Grand Prize at the Paris Exposition.

 Likewise among adult education groups, the subject of Consumers' Cooperation is being increasingly chosen by leaders of university and adult-education groups as an integral part of their programs, and by the conventions of the different associations. In WPA classes the subject of Consumers' Cooperation is second only to the subject of Social Security as the one voluntarily chosen by the students. The Ohio Valley Adult Education Conference, which is a branch of the American Association of Adult Education, had a special section on Consumer Education in its recent conference at Pittsburgh. The U.S. Department of Education in many cities have included Cooperation as one of the subjects, when labor develops a thorough Workers' Education program, as has been done in France in the past few years. The study of Consumers' Cooperation will be expanded on a wide scale. The Forums conducted by the AAA also have a section devoted to Cooperative Purchasing.

In the peace organization field, there is an increasing tendency toward the acceptance of the necessity of a fundamental reorganization of the economic system on a non-profit, democratically controlled basis as the final foundation of world peace. The National Peace Council has recently included the subject of consumer economics as an officially adopted part of its program following the recommendation of its Committee of Experts.

But while church groups may inspire their members to act as consumers, educational groups may inform youth and adults about the subject, political groups may eventually pass laws providing for it, labor groups may include cooperation in their programs, this is all only the means of publicizing and educating to the end of organizing Consumers' Cooperatives.

In the farm field, the organization of Consumers' Cooperative Purchasing Associations is going on in dead earnest. As the members of rural purchasing groups increasingly recognize the integral relationship which they have with urban residents, in building a great Consumers' Cooperative Purchasing Movement, the progress is accelerated by their entrance into the field of household goods and joining hands with their urban cousins in a united effort.

The office workers of America are now following the trail which the farmers of America have blazed. Several hundred stores and offices have either already developed into full-fledged cooperatives or are on the way as buying clubs or study circles, whose membership has been largely recruited from the ranks of office workers.

In the labor field now rests the final great necessity for action for all the great democratic organizations of America to join hands to develop the economics of democracy. A few Consumers' Cooperatives have been organized which have been initiated by labor. Consumers' Cooperation has been endorsed by A. F. of L. conventions and by the conventions of some of the C.I.O. unions. All this is now leading to the setting up of Cooperative and Labor Conferences such as the one held in April under the joint sponsorship of the Eastern Cooperative League and Wholesale and Cooperative Distributors. An initial attempt two years ago only brought out a corporal's guard, while the recent conference was attended by representatives of over twenty unions. Similar conferences should now be held elsewhere and cooperative committees of labor groups should be authorized by the head office to publicize, educate and organize program all over America.

Build Economic Democracy in America

We are still able in America to choose the "Middle Way." But how long there will be time to do so if we do not organize as rapidly as we are developing lines, is uncertain. While Cooperation will eventually triumph everywhere in the world, for it is truth itself, the problem for us in America is as to whether we will delay too long and permit the forces of Fascism or Communism to reign over us for years and eventually have to be overthrown before we can and should decisively build here in our section of the world, an economic as well as a political democracy.

There is real hope in the fact that the democratic organizations which America has already developed by adopting Consumers' Cooperation as an integral part of their own programs.

May, 1938
COOPERATIVE EDUCATION IN SWEDEN

WHEN we look for models of social achievement these days, we are apt to turn to Scandinavia. All of the discussion about the achievements there with Sweden in the forefront is not without purpose if they are to be of more the preparation for these achievements, the patient work of a generation or more, in popular education.

Mr. Anders Hedberg on his recent visit here was asked, in a radio discussion, whether the pinch of poverty was the prime motive for substantial cooperative development. His reply was that he did not think so because in Europe there were several countries in which poverty was much more acute than in modern Sweden but where cooperation was not extensive. "Cooperative development," he said, "is a measure of the level of economic education of the masses of the people."

And so it is in Sweden. The half million and more families which, through their cooperative purchasing, control the price level of Sweden, are not motivated primarily by poverty. They protect their consumer interests through cooperatives because of what their interests are and how better to serve them. This same knowledge leads them into labor unions and farm marketing cooperatives, the organizations which have in the latter function they relate to the people at large. The possibilities of such a cooperation is the national publisher of economic literature, is also conducting a work of the central cooperative organization which, in addition to its principal publisher of economic literature, is also conducting a correspondence school, a resident college, and more families which, through consumer interests through cooperatives, the organizations which have in the latter function they relate to the people at large. The possibilities of such instruments of cooperative education, peer to educational leaders of the country.

In the cooperative field the correspondence courses have two functions: (1) the training of courses in economic principles, including cooperative principles, as a part of the general economic training from which the cooperatives naturally derive benefit in the form of improved store operation. When this course is not under way, there is a course available at the college, Var Gard, and so with all of the coöperative training of both employees and members of committees and boards directed. Correspondence courses are followed by short residence courses at the college. The theory seems to be that those things best learned from books can be learned more efficiently and at less cost through a correspondence course.

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Cooperative College

Since the correspondence courses emphasize book learning, the college emphasizes those things best learned from books. Consequently, few books are found in use at the college—a rather unique condition for a college.

In discussing the educational program, the Swedish cooperatives speak of three kinds of schools: (1) The Cooperative Schools—learning from books: (2) The Study Circles—learning from book, discussion and group projects. During this period it has enrolled over 175,000 students at an increasing rate. In the year 1936-1937, over 30,000 persons were enrolled, exclusive of those participating in the courses of their mention later. With the enrollments on the increase and running at 20,000 new students per year at the present time, it can readily be seen that in the period of a generation these courses will reach a very substantial proportion of the Swedish people. The courses cover the range of subjects covered in the secondary schools and are highly regarded by the educational leaders of the country.

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Cooperative Study-Circles

Unique as are the correspondence school and the cooperative college as instruments of cooperative education, perhaps the most far-reaching element of the cooperative education is the cooperative study-circle. The possibilities of such study as an educational process for the masses of the people, give promise of continuing the present trend in Sweden to a higher level of economic literacy among the people at large.

The study-circle, however, is not the invention of the Cooperatives. It has a...
long history in Swedish popular education and a well-developed educational theory which the cooperatives have taken over rather recently and adapted to their needs.

The study-circle had its inception in a cause quite remote from cooperation, the Order of Good Templars. Under the guidance of Dr. Oscar Olsson, the study-circle technique was evolved as a means of enlightening people to be temperate in their use of liquors. The present Swedish liquor control systems must lay part of their success to the long process of education in this field by the study-circles.

Fortunately, the temperament of Oscar Olsson was such that he was not content to have developed a method of temperance education only. Through the years he has expanded the philosophy at home and abroad so that the Swedish study-circle movement has become a subject of world consideration as an indispensable means of adult education of all sorts.

In Sweden study-circles are now a part of the basic program of education in politics, labor, religious, cooperation and other mass movements.

Some may say that the study-circle movement in Sweden is, in its essentials, a movement for education and not for propaganda. Oscar Olsson has pointed out already in 1929 that "the development of society does not suffer by different opinions about society among citizens, if society only sees to it that citizens are in a position to form their own opinions and educate themselves." So the study-circle movement has induced a progressive government to give money to any genuine educational organization, regardless of whether the extension of its economic or social philosophy.

As an outgrowth of this policy, there are in Sweden many workers' educational associations in which social-democratic, syndicalist, communist and cooperators have formed a common educational front. Local government bodies support these programs, insisting only that lecturers be competent authorities and teach principles rather than propaganda.

Specifically within the Cooperative Movement, study-circles are encouraged by Kooperativa Förbundet which maintains a staff for this purpose, supplies literature and study outlines, reviews and comments on answers to questions worked out by the study-circles and publishes a magazine for the study-circle groups. In practice, these small groups generally meet without a teacher, although one among them is usually selected by the leader. They purchase study-guides and literature for the course the group undertakes to study for from 25 to 50 cents. The following are some of the study-courses available: "Cooperation and Agriculture," "Cooperation and the Economic Life of the Nation," "Cooperation and Prices," "The Problem of Monopolies," "Cooperation and Agriculture," "Housing and Food." The leader conducts many others. Usually one or more complete books, supplemented by pamphlets, are used as the basis of the course. Each chapter of the study-guide which serves as the basis for one meeting of the group is concluded by three so-called "capital questions" which are answered by the group. These are sent to Kooperativa Förbundet which, in turn, comments and sends back comments. When the Fall program of study started in September, 1937, there were 10,070 study circles with 62,200 in all.

In an interview with Dr. Olsson he credited the study-circle department of the Cooperative Movement in Sweden with having perfected his original idea. He summed up his early thinking by saying that he conceived that a small group of adults who would voluntarily meet regularly, who would democratically select a discussion leader from among their own group, and who would read and discuss a great book together would eventually get at the heart of the book. He now feels, that he had too much faith in the ability of such groups to do alone all he conceived. The cooperative movement, he stated, had added two valuable additional methods. First, the supplying of a discussion guide to help open up the thinking of the author of the book and, second, the provision for group replies to major questions, which were weighed and commented upon by the central staff.

This, briefly, recapitulates the study-circle program of the cooperatives. In the field of labor and progressive politics similar programs are under way with like intensity. All of which stem from the philosophy originally propounded by Dr. Olsson.

These programs are not adult education in the sense often assumed in the United States. They do not deal with culture in a certain innocuous sense as suggested by the title "The Butterflies of Sumatra," one announced under the heading "Cooperation and Agriculture." The study-circle technique is one designed for the large masses of mankind who need a wider and firmer grasp of reality, and understanding of the forces that control their destinies.

The study-circle, in a word, is an instrument of orderly social change, assuming the premise that a non-violent process of evolution leads to a better society. All former civilizations, says Dr. Olsson, have been defeated because they were created and supported by a very small part of educated society, dependent for this work upon the fact that the masses of the people were serfs with such small material and spiritual demands that they would never grasp the highest values of human culture, or be conscious of having any part in them.

Therefore the strongholds, both from within and from without, broke down when the hour of trial came. "The world catastrophe and education now have their race for life," to quote Wells.

Progress Not Panaceas

There is some tendency to discount the achievements of Sweden (with some help from the Swedes themselves who think that they have been overrated). We are told that their prosperity is dependent upon armament manufacture and a corner on certain natural resources, that their cooperation is built on a governmental monop- lony, that their culture springs from antiquity. All of this would be cogent if other nations equally favored enjoyed as desirable a status. The important thing about the Swedes is not how much they have achieved relatively, but it is the fact that they are making some measurable progress while much of the rest of the world is losing ground.

There is no Utopia there, and it may well be that the ideas will be swallowed up in the catastrophic fall which the prophets of doom and disaster hold before us. Be all that as it may, there are enduring evidences of those things which "rust doth not corrupt nor thieves break through and steal." There is something about the Swedish methods of adult education which breeds a desire for a greater diffusion of the better things of life, material and spiritual, which has a different ring from that which we hear for adult education. While there is yet time, perhaps we too may reinforce our democracy and extend the benefits of a materially abundant age at the same time by following their example.

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Small Town Co-op

Our town is small, conservative and comfortable—for those who find it so. Any troubling of the status quo is looked upon as dangerous, if not subversive. The "outsiders" consisting of school-teachers, artists, writers and some farmers, formed the nucleus of our cooperative in the beginning. We started offering by mail from Cooperative Distributors in New York and thus came to realize that we need not take it sitting down from the chain stores or the few local merchants who were socially very pleasant but commercially very unapproachable.

From sharing on mail-orders, a small group began case-lot buying of groceries from the Eastern Cooperative Wholesale. We came to the pleasant conclusion that our chain-store budgets, placed elsewhere, could bring a quality and standard into our living not obtainable on Main Street. Eighteen months ago we formed a club of about twenty members.

We read a few excellent pamphlets, held discussions and listened to exciting lecturers. We visited a few successful cooperatives, among them the one at Maynard, Massachusetts. Then, like good Americans, we said: Let's go. Let's fix it. Bosoms began to heave, minds to crackle. Forty strong, we decided to take action.
Collective Bargaining with Private Dealers

In February, 1937, we made collective bargaining arrangements for discounts on laundry, gasoline, coal and fuel oil. We also carefully worked out an arrangement with the only remaining independent grocer in town to carry cooperative goods on his shelves under the club's control. We raised $300 as a revolving fund for this project. Inside of three months we were forced to cancel all but the group purchase of coal and oil; the laundry service because of poor quality and the gasoline service because other stations cut prices to such an extent. The small profit our dealer could make above the club discount. The grocery store arrangement failed for more complicated reasons.

There had formerly been three independent grocery stores in this town of about three thousand people. One had been closed out as a failure several years before we organized; a second one had gone bankrupt a few months before we started, and the third man seemed interested to work on certain terms with us. We hoped to win him over to the co-operative idea and in time make his store a success. He thought of us as inexperienced, but we were superior in quality to the general store-keeping. At $25 a month, and opened up with about $800 worth of goods, largely from the Eastern Cooperative Wholesale of New York. Our membership was now about seventy-five. Immediately we were out of sounding-board and our headaches began in earnest. We were too few to start a store and were practically without guidance whatever from our own membership or any available outside agency. Unfortunately collapse of our previous arrangement left us holding the bag and we did not wish to retract.

A member of our club with previous cooperative experience, but no store training, offered himself as store-keeper at $15 a week. The first month we very nearly broke even on expenses. The second month we took a slight loss due to a natural progression and found dollars a week added to salary. July was not so good and August definitely bad. Some became disheartened and broached the question of possibly closing the store before it was too late.

Our store-keeper, in a way, had been made the willing goat of our too much haste in starting the store. He became disheartened, not finding a complete stock of goods, members began to slip off and purchase elsewhere, while the local non-members held off to see what our arrangement meant. The store-keeper, likewise, suffered from his own unavoidable lack of specific business experience in business affairs. The bookkeeping alone caused imminent nervous breakdowns among the valiant who had volunteered to shoulder the burden.

Experienced Manager—Over the Top

Last September we took the bull by the horns, increased our stock and hired a trained store-manager at $25 a week. At the same time we recast our constitution and by-laws and made them applicable for incorporation in other words we became a business-like. Our sales increased. In October we made a small profit; in November we had almost doubled our sales from $1500 in May to $3000 in October. The first month we very nearly broke even on expenses. The second month we took a slight loss due to a natural progression and found dollars a week added to salary. July was not so good and August definitely bad. Some became disheartened and broached the question of possibly closing the store before it was too late.

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Start a Store—Learn a Lot

May, 1937, we rented for one year the site of a previously bankrupt store, at $25 a month, and opened up with about $800 worth of goods, largely from the Eastern Cooperative Wholesale of New York. Our membership was now about seventy-five. Immediately we were out of sounding-board and our headaches began in earnest. We were too few to start a store and were practically without guidance whatever from our own membership or any available outside agency. Unfortunately collapse of our previous arrangement left us holding the bag and we did not wish to retract.

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On the human side, undertake no projects until you can be sure of a sufficient reservoir of capable volunteer help for bookkeeping, membership and educational work and general business supervision, always with the understanding that such volunteer labor shall have timely rewards in the form of recognition. When you have on hand a loyal and homogeneous membership, then go ahead. This all sounds very platitudeous, but the flesh is weak and cooperatives are maintained by a membership which on the whole can only give part time to club affairs.

COOPERATIVES ON THE MARCH

Columbus, Ohio—The Farm Bureau Automobile Insurance Company, America's largest auto insurance cooperative, jumped from seventh to fifth place among automobile insurance companies of the nation at the close of 1937. The rating is based on premiums written.

Premium income for 1937 was $4,353,929, an increase of more than a million dollars over 1936.

New York—The Workmen's Mutual Fire Insurance Society, one of the oldest cooperative associations in the United States, reported at its annual meeting here in April that it is now handling furniture fire insurance for 68,295 members in 11 states.

Outstanding insurance in force at the end of 1937 totaled $87,071,920, an increase of $1,132,175 for the year. The co-op was granted a license to operate in Connecticut and Minnesota April 26. 2,612 new members were enrolled during the year.

Superior, Wisconsin—Central Cooperative Wholesale voted at its annual meeting here April 11 and 12 to place $18,000 of its $76,000 earnings in reserves and pay out $25,000 of its patronage refunds in the fall of 1938 and the remaining $33,500 in the fall of 1940. With its financial position thus strengthened, the company proved to take advantage of the increased interest in consumer cooperatives engendered by the depression by increasing the budget for the educational department from $7,500 in 1937 to $12,000 for the current year.

The delegates instructed the educational department to spread information about cooperative medicine with the ultimate purpose of establishing cooperative health associations in the territory served by the co-op wholesale; authorized the board to establish a branch warehouse to serve member cooperatives in the Upper Michigan Peninsula; and recommended the board to consider the feasibility of installing a system of government supervised grade labeling.

Minneapolis—In the face of the business recession tank car shipments of petroleum products by Midland Cooperative Wholesale during the first three months of 1938 were almost 50 per cent greater than during the same period in 1937. Shipments in March set a new all-time high of 709 cars, but the management explained that part of that increase was due to advance orders to escape freight rate increases which went into effect March 28.

Total shipments to affiliated co-ops for the first quarter were 1,435 cars as compared with 957 for the first quarter last year.

Walla Walla, Washington—Pacific Supply Cooperative has just purchased a warehouse building here which will be remodelled to serve as headquarters for the co-op wholesale and distributing center for the seventy retail cooperatives affiliated with Pacific Supply in the three Northwestern states.

Because of rapidly growing business the co-op wholesale has also acquired wholesale facilities in Portland, Oregon, and Caldwell, Idaho. Although Pacific Supply Cooperative has only been in existence a little over three years its business last year was well over the three million dollar mark.

St. Paul—In a move to speed organizational and educational work by cooperatives, a state committee for cooperative planning has been appointed by Commissioner of Agriculture Charles Egley, manager of the Farmers Union Livestock Exchange; Joseph Gilbert, editor of the "Midland Cooperator"; Walter R. Sassmann, secretary of the State Planning Board; and Leo Kneut of the State Department of Education.

The new planning board will make a survey of Minnesota co-ops and sponsor the formation of the appropriate councils or regional federations, built from the bottom up by representatives of local cooperatives, to strengthen cooperative education and information in the state.

Washington, D. C.—Forty-two burial cooperatives with an estimated membership of 27,000 are now in operation in Illinois, Iowa, Minnesota, Nebraska and South Dakota, the Bureau of Labor Statistics reported here April 1.

The average cost per funeral in the co-ops is $175 as compared with an average price of $335 for the same type of burial service in private profit undertaking establishments.

Cooperative burial associations have been so successful that the private profit undertakers association in Minnesota sought to prevent the further organization of co-ops by bringing suit contending that a burial co-op is not legal under the state law because it does not serve the "public interest." After a long controversy the case was decided in favor of the cooperatives.

Chicago—The evolution of a city co-op from a grocery store to a service organization covering many fields was illustrated last month when the North Shore Cooperative Society opened the first consumer-owned gas and oil station in the city limits of Chicago.

The cooperative started a grocery store three years ago. It is now also operating two milk routes, a butcher shop, fruit and vegetable service, a credit union and a gasoline station.

The opening of the first gas and oil co-op in Chicago may mark an important step in the organization of city gas stations which may some day match the record of rural co-ops which are handling in the neighborhood of $60,000,000 worth of petroleum products a year.

Amarillo, Texas—Local retail cooperatives in nine midwestern states returned to their members $250,000 in savings refunds during 1937, according to Howard A. Cowden, president of the Cooperative Wholesale Association in an address to the annual meeting of Consumers Cooperatives Associated here last month.

"That money was left in the communities where it was earned," Mr. Cowden declared. "If the co-op members were to spend all of those savings for shoes they would buy 212,000 pairs at $4 a pair; that would have kept 700 people at work for a year or enough workers to represent a town of 3,500 people."

Maynard, Mass.—The United Cooperative Society of Maynard, now well established as the largest retail business in this town of 7,000 inhabitants, recorded the biggest business in its history when its total sales for 1937 amounted to more than half a million dollars.

Sales totaled $509,190 in 1937 as against $475,931 during the previous year. Net earnings were $20,598 of which approximately $17,000 were paid out in 31/2% savings returns. All customers of the co-op members and non-members alike, participated in the patronage dividends.

New York—Three years ago the office of the Knickerbocker Village cooperative buying club took turns getting up at four o'clock in the morning to deliver cooperative groceries to members of the struggling little co-op.

Nursed on co-op milk, the cooperative took on the distribution of tree-ripened oranges and grapefruit when it had grown to 2,000 members. In 1936 the co-op arranged for the use of a basement room in New York's largest limited dividend housing project and went into the grocery
business. By fall it had taken on laundry distribution. In the beginning of 1937 the Village cooperators launched their credit union and by the end of the year, the coop had expanded to include 350 family members; and business had grown to $30,000,000.

April 19th the Knickerbocker Village Consumers Cooperative moved into a ground floor store—the largest in the Village. Consumer Distribution Corporation is assisting in the financing and management of the Knickerbocker Co-op.

CO-OP CENSUS

Washington, D. C.—The major section of the census of the consumers cooperative movement in the United States recently completed by the U. S. Bureau of Labor Statistics shows that in the field of the cooperative purchase of consumers goods 3,600 cooperative associations with 677,000 individual members did a business of $182,685,000 in 1936. The report, covering other types of consumers cooperatives, showed 3,728 cooperative telephone associations with 330,000 individual members; 259 electric supply cooperatives serving 161,000 farm homes; 42 cooperative burial associations serving 27,000 members; and 35 cooperative housing associations with 2,200 family members.

To these should be added another important group. Of the consumers cooperative associations serving farm families, the report covers only those which deal in 303,850 members doing an annual business of $111,998,681. A previous study by the Farm Credit Administration covering cooperative purchase of all types of goods by farm cooperatives showed an additional 939 cooperatives with 646,000 members that are cooperative purchasing associations but do not handle consumers goods, thus making a total of farmers' purchasing cooperatives handling consumers goods and farm supplies of 2,112 associations with an estimated membership of 950,000 which did a business of $254,000,000 for the year ending June 30, 1936.

For purposes of comparison, the survey of American consumer cooperatives, credit and cooperative insurance associations should be added. Statistical sheets are available for cooperative insurance companies. The Credit Union National Association reports that there are 7,000 credit unions in the United States having a total membership of 1,900,000.

The Bureau of Labor Statistics describes the growth of consumer cooperatives as "a record of slow, quiet expansion." While most cooperatives have been formed in rural areas organized labor is taking a new interest in the possibilities of cooperation and in the formation of cooperative enterprises. Church groups are also manifesting a lively and growing interest in cooperation.

The current report is based on answers to general questionnaires mailed to cooperative associations plus field work in 31 states. Of the 3,600 consumers goods cooperatives 2,400 are cooperative store associations with 330,500 members and a business of $107,250,000; 1,150 are cooperative petroleum associations with 325,000 members and a business of $69,950,000; the other 50 are cooperative associations with 22,250 members and a business of $5,450,000.

The typical American cooperative, according to the report, has a membership of from 100 to 250 members. The associations handling petroleum products are found almost wholly in the Mississipi Valley States with the largest number of cooperatives reported in the survey are Minnesota, with 924 associations with 64,000 individual members: Wisconsin, with 200 cooperatives having 51,000 members; Kansas, with 151 cooperatives reporting 21,000 members; Illinois, with 149 co-ops having 66,000 members; and Nebraska reporting 123 cooperatives with 25,600 members.

While the report of the Bureau of Labor Statistics is not complete, it represents the most thorough-going study attempted to date. Previous studies made by the Bureau covered cooperative development in 1920, 1929 and 1933. Although those studies were not complete they are interesting evidence of cooperative growth:

1920—696 associations
1925—1,577 associations
1930—1,854 associations
1935—3,600 associations

Complete information about Circle Pines Center is available from the National Cooperative League, 2301 S. Michigan Avenue, Chicago, Illinois. Those interested are invited to investigate the Center more thoroughly.

NATIONAL COOPERATIVE RECREATION SUMMER SCHOOL

Those interested in cooperative recreation will welcome the announcement that the Third Annual Cooperative Recreation Summer School will be held at Hull House Camp, Waukegan, Illinois, June 10 to 22. The summer school, which is sponsored by The Cooperative League, will be conducted by the Cooperative Society for Recreational Education. Frank Shilston, member of the field staff of Midland Cooperative Wholesale, will be the director.

The course will include Folk Dancing, Drama, Theory of Recreation, Instrumental Music and Group Singing, Puppetry, Handicraft and Cooperative Games. The cost of accommodations at Hull House will be $17.50 for the twelve days. The tuition will be $15.

The Cooperative Recreation Summer School is designed primarily for educational and recreational directors of co-op wholesale and retail associations and for other recreational leaders and prospective leaders who are interested in recreation as an educational force both in personal and social adjustment.

The Cooperative Society for Recreat-

CIRCLE PINES CENTER

An unusual cultural, recreational and educational center for cooperators, located at the northern end of the 5,000 acre Yankee Springs Recreation Project of the National Park Service, 32 miles north of Battle Creek, Michigan, has been leased by the Central States Cooperative League. The camp, which is called Circle Pines Center, will be the headquarters for ten weeks of training schools and institutes planned to deal with almost every phase of cooperative organization. In addition the camp will provide vocational and recreational facilities for the entire family—a kind of Cooperative Chautauqua.

Particular interest is the announcement in the prospectus of the Circle Pines Center that the Center "affords opportunity for almost any type of outdoor recreation and nature study... An instructor in recreation will be provided. Folk songs, folk games, and dancing, and traditional games under expert direction will form an important part of every program. Competent leadership and instruction will be provided in arts and crafts such as wood-working, shepherd's pipes, sketching, simulated stained glass work, hand tooled leather, weaving and other arts and crafts. Sailing and playing of instruments of many lands will also be a part of the recreational program. Dramatic and musical programs organized by the students will be given from time to time.

The schedule of prices is very modest, averaging about eight dollars a week per person, with tuition to the schools and institutes not to exceed $6 per week. Attendance in schools and institutes is not compulsory. You can go to Circle Pines Center either as a student or merely for an enjoyable vacation and rest.

Complete information about Circle Pines Center is available from the Central States Cooperative League, 2301 S. Michigan Avenue, Chicago, Illinois.
JUNE, 1938

Ohio, two years ago. Carl Hutchinson, bureau Cooperative Association, is the educational department, Ohio Farm Bureau Cooperative Association is secretary. Inquiries should be addressed to Miss Emerson, 3607 Derry Street, Harrisburg, Pa.

RECENT COOPERATIVE ARTICLES


Commonwealth, April 8, "Quebec Fosters Cooperation," E. L. Chinato. Under the stimulus of the government, cooperatives of all types are being developed.


Fellowship, April, "Co-operatives and Cooperatives," Caroline Singer. Do's and Don'ts for pacifists interested in the cooperative movement.

Free America, April, Entire issue devoted to cooperatives. College co-ops, their growth in American colleges and their effect in training future leaders for consumers cooperative movement are featured. William Moore, Bertram B. Fowler, Cadey Taylor and others are contributors.


Indians at Work, April, "A Co-op Tasting Party," Edward R. Murmane. How a co-op can turn research investigator via the can opener.

Printers Ink, March 10, "Co-op Statistics," a survey of co-op progress.


Social Frontier, April, "Co-ops Come to the Campus," Fred E. Luchs. Progress is reported by students.

Socialist Call, April 9, "Cooperative Problems in Racine, Wisconsin," Peter Warlaaitem.

COOPERATIVE ARTICLES

PLAYS

The Spider Web, a 3 act play, by Ellis Cowling

The Answer, a 3 act play, by Ellis Cowling

FILL 'ER UP, a one act radio play, by Marc Rosenblum and Pauline Gibson

Two One Act Plays, Ellis Cowling

POSTERS

Organize Cooperatives, 26" x36"

Green, 5 for $1

Cooperative Principles, 16" x24"

White, 5 for $1

Cooperative Ownership, 16" x28"

Mulberry, 5 for $1

FILMS

When Mankind is Willing," a 16 mm, silent, three-reel film, with English titles, by a report of the Inter-faith Conference on Cooperative Wholesales and compared them with the British Cooperative Wholesale Society's recent census statistics of wholesaling expenses. Showing particularly the activities of the Union of Cooperatives of Lorraine at Nancy. Rental $1 per day, $1.50 for each additional showing or $10 per week.

A Trip to Cooperative Nova Scotia, 3 reels, 16 mm, silent, with titles, based on the 1937 Co-op tour. Rental $3 per day, $1.50 for each additional showing or $10 per week.

An Example from Sweden

Kooperativa Forbundet, the Cooperative Union of Sweden, has now decided that the price of linoleum is too high, and in accordance with its policy of entering into new fields where prices on widely used commodities are too high, K.F. is taking steps to start production. For some time the Swedish cooperatives have had an engineer in America looking into practical production problems after concluding their previous economic study. The real news in this activity which they plan to undertake is that "as a first step the Board will begin negotiations for the purchase of the Forshaga factory, the principal one of its kind in Sweden. If this purchase cannot be arranged the Society will build a linoleum factory," so the ICA News Service reports. This is the practical and fair way to "bust the trusts." First to accumulate reserves as the Swedish cooperatives have done to buy or build for spot cash, then to make an economic study of high profit and widely needed products, then to offer to buy a modern private factory at a fair price with the water squeezed out, finally to build and bust the trust if it will not "retreat gracefully," as Kagawa recommends that business do before the march of cooperatives.

A Business Man's Question

An experienced and successful businessman visited us recently and asked the question, "Should I go into the Cooperative Movement?" We answered him by quoting figures. First, from the new book "Consumers Cooperation in Great Britain" showing the expense of cooperative retailing of groceries to be 13.96% compared with the Harvard Bureau of Business Research statistics of 18% for independent grocers and 18.2% for grocery chains, or a saving of over 4% in retail expense. Then we quoted the recent census statistics of wholesaling expense of 5.2% for Retailer Owned Wholesales and compared them with the British Cooperative Wholesale Society's

FIRE INSURANCE ON YOUR FURNITURE

SAFE-ECONOMIC CO-OP WORKMEN'S MUTUAL FIRE INSURANCE SOCIETY

227 East 84th St., New York, N. Y.

Member of The Cooperative League of the U. S. A. Under supervision of N. Y. State Insurance Department.

Consumers' Cooperation

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COOPERATIVE COMMENT

We are gratified over the fact that Joy Eimer Morgan, nationally-known editor of the Journal of the National Education Association, writes that Consumers' Co-operation "reads like a crusade." That, at least, is how we purpose to make it read, for that is what the Consumers' Co-operative Movement should be.

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expense of the almost unbelievable low figure of 1.3% for handling Groceries and Confectionery; they represent another possible saving of about 4% in wholesaling.

Before we could quote any comparative figures for manufacturing our visitor was very pleased to know that, in time, he could not possibly go up against such low cooperative percentages and survive in private-profit business. The wise thing is for private dealers and wholesalers to convert their businesses into cooperatives. Grocery wholesalers have now done it in large numbers, and now retailers such as Frank Hawkins of Enid, Okla., who recently converted his two stores into consumers’ cooperatives, are beginning to take the further step. The purchase of private food factories will naturally follow.

For good measure, we added as our visitor left, “And that’s besides the happiness which counts even more but cannot be counted in percentages.” We hope another private business man has been converted to the cause of cooperation.

**Fascism Looms in Bituminous Coal**

The beginnings of Fascism are simple. They consist in price fixing by producer wholesale services. The key point is in the confusion between allowances, discounts, rebates, etc. given by some private distributors (which are entirely foreign to cooperative practice and when given by private distributors are included in the profit which is then figured), and the patronage returns (called profits by private business) which are required to be paid to shareholders of cooperatives on the basis of purchases.

For the organized consumer there are two questions involved: the first is the right of consumers cooperatives to handle any product and receive discounts commensurate with the services rendered on an equal footing with private business; the second is whether such a law should not be clothed through the courts to cut off in its beginnings another of the monsters of Fascism which has appeared. This, cooperators will eventually have to decide through their chosen Directors and Officers.

**Education Is Not A “Loss”**

Once we were so bold as to challenge the delegates to the annual meeting of Central Cooperative Wholesale of Superior, Wisconsin, that the wording on a sign which they had on the back wall, directly in line with the vision of the speakers, should be reversed. It read something like this; “We should organize and educate.” We stated that we believed the word “educate” should be first. The delegates applauded, so we are going to offer a further suggestion along similar lines as a comment on the 1937 financial statement of this “superior” wholesale located at Superior, Wisconsin. A summary of their “Income and Expense Statement” is as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>$3,340,125.81</td>
</tr>
<tr>
<td>Cost of Sales</td>
<td>$2,098,992.19</td>
</tr>
<tr>
<td>Margin</td>
<td>$1,241,332.62</td>
</tr>
<tr>
<td>Expenses</td>
<td>$156,740.27</td>
</tr>
<tr>
<td>Gain</td>
<td>$84,393.35</td>
</tr>
</tbody>
</table>

To this “Gain” is added $401.75 as the result of Auditing and from this a “Loss” in a Cooperative? Why not? What are the current values that would make it possible to dispense with more easily than any other Expense item, to be deducted before figuring Gain, rather than a Loss to be deducted after Gain is figured, which leads to the inference that it might possibly be dispensed with more easily than any other Expense item.

All Expense items, whether education, warehousing, purchasing, accounting, management, etc., can be converted to the cause of cooperation.

**“Study-Circle” Idea**

Once again we challenge the delegates to the annual meeting of a Cooperative as a Loss, after figuring Gain from Trading and Manufacturing, instead of including it with the other Expense items of warehousing, purchasing, accounting, and management. Why single out and present Education to be a Loss, artificial or not, and in financial statements before profit other Expense item. Why not present Education as a “Gain” which they had on the back wall, directly in line with the vision of the speakers, and at their annual meetings.

The Consumers Cooperative Association of North Kansas City, Missouri, called them “Discussion Groups” when they organized a five months’ employee training program last winter.

An alluring allusive variation of the name is “Neighborhood-Meetings,” now being developed by Midland Cooperative Wholesale of Minneapolis.

The Milwaukee County Consumers Cooperative Association of Milwaukee, Wisconsin, uses the name “Cooperative Classes.” At Fargo, North Dakota, a group has just met at the North Dakota Agronomic College to organize “Neighborhood Meetings.” The Vermont State Farm Bureau at Burlington, Vermont, has completed a series of forty-one “Study Clubs” averaging fourteen per person, using the Nova Scotia name.

The important fact is that, even if American Cooperators are still “individualistic” enough to want to coin original names, which is a very different matter, and to want to accept and be so on the way to rapidly adopt the Swedish-Nova Scotia idea of small discussion groups as the best means of adult education yet devised. Study clubs have been proven best both as a means of getting information from the leaders to the members and also from the point of view of getting suggestions from the members to the leaders.

**NATIONAL CONFERENCE**

Editors of the major cooperative papers in the United States and education, recreation and publicity directors of regional cooperatives, district leagues and retail associations will hold their annual three-day conference at Hull House Camp, Waukegan, Illinois, June 23, 24 and 25, under the auspices of The Cooperative Movement.

The co-op conference will consider major problems of cooperative policy and discuss programs of education for the coming year. Glenn Thompson, educational director of Midland Cooperative Wholesale, is in charge of arrangements.

June, 1938
NOVA SCOTIA REVISITED

Bertram B. Fowler

For the past several years the educational work being carried on by St. Francis Xavier University has been attracting a great deal of attention among American cooperators. Those who have visited eastern Nova Scotia have seen in the cooperatives growing up in fishing and farming communities and mining towns something unique and progressive in its philosophy and action. St. Francis Xavier University has made a profound impression on these visiting cooperators, so profound indeed that many now agree that Nova Scotia is perhaps the most significant field of cooperation on the continent.

True Democracy Visualized

In the book, "The Lord Helps Those" the writer has attempted to summarize and evaluate the movement that has come out of Antigonish to give new life and hope to stranded and poverty-stricken communities. Out of the study and summarization have come certain definite implications that are of great import to the whole American movement.

In the columns of Consumers' Cooperation the writer has previously given his own brief summary of the Nova Scotia experiment. That summary strove to show that the Nova Scotian leaders of today have actually gotten a vision of the kind of community we are working to unveil that vision to fishermen, farmers and industrial workers. Today certain new appearances in Nova Scotia prove conclusively that cooperation has entered a new stage, vindicating the earlier theories and rules laid down by the Antigonish educational leaders. To show clearly the import and meaning of the Antigonish experiment, it is necessary to trace distinctions and differences between the work done in Nova Scotia and that done in many parts of the United States. None of the distinctions or differences are intended in an invective sense but rather as points which the movement in the United States should study and absorb.

The consumer cooperative movement in the United States was started in the majority of cases by farm leaders who adopted the technique and began to build their units of cooperative enterprise upon a purely economic foundation. Since economic pressure was forcing the farmers and workers to study and action and because of the tremendous pressure of organized exploitation it was logical that the first units should have been so conceived and built.

Too, the religious and educational leaders of the Schottish church did not easily recognize the fundamental meaning of the consumer cooperative movement. Therefore the purely spiritual and ethical content that only these men could pour into the movement was in most cases lacking. That such a conception of cooperation is now actually appearing in the United States is due in no small part to the guidance given by those educators and religious leaders who have been attracted by the movement and have begun to interpret it intellectually and ethically.

Economics Founded On Ethics

In Nova Scotia the whole movement rose directly out of the ranks of the educators and priests. These men were interested primarily in the regeneration and cultural awakening of their people and accepted an economic technique as vitally important but still secondary to the primary necessity of cultural and spiritual rebirth. The whole program of cooperative action in Nova Scotia has been based upon that basis. In each of the tiny farming and fishing communities the primary evil was that of apathy and ignorance that stemmed directly from the root of poverty. Therefore the pioneer priests who began to preach cooperative action voiced their message in terms of a cultural and ethical renaissance.

Practically every cooperator has read the story of Little Dover, that fishing village on the eastern shore of Nova Scotia where the people had been reduced to abject and soul-destroying poverty. For in this village Dr. J. J. Tompkins began the work of regeneration that has gone triumphantly on, gathering strength and scope with the passing years.

Dr. Tompkins has said repeatedly that the one important thing was to get these poverty-enslaved people to lift up their heads and begin to think for themselves. He did not care greatly what definite course of action they should take when they began to think. For he was convinced from the start that the action would be right. Therefore the real message he carried to Little Dover was one of necessity for straight thinking.

The lobster factory at Little Dover, first of the many that now are strong along the coast of the Maritime Provinces, was not so much from a carefully conceived and worked out plan of action as it did from the awakened and energized minds of the people. Because of this the initial purpose of the building of that first lobster factory lay in the fact that the people gave freely of their labor and scanty resources to build it with their own hands. Thus that factory, and the fish factory which followed it, was founded on the bed-rock of an awakened intelligence and power that had been dormant for generations. The increased income that is now flowing to the people of Little Dover from this unit of production is something more than a mere economic gain. To them it is important because it proves what Dr. Tompkins had been telling them for years, namely, that they were just as smart, just as resourceful, and powerful as the men who had been exploiting them. This sense of economic independence increased the sense of dignity and self-respect which so many cooperatives have been built by something more powerful and constructive.

The Credit Union—A First Step

The Nova Scotian approach to the credit union method of pooling community funds for the community use illustrates the unique approach of the men of Antigonish to the problem of credit. These men accepted the technique of the credit union from the United States. They lifted the whole idea bodily from their cousins across the line. But they set it on a far different foundation. While the credit union in the United States was in most instances an entity in and of itself, it became something far different in Nova Scotia. In the fishing, farming and industrial communities there it became the first unit in the new economic structure which these men and women were attempting to build. Therefore these people met in their little study clubs and studied the whole problem of credit as it touched their own communities and society in general.

The credit union became the first step in their cooperative march out of the desert of a profit-controlled economy. The tiny sum that was looked upon, not as a mere reservoir for the supply of personal loans, but as a source upon which they should draw for the rebuilding of the community.

Out of these tiny credit unions have come the stores, the lobster factories, the sawmills and other cooperative producing units in the rural areas. In the mining towns even more fundamental community enterprises were organized. In doing this the Nova Scotians have given a totally new dimension to the credit union technique: one that must be studied in the United States today if we are ever to make use of those resources of the people which now are allowed to remain in the hands of the exploiters.

The Co-op Store—Basis of the New Community

As with the credit union so with the cooperative store. In many communities all over the world the cooperative store idea is presented to the people on a basis of possible patronage dividends and, therefore, as containing nothing more promising than increased purchasing power. In Consumer Cooperation again the Nova Scotians borrowed from the United States as well as from Great Britain and the Scandinavian countries. And again they reinterpreted and enlarged upon the thesis they accepted. The cooperative store, the study club, was another unit in the new community. It was tremendously important because only when they proved their ability as consumers to carry on their own business and serve themselves economically and efficiently could they go on to big-
In village after village the credit union was used to prepare the way for the store. The chronic evil of store owning in Nova Scotia was considered incurable by most observers. Through the credit unions the evil was obliterated in village after village. When this was done the store was opened on a cash basis. Store and credit union thus worked hand in hand at the job of emancipation.

The study clubs were organized and became the real permanent centre of the community since they were not set up to carry through a course of study which was to be laid aside when economic action began. They were set up as permanent organizations through which the fishermen and farmers should begin a never-ending march upward and forward.

Co-op Medicine, Housing and Burial

In St. Andrews the farmer members of the community cooperatives began some time ago to face the fact that the purely economic units must be linked with social services. Facing this fact the members of the cooperatives entered into an agreement with a hospital at Antigonish, whereby the cooperative paid to the hospital a fixed sum per member. The members, in return, were insured against sickness: were given certain fixed services in hospitalization and medical care.

In the same manner the miners in Cape Breton have advanced beyond the store and credit union stage to new and wide developments in the field of cooperation. These miners have built up their credit unions until today they are sound and substantial banks of the people with the credit so pooled they are beginning to live cooperative instead of simply applying it to the field of credit and store keeping. Two additional study groups were formed to follow the lead of the first organization. In these study clubs they are now talking of cooperative utilities, hospitalization, burial societies and the like. They are, in other words, beginning to understand that cooperation in its various phases is as wide as our whole continental scene, touching every phase of life.

Cooperative Design for Living

In the drab mining areas of Cape Breton there has been started, as a result of work and study, the beginning of the first real home-owning development in the history of the area. To predict that this new move will change the whole outlook of these miners is to simply state the obvious fact.

According to Miss Arnold, the most important outgrowth of the cooperative housing study has been the gradual and apparent rise in outlook and appreciation among the miners. Through their studies they have begun to visualize better and more beautiful homes. Their studies are taking them away from the grimy environs of the mines to open country nearby. Thus a real culture is now beginning to appear, revitalizing and reforming the outlook of the miners.

The Link Between Social Laws and Their Application

Through the cooperative housing study in Nova Scotia something else of great importance is happening. These miner organizations in taking advantage of a Provincial Housing Act, are showing the real link between broad social laws enacted by Parliament and the actual application of these laws through the economic units set up by the people.

CONSUMERS' COOPERATION AND PROPER LEGISLATION

E. R. Bowen

It is a fundamental necessity for the future growth of the Consumers' Cooperative Movement that cooperatives be soundly organized as successful economic units. It is also necessary that any legislation having to do with cooperatives be of the right character to encourage sound economic organization rather than to hinder it.

Must Be Correctly Classified

It is impossible to organize soundly or legislate properly unless those who organize and those who legislate understand the broad meaning and correct classification of Consumers' Cooperatives.

It is generally admitted that Sweden has done some of the most thorough thinking of any country about the Consumers' Cooperative Movement. Sweden has arrived at the place where it considers cooperation as a method of solving problems. With the Swedes, all cooperative purchasing or buying activities are classified as producers' functions. The remaining activities are classified as consumers' functions. Only marketing or selling activities are classified as producers' functions. The following is the explanatory chart they use:

Consumers' Cooperation includes all types of purchasing by all classes of users, since all purchasing is eventually for consumption, whether immediate or over a longer period of time. Consumers' Cooperation is most naturally divided into sections for purposes of efficiency.
ciency, some sections handling vocational goods, other sections household goods and still other sections, various types of services, insurance, and finance. Just how such purchasing by consumers will be divided in the future, will most naturally be determined by questions of efficiency and economy. It is, however, basically necessary first of all to correct the idea that purchasing or buying as Consumers' Cooperation if we are to organize soundly and legislate properly for the future.

Must Have Open Membership To Be True Cooperatives

To be a true Consumers' Cooperative, membership must be open to all users of the products purchased. A true cooperative is a non-profit business. It is non-cooperative practice to limit the membership of a cooperative to only part of the consumers of a product and for the members to profitiere on other consumers who are refused membership because of residence, vocation, race, religion, or politics. A true Consumers' Cooperative cannot close its membership to either rural or urban residents any more than to either Democrats or Republicans, Protestants or Catholics, white or colored. Open membership to all users of the products handled is just as necessary for an organization to be cooperative as one-person—one-vote, limited interest from shareholders, and patronage returns on purchases.

Ordinarily, open membership means 'open to all,' since all are users of almost all kinds of food, goods, and services. The only exception is where the products purchased are used only by some class group such as, for example, feed and fertilizer by farmers; manual arts material by teachers; fishermen's supplies by professional fishermen. In such cases it happens that the type of product purchased is used only by one class of producers, to all of whom membership is open and no one else desires to become a member. Such products are, of course, quite limited in number.

Must Have Open Membership To Be Most Successful Economic Units

It is not only a violation of true Consumers' Cooperation to limit membership in a cooperative to part of the users of the products handled, but eventually any such limitation of membership would prevent such a cooperative from becoming the most successful as an economic unit. If business would think of restricting its services to only a part of the users of the products it handles. No cooperative which attempts to do so can eventually succeed in meeting the best in competition.

Since most products are used by everyone, it naturally follows that a distributing unit must supply everyone in order to be successful. Both rural and urban residents are users of petroleum products, building materials, automobile and electric supplies, furniture, clothing, groceries, etc., and since private business does not limit its trade to any class of users of such products, it follows that eventually cooperatives cannot be the most successful and limit their membership and trade to either rural or urban users of such products.

There are few products which all consumers do not use and fewer still which are bulky enough to permit specialization in distribution. Private business specializes in producing and distributing feed and fertilizer. It naturally follows that some can cooperatives. In other words, private business has to some extent pioneered in the division of production and distribution and has proven the present economic. Or, to put it in a different mark, the present high degree of efficiency cooperatives. In Denmark only feed and fertilizer are separately handled. In the United States, however, such an organization is not possible. To give all consumers the right to purchase and receive discounts in accordance with the services rendered, such as, for example, the handling of coal under the National Bituminous Coal Commission Act, should be so drawn that there is no differentiation between Consumers' Cooperatives, irrespective of the vocation or residence of their membership.

Should Serve Members' Entire Needs

We have already discussed the few exceptions to the general statement that consumers' cooperatives should serve their members' entire needs. Such exceptions are where the products are not of sufficient bulk and are used only by one vocational group. Most Cooperatives in America are now handling some kinds of farm supplies. Total expenditures of farmers for feed, seed and fertilizer were $750,000,000; for operating automobiles, $470,000,000. These are the products which American cooperatives thus far handle most extensively. Yet, even farmers themselves purchased food to an amount of $1,610,000,000; clothing to an amount of $1,150,000,000; and house furnishings and clothing, $660,000,000. These figures cover only those purchases; they do not include the purchases of urban residents, which are even more largely in the lines of food, clothing and shelter.

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lowances, rebates, etc., allowed by private dealers.

Legislation having to do with taxation should also be drawn to treat all cooperatives equally. As a matter of taxation the amounts paid as interest on shares, or in the amounts voted to surplus, and exempt rural cooperatives and not urban cooperatives. The savings of a cooperative are only a part of the earned incomes of its members which they have paid in as overcharges on their purchases and on which they are personally taxed. To re-tax in the form of interest or surplus is plainly multiple taxation. Urban cooperatives do not make profits any more than do rural cooperatives. Since sound cooperative organization requires that cooperatives serve all users of products irrespective of their residence or occupation, the exemption of one type of cooperative and not another will only result in interference by legislation with sound cooperative organization, in addition to being plainly discriminatory and unfair practice on the part of the government.

If the government is to handle credit, as it is increasingly doing, then any legislation having to do with credits to cooperatives should neither be discriminatory between rural or urban groups, nor which by any discrimination will influence cooperatives to develop other than sound cooperative organizations by restricting their membership to only part of the consumers of products they handle or limiting the products they sell.

This is the goal we seek — a correct classification of Consumers' Cooperatives, to include all types of food, goods and services purchased by users; membership open to all users of the products handled; proper legislation, which is neither discriminatory between cooperatives nor which will influence them to limit membership or the lines they handle and thus eventually develop cooperative organizations which are less efficient than they might be.

TAKE A TRIP TO NOVA SCOTIA

Dr. J. J. Tomkinns, the instigator of the great Nova Scotia adult education-cooperative organization development is described by one of the miner cooperatives as the "thinnest man I ever saw." He is one of the "three pillars of the Antigonish Movement," which also includes Dr. M. M. Coady and Prof. A. B. McDonald. All three as well as A. B. McDonald, at the special conferences which will be participated in by those who join the Second Annual Tour to Nova Scotia in August under the joint direction of The Cooperative League and the Extension Department of St. Xavier University. Information about the two sections of the tour this year can be secured by writing Dr. Colwell, 1203-1205 College Avenue, Vancouver, B.C., or Prof. A. B. McDonald, 1114 E. 45th Street, Seattle, Washington was selected as a clearing house for information for all the Pacific Coast Student Cooperatives.

PACIFIC COAST STUDENTS ORGANIZE LEAGUE OF COLLEGE CO-OPS

STUDENT leaders on the campuses of the Universities of Idaho, California, Oregon, Washington, and Washington State cooperatives simultaneously recognized the cooperative movement as a means of making democratic group life available to students with moderate school budgets. Mr. G. T. Tanner, Director of the L. D. S. Institute, began the movement with 22 men on the University of Idaho campus in 1932.

Harry Kingman, General Secretary of the University of California Y.M.C.A., took the leadership in organizing the first cooperative house in Berkeley in 1933. Walter Honderich, a graduate student interested in practical sociology, gathered together 27 men and began the first cooperative house at the University of Washington in September 1933. Study clubs preceded the opening of the cooperative houses on the campuses of the University of Oregon and Washington State College in the autumn of 1935 under the sponsorships of Harold J. Wood, Charles Paddock and Manley Sackett.

Cut Living Costs Forty Per Cent

Today, these cooperative houses have grown to the largest student living organizations on their campuses and have a membership of over 2,000 students. With an annual business volume of over $100,000.00 annually, student cooperatives are more than $150,000.00 annually.

The groups, all organized on the Rochdale principles and operated in practically the same manner, found their problems and interests were very similar. Thru informal visits and the exchange of letters, the leaders and their members began to realize the mutual benefits that could be gained from closer unity and the calling of a conference was suggested.

As a first college co-op conference, held at the Universities of Washington on December 20 and 21, was so profitable that a second was called for early spring to lay the groundwork for a permanent League of College Cooperatives.

Robert E. Colwell

Co-ops the Answer Says College President

At the second conference President Harrison C. Dale of the University of Idaho told the delegates, "Cooperation is the essential way of solving our present problems, national and international, economic and social. Students are getting remarkably fine experience in such cooperation."

Professor O. L. Mims, of the Department of Agricultural Economics at the University of Idaho, presented tables showing the gradual increase in the value of the student cooperatives. Dean Creecy, Dean of Men at Washington State College, spoke on Character Education and Discipline. Mrs. V. A. Che, a student interested in practical sociology, gathered together 27 men and began the first cooperative house at the University of Washington in September 1933. Study clubs preceded the opening of the cooperative houses on the campuses of the University of Oregon and Washington State College in the autumn of 1935 under the sponsorships of Harold J. Wood, Charles Paddock and Manley Sackett.

The final action of the second conference was to elect directors to a tentative Students' Cooperative League for the Pacific Coast and to instruct the directors to prepare an convention toward having the Students' Cooperatives exempted from the Federal Corporation Income Taxes. The Student Cooperative Association at the University of Washington, under the joint direction of Dr. Manley Sackett, 1114 E. 45th Street, Seattle, Washington was selected as a clearing house for information for all the Pacific Coast Student Cooperatives.

June, 1938
THE RECREATION PROGRAM OF A TRADE UNION

"We're just plain, simple, common, ordinary, everyday men and women who work hard for a living to Hell." Thus do the actors in the currently successful "Pins and Needles" introduce themselves to a Broadway audience nightly. Unlike the usual "love" and "moonlight" theme of most musical comedies, these garment workers who have turned actors, demand that their true love "Sing A Song of Social Significance." A rather unusual opening for the smash New York musical hit of the season. But not so unusual if you look behind the first line chorus of "Pins and Needles" into the broad cultural and educational program of the International Ladies Garment Workers Union which is responsible for the play.

Labor Educates Itself

The Educational Department of the I. L. G. W. U. was organized in 1916 and has three main functions. The first is the education of the vast membership of the union. This is the most extensive division. It is composed of educational meetings, lectures, excursions and visits to museums, art galleries and other places of interest. All sorts of recreational and cultural opportunities are provided, such as games, sports, dancing, dramatics and music.

The second division provides practical training for members who are likely to assume positions of responsibility, paid or unpaid, in labor unions. Of primary concern to persons interested in creative recreation is the first division, that of providing cultural and recreational opportunities for the membership of the I. L. G. W. U. It is wise to point out that these classes are open to all and are not restricted to union membership, although, of course, the most active participants are union members. The Educational Department reported that during the year ending May 1937, there were more than 3 groups with more than 20,000 students weekly, in all sections of the country. In New York City where the largest percentage of the membership is concentrated, the recreational activities are particularly numerous. These activities include a chorus of 120 voices, a band, a Mandon orchestra of 70 pieces, a dramatics group, responsible for the two previously mentioned plays, "Steel" and "Pins and Needles" as well as many one-act plays and skits, and a Dance Group. In the list of outstanding events during 1936 and 1937, we find the presentation of several operas, original one-act plays, annual concerts by the New York Chorus. The showing of WPA paintings, Manhattan orchestra with the Humphrey-Weidman dancers as guests, pageant, "Surging Forward" presented at St. Louis and frequent mention of radio programs and use of films, film strips and victrola records.

The concrete results of this educational program cannot be summed up in black and white. What is important is that the people themselves are creating their own cultural expression. While there are educational directors and a central educational office which assists in many different ways such as furnishing material, giving advice and direction, the members themselves are creating the impetus for the whole program. Education for Creative Leisure

It is also highly important to point out that the organization which has developed this well-rounded educational program is responsible to a large extent in cutting down the hours of labor for thousands of working people. They have had the vision to provide leisure time activities for these same people. It is a definite challenge to all groups such as trade unions and cooperatives which are working for a better social order not only to help people decrease the hours of toil but to enable them to use their new leisure time to the fullest — to learn to play and laugh together. The I. L. G. W. U. proudly states that "Besides aiding our members to gain a greater measure of the material comforts of life, we do all we can to make their lives fuller, gayer and more cultured. On this basis we founded our educational work a generation ago." The vast cultural and recreational program which is in full swing today is a living testimony of the attainment of this goal.

COOPERATIVES ON THE MARCH

N. Kansas City, Mo. — Nearly 5,000 new members, (4,945) joined 119 local consumer cooperatives affiliated with the Consumers Cooperative Association during its 60 day membership drive which was completed March 31.

The membership drive, during which all 400 cooperatives which are members of the co-op wholesale, staged local campaigns, boosted the total individual membership of Consumers Cooperative Association from an estimated 120,000 to 125,000 members.

Elk City, Oklahoma — More than 66,000 people in the State of Oklahoma have signed a petition to amend the medical practice acts of the State in or-
der to protect the Cooperative Hospital here, according to Dr. Michael Shadid, Medical Director of the Hospital. The petition has been approved by the Secretary of Health of Oklahoma despite the opposition of the State Medical Society. In a last attempt to have the petition declared invalid the Medical Society appealed to the Supreme Court of the State. Dr. Shadid said that a favorable decision is expected before this year's election and if so adoption was assured.

St. Paul — The Farmers Union Central Exchange handled more than 5,000,000 gallons (623 tank cars) of gasoline, kerosene and distillate at its warehouses at St. Paul and Billings, Montana, during the month of March. In addition it shipped to its affiliated co-ops in North Dakota and Montana 317,000 gallons of lubricating oil, and 264,300 pounds of grease.

As cooperative rural electric lines are completed the volume of sales of washing machines, refrigerators, vacuum cleaners and other electrical appliances is expanding. The Exchange is now handling two carloads of refrigerators per week.

New York — The Cooperative League Institute, a cooperative college for training of cooperative executives and educational directors, wound up its second term May 13 when 20 students completed their three-month academic training and went into the field for two months "laboratory work" in cooperatives throughout the country.

Students were assigned to co-ops from Caldwell, New Jersey, radiating, Minnesota, and Michigan, and will do all types of work during their training to complete its academic work at the college here. Practically all of the original class have already secured positions in co-ops, according to Lionel Perkins, registrar. Applications are being received for the Fall Session which opens Sept. 26.

New York — Consumers Cooperative Services at its 15th Annual meeting, May 23, reported business back in the black and sales for the year $15,000 ahead of its volume for the preceding year. C. C. S. is now operating 10 cooperative cafeterias and three grocery stores in addition to its bakery and library services.

A feature of this year's meeting was a "provisionation dinner" served to members dramatizing the unusual features of the cooperatives' food service.

**Superior, Wisconsin** — Two hundred and thirty young people from Minnesota, Wisconsin and Northern Michigan took part in the Annual Conference and Cooperative Youth meeting here May 7 and 8.

The conference approved an increased budget which will make it possible to employ a full-time secretary. Ideas were made for the annual Youth Conference and cooperative musical festival, debate and athletic contests. The delegates also voted to continue publication of their publication the Co-op Future and endorsed the creation of a national committee to build sentiment for a national cooperative youth movement.

**Detroit** — "This profit-making epoch is coming to a close because the plan of business cooperatives in the country has spelled its own disintegration," Dr. James P. Warbase, president of the Cooperative League of the U.S. A., told the annual meeting of the Central States Cooperative League, meeting here April 24. He urged that cooperatives add to their extensive activities new enterprises such as cooperative housing, medicine and burial service.

The Central States League serves 66 urban consumer cooperatives in Illinois, Indiana, Ohio and western Michigan.

The Cooperative Wholesale, Chicago, which serves cooperatives affiliated with the co-op league, held its annual meeting here April 25, A. W. Wilmont, president, reported that the wholesale, which was organized 2 years ago with $900 capital and 18 members, handled $95,000 worth of goods last year. The Cooperative Wholesale, Chicago, which serves cooperatives affiliated with the co-op league, held its annual meeting here April 25, A. W. Wilmont, president, reported that the wholesale, which was organized 2 years ago with $900 capital and 18 members, handled $95,000 worth of goods last year. The Cooperative Wholesale, Chicago, which serves cooperatives affiliated with the co-op league, held its annual meeting here April 25, A. W. Wilmont, president, reported that the wholesale, which was organized 2 years ago with $900 capital and 18 members, handled $95,000 worth of goods last year.

The Holy Father adds, to the general expression of admiration and congratulation, his own tribute of praise ... Not light is the task, nor is it easy for a man who has not the more especially because under favorable auspices the Holy Father adds, to the general expression of admiration and congratulation, his own tribute of praise ... Not light is the task, nor is it easy for a man who has not the more especially because under favorable auspices the Holy Father adds, to the general expression of admiration and congratulation, his own tribute of praise ... Not light is the task, nor is it easy for a man who has not the more especially because under favorable auspices the Holy Father adds, to the general expression of admiration and congratulation, his own tribute of praise ... Not light is the task, nor is it easy for a man who has not the more especially because under favorable auspices the Holy Father adds, to the general expression of admiration and congratulation, his own tribute of praise ... Not light is the task, nor is it easy for a man who has not the more especially because under favorable auspices...
of the Iowa State Federation of Cooperative Burial Associations; a list of associations in Iowa and Minnesota; a bulletin on Cooperative Burial Associations by the U. S. Dept. of Labor; and an article by Bertram B. Fowler from Forum Magazine, "When the Ultimate Consumer Dies." All of them tell how to "bury yourself at half price" cooperatively.

RECENT COOPERATIVE ARTICLES


American Observer, May 2, "Cooperatives Make Extensive Progress," a well written and amply illustrated story of the gains the movement has made in city and rural groups.

Business Week, April 23, "Census Shows Big Co-op Gain," a summary of the first official figures since 1933.

May 7, "Haunted House Makes Good," John Ashton. The stirring story of 1000 Texas families whose haunted house into the first of a number of co-operative houses.


Ken, May 19, "Doctors Versus Health," Lawrence and Sylvia Davis. The story of the struggle of individual parents and their children. The answer can only be found in the rapid growth of conviction of social guilt over the tragic results of our private profit economic system in poverty, unemployment and tenancy, together with an energetic determination to apply the spirit of brotherhood to the building of a cooperative economic society that will serve "all the children of all the people," — that will distribute plenty to all and bring peace on earth.


Survey, June, "The Lord Helps Those," Bertram B. Fowler. The adult education and cooperative program of Nova Scotia with particular emphasis on the part Father Tompkins has played in its development.

Tide, May 1, "Co-op Census," and "CDC Reports," a news story on Consumer Distribution Cooperatives' "spectacular job of solidifying co-ops as they stand."

True Story, May, "Our Money Mad Doctors," as told to E. L. Stowe by Dr. Michael Shadid. The story of the Elk City Cooperative Hospital.

Weekly News Review, May 2, "Consumers Organize to Reduce Living Costs," the idea behind the movement and the progress thus far.

"The Cooperative Movement in Foreign Nations," How the co-ops play a vital role in the business life of Northern Europe.

Yama, April, "Large Scale Cooperatives," Benson Y. Landis, a treatment of the history and development of farmers marketing and purchasing cooperatives.


COOPERATIVE PLAYS AND POSTERS

PLAYS

The Spider Web, a 3 act play by Ellis Cowling

The Answer, a 3 act play by Ellis Cowling

Fill 'er Up, a one act radio play by Marc Rosenblum and Pauline Gibson

Two One Act Plays, Ellis Cowling

POSTERS

Organize Cooperatives, 26" x 38"
Green, 5 for $1
Cooperative Principles, 20" x 20"
Blue, 5 for $1
Cooperative Ownership, 19" x 25"
Mulberry, 5 for $1

FIRE INSURANCE

SAFETY ECONOMIC COOPERATIVE WORKMEN'S MUTUAL FIRE INSURANCE SOCIETY

227 East 84th St., New York, N. Y.
Member of the Cooperative League of the U. S. A. Under supervision of N. Y. State Insurance Department.

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, E. B. Bowen, Editor; Wallace J. Campbell, Associate Editor; Contributing Editors: Editors of Cooperative News and Educational Directors of Cooperative Wholesale and District Leagues.

Entered as second class matter, December 12, 1927, at the Post Office at New York, N. Y., under the Act of March 3, 1879. Price 10 cents a year.
How Can We? asks Beard

Dr. Charles A. Beard offers the following advice to grown-up boys and girls in America: "If we cannot solve even the problem of putting 10,000,000 of our own citizens to work on the lavish resources right at hand, or have collective security at home, how can we have the effrontery to assume that we can solve the problems of Asia and Europe, encrusted in the blood-rust of fifty centuries? Really, little boys and girls, how can we?"

Conspicuous Waste

We imagine that if Veblen were alive today he would use an advertisement of a bill clip for college students priced at $34 as a glaring illustration of the expression he coined of conspicuous waste.

“Capitalism Is Doomed"

That Capitalism is “finished,” is “insolvent,” and is “doomed” is presented more fully by Virgil Michel in an article in the April 29, 1938, issue of The Commonweal. We congratulate the new editors, Philip Burnham and Edward Skillin, Jr., on publishing this article as well as the author on writing it.

The “why” is stated by Virgil Michel in this most explicit sentence, “Capitalist activity can in reality flourish and increase only through an increase of purchasing power among the rank and file of the people, whereas the dynamism of capitalism depends on and demands the ever increasing accumulation of capital in the hands of the few.”

There you have it in a nut shell. Why is capitalism doomed, insolvent, finished? Because continuous and widespread purchasing power is fundamentally necessary for a steady increase in distribution and production which makes an economic system a success. Capitalism cuts its own throat by increasingly concentrating purchasing power and ownership in the hands of the few. This is the malignant cancer within the system that is steadily and rapidly destroying it.

The government has had to come in to supply the two crutches of spending and lending because of the failure of business to supply pay to producers and the failure of banking to supply credit. This is only a stop-gap to permit capitalism to survive long enough to enable the people to build a new system where ownership and purchasing power will be distributed widely to all the people. Only then will we have economic prosperity. It is a case of cooperation or chaos.

Pricing Under Profit vs Cooperative Business

The Cooperative Wholesale Society of England prices every shipment made on any one day exactly the same, irrespective of the quantity, and at exactly the same comparison with this cooperative practice by the biggest business in Great Britain, Secretary of Agriculture Wallace has ordered Swift & Co., Chicago packers, to cease “discriminatory and deceptive practices” by varying prices, weights and credit to different customers. The company defends its sales practices, contending that in this industry it would not be possible either to maintain uniform prices or to maintain a uniform differential in prices between two or more classes of customers, either at one branch house or between more branch houses.

This as well as the fact that it is monopolized is a reason why meat processing and distribution must be cooperativized. It must be made honest, as well as economical and efficient as it is not now.

Governor Murphy’s Pertinent Answer

In answer to a criticism which said, “You have spoiled the laboring people. Now they even want electric sweepers and refrigerators in their homes,” Governor Murphy of Michigan made this pertinent reply, “Well, why not? They make them.”

Governor Murphy said, "We have the wealth, the resources and the individual genius to solve this terrible situation. One can convince me otherwise. I know it can be done.

Michigan cooperators should do as cooperators in other states have already done in the case of Aiken, South Carolina—operate on the principle of the solution of the unemployment problem. They should educate their governor to the solution of the unemployment problem and select their own leader they would eventually arrive at an understanding and solution of their problems through mutual self-help. From an economic standpoint, he believed in the building of an economic system where the people could follow out the commandment “Thou shalt not steal,” which meant a non-profit, democratically controlled failure-operate system owned by the people.

America’s Foreign Policy

The foreign policy of America is described by Senator Walsh of Massachusetts, Chairman of the Naval Affairs Committee as follows:

“The foreign policy of this country depends upon the state of mind of the President and the State Department at any given time under given state of facts.”

This ought to be an indication to more Americans that political democracy does not give the people control over our foreign policy, any more than the domestic policy. He says that political democracy can never be achieved except through the development of economic as well as political democracy.

Denmark Celebrates the 150th anniversary of the Abolition of Veneigaye

Only 150 years ago the farmers of Denmark were serfs under the feudal system as well as being subject to compulsory military service. Which gave the landlords the power to recruit every man. Without revolt or bloodshed, but through legislation initiated by one of Denmark’s biggest farmers, Christian Ditlev-Reventlow, the liberation of the peasants was accomplished. Each peasant became the owner of his own homestead and farm.

So did we, in America, a hundred and fifty years ago begin to divide up our agricultural acreage into family size farms. But now 42% of our farmers are tenants, 48% of our acreage is tenant operated and in some states as much as 70% of the value of the farm property is no longer owned by the operators. Yet in Denmark, according to a recent official report, there is no longer any farm tenancy.

What has made the striking difference? Well the booklet which our Danish cooperative friends have sent us gives two specific reasons. The first reason is that the cooperative movement has been one of the main factors in the remarkable development which during the past sixty years has taken place in Danish agricultural production and exports. The second reason given is that “Denmark’s Folk High Schools.”

Surely there is no reason for a moral to be drawn.

Consumers’ Cooperation

July, 1938

Bumper Farm Crop
Bumper Factory Unemployment
Bumper Government Relief

We are dealing in superlatives now in the United States. A single issue of the great New York Times reports that we have "bumper" everything—crops, unemployment and relief.

It seems likely that we began to call ourselves a civilized nation when we took over America from the Indians, Secretary of Agriculture, Henry A. Wallace, once wrote in an editorial when he was with Wallace’s Farmer in which he described the Blackhaws in beautiful and memorable words such as these, “When the ears of corn hung heavy on the banks along the Rook river and the deer came down in droves to drink, then the Indians in the days of Blackhawk knew that they had prosperity.”

Why is it then that we civilized (?) Americans do not have prosperity for all when we raise bumper crops, as the native Americans whom we called “uncivilized” did? Is it because we are more selfish or more greedy? Or might it be that we are socially insane, if we are not ready to admit that we are individually so?

“Thou Shalt Not Steal!”

We recently asked Dr. J. J. Tompkins, the spiritual and intellectual father of the Antigonish Movement for adult education and cooperative organization, what he had followed in his years of effort.

From a religious standpoint, he summarized his philosophy by saying that a leader should have faith. From an educational standpoint, he believes, like Dr. Oscar Olszen of Sweden, originator of the circle movement, that if a small group of people would gather around a great piece of literature and select their own leader they would eventually arrive at an understanding and solution of their problems through mutual self-help. From an economic standpoint, he believed in the building of an economic system where the people could follow out the commandment “Thou shalt not steal,” which means a non-profit, democratically controlled failure-operate system owned by the people.

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A TRIBUTE TO H. V. NURMI

Little do we really know of one another in the Cooperative Movement although we are all united in one great cause. The great distances between regional cooperatives, which in many cases cover areas greater than an entire country in Europe, makes it impossible for us to have more than a comparatively few hours of intimate personal conversations where one’s real self is revealed. But perhaps it is even more in the heat of discussion in public meetings that one demonstrates his real nature. A few expressions in the public statements and private conversations of the late H. V. Nurmi which have been indelibly fixed in our mind are, we feel, a true revelation of his life.

Our first contact with him was before we had entered the Cooperative Movement and the impression of his friendly attitude toward everyone has always continued. We admired him for his modesty in once stating that his ambition had never been to be General Manager of the institution of which his life was so much a part but only to continue to handle the auditing work. The idealism he expressed for the Cooperative Movement, in a few sentences which he always included in his annual report, impressed us with a purpose far wider than the clear statistics showing the efficiency and economy of operations under his management, for which we admired him greatly. When we commented upon the comparatively youthful age of the assistants he had been building up around him his answer was that he wanted only a few years longer to transfer the responsibilities over onto the shoulders of young men who could carry on for long years the expanding program. Our last contact with him was to see him in action in a meeting of National Cooperatives, Inc., where he took the lead in actively helping to solve various problems successfully, and in a later two hour personal conversation discussing the subject of national legislation in which he was greatly interested. Until his voluntary retirement from the position in the fall of 1936 he was for many years a Director of The Cooperative League and in that capacity was, with Miss Mary E. Arnold, treasurer, the backbone of the early personal efforts to raise a budget which eventually made the League a self-supporting organization.

We cannot but feel that it was his wish to die at his post, but only after many more years of service. A heart attack overtook him while he was preparing for the annual meeting. He was another example, like John T. W. Mitchell of England, of a leader with vision and ability who died at his post of duty and contributed greatly toward the building of a cooperative economic society.

In his honor, we are reproducing extracts from his report as General Manager of Cooperative Wholesale to the 20th annual meeting, immediately previous to which he was stricken. His ability as a business man and his idealism as a cooperator are both revealed in his last report which might well be considered as a message to cooperators generally.

A MESSAGE TO COOPERATORS

Extracts from report of H. V. Nurmi, General Manager, to the 20th Annual Meeting of Central Cooperative Wholesale

The Central Cooperative Wholesale, in passing its 20th milestone in 1937, reached a new high record in sales, namely $625,089,42, with a $31,809,42 increase (17.95%) over the previous year. This gratifying showing was made despite the renewed business depression which started early during the latter part of the year.

According to available statistics, the average increase of wholesale trade in the United States for the year 1937 was 11.5%. Higher prices contributed 6.8% to that result; therefore, in general wholesaling the actual volume of goods handled increased on the average by less than 5%. Wholesale food prices went up 41%; and, considering the fact that a large portion of our sales consists of food products, flour and feed, we may safely assume that the tonnage of goods handled by the Central Cooperative Wholesale was about 13% more than during the preceding year.

Recent statistics tell us that 1937 retail sales in this country amounted to over 40 billion dollars, and that the retailers enjoyed a 6/5% average increase in their volume of business over the year 1936. Our auditors’ reports reveal that the cooperative stores have done considerably better than the private dealers. Statistical information furnished by the United States Department of Commerce indicates that nearly 1.3 of every dollar spent in retail establishments in 1937 went for food and beverages; more than 15 for automobiles, auto accessories, and gasoline; about 1 5 for general merchandise and apparel; and the remainder for other goods sold.

Expense RATIOS—Earnings

In comparison with the year 1936, the ratio of the Central Cooperative Wholesale’s operating expenses remained about the same, namely 5%, but on account of a slightly higher gross margin, the net income increased from 1.99% to 2.29%.

The census reports show that the ratio of our operating expenses is much lower than the average in wholesale business generally. The latest available Department of Commerce census is for the year 1937, and it discloses an average operating expense of 10.1% for the voluntary group wholesalers, which had an annual turnover of more than $78 million dollars in that year. In this particular group, the ratio of operating expenses varied, in accordance with the volume of sales, from 8.3% to 11.5%, for the year in question.

The low ratio of operating expenses in our case can be attributed to the efficiency of operations, as well as to the loyalty of our members in purchasing their requirements through our own Wholesale.

The net income for the year, $76,910.15, represents a 38.4% return on the invested capital.

Financial Standing of the Wholesale

The net worth of the Wholesale increased during the year from $262,787.86 to $313,894.89. Our Notes and Accounts Receivable exceeded our Accounts Payable by $691.65 higher than a year ago, although the 1937 sales averaged $42,500 more per month than in 1936. Inventories show but a $2,906.65 increase in comparison with the previous year, indicating that a special effort has been made to lower merchandise stocks in the face of declining market prices. The Notes Payable have been reduced by more than $20,000 within the last year, and there were no open Accounts Payable on December 31. (It might be mentioned in this connection that the greatest portion of our Notes Payable fall in the class of a fixed indebtedness; that is, they are loans from cooperative associations and their individual members.) The ratio of current assets to current liabilities is now 2.7, the current liabilities being $21,241.05 less than a year ago.

In the 1937 Annual Meeting a resolution was passed, recommending a 5-point financing program for our Wholesale and its member associations. In accordance with the spirit of that resolution,
the board members are now recommending that a substantial part of the 1937 net earnings be placed in the Surplus Reserve to provide more working capital. The delegates should unanimously endorse this recommendation pertaining to the financing of our future activities. Although at the end of the year we had a considerable amount of cash on hand, that condition was more or less of a temporary nature because almost everyone of our member associations had made an effort to pay their balances in full. The Accounts Receivable are usually much higher, absorbing part of the funds needed for normal operations. 

In the Manager’s report for 1936, it was emphasized that our central organizations should go more and more into production, a tendency which seems to exist in Europe where the cooperatives have constantly been able to reduce the commodity price level previously set by their competitors. If our cooperatives could or should handle the raising of the productive enterprise and its importance to all consumers, undoubtedly they would concentrate their efforts on building larger and more adequately financed central organizations.

Merchandising and Service Trends

At present we carry in our stocks over 3,000 varieties, grades and packs of merchandise, out of which about 1,200 are handled under the CO-OP label. A total of 79 new items of CO-OP label merchandise were added during the year, 316 new items of new and improved merchandise handled under the CO-OP label, and a number of new items will again be listed before the current year is over. In purchasing goods, strict maintenance of quality has been our aim: several laboratories and chemists have been consulted and engaged to make tests. Comparisons as to quality, taste, appearance, etc., have been conducted periodically by our buyers in order to sustain high standards of quality for all types of merchandise.

Auditing and Educational Departments

Both of these service departments will render detailed reports dealing with their activities.

The Auditing Department income increased from $11,724.56 in 1936 to $16,424.76, the Department showing a net income of $4,601.75. The Wholesale paid $2,096.83 in auditing fees, compared with $904.37 in the year 1936. The Education Department has taken core of attending membership and other meetings of the “Consumer Co-operation,” published by the Department of Education, St. Paul, Minnesota.

The Teaching of Cooperation in the Public Schools

Dorothy Houston

Public Interest in Cooperation Extends to the Public Schools

It is only natural that some of this public interest in cooperation should be reflected in the schools. In the Middle West, where the growth of cooperatives has been most pronounced, there are Wisconsin, N. Dakota and Minnesota, has by legislative act taken steps toward the inclusion of cooperation in school curricula. This development makes it essential that people interested in cooperation and people interested in education should consider carefully the problems and implications involved. They must take into account the existing situation in the schools as well as the present trends in education. When they advocate the inclusion of material on cooperation in public school courses, it is important that they base their plans and recommendations upon a consideration of the fundamental function of public schools in a democracy.

The Existing Situation

In general, and with some exceptions, the study of cooperation has at present no appreciable place in the curricula of our schools and colleges. The situations can be described most easily by an account of the exceptional cases in which cooperation as a subject for study has appeared in the schools. It is possible that the cooperation movement, and there are 131 more in the U.S.A. showed that 18 colleges of cooperation as a subject for study has appeared in the schools. It is possible that the cooperation movement, and there are 131 more in the U.S.A. showed that 18 colleges of
Trend Toward the Teaching of Cooperation in the Schools

Cooperative Education in France

It might be interesting to contrast this situation with that existing in France. Dr. M. Bugnon, the French Director of Education, holds no opinion that can be pinned down. France has not made the subject of cooperation a major part of its pubic education. The magnitude of the problem is conceived by the state of Africa. The teaching of the subject of cooperation is taught in all French schools, but the subject is only a very superficially studied subject. The various agencies through which people may save or borrow money are described, with no mention of the cooperative method. Many cooperators, however, do not realize that there is a tendency to include cooperation in the school program because of recent trends within the educational field itself. The trend toward integrating school courses more closely with the community is one example. The whole community fosters the study of cooperation in all regions in which cooperative enterprise flourishes. New courses of study are being prepared by educational leaders, as well as in technical schools and schools for the training of teachers.

The teaching of the subject of cooperation in France is considerably more realistic because of the existence in the schools of actual cooperative societies which, according to M. Bugnon, were founded during the war under pressure of economic necessity. The work of these modern secondary schools has had a good opportunity to learn to understand how private business is conducted; few have even heard of the cooperative method.

Introduction of Cooperation into School Program by Law

Each of the three states mentioned above has given due consideration to the teaching of cooperation in the schools. The Minnesota law relating to cooperation in the schools provides only for the expenditure of a limited amount of money to be used to provide "training and instruction" on the cooperative method. The law requires that a course in cooperation be included in the curriculum of the state's elementary and secondary schools and for the preparation and provision of "suitable and necessary outlines and courses of study." Under this law the Minnesota State Department of Education has issued the first of a series of publications it has planned on the subject of cooperation. The following paragraphs from that publication express one opinion as to the way in which the subject of cooperation should be incorporated in the school curriculum:

"Ideally, the study of consumers' cooperation should be integrated with the entire school curriculum, and its various phases should be outlined wherever they logically fit into courses of study in the fields of the social sciences, economics, and agriculture. In this way the subject could receive the attention it should have in connection with subjects with which it is related. While such integration is educationally sound, it is unfortunately non-existent. Our present courses of study in cooperatives almost completely ignore the whole topic. Such an omission is probably due primarily to the fact that the syllabus in use in Minnesota schools were prepared over six years ago, and courses of study, like text books, tend to lag with regard to new material unless they are in a constant process of revision.

"New courses of study being constructed will, it is to be hoped, remedy the present deficiency regarding the subject of consumers' cooperation. Meanwhile there is a demand and a need for material which can be used in the schools until an integrated presentation is available, and which may then be adapted to the better educational techniques that have since been developed.

The Minnesota law thus gives the schools an opportunity to secure material for use in "training and instruction" on cooperation, but it does not compel them to use it. To what extent will it incorporate material on the subject of cooperation in the school program remains to be seen. Already teachers and prospective teachers have occasion to gain some of the background that is necessary if they are to handle the subject effectively. Most of the teachers' material is the result of state laws and policies on cooperation in their courses, and the University of Minnesota offers courses in home economics, agriculture, consumer problems, and so on.
dealing with the subject in its School of Business Administration, its Extension Division, and in its College of Agriculture. Attempts are being made to offer opportunities for teachers now in service to learn more about the subject so that they feel a need for such assistance.

Why Cooperation Should be Included in School Courses

Cooperation as a form of economic organization and a method of doing business should have its place in any course of study which attempts to present a description and explanation of modern social and economic life and its historical development. It must be included in any well rounded social studies program simply because it is a part of the social web which constitutes modern civilization. In certain areas of this country the cooperative movement is offering to young people increasing opportunities for employment, and is therefore of interest from the standpoint of vocational guidance.

The cooperative movement is also of importance because it constitutes one of the factors that have been advanced as a democratic means of achieving greater economic justice and security. Such an ability to think for themselves, and an appreciation of the achievements and problems of teacher preparation and selection. Courses of study and text books that handle the subject intelligently and fairly will need to be developed. Good supplementary materials, which are becoming increasingly important in all good teaching programs, must be made available. But even more important than these is the training and understanding of the material which they are to teach, the ability to think for themselves, and an attitude which recognizes the importance of free and fair discussion of social and economic problems. If they are to be effective in teaching cooperation or any other phase of modern life.

Urgent Needs in the Development of a Sound School Program

If cooperation is to be included in the school program on a sound educational basis, there are two very important factors that must be considered, the question of cooperation and the problem of teacher preparation and selection. Courses of study and text books that handle the subject intelligently and fairly will need to be developed. Good supplementary materials, which are becoming increasingly important in all good teaching programs, must be made available. But even more important than these is the training and understanding of the material which they are to teach, the ability to think for themselves, and an attitude which recognizes the importance of free and fair discussion of social and economic problems. If they are to be effective in teaching cooperation or any other phase of modern life.

Cooperation, the Schools, and Democracy

In a democratic society the relationship between cooperation and the schools is one of mutual obligation. It is impossible to present the obligation of the schools toward cooperation. What is the obligation of the cooperative movement to the schools toward cooperation. Cooperation has always recognized the value of education. Its purpose is to achieve cooperation of economic democracy. It can survive only in a society in which political democracy is maintained and extended. Our American system of public education is likewise founded on democracy. Our educational institutions can carry out their function only if they can be free to assemble and disseminate knowledge and understanding. They can achieve and maintain this freedom only in an atmosphere of political and economic democracy. Furthermore, neither political nor economic democracy can survive without an educational system which gives to all citizens the ability to take part intelligently in democratic action.

Both the cooperative movement and education depend on democracy, and democracy in turn depends on them. Cooperators who recognize these facts will be concerned with the public schools to a far broader extent than merely the inclusion of cooperation in the school curriculum. They will know that the welfare of their movement as well as the success of all forms of democracy are fundamentally dependent on the public schools.

The British Pageant of Cooperation

The British Pageant of Cooperation, which is one of the great pageants ever organized by British Co-operatives, will present at Wembley Stadium, England, more than 2,000 persons will take part in this historical pageant, which is under the direction of the London Cooperative Society in association with the Scottish Suburban and Watford Societies. In addition to the eight episodes which portray the spirit and growth of the cooperative movement, there will be many added features such as folk dancing by 1,000 trained members of the children's circles, and displays by the Woodcraft Folk, and the Morris Dancers.

This is the most ambitious dramatic presentation ever organized by British cooperators and judging from the scenic promise it will be a thrilling enactment of cooperative development. It is impossible for us to present the entire scenario of the pageant in this limited space but we shall outline the main action of the pageant and quote from various episodes. The Pageant opens with a fanfare of four mounted trumpeters followed by the Voice of the Composer: "We present to you here the Pageant of man and his will to cure the disease of his society and the darkness of his mind. It is the wonderful celebration of the man who put an end to the Workhouse, the Bastille, driven by flaming swords from Merrie England.

The first episode deals with this Merrie England. The stage is flooded with a crowd of agricultural workers, streams of children running in around the maypoles, led on by the Morris Dancers. This gay pastoral scene is disrupted in the next episode by the coming of the Machines—the irreligious procession of unsightly figures, stiffly jointed, accompanied by harsh, blatant music. The people are at first bewildered, then they turn on the machines to
destroy them. Two large dummies representing Capitalism have been silently watching the conquest of the people by the machines and the revolt of the people against the machines. As the destruction reached its height, the Capitalists speak: "In the name of the King! Shoot! In the name of the King! Shoot! Shoot!"

The people disperse. The stage is left bare and during the interlude can be heard the chorus, representing the voice of the people, chanting: "Men of England, heirs of glory, heroes of unwritten story Nursing of the mighty mother, Hopes of her and one another. Rise like lions after slumber in unconquerable number, Shake your chains to earth like dew which in sleep has fallen on you. Ye are many—they are few."

The Commentator then speaks:

"These were troubled times. The men of England asked for bread and were given new restrictive laws. The men of England asked for bread and were given bullets. And men asked, Why? Why? Why? Stormy voices answered. But not clearly."

Three of the voices which try to answer the people are Tom Paine, William Godwin and William Cobbett.

Episode three begins with the introduction of Robert Owen by the Commentator. Owen speaks to the people:

"There are many causes of your evils. They are the governments of the world, under every form and name. The practice of buying and selling for a money profit. The practices which produce contests, civil and military, individual and national. The present practice of forming the character of man. The suppression of the weak."

This is followed by the dramatization of Owen's mill and school at New Lanark, ending with the destruction of all Robert Owen's good work.

The fourth episode describes the very beginning of the Cooperative Movement. This is very effectively done by the twenty-eight Rochdale weavers themselves telling the audience of their early difficulties, their trials and their hopes. Howarth speaks:

"We opened on Saturday and Monday nights at first. That was all. And that shop in Toad Lane, Rochdale, grew till there were 14,000 members doing a trade of $15,000,000, owning shops and workshops, a library and reading rooms. And it became a movement that spread into every corner of the kingdom."

Episode five is the dramatization of the spread of the "News of the 'tin-ticket' movement," news of the first groups in the process which marches round the arena are costumed according to their period from 1849 to 1914, their size corresponding to the number of the members of the movement at that time. The procession is interrupted by WAR and the stage literally becomes a battle ground. The dance of the soldiers and people form the sixth episode. As the war dancers leave the stage a group of mourning women, sad and resigned, dressed in grey dresses and black cloaks mount the steps and dance to a monotonous drum and a wailing song to form the seventh episode.

The Commentator opens the final episode with:

"The war is over—but for how long? The war is over—but civilization has started down the steep slope. Can it be saved half way? We have seen that the peoples of the world are the most powerful of all. The practice of buying and selling, of the dragon's teeth... in Britain 7,500,000 men and women are customers in the world's biggest business. They stand for democracy. They stand for freedom. They stand for justice. They stand for peace. They stand with them?"

The International Cooperative Process enters, a procession of contingents representing the various countries where there are Cooperative Societies. At its head stride forty strong men in white overalls and scarlet shirts. They leap on the stage, take the black cloaks from the mourning women and give each one a brilliant shawl. Men and women dance triumphantly while the Procession marches round the outside of the arena. When all the contingents have entered they assemble round the stage in a vast tableau of national costumes and flags. As the band strikes up all sing "Men Awake!"

The two figures of Democracy and Peace draw in carts by hundreds of children, take the center of the stage. The children open their baskets, and a dense white cloud of popcorn with wings fluttering rises up and disperses to all parts of Great Britain carrying messages of greeting to other cooperators.

BOOK REVIEWS


Bertram Fowler has caught the underlying significance of the Nova Scotia movement in a remarkable way. What is more, he has put it into a delightful story form which is easy to read and yet is bristling with deep truths and supported by actual facts and figures.

The leaders of Nova Scotia are carrying out an experiment surpassing nowhere in the world today. It is so unique that the Pope in far away Rome has recognized it and has sent a personal letter of commendation. Leaders from all over the continent of every race and creed are going there to see and learn at the feet of these present day prophets — simple men, yet of greatest vision and power of action.

What are these men doing? First, they are educating and remaking people. They proved, most important of all, that the people hunger and thirst for real education that is linked positively with the life they live and the problems they face in its daily round. But, truly, this is education, real and alive, and not the ineffectual counterpart that the institutions of higher education have tried to palm off as adult education in the shape of insipid and perfunctory little courses in business English and appreciation of the arts.

Second, they believe in people. "It is a plan of action, by, for and of the people, who, in the words of Dr. Tompkin, are great and powerful, able to do things for themselves, and they will never pull out of the hole they are in except under their own power." They are overcoming poverty and unemployment. "In a march upward the men of eastern Nova Scotia have built up a new economic edifice while they saved themselves from unemployment and poverty with its attendant malnutrition, demoralization, and dependence. In helping themselves they have built a segment of a new world."

They are developing real democracy. Democracy dies in our midst because of lack of substance but out of this movement is growing the belief that by voluntary cooperative effort the people can take back the ownership they have lost, and again exert the economic control that is so necessary if democracy is to survive.

They are working toward a larger, total program, not just Consumer Cooperation. "In every problem they take up for discussion they are thinking in terms of new communities. "That is why the Nova Scotia cooperators today are looking forward to a new economic era that lies beyond the credit unions, stores and marketing organizations."

They are demonstrating real religion and interfaith cooperation. Talking of Father Tompkin's belief the author says "It is his contention that poverty, misery, ignorance and idleness are miracles of true Christianity. Cooperation to him is a technique that brings into practical affairs the substance of the Sermon on the Mount. 'There is no Catholic way of selling fish, no Methodist way, no Baptist way,' "

They are challenging the cooperative leaders of the United States. "Against the economic distress and chaos of the American scene it stands as a bright spot in the Francis Xavier program, if applied to
the cooperative movement in the United States, would give it as great a forward impetus as it has already received through the cooperative organizations and the admittedly sound and sane business principles it has adopted and followed.

What more need be said? The book should be read, enjoyed, and recommended to every social thinker for "The Lord Helps Those..." The example is before you, 'Go Thou..."

Chairman, Committee on the Church and Cooperatives, Federal Council of Churches.

America Goes to War, by Charles Callan Tansull Little Brown & Co., 1938; 730 pages $5.00.

This volume is a study of the causes which led America to the world war. It is based upon extensive research into the documents of the war.

Many private papers have been consulted which have not been used in other studies. The author, has apparently been impartial in his research. People who approved of Mr. Wilson's war will find disaffection in his book.

The value of this work is that it shows what may happen to us again in the near future, and the reader who understands cooperation will know that his cooperation is the best of the day.

J. P. Warbase

Nationalism and Culture, by Rudolf Rocker, C. M. Fride, 1937; 575 pages $3.00.

This is an introduction to the study of anarchistic philosophy which is essential to the understanding of consumers' cooperatives. It is a useful book to those who seek to understand the nature of coercive forces which dominate the state, the qualities of freedom, and the essentials of culture.

The author says: "All politics has its roots in the religious concepts of men, while things of cultural value are both economic and social. In the most intimate relationship with the value-creating forces of social life, so that we are plainly the mediaeval system of social organization, inherent opposition between religion and culture.

Understanding of anarchistic philosophy is a prerequisite to understanding of the nature of the state. And no one fathoms the meaning of cooperation without knowing what is involved. This book shows how our modern economic system has dulled the social feeling of the individual and hindered his free development. It is just this intolerance that militates against the advancement of cooperatives.

The Best of Art Young, The Vanguard Press, New York, $3.00.


They Starve That We Might Eat may make the food choice in your throat too, as it did the missionary worker, where life among the migrants is described.

The sad thing is that such powerfully descriptive literature also present the constructive cooperative way out to "Economic Heaven on Earth." But such literature is necessary to the understanding of the cooperative movement in America and to the understanding of the cooperative theory of economics.

From the current coop movement, you can turn in "Land of The Free" to actual picture of the kind of hell some of the American migrants are subjected to, and the effect on these people who live in economic hell. Here you can take your choice between looking at the worn out share-cropper, the tenant, the migrant, the unemployed, the worker being slugged down by the dust bowl, and the danger and dust bowls they work in.

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Rather than raise a half-million dollar endowment, the directors voted to rechristen the school Rochdale Institute.

Superior, Wisc. — The Cooperative Women's Guilds in Minnesota, Wisconsin and Northern Michigan will continue to sponsor children's summer camps and to assist cooperative youth work in these states in addition to making an intensive drive to increase the number of cooperative women's groups in these states during the coming year.

This was the decision of 109 representatives of 46 local guilds meeting here for the 9th annual meeting of the Northern States Cooperative Women's Guild, May 21, and 22. There are already 68 cooperative guilds and clubs with approximately 1600 members in this area. Five new guilds were organized during the past year.

New York — Mrs. Eleanor Barton, former general secretary of the Cooperative Women's Guild of Great Britain arrived in Los Angeles, June 13 on her way back to England from New Zealand and will spend some time filling speaking engagements in the U. S.

Mrs. Barton served for 11 years as secretary of the cooperative women's organization which has become an important factor in the British cooperative movement. In addition to her work in the cooperatives, Mrs. Barton has been very active in the women's trade union and peace movements in her country. Her tour will be under the direction of The Cooperative League.

New York — The Cooperative Book Club reported rapidly growing membership and business volume at the end of its first six months of actual business operations, when members gathered here June 1 for the first annual meeting of the co-op.

Fifty groups have joined the Cooperative Book Club under its plan to sponsor book forums, reading circles, circulating libraries and cooperative book shops, and a committee of librarians is working on a program for libraries to buy their books thru the co-op. During the coming year the cooperative aims to build powerful reserves rather than strive to refund large savings immediately.

New York — At a special meeting here, May 23, called to confirm the business of its annual meeting which failed to bring out a quorum of its 3500 members three weeks ago, Cooperative Distributors voted to "refer to its membership" a motion to boycott Japanese goods; certified the election of ten new members of the board of directors; and received the manager's report showing business for the year totaling $95,972. The fiscal year was changed at the annual meeting in 1937 so the current report covers only ten months. Because of the costs involved in moving to its new headquarters at 116 East 16 Street, the co-op sustained a small loss but the first three months of the present fiscal year have shown a small surplus.

New York — Teachers College, Columbia University will offer a special course in Consumers Cooperation as part of its Curriculum Laboratory this summer.

COOPERATIVE PLAYS AND POSTERS

PLAYS

The Spider Web, a 3 act play, by Ellis Cowling .......... 25c
The Answer, a 3 act play, by Ellis Cowling .......... 20c
Fill'er Up, a one act radio play, by Marc Rosenblum and Pauline Gibson .. 10c
Two One Act Plays, Ellis Cowling .......... 15c

POSTERS

Organize Cooperatives, 26x38" Green, 5 for $1 .......... 20c
Cooperative Principles, 19x28" Blue, 5 for $1 .......... 20c
Cooperative Ownership, 19x28" Mulberry, 5 for $1 .......... 20c

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Consumers' Cooperation

Breaking Monopoly's Stranglehold on America

Our economic system is commonly spoken of as Capitalism, which is described as a system of individual initiative, free competition and private profit. The fact is that, unconsciously to most Americans, we have largely passed from a state of free competition to monopoly control of prices to consumers and pay to producers.

For fifty years we have deceived ourselves by blindly attempting to control the growing monopoly menace by political regulation. Our national magazines have headlined "No More Trusts" when the Supreme Court decreed a dissolution. Yet such dissolutions have only resulted in new hydra-headed finance and industrial monsters appearing in other and still stronger forms.

Presidents have been elected on "Bust the Trusts" platforms and have threatened the use of a "Big Stick" or "Blue Eagle," only to see monopolies flourish more widely during their terms of office.

It should by now begin to be generally recognized that the only way to control trusts is not by public regulation, but by cooperative or public yardsticks, Sweden, in particular, has shown the way. As the July 11, 1938 issue of Life magazine says about Sweden, "Both Government and Cooperatives tell Capital by precept and examples what is a just price."

We are happy to have had as members of the recent Swedish Tercentenary delegation to America, the President, Albin Johansson, and the Secretary, Axel Gjores, of Kooperativa Forbundet of Sweden. On the following pages we are reproducing Mr. Johansson's national broadcast over the Columbia network describing how the Cooperatives really bust the trusts in Sweden by the yardstick method. As Life also says, "Americans ... may well look hard at Sweden."
COOPERATIVES NEED KNOWLEDGE AND CAPITAL

(A speech delivered over the Columbia broadcasting system, Monday evening, July 11)

In the Swedish consumers cooperative movement we have learned that there are two absolutely essential factors for the successful operation of the cooperatives, namely, knowledge and capital. In consumer cooperative enterprises it is necessary that the members have some economic knowledge and that everybody contributes toward the common capital.

In Sweden every citizen can become a member irrespective of occupation, religion, or political affiliations. Politically the Swedish cooperative movement is absolutely neutral. The common purpose for all members of the consumer cooperative movement is to lower the cost of living, or, in other words, to raise the standard of living. This means to get more of the good things of life. But to do this the members must have economic knowledge and the necessary capital to operate their cooperative businesses. It is necessary for the members to study to get the knowledge, and it is also necessary that they learn to save systematically.

In Sweden we realized quite early that in order to operate successfully it was not enough for members to buy shares to start the cooperative but that ability to manage the business was just as necessary.

Education of Members is the Foundation.

The real strength of a cooperative society cannot be measured by the size of the capital. It is the ability of the members to manage their own private finances and the business of the cooperative. The capital increases when managed by able members. After all, K. F., the most successful private manufacturer in Sweden, has been able to increase its capital because the members have bought shares according to their economic possibilities. K. F. has developed a highly efficient system of budgeting so that the members are responsible for their own financial affairs.

Retail Cooperatives Must Also Buy For Cash

The Cooperatives in Sweden follow the same program as their members: they also buy for cash. Cooperatives as well as private manufacturers buy for cash. The rule is this: Cooperatives in Sweden do not borrow money from the banks or the government and do not buy goods on credit. They operate entirely on the capital that the members have supplied. Consequently, many societies at the start concentrated on only one commodity. The members paid the regular retail price and the profits were divided among the members in proportion to their purchases. In this way the capital was built up and the cooperative was enabled to expand its activities in other commodities entirely on the capital and control of the management. Through this gradual development a full-fledged cooperative society has thus been created. It has also happened in cases that organized consumers purchased a private retail business and transformed it into a cooperative society.

Cooperative Wholesale and Manufacturing

The retail cooperatives are in Sweden federated into a central organization, Kooperativa Forbundet. We call it K. F. K. F. functions as a wholesale and in addition carries on extensive educational activities among the members and the management. Furthermore, K. F. owns a number of big factories in different lines of goods such as margarine, flour, macaroni, bread, shoes, overcoats, automobile tires, vegetable oils, electric lamp bulbs, and so forth.

Cooperatives Bust the Trusts

As a general rule our cooperative factories have been established in order to protect our members from the price-pushing policies practiced by monopolies. In Sweden as in many other countries, private monopolies have been widespread, organized wholly for private gain and without consideration of the interests of the consuming public. Thanks to the cooperative activities of K. F., an efficient check against monopoly prices has been put in the hands of the consumers. The consumers cooperative tell monopolies what is a just price. They act as a yardstick for private business. We have no anti-trust law in Sweden; we only have a law for the government to study monopolies. The power of K. F. is based on the accumulated capital of the local societies and ultimately on the sound finances of the members. The effect of this control is felt not only in those fields where K. F. operates its factories but also in other lines of consumer goods. Private manufacturers know that if they try to peg prices at unreasonable levels K. F. both can and will start a national campaign to do away with price-fixing agreements.

Cooperatives and Employment

In Sweden we realized quite early that in order to operate successfully it was not enough for members to buy shares to start the cooperative but that ability to manage the business was just as necessary. K. F. has developed a highly efficient system of budgeting so that the members are responsible for their own financial affairs. K. F. has developed a highly efficient system of budgeting so that the members are responsible for their own financial affairs.

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Consumers' Cooperation

Albin Johansson, President of Kooperativa Forbundet of Sweden

August 11, 1938

"Everyone wonders why Sweden is now so very prosperous. I think it is largely due to stabilization by the Cooperative system, which has made it possible for all factories in this field, had decided to reduce its prices in Sweden by 15 percent. This was done so efficiently that it was discovered that if the monopoly did not reduce prices, K. F. was ready to build its own linoleum factory. The Swedish homeseakers will save nearly one million dollars a year on their purchases of linoleum alone. With this saving the consumers can now buy other necessities, thereby putting more people to work and speeding up economic activities all around, including those of the private retailers! Linoleum is not a big article in Sweden. Nevertheless we have seen what effect a reduction in price has upon increased consumption.

When K. F. started production of electric lamp bulbs in order to force the European lamp monopoly to reduce its prices, the result was that the Swedish people made an annual saving on this article of about two million dollars. It meant that the standard of living was raised, and that more workers were employed. The examples could be multiplied to serve to illustrate the general effect of K. F.'s activities in lowering the prices of food and goods in Sweden and also in increasing employment. But lowering prices does not lower wages. Practically all employees in Sweden are organized in labor unions. Wages are regulated by friendly agreement between employers and employees. If the parties cannot agree, an arbitrator appointed by the government must intervene.

Monopoly prices cause unemployment and poverty. That is why the Swedish cooperative movement organizes to break the power of monopolies.

"I do not merely think the Cooperative system will come to America—it must come."

Albin Johansson, President of Kooperativa Forbundet of Sweden

Washington Sunday Star
July 3, 1938
OTHER PEOPLE'S MONEY—NOT FOR COOPERATORS

WHEN we join together as members of cooperatives, we commit ourselves before the world to the acceptance of the basic principle of a non-profit economic system — of not being willing to take "Other People's Money" from them, in any manner whatsoever, for our own benefit and their injury, as well as to the reverse of the same principle of not being willing that "Other People" take from us 'Money' that rightly belongs to ourselves. "Other People's Money" is not for Cooperators. Cooperators' money is not for "Other People." This basic principle has three major applications.

Cooperators do not want to take "Other People's Money" as credits. Cooperators reject illegal methods of acquiring "Other People's Money" but they likewise reject legal methods as well. Cooperators would not reach into other people's pockets as individuals and take their money from them by illegal theft or force. However, cooperators are also committed to the far higher principle of not reaching into other people's pockets as members of society and taking their money from them by any legal method of making private-profits.

Cooperators should not take "Other People's Money" as loans. Cooperators reject credit from cooperative associations. Members of cooperatives refuse to use other members' money for their benefit in the form of credit for commodity purchases.

Cooperators will not eventually take "Other People's Money" as loans. Cooperators will eventually pool their money and build up a financially impregnable organization — without relying on "Other People's Money" for loans. As the Swedes say, "a cooperative should neither give nor accept credit."

The primary purpose of a cooperative should be to build up a financially impregnable pool of its own funds and its members' money, and then to use this financial power to control the general price and pay levels of the country as a whole so as to narrow the spread between consumers' prices and producers' pay to only such an amount as will cover the cost of distribution and provide necessary reserve funds for reasonable expansion. We will discuss the working out of such a financial program for cooperatives under twelve subdivisions.

I. Open Books

Secrecy is eliminated in a cooperative. The detailed financial statements are open to all members. This program has very definite results: first, it results in the members having "confidence" in their association since they know where their own money is and goes; second, it results in the "honesty" of employees, since they knew that they are handling their own and their fellow-members' money. Defalcations among cooperative employees are far less than in private-profit business, which is proven by the lower net bonding rate. Since speculation in either stocks or commodities is eliminated as a rule in a cooperative, the inducement to employees to appropriate the money in their individual use or speculation is absent. Cooperative employees are taught not to speculate, while private-profit employees are taught to speculate by the operations of the business. The use of "Other People's Money" for personal profit was described by a former president of the New York Stock Exchange as "a rule in the street" by brokers to whom funds are entrusted. Cooperative employees are encouraged not to emigrate such men as the Insulls into utilities, Van Sweringens in railroads, Mitchells in banking and Whitneys in stocks, who are the natural fruit of the private-profit system.

II. Accurate Auditing

The financial statements of a cooperative must be accurate. Auditors are sometimes presumed to be infallible, but while generally accurate, they are not always so. Their work should be constantly reviewed and improved by the manager and directors. The writer has personally known of two major mistakes made by nationally recognized auditing firms, the first of which resulted in an error of $100,000 and the second of $250,000, with serious after-effects upon the company which was inaccurately audited.

Some auditors' statements of cooperatives are not as complete as they could be with detailed expenditures and comparisons. Cooperative statements should be largely self-explanatory. It has been said that percentages are to business what kilowatts are to electricity and inches to measurement. It is only by percentages that there can be a clear understanding of financial statements and that wise conclusions can be drawn for future action. I have received an auditor's statement of a retail cooperative which, to me, was pitiful. The manager was a likely looking young man. Yet the auditor had not helped him by figuring out percentages and comparisons so that he could tell his gross margin or his percentages of expense in order to determine just why he had lost money for the year although he had enough money the year before, or what to do about it for the future.

III. Balance Sheet and Operating Statement

Cooperative auditors need be far superior to private-profit auditors. Cooperative auditors must be interpreters of figures as well. They must teach the manager, directors and members to understand their balance sheet and operating statements. Both the manager and the directors should study and compare statistics until they can read and understand the figures in financial statements as readily as words in a book. Cooperative auditors, managers and directors must then critically analyze and present the statistics to the members in detail, both in spoken words and in print, so that everyone will learn how to handle his own money as a member of a cooperative association.

E. R. Bowen

CONSUMERS' COOPERATION

August, 1938

IV. Correct Budgets

It is as necessary that correct financial budgets for the future be made as it is that the reports of the past operations be accurate. Every manager and director should have before him at the end of each month a statement showing the results of the month and year to date compared with two or more sets of figures, by amounts and percentages. These two comparative figures are the actual results of the same periods of the year previous and the anticipated results as set up in the budget for the current year. New cooperatives need to set up correct budgets to prevent their development being hampered by starting with too high rates and wages and too low volumes and margins, with the discouragements which follow initial losses.

To prepare correct budgets for the future it is vitally necessary that the auditor, manager and directors have an understanding of the general facts about the economic system as a whole. In June 1937 the national magazine, Consumers' Cooperation, published a chart showing commodity and common stock prices for twenty-five years and predicted the present depression. The article advised cooperatives to reduce inventories, collect receivables and build up surpluses. This was based upon the study of commodity and common stock price lines before and after the two previous depressions of 1920 and 1929. The compilation and following of such general statistics relative to the economic system as a whole is the necessary foundation under which successful steering of cooperative ships, whether small or large, can be accomplished.

Only recently we saw a budget com-
WHAT HAPPENED WHEN SWEDISH RETAIL COOPERATIVES WENT ON A CASH BASIS AFTER 1920

V. Cash Terms

There is no equivalent for cash, even though an old statement refers to "cash or its equivalent." Cash is cash. Cash over the counter on delivery, or better still, cash deposits in advance of delivery. Cooperation means C.O.D. or C.I.F.

A cooperative manager says that giving credit is simply opening the cash drawer and saying to a member, "Take what you like of Other People’s Money." We have already quoted the Swedes’ famous slogan, "A cooperative should neither give nor accept credit." What happened when the Swedes decided at their congress in 1920 to "pay on the nail for all their purchases" and to "limit the scope of the movement to the dimension which its own capital permitted" is shown by the chart. Until then debts had been increasing faster than capital: from then on debts declined and capital increased, while volume continued to rise.

Few realize the enormous cost of credit. A bulletin published by Cornell University, Ithaca, N.Y., is authority for the chart showing the cost of credit in various lines of products. If credit is needed by a member it should be gotten through a cooperative credit institution, and not through a commodity cooperative. No manager should be expected to be capable of running both a business and a bank.

If a cooperative is to become financially impregnable and capable of controlling the general price level it cannot be dependent upon bank loans. Otherwise it is not free from outside control. How could the Swedes have busted trusts if they had tried to use money gotten from bank loans to do it? Their hands would have been tied at once.

The 1929 and 1937 depressions were plainly the result of building business on the false foundation of credit. The chart illustrates this fact. After 1920 a false foundation was laid in foreign loans. When bondholders began to lose confidence and production declined in 1924 it was again stimulated by a second false foundation of installment credit. Finally a peak was reached, as always occurs when "Confidence" in being able to unload on the other fellow broke down in Wall Street (which is the only kind of "Confidence" there really is in private-profit business), and the crash came. The same false foundation of credit built up the increased production from 1932 to 1937, except that domestic government credit replaced foreign credit and installment credit was even greater. Finally the sand foundation of credit gave way again as it always will. We had learned nothing from 1929.

True confidence is built on customers and permanent customers are built on cash. Credit trading is only the private profit substitute for the equitable distribution of purchasing-power. It has no place in the cooperative movement. The Rochdale Pioneers were right that "credit is the invention of the devil of profit." When the cooperative movement grows strong enough to bring about the equitable distribution of cash purchasing power to all, then credit will be entirely eliminated from business.

VII. Profits

Few cooperatives on help but make some profit. Their trade is transient and some members do not turn in all their purchase slips. At the close of a period the total sales slips turned in will be less than the total sales. Then comes the moral question as to what to do with the profits on the balance of the business. One of our large cooperatives has shown the way to handle them and be a true cooperative. They have inserted in their by-laws a provision that all profits must be used for the advancement of the Cooperative Movement and can never be distributed to members.

VIII. Ample Reserves

The question of reserves is largely a question of members’ understanding the superiority of a long-time vs a short-time policy. When members are more interested in building a new non-profit world for themselves and their children than they are for their own immediate benefit, they will vote large amounts to reserves and lesser amounts to patronage returns. I venture to suggest that if we were all committed to cooperation to the greatest degree we would vote all of the savings to reserves rather than any to patronage returns. If everyone saw in their imaginings the rapid growth of monopolies as clearly as some do we would sacrifice the small returns of the present for the far greater returns of the future, so that monopolies can be checked and Cooperation become dominant.

It should be added that reserves must be actively used and not allowed to lie dormant. They are built up for the sole purpose of more rapidly advancing the growth of the Cooperative Movement. If not actively used for expansion, the result may be that employees will eventually feel that they have been robbed and will demand excessive pay.

THE COST OF STORE CREDIT

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IX. Social Capital

When one of the members of the President's Inquiry on Cooperative Enterprises in Europe reported as to his observations, he stated that the thing which impressed him most was the building of interest-free social capital. There is a growing tendency in the same direction in America. One large cooperative has built up its social capital of nearly two million dollars on the socially-owned, interest-free basis. Another of our largest cooperatives follows the policy of writing down to $1 its investments in land, buildings and equipment.

X. Increased Investments

We must strengthen our present retail and wholesale cooperatives by the purchase of additional shares of stock. We are not now even building on a shoe string in some cases, we are hanging on a thread.

Many capital have, in too many cases, thought we could finance a retail cooperative on 25c to $1 deposits and accumulate the necessary balance out of savings. But someone must put up the money for the stock you draw on for your purchases and for the operating funds. If you do not do so, you are depending upon "Other People's Money," which you have no moral right to do. Each member should pay in cash for enough shares in starting a new cooperative to supply his proportion of the necessary capital.

Cooperative members must also think twice of their retail cooperatives with their own money, and invest additional funds in order that their retail cooperatives may adequately finance their wholesale and, in turn, their wholesale likewise have ample funds to finance factories for production. The new independent study of the Cooperative Movement entitled "Consumers' Cooperation" do a million dollar a year business is located, the president has stated that the cooperative sets the price level in the county.

Such a policy of lowering the general price level benefits all the people as well as the cooperative members. It may seem altruistic to do this but it is not. As the Swedes say, the people find out what is responsible for the elimination of poverty, unemployment and tenancy and as they learn they join the cooperative.

The time when such an active price policy can be adopted will be determined by the rapidity with which we follow the policies enumerated in the foregoing and thus build for ourselves a financially powerful cooperative by using our own money cooperatively and refusing to depend upon "Other People's Money."

XII. Pooling Funds

Open books, accurate auditing, a thorough understanding of balance sheets and operating statements, correct budgets, cash terms, no profiteering on non-member business, ample reserves, social overhead investments will build confidence in the membership of a cooperative until they are willing to take the final and most important step of pooling their funds. They will not only pay in cash for enough shares in starting a new cooperative to supply their proportion of the necessary capital. Then each member should invest in additional shares as his business and more complete inventories are carried and new lines added.

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Credit - Foundation of Industrial Production in U.S.A.

Credit for the debts of the society.)
SWEDEN PAYS US A VISIT

New York — Two of the world's greatest cooperators, Albin Johansson and Axel Gjores, president and secretary of Kooperativa Forbundet, the cooperative wholesale and union of Sweden, spent a scant three weeks in the United States, June 26 to July 14, as delegates to the Tercentenary Celebration of the Founding of The New Sweden. The appointment of two cooperators along with members of Parliament, the Cabinet, and other leaders of civic and industrial life, was an acknowledgment of the important part the cooperatives play in Swedish life.

In the few days at their disposal free from the functions of the celebration, the Swedish co-op leaders made an important contribution to the thinking of the American cooperative movement. Albin Johansson spoke over a nation-wide network of the Columbia Broadcasting System, July 11 (Mr. Johansson's address appears in another part of this issue of Consumers' Cooperation.) The same evening Albin Johansson in The Cooperative League Office at a dinner given by the Cooperative Coordinating Committee of Greater New York in honor of the cooperative leaders, Mr. Gjores outlined the educational work of the Swedish cooperatives and Mr. Johansson hammered home the need of the cooperatives to build up powerful reserves of their own capital through cash trading if they are going to break the strangle hold of monopoly.

Axel Gjores spoke over radio station WEVD, outlining the growth of the cooperatives in his country and showing the reasons why they are now looked upon as the outstanding business and adult education organizations in Sweden. At a press conference attended by representatives of all of the important metropolitan papers and many trade and general magazines, the co-op leaders reported that K. F. had added the linoleum monopoly to the string of trusts it had broken. On the mere threat that the co-ops would build their own linoleum factory, the trusts dropped prices 15 per cent.

BRITISH GUILD LEADER TOURS U. S.

New York — Mrs. Eleanor Barton, who was for 12 years general secretary of the Women's Cooperative Guild of Great Britain, sailed for England July 23 after an extensive speaking tour of Australia, New Zealand and the United States.

Mrs. Barton landed in Los Angeles, June 13 and spoke in Salt Lake City; Logan, Utah; Denver; Waukegan, Illinois at the Cooperative Publicity and Education Conference; Minneapolis; St. Paul; Lincoln, Nebraska; Manhattan, Kansas; North Kansas City, Missouri; Columbia, Missouri; Evansville, Illinois and New York City. In New York Mrs. Barton spoke briefly at a dinner in honor of Albin Johansson and Axel Gjores, made a radio address over station WNYC, met with the cooperative women in Staten Island, spoke at the Amalgamated Cooperative Apartments, gave a general press interview, and spoke at a special dinner in her honor.

In addition to her work in the Women's Cooperative Guild, Mrs. Barton has been very active in the peace, labor and political movements. She impressed upon American audiences the important role of women in the cooperative movement and the part cooperatives can play in building lasting world peace.

Albin Johansson, acting in behalf of Kooperativa Forbundet, presented a bowl of Swedish pottery produced in the finest pottery factory in Sweden, recently acquired by K. F., on which was inscribed "To The Cooperative League of the USA from the Cooperators of Sweden." In accepting the gift, E. R. Bowen, general secretary of The Cooperative League, said that if we were to give the Swedish cooperators a token produced by the American cooperators it would have to be a bag of feed or a can of lubricating oil.

"All we want is the good fellowship you have extended to us," Mr. Johansson replied.

So just before they sailed Mr. Johansson and Mr. Gjores were each presented with a leather pocket case inscribed "Good Fellowship from Cooperators of the U. S. A."

In 1936 we made the statement that the reason why Finland is able to pay its war debts to America "is found primarily in the control of the price level by the Cooperative Movement in Finland, which prevents profit piling in the hands of the few."

On July 2 this year the Associated Press confirmed our statement when it carried the following quotation by Foreign Minister Rudolf Holsti of Finland, who was in the United States in connection with the Tercentenary celebration of the Founding of New Sweden in America:

"Dr. E. Rudolf W. Holsti, Finland's Foreign Minister, indicated today that his country's success with cooperatives was largely responsible for its ability to pay war debts. He said that agricultural and wholesale cooperatives increased the nation's exports, which in turn enabled it to 'meet all our international obligations.'"
National Cooperative Recreation School

It is our recreation helping to develop the type of individuals necessary for a cooperative society. This was the theme which the fifty young people faced at the National Cooperative Recreation School held at Waukegan, Ill., June 10 to 22. Designed to provide training in recreational leadership, the school was eminently successful from every point of view. Students were given every opportunity for active participation in such recreational activities as folk dancing, puppetry, dramatics, music, leather crafts and games. In addition lectures were given on the theory of reconstruction and discussions held on the problems of organization and operation of recreation on a community basis.

In the past, it was pointed out, most of our recreation has been based on self-interest. Although recreation leaders thought they were developing loyalty and self-sacrifice through the use of teams, contests and points, what has come out is individualism and fierce competition. It is essential that we develop a new type of recreation in harmony with our cooperative philosophy. Students discovered that through group play individuals share a common experience and thus learn to think, feel and act in terms of others.

Problem Solvers — Not Individualists

Headlining the staff of instructors of the school was Miss Neva L. Boyd, Department of Sociology, Northwestern University. Miss Boyd's philosophy of play which has grown out of her pioneering in recreation problems, and her wide knowledge of the folk dances and games of all countries were a real stimulus to the students. Lectures and discussions on the function of leadership were also led by Miss Boyd. "The great problem of leadership is to so select and present the problems which vitally concern the group with which you are dealing with them. What we need to do is to develop better solvers of social problems not better 'individualists.'"

Miss Ruth Chorpenning, New York City, directed the work in dramatics. The creation of an original play, a class in play writing, class work on charades, pantomimes, and a mass chant, in addition to the theory of directing were part of the training received. Emphasis was placed on the use of dramatics as a group project in which attention is shifted from the individual to the group thus releasing creative ability and making for social adjustment.

The participation of a majority of the students in leather crafts was proof that they recognized constructive values in crafts as well as in games, dances, drama and music. Class work bore out the conclusion that it is not necessary to have good materials for real craft work but the articles should be useful, of good design and of lasting value, Miss Lois Landear, Ashtabula, Ohio, directed the craft work.

Other activities included puppetry under the direction of Miss Margaret Gardner, Chicago, in which ingenious use was made of materials at hand. Work was also given in the operation of puppets. Instruction in instrumental music and development of group playing and singing was given by Miss Phyllis Randall, Downers Grove, Illinois. In all of these activities learning by active participation was emphasized.

To Carry On the Work

All of those present at the conference became members of the Cooperative Society for Recreational Education which was formed by the staff and members of the first National Cooperative Recreation School in 1935 for the purpose of promoting recreational education and of continuing the school. Membership is limited to those attending the school. Those elected to serve on the board of directors for the coming year were: Frank Shilston, Minnesota; Gertrude Emerson, Pennsylvania; Sylvia Viterina, Nebraska; Verner Hegg, Minnesota; Neva Boyd, Illinois; Carl Hutchinson, Ohio and Father Gillis, Nova Scotia. As in previous years these individuals were sponsored by The Cooperative League of the U. S. A.

A cooperative store handling literature, supplies, refreshments and leather goods was operated by the students. The store reported total sales of $166.75, and a saving of 26%—16% was turned over to the conference fund and 10% returned as patronage savings on purchases.

Recreation Builds Cooperation

The students at the school represented a wide range of interests although the largest number were from rural groups. Many came as delegates from cooperative wholesales and local cooperative groups which are recognizing that the philosophy of cooperation demands a different type of recreation than that which has been developed in the competitive system. There is a very close relationship between group play and cooperative economic action. As Carl Hutchinson, Education Department, Ohio Farm Bureau Cooperative Association, pointed out, "Mutual participation in spontaneous expression prepares the members of the group for a more complete sharing in cooperative discussion, cooperative planning and cooperative action."
from 11.3% in 1930 to 15.1% in 1938. The report points out that "compared with the phenomenal increase in the proportion of farmers making use of cooperatives in marketing, the increase in the proportion selling cooperatively is relatively small." While the proportion of owners making cooperative purchases more than doubled in eight years, rising from 3.9% to 13.5% is more than three times as great.

The survey, which covered 3,000 farms in selected counties in 40 states was made by the field force of the Division of Crop and Livestock Estimates of the U. S. Department of Agriculture in cooperation with the Bureau of Census.

New York — The National Education Association, meeting here for its annual convention June 26 to July 2, accepted a report of its Committee on Cooperatives which recommended that the study of cooperatives be made an "integral part" of the curricula of high schools, colleges and universities.

The 32 page report of the Cooperative Committee (to be reviewed in an early issue of the Journal) describes the history, methods of operation and need for cooperatives, and suggests courses in which sections on the cooperative movement should be taught. A complete bibliography of books, pamphlets and study materials is included.

Cincinnati — The "model town" of Greenhills, a suburban housing project on the outskirts of Cincinnati, will operate all of its commercial enterprises—a self-service food store, general store, drug store, service station and garage, beauty parlor and barber shop—as cooperatives. Until the residents have organized to assume responsibility for the co-ops they will be administered by the Greenhills Consumer Service, an Ohio corporation.

Beaufort, Ohio — Three hundred youth leaders from 55 young people's organizations meeting here July 2, 3 and 4 for a National Meeting Conference will be the American Youth Congress urged youth and youth-serving organizations to assist their members in organizing cam-put co-ops; press for courses on cooperatives in high school and college curricula; join cooperatives in their home communities and help start them if there are none in operation.

Waukegan, Illinois — Sixty cooperative educational directors, editors, advertising men and recreation directors met here June 23, 24, 25, for the Third Annual Publicity and Recreation Conference of the Cooperative League of the U.S.A. An outstanding feature of the conference was the use of the discussion method in consideration of the basic problems of Cooperative Journalism and Publicity. Employee Training, General Membership Education, Cooperative Recreation, Youth Education, Cooperative Literature and the Education of the General Public. The Publicity and Education Committee which called the Conference declared it the best yet.

New York — Rochdale Institute (the League's cooperative college) will begin its third term when the co-op training school opens its five-month course of academic and technical training. The offices of the Institute are on its new campus. The Rochdale Cooperative League House, classes will be held at the New School for Social Research.

Dr. James P. Warbasse, president of The Cooperative League is director of the Institute. The Institute will have three prominent educators from New York colleges and cooperative leaders who will be drawn in for special lectures.

New York — Despairing of constructive action on the part of the American Medical Association, a number of cooperative health associations in various sections of the country have set up their own organizations. A cooperative association of Medical Cooperatives, which will act as a clearing house for information, research and publishing activities.

Directors of the Association include Dr. Michael S. Seltzer, El Cerrito United Cooperative of Cincinnati and Consumer Distribution Corporation.

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RECENT COOPERATIVE ARTICLES

In addition to many magazine articles which have appeared during the last few months, the cooperative movement has had extremely wide notice in the newspapers. Interviews with Albin Johansson and Axel Gjores of Cooperative For-
bundet appeared in the New York Times and
Herald Tribune; Washington Star; Chicago Times and Tribune; Christian Science Monitor; Advertising Age and papers served by the Fed-
erated Press. Interviews with Mrs. Barton, for-
er general secretary of the Women's Coopera-
tive Guild of Great Britain, appeared in the New
York Times, Herald Tribune, Sun, World Tele-
gram, Christian Science Monitor and papers af-
filated with Federated Press.

American Federationist, July, "Buyers Guide to
Cooperation," Grace M. Zorbaugh.

Christian Science Monitor, June 22, "Consumers
on the March", Mary Taylor. Buyers demand
for tested and identified goods is challenging
modern trade practice and inducing cooperative
buying.

Commonweal, June 10, "The Cooperatives," sum-
mary of current news in the movement, June

The background of the cooperative movement in
America and speculations on its future.

Consumers Guide, May 9, "Cooperative Struc-
ture," a clear picture of the relationship of va-
duous cooperative organizations in the coun-
dry.

Epworth Herald, May 21, "Cooperatives," Jack
McLanahan. A study outline for high school
and older young people.

Free America, June, June, "How to Start a Co-op," Wil-
liam Morris Abbott. Important guiding princi-
plies and helpful hints.

Hosmer Workers, June 3, "Cooperatives Do Tren-
mendous Business," Dr. A. S. Lipshitz, re-
printed from the Hat Worker. June 17, "U. S.
Co-ops Expand as Consumer Consciousness Grows.

Journal of Electrical Workers and Operators, June,
"A Democratic Country to the North." The
story of how Finland has built an economic de-
ocracy and the part the cooperative move-
ment has played in this process.

Life, July 14, "King Gustaf and His Sweden.", Part
of the article is devoted to a splendid dis-
cussion of the part cooperatives have played in
rattling the Swedish standard of living.

B. Fowler's book, "The Lord Helps Those" by
Ralph Thompson.

News for Farm Cooperatives, June 3, "Roots of
Social Progress in Modern Sweden," the adult
education movement under the direction of Ko-
operativa Forbundet.

Railway Carmen's Journal, July, "Cooperation in
a Troubled World," James Myers.

Readers Digest, June, "The Lord Helps Those..."
Bertram B. Fowler, condensed from Mr. Fow-
ler's article in Survey Graphic.

Social Frontier, June, "Evaluating for Economic
Cooperation," E. R. Bowen. A factual treat-ment
of the educational program in the cooperative
movement.

Saturday Review of Literature, "Roads to the Fu-
ture," a review of John Daniels' book, "Coop-
eration: An American Way," by Marjua W.
Childs.

Tide, June 15, "More Greenhorns," news story of
the recent action to get all services in the gov-
ernment projects of Greenbale, Wisconsin, and
Greenhills, Ohio, on a co-op basis. July 15, "Co-op Tycoons," an interview with Albin
Johansson and Axel Gjores, Cooperative For-
bundet executives.

Western Farm Leader, June 3, "Roots of Social
Progress in Modern Sweden."

COOPERATIVE PLAYS, POSTERS AND FILMS

PLAYS

The Spider Web, a 3 act play, by
Ellis Cowling .......................... 25¢
The Answer, a 3 act play, by
Ellis Cowling .......................... 20¢
Fill 'er Up, a one act radio play, by
Marc Rosenblum and Pauline Gibson ..... 10¢
Two One Act Plays, Ellis Cowling ..... 15¢

POSTERS

Organize Cooperatives, 26"x38"
Green, 5 for $1 .......................... 20¢
Cooperative Principles, 19"x28"
Blue, 5 for $1 .......................... 20¢
Cooperative Ownership, 19"x28"
Mulberry, 5 for $1 ........................ 20¢

FILMS

"Clasping Hands," 16 mm, silent, two reel film,
showing how cooperation is taught in the schools of
France. Won the Grand Prize at the Interna-
tional Exposition, Paris, 1937.

"When Mankind is Willing," a 3 reel, 16 mm,
silent, three-reel film, with English titles, of coopera-
tive stores, wholesalers and factories in France.

A Trip to Cooperative Nova Scotia, 3 reels, 16
mm, silent with titles, based on the 1937 Co-op
journey.

Rentals: $3 per day, $1.50 for each additional
showing or $10 per week.

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CONSUMERS' COOPERATION

OFFICIAL NATIONAL JOURNAL OF THE CONSUMERS' COOPERATIVE MOVEMENT

Annotations of News of the World

Consumers Cooperative Association of North Kansas City, Missouri, will
be hosts to the 11th Biennial Congress of The Cooperative League on October
12, 13 and 14. Headquarters will be at the Hotel President in Kansas City. Sessions
will be held at the Municipal Auditorium and the hotel.

Many problems face the Consumers Cooperative Movement in the United
States: problems of national, regional and local organization. Cooper-
ative leaders will present various aspects of National, Regional and Retail
Cooperative Problems and their Solutions. The General Sessions will be
followed by Sectional Discussion Meetings, which will, in turn, be broken
up into small discussion circles so that everyone can participate in the dis-
cussions and offer suggestions.

The various committees, departments and affiliated organizations of The
Cooperative League will each have their own special meetings. They will
disuss Cooperatives as related to Youth, Women, Schools, Labor, Art and
Architecture, Auditing, Recreation, Medicine, Housing, etc.

One evening session will be given over to a banquet with national and
international speakers.

Make your plans to attend the Congress on October 12, 13 and 14 at
Kansas City.
A COOPERATIVE COMMUNITY

As described by George Russell (A.E.) in "Cooperation and Nationality."

"A RURAL commune or cooperative community ought to have, to a large extent, the character of a nation. It should manufacture for its members all things which it profitably can manufacture for them, employing its own workmen, carpenters, bootmakers, tailors and other skilled laborers. To manufacture and sell its own goods and produce would give it an outlet for its workmen, a cheap source of supply for itself, and would create the atmosphere in which national genius would emerge and find opportunities for its activity. The clan ought to be the antechamber of the nation and the nation the ground for its growth. The unique character of such a rural community would give to the best minds. The man of social genius at present finds an organized community and he does not know how to affect his fellow citizens. A man might easily despair of affecting the destinies of a nation of forty million people, but yet start in a rush of enthusiasm to build up a kingdom of the size of Sligo, and shape it nearer to the heart's desire. The organization of the rural population of Ireland in cooperative associations will provide the instrument ready to the hand of the social reformer. Some associations will be more dowered with ability than others, but one will learn from another, and a vast number of living progressive organizations will cover rural Ireland, democratic in constitution and governed by the aristocracy of intellect and character.

"Such associations would have great economic advantages in that they would be self-reliant and self-contained, and would be less subject to fluctuation in their prosperity brought on by national disasters and commercial crises than the present unorganized rural communities are. They would have all their business under local control; and, aiming at feeding, clothing, and manufacturing locally from local resources as far as possible, the slumps in foreign trade, the shortages in supplies, the dislocations of commerce would affect them but little. They would make the community wealthier. Every step towards this organization already taking place in Ireland has brought with it increased prosperity, and the towns benefit by increased purchasing power on the part of these rural associations. New arts and industries would spring up under the aegis of the local associations. Here we should find the weaving of rugs, there the manufacture of toys, elsewhere the weaving of lace and perhaps, every generation laid down the foundations of a great cathedral, and saw only in hope the gorgeous glooms over altar and sanctuary, and the blaze and flame of stained glass, where apostles, prophets, and angels presided. And yet we pictured the idea clearly in our minds of the building up of a rural civilization in Ireland we can labor at it with the grand persistence of medieval burghers in their little towns, where one generation saw the realization of what their grandfathers had dreamt."

WHAT IS A COOPERATOR?

1. A Cooperator is one who voluntarily practices self-help as a member of a cooperative, non-profit group, rather than accepting dictatorial compulsion by profit business or the political state.

2. A Cooperator is one who accepts the principles of Cooperation and becomes a member of a Cooperative Association. These principles are basically two in number: First, Democratic control resulting from Open Membership and One Person-One Vote, and second, Non-profit Business resulting from Investment of Capital and Patronage Dividends on Purchases.

3. A Cooperator is one who takes a democratic part in the membership-meetings of his Cooperative Association by expressing publicly his unprejudiced judgment on matters with which he is familiar and by casting his vote according to his conclusions arrived at after fully weighing his own and others' judgments.

4. A Cooperator is one who willingly accepts, without solicitation, his obligation to carry out the assignments for which he may be democratically selected, whether as a member of a committee, a director, an officer, or an employee, and earnestly endeavors to fulfill them to the best of his ability.

5. A Cooperator is one who is ever active in persuading others to accept the principles of Cooperation and to become active members of Consumers', Producers' and Public Cooperatives.

6. A Cooperator is one who maintains a cooperative attitude in all his individual dealings with his fellows and who sincerely endeavors to practice the principles of Cooperation in all his social affairs.

7. A Cooperator is one who has abiding faith in the inevitable growth of Cooperation and the eventual overcoming of individual greed by mutual cooperation.

8. A Cooperator is one whose entire life is committed to bringing into existence a complete Cooperative Society—Ethically, Educationally, Politically and Economically.

9. A Cooperator is one who believes that "the least of us can stand for the greatest things." The great thing for which a Cooperator stands is the belief that Cooperation is the principle of brotherhood, democracy and freedom applied to finance, industry and agriculture and that it will abolish poverty by eliminating unemployment, destitution and tenancy and will help to abolish war by eliminating economic conflicts.

10. A Cooperator is one who believes that Economic Cooperation is synonymous with and the necessary accompaniment of Political Democracy, Educational Freedom and Spiritual Brotherhood.

September, 1938
ADULT EDUCATION

The noted Swedish economist, Gustav Cassel, who prefers to have his books published by the Swedish cooperatives, says that as compared with commercial publishers, the cooperative leaders have a keen interest in the fact that they should have a way of interesting people in them. Four or five important books are brought out every year and a much larger number of pamphlets and booklets.

For training employees and committee men there are numerous short courses at the cooperative college. These people come for a week or for a month. Two large buildings house the activities of the college and the "K. F." puts 125,000 kroner into it. Local societies provide scholarships and pay expenses of those who come to study.

A Broad Program of Leadership Training

The subjects taught by correspondence surprised me. Of course, accounting is taught and other commercial studies, but that is not all. Swedish and English, economics, public finance, citizenship, literatures of different nations, even a number of courses in engineering, mathematics and chemistry. 25 subjects in all.

The study circles were started about 1920. First the program was rather vague and informal. People were gotten together and told to discuss their vital interests. After a few years, it was found that national direction was needed. Now numerous small text and guide books are published and circulated for study by these groups. Over 40,000 people are members of them. The average age of members is about 30. Two-thirds are men, one third are women, but the proportion of women is gaining.

I asked what proportion of their funds the local associations devoted to education. Mr. Gjores said that the rule was that 2½ per cent of the net surplus should go for education but added that every unit must carry the load that he could think of was spending more.

Consumers' Cooperation

SWEDISH COOPERATIVES PROMOTE ADULT EDUCATION

Benson Y. Landis, Associate Secretary Department of Research and Education, Federal Council of Churches

When Dorotha Brande challenged the world to "Wake Up and Live" she expressed in that title a thought which cooperatives might well use in putting on an annual membership and trade drive.

Cooperatives that stay wide-awake will perhaps live longer. Certainly it is dangerous to grow somnolent in a world that moves as fast as this one. Some cooperatives, like other enterprises, do get in a rut. Some are suffering from dry rot. The deadening hand of inertia has seized not a few. And no matter whether the business be cooperative, or privately-owned, the temptation to maintain the status quo, rather than push forward according to well-thought-out plans, is ever present. Louis Untermeyer sensed it when he pleaded, "Lord, keep me still unsatisfied."

Middle West cooperatives are a representative lot. There are as many live ones here as anywhere, and as many that need to be awakened if they expect to live. To stimulate the live ones, and to arouse the lethargic ones, cooperative members of Consumers Cooperative Association, North Kansas City, Mo., decided last winter that there could be no better way of doing it than to launch a membership and trade drive. Although the campaign during February and March, this year, was the first of its kind ever undertaken by these cooperatives, directors have voted to make it an annual affair. Members will no doubt sustain the board of directors when they hold their annual meeting October 10 and 11. If they do, then each year from now on, when the grip of winter begins to loosen, and the promises of another springtime are felt, rather than seen, when hope is in the ascendancy, the cooperative membership and its membership and trade drive will be out in the field working to win new members, to bring back members who are lukewarm or who may have quit patronizing cooperatives altogether; to recharge the spirit and enthusiasm of the live, to awaken those that are asleep; and to give to all members and women without whom there would be no cooperative movement.

September, 1938
The critic, of course, questions whether cooperatives can be built soundly by the people. Naturally, there must be "backsliders." Doesn't it take something more than drives to win and hold consumers for the cooperative movement? It does, of course. Cooperatives must be well-managed and efficient to win and hold members.

On these points we questioned Mrs. Eleanor Barton, who made a series of addresses in June in CCA territory. As general secretary of the Women's Guild of Great Britain for 12 years, she has had many opportunities to observe the annual membership and trade drive. She pointed out the importance of the campaign method. Naturally, there must be "backsliders." Doesn't it take time to "stick" next year, and a chance that he'll "stick" next year, and a chance that he'll "stick" next year, and a chance that he'll "stick" next year, and a chance that he'll "stick" next year.

Consumers Cooperative Association Adopts Plans

Mr. Cowden returned from Europe filled with enthusiasm over the program of the London Society. He felt it was one thing which should be transplanted to America. He called the CCA staff together and plans for the first annual membership and trade drive of CCA were laid. At district meetings throughout the territory, plans for the membership and trade drive were given to the people.

District meetings are gatherings where the people of the wholesale meet and talk face to face with their employers, and the employees do not do all the talking. Policies are discussed and whipped into shape. These meetings, with the annual meeting, are the means by which the affairs of the wholesale are kept as democratic as it is possible to make them. Apparently these meetings, with the annual meeting, are the means by which the affairs of the wholesale are kept as democratic as it is possible to make them.

Free Trips for Prize Winners

CCA at that time had 12 fieldmen, and a definite territory allotted to each man. It was decided that the two persons in each fieldman's territory who did the most to cultivate the spirit of the thing and voted approval of the drive. Hundreds pledged themselves to take an active part in it.

It was estimated at that time that 120,000 consumers owned CCA. The goal for the 60-day drive was set at 10 per cent of that figure, or 12,000 members.

But those who bore the "heat and burden" of the day were the directors, managers, and other employees of the local cooperatives. Certainly, there must be much more than drives to win and hold the membership and trade drive. They were directed not only to the membership but to the customers, the public, and to the employees of the wholesale, in December and January, plans for the membership and trade drive were given to the people.

Radio Programs Blanket Territory

A word about the radio program may be of interest. Three times each week during the two months, six of the better radio stations, so located as to best serve the whole territory, carried five-minute programs that were tied in with the membership and trade drive. They were recordings prepared by Mr. Cowden and directed not only to the membership but also to the public. They also were broadcast from these stations.

The radio talks dealt with the early history of the cooperative movement; how it differs from corporate business, the rise and growth of CCA to the present position of the wholesaler and other cooperatives in the community. The radio talks dealt with the early history of the cooperative movement; how it differs from corporate business, the rise and growth of CCA to the present position of the wholesaler and other cooperatives in the community.
The cooperative purchasing of feed in America was started on a wide-scale spread about twenty years ago. The cooperative purchasing of gasoline was started about fifteen years ago. Why don’t cooperatives progress more rapidly in each community from feed to food, from gasoline to groceries? Why don’t cooperatives move faster in America? According to the Farm Credit Administration we now have twenty-nine cooperative wholesale groups which purchase over $700,000 worth of farm supplies annually. Only four of the twenty-nine are yet purchasing groceries cooperatively. We are never happy when we are told that a feed store or gasoline station has been in existence a long number of years unless it has expanded into home supplies as well.

**The Next Step**

When Sir William Dudley, former president of the Cooperative Wholesale Society of Great Britain, challenged us with the question as to why, in America, we started with feed and gasoline and finished with groceries, instead of the opposite, he got a hearty laugh from the audience. Dudley asked why we did not have “animal food” before “human food”? He challenged us to turn the tables, to think of the rough, tough farming world, and to see the fact that commodities are lower in price, that agriculture has expanded into many fields, and that the farmer is more interested in the welfare of his family than of his business. Why not have food before gasoline? Why not have home improvements before groceries? Why not have a cooperative wholesale embracing both? Why not have everything under one roof in a cooperative? Why not have a cooperative wholesale that carries both feed and groceries?

**COOPERATIVES SHOULD MOVE FASTER!**

**FROM ANIMAL FEED TO HUMAN FOOD**

E. R. Bowen, General Secretary
The Cooperative League

Two years ago when he asked the question only three farm supply wholesale dealers were handling groceries. Since then another has started to do so and a fifth wholesale is planning a grocery department. Why not others? We are never able to get out of our minds, when we think of this question, an illustration of what happened in Switzerland in the case of the VOLG at Winterthur. This wholesale is one of the few in Europe which started with farm supplies. Most of the European cooperatives started with home supplies. The VOLG has recently celebrated its fiftieth anniversary. It began in 1886 handling fertilizer and in 1892, or only six years later, it began handling groceries as well. Yet some of our farm supply wholesalers are from ten to twenty years old and are not yet handling groceries or are apparently seriously making plans to do so.

In his new book, “Cooperation—An American Way,” John Daniels has a chapter which he entitles “A New Discovery.” What he has discovered are a few simple figures which are available to every cooper, covering the amount of money expended by farmers for various kinds of farm and home supplies. He quotes in his book statistics from the Bureau of Agricultural Economics of the Department of Agriculture in Washington, showing that for the five years from 1924-29 a sample group of American farmers spent $600 for family maintenance as compared with $466 for farm maintenance, or 30% more for family maintenance than for farm maintenance. (See complete table and chart on page 139.)

He also quotes figures from Cornell University of Ithaca, New York, covering an investigation of the finances of one hundred and ninety-five farm families, which showed that a $750 income spent 58.6% of their expenditures for household uses, and
FARM FAMILIES WITH INCOMES FROM $750 TO $2250 SPENT HALF OF THEIR TOTAL EXPENDITURES FOR HOUSEHOLD USES. (SEE COMPLETE TABLE.)

FINANCES OF 195 FARM FAMILIES
(Tompkins County, N. Y., 1927-28)

(From Bulletin 522, May, 1931, Cornell University, Ithaca, N. Y., Survey by Helen Cannon of Tompkins County, N. Y., 1927-28.)

We Cannot Go It Alone

Perhaps one of the reasons we have not moved faster is that the handling of groceries will involve the opening up of the membership of cooperatives to urban residents as well as farm residents. For no grocery store could succeed and serve only farm residents as compared with serving both farm and urban residents. No private grocery store would think of attempting to restrict its customers to either one or the other, which means that no cooperative can do either and meet competition. But this barrier must be faced and broken through some time and the sooner the better. As a sign used in Ohio says: "We cannot go it alone." And truly we cannot much longer. Rural and urban residents must get together as consumers for their mutual benefit. They will find that Consumers' Cooperatives in which both are members will prove to be the solvent of their conflicts as farm and factory producers.

Even though it means using a private-profit advertising slogan, we do not know anything more appropriate to conclude with than, "Eventually Why Not Now?" Let's get going fast building the new "Cooperative Economic Society!" Let's move faster from gasoline to groceries; from animal feed to human food!
**Drama in the Cooperative Movement**

Frances W. Butts  
Recreational Director  
North Dakota Farmers Union

FROM the little girl who dresses in her mother's cast-off linen, and the little boy with the huge false moustache, to the most sedate of us grown-ups, there is an inherent love of the dramatic. We love drama, both creating it and observing it.

Unfortunately, the latter method of satisfying our dramatic urge has most frequently come to the fore. America, afflicted with "Spectator-itis" as some clever person has said, flocks in droves to watch its drama flicker across the silver screen. The trials and tribulations, the trials and tribulations, the world of make-believe has a definite value. The keynote of the new recreation school at Des Moines, during the conference of cooperative recreation leaders there in 1937. The play was a genuinely cooperative production, created by the members of the dramatic class. We chose the setting and plot of our play first, then the characters we should use to depict it. All actors then tried to project themselves into the characters they were representing, using their own actions as tools with which to fashion the ideal spirit of cooperation. Not the actors alone, nor the costumes, nor the director and his assistants, nor the scenery painters could have produced the final ensemble - but through combining their efforts, the result is a genuine achievement.

Drama, well-acted, has characteristics bounding possibilities for all groups of actors themselves. It is impossible to present a part convincingly unless you project yourself into the character you are portraying. The well-laid wall of personal habits that make your personality individual may effectively keep out the light of the outside world. But a rock or two crashes from the wall and lets a bit of understanding in; one then managed to get the other fellow's point of view. Things look differently. You cannot help being a trifle more sympathetic with a neighbor even though his character be the direct antithesis of your own, if you have lived even temporarily, in his personality.

The educational significance of the drama must not be overlooked. A audience with fascinated attention the unfolding of a dramatically presented truth that would prove much less interesting, if told to them in any other manner. Statistics upon statistics, proof upon proof, fact upon fact, will not arouse the audience like the application to their lives of the characters in a play they are watching. Through the medium of the play, they have seen the practical application of some truth to the lives of individuals like themselves. It becomes, therefore, no longer a matter of the cooperative movement, but something they have seen demonstrated, a part of their own experience.

Drama, then, serves a dual purpose. Of vast value to its creators and producers, it is also of incalculable worth to its audience, giving it a well-earned place in the recreational and educational phases of the cooperative movement. Little theater movements all over the country attest to its popularity. People like "play acting." And so—on with the play!

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**COOPERATIVES ON THE MARCH**

Washington, D. C. — Konsum, a cooperative specializing in petroleum products, opened its second service station in the Nation's Capital, August 1. The first station was at Anders Hedberg, Swedish co-op executive, when he was here early in November last year. June sales for the station totaled $430.

Columbus, Ohio — The cooperatives showed a clean pair of heels to the private profit oil companies in the increase of petroleum distribution during the month of May. The Farm Bureau Cooperative Association reported a total gallonage of 2,160,000 for the month—an increase of 21% over May of last year. Standard Oil reported a 15% gain; Gulf 13%, Indian 9% and Sinclair 7%. All of the other private profit companies showed losses for the month. Pure Oil dropped 53%; Cities Service went down 26%; Shell 16% and Sun 11%.

Ohio co-ops have handled 9,556,000 gallons of petroleum products through their 78 county cooperatives during the first five months of 1938.

New York — One hundred and seventy children from the amalgamated Cooperative Houses are enjoying day camp facilities under the direction of the cooperative. A director and 17 counsellors take care of the children at a cost of $13 per child for nine weeks.

North Kansas City, Mo. — Consumers Cooperative Association took advantage of the visit to this country of A. Buchanan and J. M. Davidson, directors of the Scottish Wholesale Society, to call together managers and directors of the co-op stores affiliated with CCA. The 250 retail cooperatives affiliated with...
CO-OP INSURANCE BUILDS HOME

Consumers' Cooperation

day the Associated Cooperative Fire Insurance Companies of Sullivan and Adjoining Counties reports that it has paid out more than $1,900,000 to cover losses during the last 25 years and that since the rate is 57% lower than that of private profit companies it has saved its 2000 members more than $2,000,000. At its 25th Anniversary this spring the co-op dedicated its new $50,000 home office, paid for entirely by voluntary donations. Boris Fogelson is secretary of the five cooperatives.

Albert Lea, Minn. — Forty automobile loads of employees from Midland Cooperative Wholesale came here July 16 to pay tribute to Frank H. Osborne, one of the pioneers in the organization of Midland. Mr. Osborne died here July 13.

As a director of the Freeborn County Cooperative Oil Association, Mr. Osborne helped call together the co-ops in southern Minnesota in the fall of 1925 as the first step in the organization of the co-op wholesale. He was a director and secretary of the organization when he died.

Washington, D. C. — Over a half million farmers buy $110,000,000 worth of petroleum products annually through their own consumer cooperatives, according to a "door-to-door" survey made by the 12 Banks for Farm Cooperatives of the Farm Credit Administration. The report shows 1,057 cooperatives dealing primarily in petroleum products while an additional 750 marketing and general purchasing co-ops also handle petroleum products. There were only 32 gas and oil co-ops in 1922.

Illinois co-op gas and oil sales totaled $11,000,000 in 1936. Minnesota was a close second with $9,000,000, while twelve other midwestern and mountain states handled between three and five billion dollars worth of co-op gas and oil business during the year. Reports on patronage dividends, covering only the co-ops handling just petroleum products, showed savings of $4,290,000 returned to members in 1936.

Washington, D. C. — At the end of the first three years of operation, the Rural Electrification Administration has made loans and allotments for power lines and power plants costing $90,000,000. They include 44 states, and call for 80,000 miles of power lines and 20 generating plants where previously power could not be sold at wholesale at reasonable prices. More than 250,000 rural homes and an estimated 1,250,000 people will have electric power for the first time.

Although no definite percentages are available it is reported that the great majority of these projects have been organized by cooperatives.

Circle Pines Center, Hastings, Mich.

—First steps toward organization of a Cooperative Youth League were taken by 70 young people at the closing session of a nine-week youth institute here, July 6. The youth league will assist the organization of local youth groups which will carry on cooperative education and recreation programs in each locality.

Preceding the organization of the league, there had been five co-op youth conferences in Pontiac and one at Grant Michigan. In addition to the Michigan youth represented in these conferences, there are five co-op youth groups and seven county co-op youth groups in Indiana, Michigan, Illinois, and Wisconsin. According to David Scoukiss, director of the Circle Pines Center.

September, 1938

REVIEWS


This book by two members of Babson's Statistical Organization, Inc., is not the kind of a book one might expect from their name.

The broad thesis is that the present system may be facing a death sentence unless something is done for the consumer.

The purpose of this book, according to the authors, is to supply the whole broad theme of "Consumer Front." No single section of that battle front can assure victory. The protection of consumers calls for a united front of merchandising reporting services, buyers' cooperative societies, consumer representatives at Washington, educational drives, pressure groups, alliances of consumers and business interests, and all other forms of attacks on America's social problem.

In their attempt to weave all of the various forms of consumer action into one pattern, the authors coin the term "consumerism" and the "Consumers Front." They say "The Consumers Front" is potentially the most powerful material force on earth. If education and organization can put that power into action, it can surmount any other social change. Organized consumers can develop a crusading zeal more ardent than that of communists.

The use of these two terms, "consumerism" and "Consumers Front" bring vividly to mind some of the undesirable connotations of other "isms" and other "Fronts." I am afraid the program suggested by the authors may lead consumers into the "ism" arena where they may fall easy prey to clashing ideologies.

However the book is stimulating reading and almost everybody, even the most casual reader, will find in it many things with which he can agree. It is correctly termed a handbook for it covers everything from the excellent explanation of the various forms of inflation in Chapter I to the importance of training the members of the family to have three meals a day on page 198, while on page 130 the authors recommend a formula for a good mouthwash.

I have the feeling that the authors have attempted to please everybody. They tell about the bad in every good little girl and good in every bad little girl. At times the authors tend to scare people, urging them to prepare storm cellars and beware of the revolution. The farmers are told the city radicals may get their tentacles about them through rural electrification, county agent spies, and financial indebtedness. At the same time the city dwellers are told how quickly they could be swarmed into socialists. City people are urged to get out into the country and by all means do not buy any property or even a business in large cities.

Consumers are told to buy a small modern home but that the size of a house does not make a home. They are told to support chain stores but if necessary buy only from independents (rather than chain stores). They tell about the undesirable connotations of other "isms"—and other "Fronts." I am afraid the program suggested by the authors may lead consumers into the "ism" arena where they may fall easy prey to clashing ideologies.

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Members of consumer cooperatives will enjoy the reprints of the edibles of the Cooperative Principles and consumer cooperative development.

They may question, however, the soundness of the suggestion not to "eat together your friends and start a cooperative" but "Whenever you hear of the movement getting under way in your vicinity, be sure to join it."

My advice to cooperators is that they should read this book but keep their fingers crossed.

The report shows how the cooperative movement has spread over almost the entire civilized world, and points out the fact that many of the most civilized countries, as well as all of the families in the civilized world, are connected with the movement.

The next section of the report states in simple and direct fashion the need for consumer cooperatives. It shows how the consumer is subject to exploitation, and how the cooperatives could remedy the situation.

Then we have a very important section showing how the cooperative movement can be used in the present school system. Suggestions are made as to how the cooperatives can be introduced into social science courses, into history courses, into specialized courses of economics, into physics, and problems of American democracy and in many other fields. Reference is made to the teaching of the cooperative movement in courses of the cooperative civilization, in constructive English, home economics, general mathematics, agriculture, chemistry, health education, biology, physics, and other fields.

A short section is devoted to cooperative education in colleges and universities. Something is said about the method of organizing the cooperatives. At the end of the report, we have a most valuable list of sources of instructional materials.

Altogether this is an exceedingly significant report on the cooperative movement. It may add little to the knowledge of those already well informed in the field. Its great importance grows out of the fact that organizations embracing hundreds of thousands of teachers have definitely discovered the need of the cooperative movement.

The report will be used for a long time to come. It is said about the method of organizing the cooperative movement. It may add little to the knowledge of those already well informed in the field. Its great importance grows out of the fact that organizations embracing hundreds of thousands of teachers have definitely discovered the need of the cooperative movement.

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MANY are today busy casting reflections on Germany. They tell of the concentration camps, the horrors of conquest, the race hatreds of anti-Semitism, the nationalizing of religion, education, government and business, the threats of war.

Others busy themselves with aspersions on Russia. They describe the questionable confessions of the older leaders who have been shot to death, the sabotaging of production, the starvation of millions in the forced collective process, the failure to develop toward democracy, the suppression of religion.

It is easy enough to make out a case for the Shakespearian conclusion, “a plague on both your houses,” and to convince hearers and readers that America wants none of either variety of dictatorship.

But what about our own America? Are we so altogether perfect that we can spend all our time throwing stones at others’ houses? Do we not live in a glass house ourselves? We can ourselves free, but what real measure of true freedom have we? How can we call ourselves free when there are ten millions unemployed struggling for the jobs of the employed and pulling down their incomes? How can we be free when we run the risk of losing our jobs if we really speak freely our convictions on religion, education, politics or business, in case such statements run counter to the predilections of the boss? How can we count ourselves free unless we are able to leave one job and change to another? To hear and read most of the comments on Germany and Russia and the implied comparisons with America, one would assume that we are not economically regimented here by our monopolistic finance and industrial octopuses, that we are free in the chain of economic dictatorships. To the extent to which we are free we owe it all to our forefathers rather than ourselves. They laid the groundwork for religious, educational and political democracy. They gave us the tools with which to fashion economic democracy as well. We have hardly used them as yet. Our economic conditions have gone from bad to worse and we have been largely ignorant and indolent about them.

What reason have we to imagine we can solve European and Asiatic problems when we have not solved our own? The best contribution we can make toward preserving peace in Europe and Asia is to prevent poverty in America.

We cannot preserve and extend democracy by war. It is eternally true that means and ends are one and the same. Peaceful ends cannot be accomplished by violent means. We tried twenty years ago to preserve democracy by war and only reaped a harvest of dictatorships. The first result of another war to save democracy would be dictatorship in the United States. The first result of another war to save democracy would be dictatorship in the United States. The pattern has already been prepared. No one need be fooled this time. It is all written out in black and white in the Sheppard-May bill. The day we declared war against another nation we would also decree Fascism upon our own nation.

Horrible as are the happenings in Germany and Russia, it is time we discarded our “Heller Than Thou” attitude and our egotistical complacency and faced the horrors of poverty, unemployment, tenancy, disease and crime at home. Our job is to make America a land of prosperity for all. When we have done that, then other peoples will themselves throw off their own yokes and begin to emulate us. Our job is to make America a beacon light of economic liberty and equality. That is our obligation to the world and the best contribution to peace which we can make. Let us show other nations that we can eliminate our own economic greed and race hatreds among ourselves. We do not ourselves have now a true pattern of economic democracy to force upon other peoples even if that were the way to do it. And when we fashion a true pattern of economic democracy for ourselves, we will not need to use force to influence others to follow our example. Truth is self-propagating. Others will follow if we show them the way to plenty and peace at home. But we must move faster! Every new cooperative is a step toward bringing plenty to all and peace on earth, both at home and abroad.

Guest Editorial

THE WORTH OF THE CO-OP TRADEMARK

Howard A. Cowden, President,
Consumers Cooperative Association,
North Kansas City, Mo.

LAST September I had the pleasure of meeting with directors of the Scottish Cooperative Wholesale Society, Glasgow. When I sat down at the Directors’ table, one of the directors handed me a neat package which proved to be a type of cheese manufactured by that Wholesale. On the wrapper was a familiar emblem—CO-OP. The director who had handed me the package said:

“That’s what you fellows have taught us.”

One of the biggest paint companies in the United States recently asked permission to use the CO-OP label. It is, of course, reserved for cooperatives only. Not long back the largest manufacturer of tires began using the CO-OP trade mark, without leave or license, and discontinued its use only after it was pointed out to them that they were infringing. At recent meeting of directors of National Cooperatives, Inc., four letters were written to that many companies which were using the CO-OP symbol illegally.

I don’t know what the CO-OP trade mark is worth. It may be worth four or five million dollars. If I were to guess its worth, conservatively, I would place its value at a million dollars. I know that it has every bit as much value as older emblems on which millions of dollars have been spent. CO-operatives have something here of great worth, and they ought to appreciate it.

Not only that, but they should tell the story of the CO-OP label to cooperative members at every opportunity.

Some of our people still believe that other labels should be kept on the same shelves, in service stations and grocery stores, with CO-OP label goods. I have never believed that. I shall continue to refuse to believe it so long as old-line companies are as eager to use the CO-OP label as they are today.

Getting rid of goods bearing other labels, and putting the CO-OP label on our shelves 100 per cent, is altogether a matter of education. When consumers see the need clearly of building volume for their wholesale, to permit it to go into the production of consumer goods, they will buy CO-OP. It’s the only way they can build something for themselves. It’s the only way they can prove they were serious and well-intentioned when they became a member of the cooperative.

You’ve heard the story of the farmer who sold his farm and used the money to roam the world in search of diamonds. Oddly enough, the new owner of the farm found diamonds under the back porch. Let’s be wiser than the first farmer in this story. We have a gem in the CO-OP label. Let’s build on this foundation an economic system which we own and control.
HOW U. S. CO-OPS BUSTED THE FERTILIZER MONOPOLY

JAMES R. MOORE, Editor
Ohio Farm Bureau News

THE story of the cooperative purchasing of fertilizer by farmers throughout the fertilizer-consuming areas of the United States by means of their own retail and regional cooperatives, signifies as expressively as any other cooperative activity the scope and effectiveness of cooperative economic action.

In this field cooperative purchasing has proved itself capable of establishing yardsticks. When first undertaken in Ohio, Indiana, and Michigan, the retail price of fertilizer sold by all companies, cooperative and otherwise, immediately fell an average of eight to ten dollars a ton, while the price just across state lines remained at the previous level. Here we have a specific demonstration of the ability of cooperatives to bring down the general price level of a commodity by doing enough of the business to cause competing profit business to reduce prices to a fair basis.

Cooperatives do not need a monopoly in a given field to bring down the general price level and thus benefit all consumers using that commodity, whether they buy from a cooperative or from private business. Cooperatives in the fertilizer field have been able to bring prices down by doing from fifteen to eighteen per cent of the total business. The Federal Trade Commission, in reporting its study of the fertilizer industry in 1922, states that the cooperative purchasing of fertilizer was a more influential factor than any other in bringing down the general price level. (See chart comparing prices of fertilizer and building materials).

Perhaps the best method of bringing out the effectiveness of the cooperative purchasing of fertilizer is to contrast the trend in the index numbers of fertilizer prices with the trend in the index numbers of building material prices. If we go back to the year 1920, when the cooperative purchase of fertilizer was getting underway, we find that the index price of fertilizer was 186, compared to the building material index price of 205, both based on the average price from 1910 to 1914 as 100. In 1921 fertilizer dropped to 156 and building material also to 156.

At the present writing, in 1938, the index price of fertilizer has dropped still further to 102, in contrast with today's building material index price which is still the same as 1921, or 156. Thus the average price of fertilizer, from 1921 to date, in which cooperatives transact the largest single volume of any organization or firm, has been reduced by thirty-five per cent, while there has been no reduction in the price of building material which farmers are only beginning to purchase cooperatively.

The various regional purchasing cooperatives in Ohio, Indiana, and Michigan, and later in Pennsylvania, New York, New Jersey, Maryland, Virginia, and North Carolina, have banded together and contracted for the total output of various fertilizer plants. Recently the Farm Bureau Cooperative Association of Ohio and the Cooperative G. L. F. of New York purchased jointly a 100,000 ton fertilizer plant located in Baltimore, which is to be operated by a cooperative affiliate composed of representatives of both cooperative wholesales and which is known as the Fertilizer Manufacturing Cooperative.

Thus, cooperatives are now going further in the economic process by getting into fertilizer production, and will be able to bring about further savings to fertilizer consumers. Having already established a yardstick in the field of fertilizer distribution, cooperatives are now in a position to perform a similar function in fertilizer manufacturing.

OHIO'S ADVISORY COUNCILS

LEADERS of cooperatives can well afford to spend time in discovering new techniques and methods of getting people to participate in their own program. There is unlimited power in a small group that is aroused through thinking and planning together.

The most necessary factor in a program of adult education is an effective unit of organization. This unit must be comprised of a limited number of people whose interests are mutual and who meet and act freely in the homes of their neighbors where the atmosphere of hospitality abounds. The unit must have a social as well as an educational appeal. These groups must consist of both husband and wife in order to work out a uniform program of interest. They must not be governed by so-called 'super-leaders,' but each member must be placed in the position of leadership himself, and all must be of equal rank. The officers of such a group must not hold themselves above the members, although they may assume a little more responsibility of the duties of their offices.

During the last two years there has been quite a bit of stress placed upon discussion circles to educate members of cooperatives. In our organization these discussion groups are called Advisory Councils. They are composed of 12 families who have common interests. They meet for a purpose and have an objective.

The Purpose and Objectives of Advisory Councils

Their purposes are: first, to become better acquainted and mingle with each other in their homes; second, to become more familiar with the cooperative movement and community life through discussion; third, to counsel together and then advise the organization and cooperative leaders what policies should be adopted, and what new fields of activities should be explored; and fourth, to place each member in a more favorable position to participate in the entire program.

Each of these 12 families is assigned a month in which it is to entertain the other 11 families, just a sufficient
number in most cases to fill their front rooms. Their officers consist of president, vice president, secretary, treasurer and discussion leader. Officers may be either men or women.

The program of each meeting consists of a business session, a discussion period, recreation and refreshments. Suggested material for the discussion period is supplied monthly to the discussion leaders by the Educational Department of the Ohio Farm Bureau. This material is distributed a month in advance so that the participants will be prepared to enter into the discussion with proper information. The secretary keeps the State Office informed of their activities by sending in carbon copies of the minutes of each meeting. In this way the strength and activities of one Council group are related to those of another by the redistribution of the high points or important actions to all Councils.

Participation — The Basis of Education

The discussion material of a newly organized group should be of a very simple nature such as questions and answers built around the present program with which they are more or less familiar. They are expected to participate in discussion on questions that do not require much study. Then once they learn to participate in discussion, they will be led into deeper subjects which require more preparation.

At the present time approximately 300 Councils are meeting and are discussing questions such as these: "Distribution—the Farmer's Problem," "Our Cooperatives Will Succeed—If," "Do We Learn to Live," "Do We Need Our Neighbors," "The Value of Credit Unions," "Cooperative Refrigeration," "Cooperative Medical Care," etc. Through this plan it is easy to discover new leaders developing. Many times a meek member will offer a suggestion that will finally blossom out into a plan, and that member is given the realization of achievement. I might add that these groups have developed without the assistance of an outside leader. They have established confidence in their own ability to discover their way through.

We have also discovered that people will become interested in a program if they are allowed to participate in the building of that program. Through that participation they become obligated to serve—an obligation which they enjoy.

How the Advisory Councils Grow

Another important factor is their method of growing by involving more people in newly organized Councils. To each of the regular meetings are invited two of the host's closest neighbors who are not members of the present Council. These visitors become absorbed in the program of the evening, and a desire is created for them to become members of such a unit, and new Councils are formed. The new groups follow the same plan as the old Councils—that of meeting monthly in their respective homes.

When a new program of the cooperative needs the support of the people, these groups are very important. They discuss the proposed program and work out a plan of action.

There is a growing desire among the officers of the Councils within a county to meet together for training along the lines of discussion, business, and future action. These meetings will be attended by some leader from the State Farm Bureau and a discussion leader who will lend assistance as a resource man.

We expect to proceed further in Ohio and organize as many of these Advisory Councils as is feasible, and thereby strengthen the existing organization by keeping members informed through their self-help program.

Again I cannot place too much emphasis upon the potential power that has not been developed among the people. Many think that action in our cooperatives rests with the leaders rather than with the membership. Let us, as leaders, fade into the background and allow this potential power of the people to come forth.

"What we need to do is to draw out of the people their ideas of what they should do—rather than talking to them. We need to put democratic thinking at work."—Joy Elmer Morgan, Editor of the Journal of the National Education Association.

Consumers' Cooperation
To be followed by Four Sectional Discussion Meetings, to be held separately and simultaneously, for discussion by delegates of subjects presented. Chairman to be elected by each group.

(a) National Organization
(b) Constitution
(c) Labor Relations
(d) Cooperative Principles and Methods

Each of these meetings to close with definite resolutions to be presented to the Congress.

THURSDAY, OCTOBER 13TH

9 A. M. Morning Session

General Subject—Retail Organization Problems

Urban Cooperatives ....................... Herbert Katt
Rural Cooperatives ........................ Carlos Palmer

(To be followed by Three Sectional Discussion Meetings as follows):

Publicity and Education .... Chairman Glenn Thompson
Discussion Leader, Robert L. Smith

Purchasing and Distribution ... Chairman, Homer Young
Discussion Leader, T. G. Castner

Accounting and Financing, .... Chairman, W. E. Regli
Discussion Leader, A. J. Smaby

2 P. M. Afternoon Session

General Subject—Affiliated Group Organization Problems

Cooperative Publicity and Education
(Under the direction of the National Cooperative Publicity and Education Committee, Glenn Thompson, Secretary)

Cooperative Art and Architecture
(Under the direction of the Cooperative Design Service, Esther Greenleaf, Director)

Cooperative Auditing
(Under the direction of the National Society of Cooperative Accountants, Emil Selvig, President)

Rochdale Institute
(At the direction of Lionel Perkins, Registrar)

Cooperative Medical Service
(Under the direction of the Bureau of Cooperative Medicine, Dr. Kingsley Roberts, Medical Director)

Youth and Cooperatives
(At the direction of Cooperative Youth Groups)

Women and Cooperatives
(Under the direction of the National Cooperative Women’s Guild Committee)

Cooperative Housing
(Under the direction of the Committee on Cooperative Housing, A. E. Kazan, Chairman)

Cooperative Recreation
(Under the direction of the Cooperative Society for Recreational Education, Carl R. Hutchinson, Pres.)

6:30 P. M. Evening Session

Banquet at President Hotel

Toastmaster .................... Dr. James P. Warbasse
International Economic Cooperation .... Howard A. Cowden
The Short Cut to Fascism in America .... Willis J. Ballinger
Group Singing and Dancing
Cooperative Movies

FRIDAY, OCTOBER 14

9 A. M. Morning Session

Business Meeting of Delegates

Treasurer’s Report .......................... M. E. Arnold
Reports of Departments, Committees, etc.
Publicity and Education Committee, Glenn Thompson
Cooperative Design Service, Esther Greenleaf
Auditing Bureau, W. E. Regli
Insurance Department, Wm. A. Hyde
Rochdale Institute, Lionel Perkins
Bureau of Cooperative Medicine, Dr. Kingsley Roberts
Housing Committee, A. E. Kazan
Labor Committee, James Myers
Women’s Guilds, Maiju Nurmi
Recreational Education Society, Carl R. Hutchinson
Student Cooperatives Committee, William Moore
Nova Scotia Tour, J. H. Carpenter
Constitution Committee, L. E. Woodcock
Election of Directors
Other Business
Adjournment of Congress
Meeting of Board of Directors

Exhibits of Cooperative Products will be on Display

A Preview of the Congress will be broadcast over the coast-to-coast network of the Columbia Broadcasting System, Tuesday evening, October 11, 10:45 to 11, Central Standard Time. The speakers will be Dr. James P. Warbasse and Howard A. Cowden.
IN a cooperative recreation hall at Dillonvale, Ohio, facing a drop curtain on which was painted a scene of a man and woman hand in hand "Facing the Sunrise of Cooperation," representatives of organized workers and farmers of Ohio, Pennsylvania, and West Virginia joined hands as consumers on September 16-18. The occasion was the first Institute on Organized Labor and Farmers' Marketing Cooperatives, called upon each one in the audience to "put their brains at work" and divided them up into ten Discussion Circles.

The audience participated in various forms of Cooperative recreation, folk singing, dancing and games, under the leadership of Lynn Roehrbough, Director of the Cooperative Recreation Service. This was preceded by special singing and dancing numbers by local Co-operators and music by the Dillonvale Cooperative band.

Deep emotion was felt by all as they joined together in singing in English and Czech languages the Bohemian National Anthem "My Homeland," since many of the members of the local cooperative are of Czech nationality and are deeply concerned over their native country.

The audience of 160 responded freely to a suggestion to contribute to a fund to help promote similar Institutes at other points.

A most fitting conclusion to the three days' Institute was the address and discussion on "The Ethics of Cooperation and Unionism" on Sunday morning by James Myers, Industrial Secretary of the Federal Council of Churches and Director of the Institute.

EASTERN Nova Scotia and Cape Breton Island were the mecca this summer for 24 states, 5 provinces of Canada, the District of Columbia, Alaska and the British West Indies who came thousands of miles to study the methods and accomplishments of a program of adult education and economic action which has revitalized the farming, mining and fishing districts of this Maritime province.

Among the visitors were university
professors, teachers, Catholic priests, protestant ministers, foundation directors, doctors, social workers, cooperative educational directors and housewives. One- and fifty-five principals, professors and superintendents of schools completing their work in rural education at Columbia University.

Using the campus of St. Francis Xavier University as their base they visited cooperative lobster factories, fish processing plants, blueberry canneries, credit unions, marketing associations, buying clubs and cooperative stores. They sat with Dr. M. M. Coady, Father J. J. Tompkins, A. B. MacDonald and Alex S. MacIntyre, leaders in the Extension Department of St. Francis Xavier, and traced the history of the "Antigonish Movement."

Then uniting their four tour parties, they took part in the Rural and Industrial Conference which drew together a thousand Nova Scotia farmers, miners and fishermen on the campus of St. F. X. to discuss the foundations and accomplishments of the cooperative program.

The Right Rev. James Morrison, Bishop of Antigonish, declared in opening of the international broadcast conference, carried by the Canadian Broadcasting System and the Blue Network of the National Broadcasting Company, to the educational and cooperative programs of the "Antigonish" movement, Rev. J. J. Tompkins, father of the movement; Kenneth Leslie, poet and journalist; Miss Ellen Edwards from Ida Gableton, the extension staff; and Rev. J. Henry Carpenter, Chairman of the Committee on the Church and Cooperatives of the Federal Council of Churches act as the speakers.

The leaders of the tours, which were under the joint auspices of The Cooperative League and St. Francis Xavier University, included Rev. James Myers, Industrial Secretary of the Federal Council of Churches; Wallace J. Campbell, assistant secretary, The Cooperative League; Mabel Carney, Teachers College; Ethel Rigott, National Catholic Rural Life Conference; and Rev. Hartley J. Hartman, president, Brooklyn Church and Cooperation. Rev. J. Henry Carpenter was director of the tours.

Consumers' Cooperation

Leadership Standards

(Also available in "American Singing Games" and "Joyous Folk Games From Other Lands."

There is a great variety of folk games and dances published by Cooperative Recreation Service, Delaware and Ohio. Kit O, Handy II, presents traditional games of Europe, and the play party games of America. These as well as others have proved worth, left unchanged, and simply and clearly taught, give increasing pleasure with repetition. Indeed the enduring quality of any recreational activity might well be one of the tests of its merit.

The tendency to farce games, or to incorporate show-off devices, militates against genuine participation and leaves the group with the feeling that the activity has been "put over" on them without their recognition of the value of the content of the activity. Good leadership then is to avoid centering the interest in the leader himself, and to direct it to the matter which is being presented. Good leadership then is somewhat dependent upon the leader's faith in the thing he is presenting. When the matter being presented is a recreational activity his own ability in execution, together with his enjoyment and his clear sincere teaching contribute much to the success of his leadership.

Add to these qualifications the power to create the character of informality which is conducive to spontaneous interplay, repartee and nonsense, and social resourcefulness must almost inevitably result.

Moreover, such tricks and devices indicate a desire on the part of the leader to direct attention to himself rather than to leave with the group recreational material which they may use repeatedly on their own initiative. In fact, a mark of good leadership is to avoid centering interest in the leader himself, and to direct it to the matter which he is presenting.
"A Handbook of 280 Games" is available from Miss Neva L. Boyd, 1919 W. Cullerton Street, Chicago, Illinois, for 60c, lOc postage. Also available from Miss Boyd is "Description of English and American Country Dances;" "Music and Description of European Games and Dances," 50c each, postpaid.

The H. T. Fitzsimons Company, 23 E. Jackson Blvd., Chicago, Illinois, has published all of the books on folk dances and games prepared by Miss Boyd. Complete directions and music are given. The books should be ordered direct.

* * *

Recreational institutes, camps and training schools are now offering training for persons interested in securing skill in leading folk games and dances. While it is preferable for a recreation leader to have special training in teaching these traditional games, a person can learn the fundamentals thoroughly enough by himself to teach the group. The leader should start with simple things and gradually move into more difficult things which make the group climb. In folk dancing about twenty minutes each evening should be devoted to practice on steps. It is important that the tempo of the music should be slowed down sufficiently to allow the group to get the movement of the dance. It is better to keep the tempo up and let the people scramble. If the music drags the group will come to dislike the dance. It is safe to assume that the people will fall in naturally into a lot of the dancing. If the leader can get the game or dance going as a merry-go-round and everyone will hop on. The leader must watch the group closely and when things are not going well stop and take them more slowly. It is important to remember that the people have a right to flounder and wrestle with the problem rather than have a person who knows the answer drill the answer into them.

Folk games are fun and for that reason it is important for the group to discover the fun the first time they are played. The game may be a great deal on the leader who should "know his stuff" and know it well. The attitude of the leader will help to get the others into the same attitude and everyone will have fun.

Columbus, O. — Three courses on various aspects of cooperative economics and management will be offered at each College. Yellow Springs for the 1938-39 college year, under the auspices of the college and the Ohio Farm Bureau. The courses include one on the history and theory of the co-op movement, management and financing of cooperatives, and one on "society under cooperative economics."

Superior, Wis. — A. J. Hayes, head of the Educational Department of Central Cooperative Wholesale, has been elected General Manager and Treasurer, succeeding the late H. V. Nurmi. For the time being he will also continue as education head.

Mr. Hayes came to Superior in 1928 to be Assistant Educational Director of the Wholesale. He was also editor of The Cooperative Builder until June, 1938, when he gave full time to the educational department. In this capacity, Mr. Hayes has been in close touch with all branches of the Wholesale's activities.

Amherst, Mass. — Nine states were represented in the 101 students who attended the 1938 Eastern Cooperative League Annual Institute held on the campus of Massachusetts State College here, July 31 to August 13.

Following the Institute, a second week was given over to a management course attended by 41 managers, clerks and prospective employees. The course includes study of management, display of products, store layout, purchasing, pricing, and other practical problems.

* * *

North Kansas City, Mo. — Construction of a 3,000-barrel refinery, capable of turning out 11 carloads of gasoline, kerosene and tractor fuel each 24-hour day, will be started later this fall by the North Kansas Cooperative Association. The new plant, to be located in northwestern Kansas, will be in operation next spring, it is planned, and will supply local cooperatives there and in northeastern Colorado and southwestern Nebraska.

The refinery, costing better than half a million dollars, will be financed largely by the 4000 members of the cooperative association.

Milwaukee, Wis. — The model town of Greendale, built by the Farm Security Administration on the outskirts of Milwaukee, will be the third meeting place for cooperative service conferences as cooperatives, according to a decision of its residents who have approved a contract between the Greendale Cooperative Association and the FSA. The cooperative has entered a management contract with Midland Cooperative Wholesale which will provide general managerial and supervisory services.

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RECENT COOPERATIVE ARTICLES

American Federationist, September, 1938, "Danish Co-operatives and Unions," Harry M. Lund. How workers educate, cooperatives and trade unions have raised the Danish standard of living.

American Scholar, Summer, "No Catholic Way of Catching Fish," Joseph P. McMurray. The adult education and cooperative program of Nova Scotia under the direction of St. Francis Xavier University.


Consumers' Cooperative, August 19, "Cooperation as a Technique," Bertram B. Fowler. Mr. Fowler points out the economic and ethical implications of the cooperative movement, with emphasis on the ethical implications.

Free America, September, "Maybe We've Found the Way Out," Mary Elliston Arnold. The thrilling story of cooperative housing in Nova Scotia. The first cooperative house in the project was recently dedicated by the Premier of Nova Scotia.


Education of Employees
The pamphlet also vigorously stresses the need of educating the employees of the cooperatives. "The store managers and clerks should understand cooperation so well that they exalt it in their conversation. They should realize that they are a vital part of a great and growing movement.

Other Subjects Dealt With
Many other educational subjects are dealt with in the pamphlet, as: Women's Guild, Bulletin Board, Counter Leaflets, Entertainment and Recreation, Parties and Picnics, Movies, Drama, Study Tours, Radio Broadcasting. Training of Experts and how to make the cooperative society attractive to children are still other subjects briefly discussed. There is also a bibliography of books and pamphlets on Cooperation and Cooperative Education.

No one interested in the Cooperative movement and Cooperative Education should fail to read this pamphlet. It is packed full with interesting ideas and suggestions concerning cooperative education and gives a bird's-eye view of the various methods that may be profitably used in such education.

V. S. Alanne

COOPERATIVE PLAYS, POSTERS AND FILMS

PLAYS
The Spider Web, a 3 act play, by Ellis Cowling ........................................ 25c
The Answer, a 3 act play, by Ellis Cowling ........................................ 20c
Fillter Un, a one act radio play, by Marc Rosenblum and Pauline Gibson .......... 10c
Two One Act Plays, Ellis Cowling .................................................. 15c

POSTERS
Organize Cooperatives, 26"x38" .................................................................. 20c
Cooperative Principles, 19"x28" .............................................................. 20c
Blue, 5 for $1 ................................................................................. 20c
Cooperative Ownership, 19"x28" ......................................................... 20c
Mulberry, 5 for $1 ........................................................................... 20c

FILMS
"Clamping Hands," 16 mm, silent, two reel film, showing how cooperation is taught in the schools of France, with English titles, of cooperative stores, wholesalers and factories in France.
A Trip to Cooperative Nova Scotia, 3 reels, 16 mm, silent with titles, based on the 1937 Cooperative Survey. Rentals $3 per day, $1.50 for each additional showing or $10 per week.

FIRE INSURANCE
ON YOUR FURNITURE
SAFE-ECONOMICAL-COOPERATIVE

WORKMEN'S MUTUAL FIRE INSURANCE SOCIETY
227 East 84th St., New York, N. Y.
Member of The Cooperative League of the U. S. A. Under supervision of N. Y. State Insurance Department.

Mountain Life and Work, August, "Cooperation, A Way of Life," Bernard Frank. Palestine and Middle East, July, "Cooperative Trading." A report of cooperative progress in Palestine. 21% increase reported for the year.


Time, August 29, "In Antigonish," a report of the Rural and Industrial Conference with background material on Nova Scotia co-ops.

COOPERATIVE

An Associated Press dispatch carried in papers from Philadelphia to Los Angeles in advance of the Eleventh Biennial Congress of The Cooperative League.

CO-OP GROWTH TO BE EXAMINED AT CONCLAVE OF "TRUST-BUSTERS"

Cooperatives Credited With Price Slash in Fertilizer Monopoly. Movement Widens Scope of Activities from Retail to Wholesale Field—Plan Factory Projects.

By JOHN LEAR

New York, October 6-(AP)—A million "trust busters" were mobilizing tonight for a new attack on monopoly in the United States.

They wielded no "big stick" of Government prosecution. They expected no dramatic episodes in the courtroom. There was a direct assault, emanating from their own pocketbooks.

They are not usually thought of as foes of the "trusts," these 1,000,000 men and women who belong to The Cooperative League of the United States, who are working for that role will underlie all their deliberations at their biennial conclave in Kansas City, Mo., next week.

The Cooperative League is made up of businesses which are owned by their customers, and which return their profits to their customers in ratio to their purchases.

Their purpose is to reduce prices by reducing the margin of profit.

In reducing prices, they combat the price controls of monopolies and near-monopolies.

Although their movement is still in its infancy, it already has one major triumph to its credit, and progress on others will be reported at the Kansas City meeting which begins on Wednesday.

The one big success is the co-op campaign against high prices of fertilizers, a farm necessity. The Federal Trade Commission publicly credits the co-ops with being the greatest factor in breaking the monopolistic hold on this field.

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., 197 West 10th Street, New York City.

R. E. Bowen, Editor; Wallace J. Campbell, Associate Editor. Contributing Editors: Editors of Cooperative Journals and Representatives of Cooperative Wholesale and Retail 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.
THE COOPERATIVE MOVEMENT

IT seemed a "long, long way to Kansas City" to many cooperators when the invitation of Consumers Cooperative Association to host the 11th Biennial Congress of The Cooperative League was accepted by the Board of Directors at their meeting last spring.

But it didn't prove to be so far after all, perhaps due to the fact that 154 voting delegates and 14 alternates were in attendance, together with 351 visitors, making a total registered attendance of 519, with others present who overlooked the formality of registering.

Those who were so fortunate as to make the long trip were more than amply repaid for the time and expense. They were able to renew and make much new contact with cooperators from other sections of the United States. They attended the sessions of a significant Congress. And they were given an outstanding example of what E. C. Lindeman once characterized as "an outpost of economic democracy in America."

Not only did delegates and visitors see first hand the quarter of a million dollars' worth of Cooperative Wholesale, Superior, Wisconsin; Merlin; Milwaukee, educational directors of Consumers Cooperative Association, North Kansas City, Mo.; and Werner E. Regli, director of the Accounting Bureau of The Cooperative League, aid the Congress in its deliberation.

After discussion, the Directors of The League approved a motion that dues paying regional associations be requested to nominate a member of the Committee on Committees and Nominations. The following regional organizations were accordingly requested to nominate members of the Committee, which they did, as follows, the members nominated being later approved by action of the delegates to the Congress:

- David E. Senquist, Central States Cooperative Leagues, Chicago
- Homer Young, Consumers Cooperative Association, No. Kansas City, Mo.
- Glenn W. Thompson, Midland Cooperative Wholesale, Superior, Wisconsin
- Wm. Limatainen, Central Cooperative Wholesale, Superior, Wis.
- Anthony Lehner, Pennsylvania Farm Bureau Cooperative Ass'n, Harrisburg, Pa.
- H. W. Smoote, Farm Bureau Mutual Automobile Insurance Co., Columbus, Ohio.
- Stanley C. Colburn, National Cooperatives, Chicago
- Cecil R. Crow, Northern States Cooperative League, Minneapolis, Minn.
- James R. Moore, Farm Bureau Cooperative Association, Columbus, Ohio.
- Leslie E. Woodcock, Eastern Cooperative League, New York City.

At the meeting of the Committee, Mr. Woodcock was chosen as Chairman and Mr. Moore as Secretary.

The Congress Opens

With the Congress nationally announced over the radio, as well as by months of prior publicity, and the necessary preliminaries accomplished by the Directors, an auspicious foundation was laid for the formal opening of the Congress on Wednesday morning, October 12th at 10 A.M. in the Municipal Auditorium.

Probably no previous Congress of The League was ever held in a more beautiful room than the little theatre of the auditorium, where all but one of the main sessions of Congress were held. Registrations were taken in the large entrance hall where were also displays of literature for sale, a temporary post office for mail and telegrams, and a blackboard announcing the locations of the sectional meetings. The local Committee of Arrangements consisting of Messrs. McCulley, Jensen, Hill and others provided ample assistance in the way of stenographers and others from CCA's staff and were everywhere on the job at all hours handling the many details of this Congress, dispatch, efficiency and courtesy which elicited high appreciation.

An extensive display of cooperative products, educational materials, posters, etc., attracted many of those present to the mezzanine floor during their "off" minutes from attending the sessions of the Congress and the many sectional and committee meetings.

For the eleventh successive time since the organization of The Cooperative League, the Biennial Congress was opened by President Dr. James P. Warbasse, who, after getting the delegates and visitors present to the mezzanine floor, introduced Mr. Crowden to present the Address of Welcome. This was immediately followed by the President's Address. Both of these addresses as well as other principal addresses delivered at the Congress will be found in condensed form in this Special Congress issue of Consumers' Cooperation.

The subject for discussion during the afternoon session of the opening day of the Congress was that of National and Regional Cooperative Programs.

During the first half of the session three addresses were made on different phases of national and regional programs. Education and Legislation was discussed by E. R. Bowen, which discussion also constituted the Secretary's Report. I. H. Hull presented the subject of Commodities and Services and M. D. Lincoln that of Insurance and Finance.

Following the three addresses the general session broke up into three sectional meetings which enabled the delegates to divide and discuss the problems in a thorough manner than in a single group.

The purpose of the morning and afternoon sessions of the first day, as indicated by the subjects presented, was to start the Congress off with a broad vision of the big jobs which the Consumers Cooperative Movement has before it. This was then followed by four sessions on which discussion was concentrated upon the problems which had to be solved in order to accomplish the broad purposes of the Movement.

During the first evening session the Congress tackled the big problem...
Wafbasse presided as toastmaster with mote different phases of the movement, unaffiliated groups which have been or policy making, the delegates remained in Cooperative Organization Best Adapted was presented by Herbert Ka'tt and that important problems.

A quick survey of the various groups indicated great earnestness and good following the problems of the group as is natural among cooperators.

More than 250 attended the Cooperative Banquet Thursday evening, Dr. Warin was introduced by L. E. Woodcock and V. S. Alanne. Because this session had to do with policy making, the delegates remained in one group during the entire evening, and participated actively in the discussion of the two subjects, without, however, arriving at any formal decision. Such discussions do much to clarify thinking and eventually lead to definite action in a democratic body such as the Consumers Cooperative Movement.

Business Meeting of Delegates

After two days of discussing programs and problems in general and sectional meetings, the delegates heard reports of the accomplishments of the various departments and committees of The League, and recommendations for further action.

The Credentials Committee reported that voting delegates had been seated upon presentation of proper credentials by representatives of constituent members as follows:

- Central States Cooperative League
- Eastern Cooperative League
- Consumers Cooperative Wholesale
- Consumers Cooperative Association
- Northern States Cooperative League
- Farm Bureau Cooperative Association
- Franklin Cooperative Creamery Assoc.
- Midland Cooperative Wholesale
- National Cooperatives
- Eastern Cooperative League
- Consumers' Cooperative League
- Cooperative Book Club
- Cooperative Distributors
- Cooperative League of the U.S.A.
- The President, ex-officio
- Reports of officers, departments and committees were then given in person or in writing by the following:
  - Finance by E. R. Woodcock, Chair.
  - Publicity and Education Committee by Glenn Thompson, Secretary.

Student Cooperatives Committee by William R. Moore, Chair.
Cooperative Design Service by Esther Greenleaf, Director.
Insurance Department by William A. Hyde, Manager.
Retail Institute by Lionel Perkins, Registrar.
Cooperative Medicine by Dr. Kingsley Roberts, Director.
Labor Committee by Myers, Chairman.
Women's Guild by Maiju Nurmi, Secretary.
National Year Book and Film by C. R. Crews.

Next followed the report of the Committee on Committees and Nominations covering nominations for directors presented by L. E. Woodcock, chairman. It was first explained that the terms of office of the following six directors had not expired:

- V. S. Alanne, Northern States Cooperative League, Minneapolis, Minn.
- George Barrett, President, Pacific Supply Cooperative, Walla Walla, Wash.
- Leslie E. Woodcock, Secretary, Eastern CooperativeLeague, New York City.

The Committee then reported that the charter of The Cooperative League provides for fifteen directors and accordingly nominated for three year terms the following nine persons who were duly elected, following discussion by the delegates:

- William Littmaat, President, Central Cooperative Wholesale, Superior, Wis.
- Carlos C. Palmer, Central States Cooperative League, Chicago, Ill.
- Howard A. Cowden, President, Consumers Cooperative Association, North Kansas City, Mo.
- E. G. Cort, General Manager, Midland Cooperative Wholesale, Minneapolis, Minn.
- M. D. Lincoln, Secretary, Farm Bureau Mutual Automobile Insurance Company, Columbus, O.
- Perry L. Green, President, Farm Bureau Cooperative Association, Columbus, O.
- James Heyes, President, Federal Council of Churches, New York City.

Alternates directors elected by the Congress were: Gideon Edberg; A. V. Warin; A. J. Hayes; Anthony Lehn; William Armit; L. A. Taylor; T. H. DeWitt; E. E. Faron; Carlson; A. E. Kazan and Glenn Talbot.

The following were then nominated and elected as Auditors: Jules Englander, A. E. Kazan and Mrs. Mary Long.

Immediately following the adjournment of the Congress the newly elected Board of Directors met in session and re-elected President Dr. James P. Warin, Vice President Howard A. Cowden and General Secretary E. R. Bowen, Mr. L. E. Woodcock was elected Treasurer, succeeding M. E. Arnold who is now living in Nova Scotia.

By special arrangement with the Post Office Department, it has been possible to omit the November issue and triple the size of the December issue and thus to represent our readers the proceedings of the Biennial Congress as well as extracts from the principal addresses, reports of the sectional meetings, resolutions, etc.

Following this summary of the proceedings of the Congress you will now be able to enjoy reading extracts from the many addresses which follow. The milestones which Congresses of the League mark may not be altogether clearly visible to those who are present and are still more difficult to record in cold type for those who were not present. However, we hope that a greater participation in and support of the work of The Cooperative League by an increasing number of regional cooperative associations, and the election of directors of the League equitably representing the membership of the group should mean that the Consumers' Cooperative Movement in the United States is shifting into high gear with a strong mutual support of all the members.
A PREVIEW OF THE COOPERATIVE CONGRESS

James P. Warbasse, President,
The Cooperative League of the USA

COOPERATIVE PRINCIPLES

The Cooperative League, which will open its Eleventh Biennial Congress tomorrow, was organized in 1916 when the world war was at its height. The purpose of the League was to federate the consumers' societies' in this country and to set on foot a national organization for the carrying on of cooperative education and the promotion of the movement. The League today is a federation of the 1770 strongest and most progressive societies in the United States. It has steadily grown until these societies have over 965,000 members and do business to the extent of $100,000,000 a year. The influence of the League is not confined to its constituent societies. The whole cooperative movement in the United States looks to it as the national center of cooperative education and information. It is a member of The International Cooperative Alliance, which is the federation of national cooperative societies of forty countries, having a membership of over 500,000 people.

The societies are organizations of consumers. Among the businesses with which they conduct in this country are stores, restaurants, bakeries, medical service, banking, insurance, housing and many other useful services. Farm supplies such as petroleum products, feed, fertilizer, seeds, etc., are effectively manufactured and distributed to their members by these organizations.

In the United States it is not in the towns among the industrial workers but in the country among the farmers that the consumers' cooperative movement is the strongest. The farmer had formerly thought of himself as a producer interested in low prices of every thing he consumes. And he is organizing himself accordingly. Through his consumers' societies he is developing understanding of the common interests of all consumers, and is coming into the towns with his cooperative societies and inviting the urban worker to join with him to their mutual advantage.

The cooperative societies are slowly building up in this country a substantial kind of business, in which invested capital is safer and employment more secure than in the more prevalent method of business. They represent self-help elevated to the level of mutual aid. Neighbor joins with neighbor putting together their resources of capital and patronage, to conduct businesses, not for the purpose of making money from other people, but for the purpose of directly supplying their own needs.

The newest development is in the field of health protection. The consumer of medical service has at last become conscious of his needs and possibilities, and is proceeding to supply himself more effectively with aids to health. He has realized that it is cheaper to pay the doctor's bills and do the suffering and dying: and he is taking in his own hands the organizing of cooperative health associations and developing medical service in his own country. He is proceeding to make medical science more accessible to himself.

In the United States this movement is non-political. It has won its way in competition with other business now for a hundred years. It is benefited by this competition. Unlike the prevalent business system, in which such industries as banking, railroads, and the railroads have asked for gifts from the government to keep them going, the cooperatives neither ask nor expect governmental subsidies. They would be damaged by such favors.

One vote for each member guarantees democracy of control. The difference between the cost price and the distribution price, in other business, in cooperative business is returned to the members in proportion to their patronage. This means there is no profit; the business is carried on for service. In many countries cooperation is moving on toward becoming the largest and most successful business. In this country it is still small, but it is at least significant and promising. It grows and wins its successes as it demonstrates its efficiency as a way of supplying human needs.

CO-OPS AT WORK

Friends: This is Cooperative Week in Kansas City. The eyes of the cooperative world are looking this way.

It began yesterday with the annual meeting of Consumers Cooperative Association. It was attended by 424 cooperatives in eight states. The real owners are 120,000 consumers. Last year the retail cooperatives bought four and a quarter million dollars worth of necessities through their wholesale. They saved themselves nearly $91,000. To that must be added the savings they made locally which comes close to $1,000,000 a year.

Twenty-eight poverty-stricken weavers started the Consumers Cooperative Movement in England, nearly 100 years ago. England has 45,000,000 people. Eight million of them are now members of 15,000 retail cooperatives. They bake one in every four loaves of bread; they retail one in every four bottles of milk; they employ some 300,000 workers at higher than going wages; they own close to $750,000,000 in capital, not one cent of which has been lost in the depressions since the World War. Their annual retail trade is close to $1,500,000,000. They pay back to themselves in savings more than $100,000,000. That's a lot of buying power to inject into the arteries of trade each 12 months in a little country like England.

A similar story can be told about cooperatives in Scotland.

Little Sweden, which in recent years has become the world's economic laboratory has a number of stores owned by consumers. More than one family in every three is affiliated with a consumer cooperative. Forty per cent of the population! That's the land without a single anti-trust law, where the people, through their cooperatives, keep prices in line by producing for their own needs. The monopolies have to be have themselves or see the business go to the co-ops.

Howard A. Cowden, President, Consumers Cooperative Assn.

You'll find consumer cooperatives growing very rapidly in every democratic country. The movement itself is growing like Jack's beanstalk in the United States. It began on the farm. Today three thousand farmer-owned purchasing cooperatives do half a billion dollars of business a year. Oil and gas, two of the major items they handle, amounted to $110,000,000 in 1936. Shareholders of the North Kansas City wholesale, which handles locally 300,000 tons of gasoline and kerosene last year, voted today to build a cooperative refinery—the first of its kind in the United States.

Leaders of this movement from all sections of the United States are arriving in Kansas City for the opening tomorrow of the Eleventh Biennial Congress of The Cooperative League of the U.S.A., which is the central educational agency of the consumer cooperative movement in this country. The founder of that League and its president for 22 years is Dr. Iames P. Warbasse, with whom it is my honor to share time on this program. The Congress will not deal with theory alone, but for the most part with what is being done actually to benefit men and women who work, who live in city or country.

So I invite you to come to Kansas City and share in the economic discussions. If you can't do that, then watch your newspapers for an account of this session, the news of which will be carried to the four corners of the earth.

December, 1938

Consumers' Cooperation
We are assembled here in Congress of the Cooperative League for the eleventh time in twenty-two years. When the League was formed, the world was gripped by a great war. It still is. The eternal war in the economic world goes on with little abatement. Man struggles against his fellow man; industry contends against industry; nation fights against nation — all for economic advantage to get something away from somebody else, to get the difference between the cost and selling price, the profit.

Of all the fatuous doctrines, one of the most pernicious is that this fight and struggle is salutary. The majority of the people of the world suffer undernourishment of body and soul and go down to premature deaths, as the wreckage of this constant conflict.

The people have lost control of their economic affairs, and the increase of governmental functions is evidence of that loss. The movement which brings us together is dedicated to the recovery of the economic power of the people. It is a fact too little understood, that, as cooperation grows, the need of political government becomes less. Government is made necessary by the failure of the people to supply their wants and of themselves to solve their problems. Where business fails, the government expands.

In the consumers' cooperative movement, the people are building up their own business. It is private business for the people of the world and of themselves to solve their problems. Where business fails, the government is made necessary by the failure of the people to supply their wants and of themselves to solve their problems. Where business fails, the government expands.

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EDUCATION AND LEGISLATION

Report and Recommendations

E. R. Bowen, General Secretary,
The Cooperative League of the U.S.A.

Consumers’ Cooperation is the most powerful economic organization in the world today. National, regional, and local activity for all will follow economic cooperation: peace on earth will follow economic cooperation. The Consumers’ Cooperative Movement will help greatly to bringing about this.

In this report and recommendations I will endeavor to condense into short summaries some of the highlights of a ten point Program of Action of the Consumers’ Cooperative Movement in the United States, which it is increasingly putting into effect.

1. PUBLICITY

Those who do not yet know about the Consumers’ Cooperative Movement need greatly to be informed about it; those who do know something about it need greatly to know more. We are pursuing five principal means to that end.

a. Persons — A constantly increasing number of leaders in educational, political, farmer, labor and professional groups are not only enthusiastically advocating but actively participating in Consumers’ Cooperative Movement.

b. Platforms — The demand for addresses on forum platforms of various kinds is taxing the capacity of cooperatives. Next to the management itself, the most powerful influence in cooperatives is that of the field force. Such field force must be supplemented with educational and descriptive stories of cooperatives; these can be injected with cooperative idealism as being used widely. Interviews with foreign cooperative leaders and statistical and descriptive stories of cooperatives are given good space by many newspapers.

c. Press — The Cooperative League is issuing a weekly News Service to over 500 publications and writers which is being used freely. It has issued a monthly educational and finally ethical. All these co-existing groups must stand together or else they fall together.

2. EDUCATION

The increase in cooperative educational programs has been particularly notable during the past two years.

a. General Public — Cooperatives everywhere should induce their State Departments of Education to follow the examples of Wisconsin, Minnesota, North Dakota and Georgia. The report of the National Education Association was printed in a first edition of 35,000 and will undoubtedly greatly stimulate action on the part of schools to teach consumer economics.

b. Members — An outstanding development in cooperative education is the wider adoption of the study or discussion-circle method under various names.

c. Employees, Officers and Directors — The Rochdale Institute, organized by The Cooperative League, is now conducting third course. Regional associations are conducting training schools covering week-ends, single weeks and several weeks. Cooperative leaders, having increased common undertakings and activities, look toward the time when labor groups will far more actively begin organizing their members as consumers, as farmers did after 1920 and office workers began doing after 1929.

The Consumers’ Cooperative Movement cannot isolate itself from other democratic organizations. The history of Europe shows that we all fall together if dictatorships develop. If we read history aright, the attack of dictatorships is first on democratic political organizations, then on economic, then educational and finally ethical. All these four great democratic organizations which society has known over the course of the centuries must stand together or else they fall together.

3. RECREATION

The Cooperative Society for Recreation Education has held two annual recreational conferences in 1937 and 1938 where cooperative drama, music, dancing and games have been studied by lectures, discussion and participation.

4. LEGISLATION

Cooperative leaders must face more definitely the need for cooperative legislation and for preventing the hampering of cooperatives by anti-cooperative legislation and rulings. A revised model state law has been written by a committee, called together by the Department of Labor, which should be universal. National legislation and interpretations are driving a wedge between rural and urban consumers to the detriment of both.

5. RELATIONSHIPS

One of the most valuable developments which is constantly on the increase is the establishing of cooperative relationships with democratic national consumer, producer and social organizations. The establishment of special Committees on Cooperatives by the Federal Council of Churches and the National Catholic Rural Life Conference were early successes in the ethical field. The appointing of a Committee on Cooperatives by the National Educational Association is notable in the educational field. In the political field, not only did the President send a special Cooperative Commission to Europe but at least four State Governors have publicly endorsed the Movement. There has been the far more significant joint meetings of cooperative marketing and purchasing leaders which have developed greater common undertakings and...
tional associations above them as well. 10. REGIONAL AND NATIONAL COORDINATION a. Interpretation—The first problem in the national organization of Consumers' Cooperatives is the acceptance of a uniform definition and interpretation of the Movement. All buying is a consumer function. There is no real difference between the purchase of farm supplies and family supplies; between occupational goods and household goods. As rapidly as we accept this correct interpretation, just so rapidly will we be able to develop a national coordinated movement of all Consumers' Cooperative Purchasing Associations in the United States. b. Commodities—In all three criteria of a successful economic system, namely, volume, employment and investment, the cooperative movement is proving its stability. However, we will never have in the United States a real Consumers' Cooperative Movement until we purchase family supplies and farm supplies cooperatively. c. Services—The past two years have witnessed rapid progress in rural cooperative electrification. Cooperative medicine is now a matter of most serious discussion with evidence of definite organization. Burial and cooperative agriculture is expanding. Eating and housing cooperatives on college campuses are flourishing. d. Insurances—The significance of cooperative insurance, not only as a means of reducing the cost and increasing the efficiency of the service, but also as the second line of finance, is becoming more greatly realized. e. Finance—Our greatest weakness today in the cooperative movement is the fact that we are underfinanced in so many cases. This is primarily due to the lack of education of the members of regional and retail cooperatives, who think too much of immediate patronage returns rather than the greater future returns which will result from building financially strong cooperatives which can challenge and bust the trusts in America by setting up yardsticks which will lower the general price level. CONCLUSION The knowledge of the power of the Cooperative Movement to lower consumers' prices and increase producers' pay and thus to break monopolies and end the end eliminate poverty, unemployment and tenancy, must be brought more rapidly to millions in America. We must learn as farmers and labor to cast our economic votes together. We cannot control what we do not own. The only way to ownership is by buying and banking together in our own cooperatives. "The people are forbidden to rest," says Henry D. Lloyd, "until out of their suffering a new liberty has been won —the industrial liberty, for which political, educational and religious liberty wait for their full realization."
considerable number of really substantial units. Let us admit immediately that as yet the movement is very loosely bound together on a nation-wide basis. Let us admit that to a certain degree this weakness is largely brought about by the weakness of the leadership. Let us admit that even our strong regions and locals in many instances have hankered for the business structure by adopting sound policies such as credit and insurance, etc.

We shall never have a central organization with adequate power and authority until we have a central financial institution, in which we have all placed our resources, which may conduct insurance or banking services or eventually become a producing unit for the products which we distribute. Having built up a substantial centralized capital and having all become partners in that centralized institution we could then grant ultimate authority in the hands of someone in that institution to proceed to act for the member units.

**Education of Leaders Needed**

Perhaps the first step toward this sort of a program should be something of an educational program and revival among the leaders of the movement. We have talked much about an educational program among the members but just making the members talk to each other is not so much the fault of the membership as it is the fault of the leaders. We are all too jealous of our own separate capital structures that we refuse to unite with those of other groups. We are so shortsighted that we cannot see that the uniting of our funds will give strength to all by cementing us to each other.

Before long we shall need some sort of a super organization such as exists in Denmark and Sweden which does not limit itself to any type of cooperative, or any one philosophy, which includes both its producers' and consumers' cooperatives, which helps to work out a plan of action wherein those various groups can work with each other. The enemies of the movement have no fears as long as we scatter our forces. Today we need have no fear of those enemies of the movement who are on the outside. The enemies we should fear are those territories which work from within. They are deep in the hearts and minds of our leaders. They comprise shortsighted-selfishness and pride, prejudices and bigotry which keep us from using our resources and our power and cause us to falter and stumble in nebulous confusion. I am afraid only of those things which keep us apart and prevent us from crystallizing our objectives and concentrating our might.

We have been marching through the wilderness and one day we shall enter the promised land. But before we cross over, it will be required that every one of our leaders either purge themselves or else step aside for those who have grown up in the movement, who neither fear the giants without nor the doubts within and who will march out with a determined resolute irresistible oneness of purpose to keep faith with those who have trusted them.

**National and Regional Problems**

**COOPERATIVE INSURANCE AND SECURITY**

**Murray D. Lincoln, Secretary,**

Ohio Farm Bureau Cooperatives

Insurance is one of the few ways we have of providing ourselves with security against financial loss, loss of property, and loss of income. It is the one certain method by which people with low incomes can create some sort of a material estate. Insurance is probably the most natural of all economic activities for cooperative organization. Basically, insurance is simply the banding together of a group to provide against contingencies—against losses incurred by death, old age, illness, and other events, and to maintain a sum sufficient to meet these contingencies as they arise. This may be passive cooperation, as in the case of a private stock company, or it may be active and democratic cooperation, as in the case of a true cooperative.

Insurance constitutes for eighty-five per cent of the population the only form of material estate they possess. And on the average this estate is large enough to provide only for funeral expenses and last illness expenses of the breadwinner, leaving the family destitute when he passes on. It is well, therefore, that we look into insurance to see to it that the insurance the average individual carries gives him the utmost security for his money.

**Greater Protection at Lower Cost**

The first justification for cooperative insurance is a reasonable certainty that it can improve upon the service, quality, or cost of insurance protection.

The Farm Bureau Mutual Automobile Insurance Company, with which I am most familiar has grown from a small company with $10,000 of assets in 1926 to the fifth largest of its kind in the country. This company is entirely independent and without benefit of patronage which Work from within. They are deep in the hearts and minds of our leaders. They comprise shortsighted-selfishness<br/>

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**Consumers' Cooperation**

December, 1938
many of the corporations which sell farm supplies and farm equipment. Many of these firms are buyers of farm products. Others are corporations selling manufactured goods to farmers. Many of these companies are financed by insurance institutions with money that has been paid in premiums by the eight-five per cent to make further profits from them.

Democracy in Business

Through cooperative organization of insurance, cooperators control their own finances and thus are assured of democracy in business. In this way can democracy be made to work in business.

Wage-earners and Farmers

Under-insured

In the United States, eleven per cent of the heads-of-working-class families carry no insurance at all, and those who are insured have taken out inadequate policies. One out of every four wage-earners has either no protection at all, or a policy the value of which is less than $500; and three out of four have policies for less than $2000. The average insurance figure is only one-fourth of what might be called an adequate amount.

Insurance is of greatest importance for farmers and wage-earners, because these groups are less prepared for emergencies than the members of other classes. When death or illness comes, there is not much in the way of savings to fall back on.

The high percentage of lapsed policies is another indication of the failure of existing institutions to do an adequate job.

Out of a total of 23,500,000 policies taken out in this country in 1928, 2,441,000 were surrendered and 6,523,000 lapsed, making a total of surrenders and lapses of 8,964,000 in one year. This took place in spite of the fact that 1929 was the most prosperous year in our history.

Cooperative insurance makes possible the insurance of the lower income classes at rates that by decreasing the premiums charged. The savings made in cooperative automobile insurance have already been noted. In the Cooperative Insurance Company of America, the life insurance affiliate of the Ohio Farm Bureau, the rate for an ordinary life policy at age thirty-five is lower by seventeen per cent than the prevailing rates of ten large competitive companies.

Cooperative insurance improves the bargaining position of its members and defends them from the profit-making of privately-owned insurance companies. It also has a beneficial effect on the general condition of insurance by forcing competing insurance companies to reduce rates and improve policies.

Advantages of Co-op Insurance

Cooperative insurance is built on a democratic basis, each member having one vote in the general meeting of the company, and participating in the general management of the board of directors and officers of the company. This is the vital distinction from private insurance companies. Some of the private companies return a part of the profits, but hardly any of them give the insured a full share in the management and conduct of the business.

The method of distribution of profit is another test of whether an insurance company is cooperative in character. In cooperative insurance, members receive a limited interest on capital—any capital has been invested in the form of lower rates or surplus, or earnings, is distributed among the policyholders in proportion to their contributions to the creation of the互助s and lower rates.

Cooperative insurance companies, together with credit unions and cooperative banks, can go a long way in helping consumers to get reasonably priced credit. By investing savings in cooperative purchasing, marketing, housing, trade, industry, and in mortgage loans to consumers, cooperative insurance companies can play a prominent part in furthering the development of the whole cooperative movement and also render further service to its members and policyholders. Cooperative insurance and cooperative banks are coming to be the main foundations of the whole cooperative system.

Discussion

INSURANCE AND FINANCE

The discussion in the sectional meeting on insurance and finance settled down after a few minutes to the question of credit trading and credit institutions for the Cooperative Movement. First we discussed the danger in retail credit and finally passed a definite resolution asking that the Congress go on record as against retail credit, specifically making the suggestion that credit unions be set up to give the credit that may be required by individual cooperators thus taking the store manager out of the credit giving function.

The other definite decision on the part of the group meeting was a recommendation that the Congress ask the appointment of a committee to study the establishment of nation-wide credit facilities for the use of Cooperative societies and wholesales and for the establishment of such facilities once the best method has been decided upon.

The content of both of these decisions was passed on to the Resolutions Committee at the Congress.

L. E. Woodcock, Chairman

Discussion

EDUCATION AND LEGISLATION

The question that the discussion meeting on Education and Legislation was put into discussion groups and deliberated on the two questions which it was felt were major problems on this aspect of cooperation.

The groups met for more than an hour and then came back for a joint session. Secretaries for each group summarized the results of each discussion with the following results. In answer to the problem, "From an organization standpoint, what is the most effective method to apply to an educational program in a cooperative?" these methods were suggested:

1. Group discussion by the members on an organized basis.
2. Adequate publicity programs headed up by a functioning committee.
3. Use of the radio where ever possible.
4. Use of the radio where ever possible.
5. Urge the cooperation of existing organizations within the community in the general attitude toward a cooperative program.

In answer to the question, 'What program of action can be put into effect in a cooperative that will result in the greatest participation of the people?' were suggested as follows:

1. The idea of the group that the leaders be more interested in placing people in a position to think and plan together—the small group idea was suggested.
2. Adequate salaries of goods offered by the cooperative.
3. Eficient employees who are very attentive to patrons, and who stress service rather than selling.
4. Regular personal letters from the management to stockholders and patrons calling attention to the activities of the cooperative.

In summarizing the group meeting, Dr. G. Miller, educational director of Consumers Cooperative Association declared that the need of the moment is improved leaders, trained personnel, and the organization of people in small groups to think, plan, and build their cooperatives.

L. E. Warbington, Secretary

Consumers' Cooperation December, 1938
RURAL COOPERATIVES

THE success of any cooperative depends largely upon the solution of certain fundamental problems that must be squarely faced and solved in a rational manner, considering of course the conditions found in the community. I shall confine what I have to say to Indiana rural cooperatives with which I am more or less familiar.

Problems Facing a Rural Co-op

Accurate accounting, with monthly financial and operating statements for the use of the management and board of directors plus semi-annual audits, are absolutely necessary to safely guide the affairs of any cooperative. Our auditing problem is largely solved by the auditing department of our cooperative wholesale which delivers a valuable service to the retail cooperatives in securing competent accountants.

Adequate finance is one of our problems. Paying rebates in share capital, thus leaving the earnings for use as a financial reserve, is utterly incompetent. Our rural cooperatives are securing a satisfactory and very helpful service from the Bank for Cooperatives but had we anticipated our cooperatives with credit unions and cooperative insurance of all kinds, our problems of finance would have been solved through our own resources.

Purchasing should not be a problem for a local cooperative. It is merely a question of ordering the needs of the society from our cooperative wholesale. No manager has any right to accept any loyalty from the members of his own cooperative who does not purchase 100% from his co-op wholesale. The wholesale will make mistakes but it is the property of its members and with constructive criticism and help from the retail managers can easily be made to render better service than any profit motive wholesale. Patronage given the retailer defeats the fundamental aim of our movement.

Extension of credit handicaps a number of our cooperatives. Many have solved that problem by cash trading. In our local cooperative, at the end of the first sixteen months operation, a policy of credit extension nearly wrecked the enterprise. The institution of a cash trading policy eliminated the worst hazard to cooperative success as well as the most disagreeable worry of our manager and directors.

Need for Greater Purchasing Power

In distribution, the lack of volume is always an ever present problem and will continue so, until every family comes to believe that our largest way of doing business is utterly incompetent. Proof lies in the fact that a great mass of agriculture poverty may be found in nearly every American community while a favored few in the upper income brackets are allowed by our profit motive system to legally take the necessities of life away from the American producer and consumer.

This leads to the cooperatives' biggest and hardest problems, that of cooperative education and publicity. There are tremendous obstacles to overcome but the movement is equal to the task.

Institutions Protecting the Old System

The press, both local and metropolitan, goes into the great majority of American homes with the force of its propaganda defending the profit motive and the ever present system of exploitation of the many by the few. Our cooperative publications, entering such homes per cent of our homes, are making at great odds to combat this force of obstruction.

Our national recreational program with competitive sports, the moving picture industry, bridge parties, etc., acts as an opiate to prevent thinking about our social and economic status and seeking a solution therefor.

Our political parties, especially during campaign periods, lead too many people to believe that our government will solve all of our social and economic problems if we will give power to the right political party. The plain fallacy of such belief is that we have had major economic depressions under administrations of both our major political parties.

Our public schools generally indoctrinate rather than educate. The text books are pretty well censored by our economic masters and youth is trained in our schools to read and memorize the things that will make them harmless citizens; harmless because of their inability to think for themselves and execute a rational and peaceful change in our social and economic structure that now makes it possible for our national wealth to continue to concentrate in the hands of a few, while a third of our people, are ill fed, poorly clothed and inadequately housed.

All of the institutions mentioned wield a tremendous influence on the public mind so that it seems to me that not only rural cooperatives, but all cooperatives face a major problem of education.

The Farmer Takes a Hand

American farmers have made remarkable progress in their marketing and purchasing cooperatives during the past twenty years. They annually reach large totals. But when we consider the comparatively small amount of farm products marketed cooperatively and the very small percentage of farmer's needs purchased cooperatively, then we begin to realize the great possibilities in the field of agriculture for cooperative promotion.

How One Township Broke the Barriers

The rural township in which I live is six miles square. Two hundred rural homes are located within its borders. For five years a group of families have met weekly during the fall and winter months discussing their problems, studying dramatics and enjoying wholesome recreation.

A couple of years ago this group made a study of the local conditions, comparing the present with fifty years ago. They were the same number of homes in the township fifty years ago. At that time only seven of the two hundred homes were occupied by tenants and only a dozen farms were mortgaged. Today ninety-three farms are operated by tenants while one hundred seven farms are occupied by owners. Ninety-three were mortgaged. It was evident that in the past half century the township lost more than half the ownership of their land and that much of that ownership had drifted in the hands of financial interests in metropolitan centers through their ownership of stock in insurance companies and Federal Land Bank Bonds. A similar situation exists in most rural townships in the country.

Better Education—Better Business

After three winters of these discussion meetings the members of this township purchased twenty-three and one-half per cent of the total sales of the Noble County Cooperative Association during the calendar year of 1936, while the only other township in the same geographical position purchased only twelve and one-half per cent of the total sales. There are twelve townships in the county all of similar size, save one. The other townships purchased from one to three per cent of the total sales. Such are the results of a discussion group when less than ten per cent of the families of this township participated.

I believe the dominating motive with a large majority of the farmers members of cooperatives is that they market cooperatively because they secure or expect to secure a better price for their product and that they purchase cooperatively because they secure better values. If that situation exists, and I feel sure it does, then comes the challenge to the leaders of farm cooperatives to change that motive to one of building a new democratic social and economic order through the cooperative movement.

The greatest problem of rural cooperatives is to change human behavior. To solve the problem I suggest a campaign to change motivations for purchase to one of building a new cooperative education developed with such great success by St. Francis Xavier University in Nova Scotia.
BUILDING AN URBAN COOPERATIVE

Herbert Katt, Manager
Racine Consumers' Cooperative

BACK in 1934 we in Racine were conscious of a defect in our economic system. That consciousness first developed back in 1929 and through '30, through the terrible years of '31, '32 and '33.

Because we felt that the unemployed had an economic unity of action in order to gain even the barest necessities of life we organized the unemployed into groups to put pressure on the local relief set-up to get a little more adequate living, or at least more consideration than they had been getting as individuals. To a degree this had some effect. It showed that organization could be of benefit to our working people.

So gradually, seeing the effectiveness of our method, we got the idea of building our own cooperative association to distribute goods among ourselves to make our resources go further than they had in the past.

Now the organization of a cooperative association, even in the rural areas and I think it is even more difficult in the cities. But it can be done with a lot of hard work, willingness to work. There is no reason why we can't do a great deal bigger job in the cities than we have done. We've proved in the city of Racine that once it has been explained to the people they will organize in consumer cooperatives.

Birth Pains of a Cooperative

We organized by selling 300 shares of stock in our cooperative to various members of our working class. Now I thought that when we sold 300 shares that would mean $3,000 in cash to start operations. But I soon learned that that didn't necessarily mean $3,000—the arithmetical part of it was all that. 10 times 10 was 3,000—but when we came to collecting it we found that wasn't true. So we scraped together about $1200 out of our savings, out of that $3,000 and out of that we bought a tank wagon. We started in the gasoline business, leased a service station and bought a little equipment, so that when we got started we had enough just to pay the freight on the first car of gasoline.

However, Midland Cooperative Wholesale helped us a great deal. The farmers who organized the cooperative wholesale took a long chance, but Midland Cooperative Wholesale helped us a great deal. We organized to bring to Racine a cooperative wholesale and they supplied our needs for a few months, and after that we consistently made a little more money than any private business could possibly make under the same setup. There isn't any question about that. We developed from gasoline service into coal. We set up our own coal yard. We found that by pooling our purchases on coal and giving those orders to a private retail dealer that we were paying a lot more than 75c a ton, but after taking a great many orders and making a few deliveries the big moguls in the coal business in the City of Racine said to the little dealer that was selling to us, "You can't sell those fellows any coal; if you do why we'll put you out of business." So we couldn't buy any coal from him. That made us all mad, so we decided we'd go in the coal business ourselves. By that time it was considerably easier and we could sell those fellows any coal; if you do why we'll put you out of business." So we couldn't buy any coal from him. That made us all mad, so we decided we'd go in the coal business ourselves. By that time it was considerably easier to raise more funds because people had more confidence. In about three weeks time we raised approximately $2,000, which was a long way from adequate, but by that time we were able to get along on a shoestring. The $2,000 helped a great deal and saved our consumer members a considerable amount of money.

From Gasoline and Coal to Groceries and Meat

From this point we developed a cooperative grocery store and meat market. Although the success of it hasn't been as pronounced as we'd like to see it, we feel that we are going in the right direction because food is fundamental.

While we haven't made such great savings, due to the competition of the chain stores, I'm convinced that when more and more cooperatives learn the merchandising of groceries and federation into their wholesales and get those big enough to really make large purchasing power possible, that we can do the job better than a private business. In fact, I know of no business that cooperatives can not do better than private businesses.

We now have in Racine seven cooperative service stations, a meat market, a grocery store and the coal market. I've been telling you about. In addition, we have aided other cooperatives in the city. Mutual Life Insurance Company, the Erie Mutual Life, the Big Business Auto Insurance Company, and we also have the agency for cooperative fire insurance from our brother cooperatives in Superior.

Searching For an Answer on Education

We have attempted a considerable program of education and some recreation. We've tried working on an uncharted sea, attempting to follow a course which to ourselves, was not clear. I'm not sure yet that we have solved, locally or nationally the problem of education until we have the whole program hinged. I am not sure that we have found the answer. Certainly we have learned a great deal more about consumer cooperation than we knew in the past.

Now there are things that we can do right away. We can go out and organize urban cooperatives and rural cooperatives. I think it seems to me that that isn't all that is necessary. We see a whole new problem in front of the cooperative movement. I am not sure that we have found the answer. Certainly we have learned a great deal more about consumer cooperation than we knew in the past.

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Birth Pains of a Cooperative

We organized by selling 300 shares of stock in our cooperative to various members of our working class. Now I thought that when we sold 300 shares that would mean $3,000 in cash to start operations. But I soon learned that that didn't necessarily mean $3,000—the arithmetical part of it was all that. 10 times 10 was 3,000—but when we came to collecting it we found that wasn't true. So we scraped together about $1200 out of the proposed $3,000 and out of that we bought a tank wagon. We started in the gasoline business, leased a service station and bought a little equipment, so that when we got started we had enough just to pay the freight on the first car of gasoline.

However, Midland Cooperative Wholesale helped us a great deal. The farmers who organized the cooperative wholesale took a long chance, but Midland Cooperative Wholesale helped us a great deal. We organized to bring to Racine a cooperative wholesale and they supplied our needs for a few months, and after that we consistently made a little more money than any private business could possibly make under the same setup. There isn't any question about that. We developed from gasoline service into coal. We set up our own coal yard. We found that by pooling our purchases on coal and giving those orders to a private retail dealer that we were paying a lot more than 75c a ton, but after taking a great many orders and making a few deliveries the big moguls in the coal business in the City of Racine said to the little dealer that was selling to us, "You can't sell those fellows any coal; if you do why we'll put you out of business." So we couldn't buy any coal from him. That made us all mad, so we decided we'd go in the coal business ourselves. By that time it was considerably easier to raise more funds because people had more confidence. In about three weeks time we raised approximately $2,000, which was a long way from adequate, but by that time we were able to get along on a shoestring. The $2,000 helped a great deal and saved our consumer members a considerable amount of money.

From Gasoline and Coal to Groceries and Meat

From this point we developed a cooperative grocery store and meat market. Although the success of it hasn't been as pronounced as we'd like to see it, we feel that we are going in the right direction because food is fundamental.
Summary of discussion on question 2:

Representation by districts is practiced in national and local cooperatives to increase democratic control. Granting wider powers to committees and establishing committees on a functional basis was recommended. One suggestion was to encourage active members who might be prospective board members to attend board meetings. The use of a mailed ballot, proportional representation voting procedure and development of advisory councils such as Ohio’s, were suggested.

Summary of discussion on question 3:

It was felt that local co-ops should be established for each type of service. Some agreement was reached on the suggestion that rapid and sound progress would be made if related services such as groceries and milk were rendered by a single society. But insurance and health, which are specific services, by separate organizations.

Robert L. Smith, Secretary

Discussion

Purchasing and Distribution

The sectional meeting on Purchasing and Distribution was chaired by Homer Young, of Consumers Cooperative Association, with T. G. Castner, of Eastern Cooperative Wholesale designated as discussion leader. Because it was desired to get as many points of view as possible on the problems facing retail cooperatives the entire group met as a unit.

Homer Young outlined some of the phases of the problem and threw the meeting open for general discussion which centered about the following questions: Is it necessary to collect cooperative statistics? Is the buying of a local cooperative can and should be done through cooperative wholesale? What is the most effective way to train and secure competent personnel? Should all of the cooperative activities in a community be undertaken by a single cooperative, or should separate cooperatives be organized to handle groceries, petroleum products, coal, and other commodities and services? If one cooperative is handling several types of commodities or services should patronage dividends be paid? A flat rate for all commodities or should separate books be kept on each general classification and different rates of dividends be paid depending on the commodity?

Discussion

Accounting and Financing

The sectional meeting on Cooperative Accounting and Financing was opened by a cooperative operated by A. J. Smaby of Midland Cooperative Wholesale. The discussion which followed was chaired by Werner E. Regli, director of the Cooperative League Accounting Bureau. In his paper, Mr. Smaby pointed out that lack of control over accounts receivable, failure to maintain the proper ratio of inventory to sales, shrinkage in inventory, and other problems in retail cooperatives were in a large part due to lack of accounting knowledge on the part of cooperative managers and employees. He pointed out that Midland Cooperative Wholesale and other regional cooperatives have set up training courses for cooperative employees and have assisted groups of cooperatives to establish joint bookkeeping service for retail co-ops which acted alone were unable to maintain trained bookkeeping personnel.

The problems which, taken together, compose the very large and currently pressing problem of adequately financing retail cooperatives, Mr. Smaby described as under-capitalization at the time of organization; over investment in fixed assets; extension of credit; over investment in inventory; and the payment of cash patronage dividends. Mr. Smaby described steps recommended to meet these problems and then the members of the discussion group tackled jointly the problem of applying those principles to specific situations in local cooperatives. Because this subject is of such great importance it is planned to publish Mr. Smaby’s paper in an early issue of Consumers’ Cooperation.

Consumers’ Cooperation

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The Short Cut to Fascism in America

Willis J. Ballinger, Economic Adviser

To The Federal Trade Commission

America. One is the trail blazed by German and Italian Fascism. The short cut to Fascism is to catch unruly liberals off their guard and sell them a Fascist economic system as a cure for depression. No orator will be needed. No campaign expenses will be necessary. Stirring up hatreds of creed, race or color can be dispensed with. All that will be necessary is to convince liberals in power that competition as the driving power of our economic system is outmoded — that the way to real prosperity lies in scrapping the anti-trust laws and then letting business men get together and plan prosperity. The sales talk will be impressive. Competition, they will say, is another name for chaos. Price cutters will be called destroyers of business, bacillus of unemployment and vanished dividends. The anti-trust laws prevent business men from getting together and planning. But during prosperity, it will be said, after all a problem for business men, get the amateur regulators of business out of the way and let business men confer and put our economic system in order. For the last fifteen years there has been some very short-sighted thinking about competition. Indeed, for a brief period not so long ago, we were on the verge of sanctioning by law the permanent elimination of competition from our economic order.

When business men are permitted to get together to restrict trade, to restrain trade, to cut down production, to produce scarcity, to get prices up, to fix prices, they are doing precisely what was done under the old guild system. They want to turn the clock back five hundred years.

Up to the thirteenth or fourteenth century there was a theory in existence called the theory of the just price. That was a very noble name for a very de- leterious thing. The just price was a price which gave every man his cost of doing business and some profit. To fix that just price and maintain it, the guilds and the State little by little, had
Pictured here are thirteen of the fifteen directors of The Cooperative League. Pictures of L. H. Hull, President of National Cooperatives, and John Hoffman, Secretary of the Workmen’s Mutual Fire Insurance Society, were not available when we went to press.—The Editors.
to adopt one regulation after another, one restriction after another, one rule after another, until finally the manufacturers and merchants of the Middle Ages were so hopelessly entangled and weighted down by restrictions and regulations made by themselves under the authority of the State that the economic system of the Middle Ages began to fall apart all by itself.

Now, five hundred years later, in our day and in this land, business men, without realizing what they are doing, are trying to bring back a very foolish and imperfect thing with a very fancy name—the Just Price.

Now, of course, it is perfectly natural for anyone in business to be impressed with the dangers of free competition. At times it seems that the only kind of freedom for a small business is freedom to be devoured by more powerful competitors. With the terrors of free competition before their eyes, many business men must have been tempted to look for some safe shelter. The desire for security is one of the oldest yearnings of the human race, but the effect of yielding to it is often this desire is always stagnation and loss of freedom.

Notice what happened in America as soon as a few industries were organized into trusts and monopolies, our own business men, or some other form for controlling the market. These organized industries had the whip hand over the producers of the raw materials, and the consumers of their products. They also had the advantage of the inside track in the capital markets. If anyone wanted to fight them, they could last longer and stand up to smaller opponents.

Other people in business, menaced by trusts and monopolies, had to choose whether to try to break up the trusts, or whether to form trusts of their own. In America the first choice was to break up the big business units by the Anti-Trust Laws. When the big business organizations went on growing larger in spite of the law, small business men began to act on the old adage: "If you can't lick 'em, jine 'em." Price leadership appeared even in small business, and systems of punishing any store that cut the price have been thoroughly developed in many lines of business.

Restricting production and holding prices cannot help affecting workers and farmers, especially in hard times. Workers are thrown out of work, farmers lose some of their customers and suffer a drastic fall of prices. So the workers and farmers have to go in for monopoly organization and controlled production on their own account.

As market controls spread, and competition dies out in one part of the business system after another, this tendency to refuse to produce becomes stronger and stronger. In the old days a business had to produce whether it was making a profit, or otherwise its rivals would run it off the map.

But today in many lines of business, nobody has to run at full speed unless he can make a profit. This sounds wonderful, but the effect is not so wonderful. If a concern can close plants down whenever no profit is in sight, it can throw men out of work, dry up the markets and make competition a thing of the past. Combine that with organized refusal to produce on the part of workers and farmers, and you have the perfect formula for national paralysis.

Now of course, no nation is going to follow any line of action to its logical conclusion if the line leads to starvation. Human nature being what it is, if we start to try to stop the terrors of free competition, we can't stop and can't finish we are likely to hand it over to a dictator and tell him to straighten it out. Whether the dictator represents the proletariat as in Russia, or whether he was put in by big business as in Italy and Germany, is no matter. It comes out about the same either way. As time goes on and the first generation of revolutionaries dies off, the difference between communism and fascism is likely to grow less and less.

There are two reasons why the loss of competition points toward political dictatorship. First, in order to avoid endless disputes over fixed prices, the government must suppress all criticism. Secondly, in order to keep the consumer from crabbing about the price and quality of luxury goods, the national surplus must be turned into military expenditure, reducing the people to a bare subsistence. All were theory, as you know. You have seen it happen to some of the most highly civilized nations in the world. Sometimes you dare to hope that it can't happen here. But I am here to tell you that if it does happen here, it will come as a result of your promoting or allowing the destruction of free competition. Competition was intended to be and is the surefire antidote to the autocratic State. So long as competition is the law of our land, America is safe from dictators, Fascism or Communism.

The whole history of the modern world has been a steady and slowly succeeding attack upon that thing which has been the curse of the world—scarcity. We have gone very far in that great fight. But for some reason we seem to have come to a pause. How can we carry it forward still further? An honest man might very well say he does not know. But he can also say that he is sure that the way to produce abundance is not to cut down production but to increase it.

If standards of living are to be raised in America—if our democracy is to endure—the only route we can travel is that of working toward the restoration of free competition in American industry and boldly bidding for increased production.

Congress Banquet

INTERNATIONAL ECONOMIC COOPERATION

Howard A. Cowden, President, Consumers Cooperative Association

In 1914 there were 19 tariff systems and 15 monetary systems in Europe. At the beginning of 1922 there were 29 tariff systems and 27 monetary systems in operation over there. To make matters worse, nearly every nation, in the years following the World War, not only greatly increased its tariffs but restored to plain and fancy legal and fiscal devices aimed at "defending home markets" against the "invasion of foreign goods.

Twenty Years of Economic War

For nearly two decades a great trade war has engaged a score or more of nations. Trade wars are more dramatic than military wars, to be sure, but only a little less destructive. They are, usually, the prelude to military conflict.

But since 1934, so agreements have been negotiated by our state department with 18 countries, which account for 40 per cent of more of our foreign trade. The state department reports that our trade with those nations which we did not trade treaties increased only 2 per cent between 1935 and 1936. With those nations with which we do have treaties, it increased 182 per cent.

Trade Agreements—A Partial Answer

Our trade agreements seem to be

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modifying those measures that operate against trade once they are imposed.

Cooperatives Must Mobilize for

I am thinking now of the regulation of imports by state license and how they affect cooperatives wherever they are applied, notably in Europe. Taking as a rule in the 1936, national governments have granted importers licenses to the value of their imports during the basic year. Cooperative federations, organized and founded since the basic year, have found it difficult or impossible to obtain licenses for the import of goods essential to their new enterprises. Private business, in effect, has been endowed by statute with monopoly and all that monopoly implies for consumers.

I am thinking, too, of the cartel system in Europe and how it is contributing to thegravest of all burdens on already overburdened consumers. The oil combine, in particular, has been the most ruthless and the greediest of all. It is, without doubt, a most prolific source of international irritation that now and then threatens the peace of the world. Yet not a single cooperative anywhere owns a single oil well, or a tank or a pipeline. We have left all these vast resources to the peace-disturbing cartels, and out of the profit they control not only the lives and fortunes of millions of individuals but of governments as well. They control many colleges and universities, newspapers and radios, and propaganda agencies that can convince the people that the present balance is quite.

It isn't necessary for me to tell you why Mussolini started war on Ethiopia. The Fusan valley in Ethiopia contains oil. To wage a successful war, any country must build up vast oil reserves. On December 5 1935, a news story tells us that Standard Oil will defy the League of Nations by supplying Italy with oil from Standard Oil wells in Tunisia, in return for a thirty-year monopoly of the Italian market.

Near the U. S. Gunboat Panay, when she was bombed a year ago by Japanese aviators, were tankers owned by one of the major oil companies of this country, bearing “oil for the lamps of China.” The difficulties that followed the sinking of Panay might have led to war between the United States and Japan. The greed of monopolists is at the base of nearly all the international complications that flare into the headlines.

The power of these cartels is a challenge to organized consumers and to democratic processes. National cooperatives everywhere should use their resources to the limit in moving into new fields of competition. Not much time after the basic year, have found it difficult or impossible to obtain licenses for the import of goods essential to their new enterprises. Private business, in effect, has been endowed by statute with monopoly and all that monopoly implies for consumers.

Agencies For Economic Cooperation

Fortunately we have international agencies now in operation which can and will, if supported as they ought to be, greatly expand the volume of international cooperative trade. The International Cooperative League, formed in 1895, has 143 cooperative federations with 70,500,000 individual consumer members in 28 countries.

The International Cooperative Wholesale Society, formed in 1924, is performing worth while services for the wholesales of 21 nations. Shortly after the Paris congress of the Alliance, in the International Wholesale, Ltd., was set up in London, to extend these activities. National cooperatives of 14 countries are members of the organization which serves as a link between and among cooperatives in overseas commodities and importing cooperative wholesale societies.

The Cooperative League of the U. S. A. with offices in New York City is a member of the International Cooperative Alliance. National Cooperatives, Inc. Chicago, central purchasing organization for the wholesales, is a member of the National Cooperative Wholesale Society and might well become a member of the International Cooperative Alliance.

It was my good fortune to attend the 1934 congress of the International Cooperative Alliance, in London, and the 1937 congress in Paris. Here, I thought at the London session, is the real Leaguer of Nations, not bankers, not politicians, but common people, consumers and producers, are represented in a mighty movement to reconstitute economic life on a service basis. The delegates represented big business, to be sure, but big business runs cooperatively, not for the profit of one but for the good of all.

My faith in the future of democracy was renewed at the Paris Congress. Here were high-minded men from many countries working to increase the flow of goods and services among nations; acutely aware of the great need of millions in all lands; keenly alert to the paralyzing effect of war on the aspirations and hopes of all peoples; declaring in moving terms for the need of maintaining peace.

U. S. Co-ops Expand International Trade

In the meantime, international trading has been increasing among cooperatives. Consumers Cooperative Association compounding its own oils and greases and has been shipping them to a growing number of cooperatives overseas. It began in 1934 with a shipment to Estonia. Soon afterward we shipped oils and greases to France, Belgium, Scotland, Holland, Bulgaria and Canada.

Our Cooperative wholesale shipped big in 1937, the year after the reorganization of our cooperative organizations. As a result, cooperative wholesalers in Scotland, France and Estonia are now members of Consumers Cooperative Association. The wholesales in Holland and Bulgaria will be members also when the dividend rate has been determined on the 1938 fiscal year. This is something new in international trade, and shows clearly the vast difference between cooperative and profit business.

The Union Equity Cooperative Exchange, a regional grain-marketing cooperative at Endicott, once paid out more than a million bushels of hard winter wheat to the English Cooperative Wholesale Society in the past 12 months. American cooperative wheat, grown in cooperation with the English, goes to cooperative bakeries and on to 15,000 cooperative stores.

The English Cooperative Wholesale Society, in 1936, bought nearly $10,000,000 worth of fresh, dried and canned fruits: tobacco, rice, rye, lumber, and many other agricultural products from all the United States. In the same year the Scottish Cooperative Wholesale Society purchased $7,724,045 worth of goods of all kinds in the United States. The list of purchases by these wholesales will be expanded undoubtedly when tariff adjustments have been made between the two countries. Likewise a lowering of our tariffs against goods manufactured by English and Scottish cooperatives should enable American cooperatives to become their customers.

I am a believer in two-way trade between and among nations as a step toward maximum living standards for all peoples. I am eager to see a gradual and sound lowering of tariff structures that will enable American farmers to go abroad and win their foreign markets. If I want to see the cooperative movement move forward unitedly and aggressively and take a larger share of that trade, made possible by greatly increased cooperative production.

Cooperative Trade in Goods and Ideas

In conclusion, I want to repeat here a paragraph from the talk I gave in Paris, September 4, 1937, before a meeting of the International Cooperative Wholesale Society: "It is the obligation of the cooperative movement to offset and neutralize the war-like trends of today by extending as widely and as variously as possible a free exchange of goods and services by constant exchange and training of cooperative personnel; to help to exchange of students, and by free trade in ideas and culture. Cooperatives are members of one international economic unit. This membership must be made practical and conscious in fact, if the habits of peace are to help nullify the trends toward war. The psychological, political, cultural and practical difficulties are many. But if we stress the practical and conscious in fact, if the habits of peace are to help nullify the trends toward war. With faith and courage we can build positive peace even amid war scares and under war conditions."
THE COOPERATIVES MOVE FORWARD

Murray D. Lincoln, Ohio Farm Bureau Cooperatives
A. J. Hayes, Central Cooperative Wholesale
L. E. Woodcock, Eastern Cooperative Wholesale

LINCOLN: Ladies and Gentlemen, we have just come from the great Kansas City Municipal Auditorium, where about six hundred representatives of more than a million members of cooperatives in thirty-eight states of America watching out energetically the solution of their problems as consumers. Not just theorists, co-op members all over our great country are buying half a billion dollars worth of goods and services through their own cooperatives. Their business enterprises include grocery stores, gas and oil cooperatives, insurance associations, farm supply stores, electrical supply cooperatives, medical and burial cooperatives, and other related groups. The pioneer cooperative wholesale in the United States is the Central Cooperative Wholesale, at Superior, Wisconsin, which last year completed its twentieth year of operation. Mr. Hayes, will you tell us something about your organization?

HAYES: The Central Cooperative Wholesale is a federation of about one hundred fifty cooperative stores in Northern Wisconsin, Minnesota, and Michigan. It has its central offices and warehouse at Superior, Wisconsin. It operates about thirty thousand dollars worth of goods to some fifty thousand consumers. The Wholesale was established in 1918 — not by a businessman seeking to make some money, but by representatives of the local cooperative societies which operate the stores. The wholesale had a very modest beginning; its initial capital consisted of fifteen dollars and fifty cents which was collected when ten delegates to the first meeting passed the hat. It began with one employee, the manager, whose office was a small cubbyhole for which no rent was paid. He went out and bought flour and sugar for the cooperative stores and with the savings made by pooling these flour and sugar purchases, the tiny wholesale began to expand. It bought a warehouse, it built a bakery to make the bread for the co-op stores. It bought out the largest wholesale grocer in Superior. It established a modern coffee roasting plant. It opened a branch warehouse and feed mill in Northern Minnesota. And just this summer it purchased a large feed mill in Superior.

WOODCOCK: What has all this meant to your people?

HAYES: The Central Cooperative Wholesale is a successful, growing cooperative business. It has given the farmers and industrial workers of our area control over the quality and the cost of their goods. It has helped them to build local cooperative societies which are genuine social organizations, supplying not only their economic needs but their cultural needs as well. And it has provided a genuine opportunity for economic democracy — in which our people believe so strongly.

LINCOLN: One of the most dramatic developments in recent years has been the growth of city cooperatives. The Eastern Wholesale in New York, of which Mr. Woodcock is serving primarily city cooperatives, Mr. Woodcock, why did it take so long for the cooperatives to hit their stride in the cities?

WOODCOCK: Why, Mr. Lincoln, we needed the same stimulus as you farmers. It took the depression days of 1929 through 1934 to wake up urban consumers. Just as it took the depression of the 1920's to stimulate consumers on the farm. In 1934 we had perhaps 20 consumer cooperatives in the East. Today, we are purchasing groceries, tires, tubes, motor oil and electrical appliances for more than two hundred co-ops spread out from Washington to Buffalo to Boston. The growing volume of cooperative business through these local cooperative societies has made it necessary for us to move four times in the past three years, and it looks now that new warehouse facilities will handle three quarters of a million dollars worth of goods for this year.

HAYES: What's this we hear out West about a testing kitchen in your new quarters?

WOODCOCK: We feel that the progress made thus far in developing a high standard of quality, and acquainting our consumer members with food facts can be carried a lot further if we have a professionally qualified person on our staff with this particular responsibility. This becomes important, too, in the light of the recent decision of our five regional wholesales to use A. E. C. government grading specifications as supplemented with genuinely helpful information on co-op labels for the guidance of our consumer members.

With Mr. Lincoln's help we are beginning to bring the farm and city consumers together. We now have available in New York State cooperative automobile insurance sponsored by the Eastern Cooperative Wholesale, and supplied by the Farm Bureau Mutual Automobile Insurance Company. Obviously, the problem of insurance on a city man's car is just about the same as the problem of insurance for farm automobiles. In the farm groups in Ohio and other states recognized the value of working with organized city consumers seems to me to be an extremely important contribution to the development of an integrated cooperative movement in America.

HAYES: Your responsibility on the Congress program, Mr. Lincoln, is in connection with the study of cooperative insurance and finance. Why did you go into insurance?

LINCOLN: To begin with, the farmers of Ohio came to the conclusion along about 1926 that they were paying too much for auto insurance. Several years in the banking business had convinced me — and many of my farmer associates — of the point that those who control the finance of business control the business, and that insurance company funds are one of the greatest reservoirs of finance and financial power — for not the greatest that they earned.

These farmers took ten thousand dollars of their membership funds and formed the Farm Bureau Mutual Automobile Insurance Company. Originally capitalized at only $50,000 in 1926. In 1934, out of the savings of this business, a second service was organized — the Farm Bureau Mutual Fire Insurance Company. Late in 1935, also out of the growing savings of the auto co-op, these farmers purchased the...
controlling interest in a legal reserve life insurance company, and began reorganizing it as the Cooperative Life Insurance Company of America. Today, the auto insurance co-op has assets of nearly six million and is the fifth largest company of its kind in the land.

The fire insurance co-op has in three years provided property fire insurance totaling over one hundred and eighty million dollars in the state of Ohio along with a new building. The Form Bureau was established twenty years ago in a single hotel room office. Two years ago right now we moved for the fourth time, and this time into an eight-story downtown office building — purchased and owned by the insurance cooperatives.

**WOODCOCK:** You are handling more than insurance and fertilizer in Ohio, aren't you Mr. Lincoln?

**LINCOLN:** Oh, yes. We have eighty-one county farm cooperatives with about one hundred and ten service stores in all. They provide co-op gas and oil, tires, fencing, seeds, books, clothing, electrical appliances, paint, and cooperative credit service. These cooperative commodity-supply services amounted to approximately thirteen millions of dollars in retail value co-op last year.

**SPECIAL GROUP MEETINGS**

In many cases the reports of group meetings have been consolidated with the reports of those groups to the congress and appear in the next section.

**NATIONAL WOMEN'S CO-OPERATIVE GUILD**

**WOMEN** delegates and visitors from eleven states convened in a group meeting October 14th to discuss women's activities in the Cooperative Movement. The discussion centered mainly on the Co-operative League and the Consumers Cooperative Guild. A report of the National Guild Committee was heard and copies of the tentative constitution of the Guild drawn by the committee members were distributed. Reports were heard on current activities from several individual guilds and from two regional guild organizations: the Northern States Women's Cooperative Guild and the Consumers Cooperative Association Guild organization. All favored formation of a National Guild. It was decided that all groups representing women's groups in its membership; and that our National Guild will be ready to join the International Women's Co-operative Guild.

The conference decided that each group's report was read and approved, and that the charter members of the National Women's Cooperative Guild of the U.S.A. will include all women's cooperative groups and other cooperative women's organizations.

The charter members are:

- Julia Perkins, New York City; Dorothy Gibby and Mrs. Arthur Ricker, Binghamton, N. Y.; Mrs. Howard Cowden, Mrs. Merlin Miller, Mrs. A. E. Kist, Mrs. E. W. Bartsh and Mrs. Newell Duncan of N. Kansas City, Mo.; Margaret Elson, New York City; Frieda Neff, Salina, Kansas; Mrs. Gideon Edberg, Minneapolis, Minn.; Mrs. W. H. Westhoff, Sauk Center, Minn.; S. F., Washington, D. C.; Mrs. Gislen Calkins, Columbus, Ohio; Mrs. E. F. Veirs, Jr., Canton, Ohio; Mrs. R. R. Berkshier, Louisville, Ohio; Estelle Lechter, St. Louis, Mo.; Ida Laurie and Maiju Nurmi of Superior, Wis.

The National Guild secretary requests that all women's cooperative guilds and other cooperative women's groups send their names and addresses to: Mrs. Maiju Nurmi, Route 1, Box 16, Wentworth, Wisconsin, Secretary, National Women's Cooperative Guild of the U.S.A.

**THIRD ANNUAL MEETING OF THE NATIONAL SOCIETY OF COOPERATIVE ACCOUNTANTS**

**The meeting was opened with Vice-President F. E. Ringham, St. Louis Bank for Cooperatives, presiding. The secretary's report and financial report were read and the report of the board of directors was read and approved. The members discussed the bulletin of the National Society and laws regulating membership of auditors in cooperative societies.**

The following were nominated for the Board of Directors for the ensuing year:

- E. F. Selvig, Director, Division of Cooperatives, Minnesota Dept. of Agriculture; Jules Engleher, Cooperative Accounting Bureau; Laurie L. Lehtin, Central Cooperative Wholesale; Walter Jacobson, Northern States Cooperative League, and M. C. Goul, Ohio Farmers' Cooperative Association. A motion instructing the secretary to cast a unanimous ballot for the above nominees was carried.

Walter Jacobson read a paper on "Patrons' Equity Reserves," which elicited a large amount of discussion leading to the conclusion that cooperative associations should be so organized that surplus is allocated on a patronage basis, and that the capital members should revolve, so as to continually represent the active membership.

Laurie L. Lehtin talked on "Cooperative Economy," briefly describing organization and operation fundamentals necessary for efficient management.

F. E. Ringham spoke on "Cooperative Financing," emphasizing:

1. Need for adequate capital.
2. Adequate return on capital.
3. Competitive rates on mortgage refunds to early.
4. Earnings paid in cash allocated to patrons according to their patronage.
5. Methods of financing added investment.
6. Eliminating credit by establishing Production Credit Associations or Credit Unions to conserve the Cooperative's capital.
7. Requirements and procedures for obtaining loans from Cooperative Banks.

In his report to the membership, Laurie L. Lehtin, secretary of the National Society of Cooperative Accountants, said, "Two years ago the Early Promise which led cooperative accountants to form their own society at the Columbus Congress of The Cooperative League two years ago, is beginning to bear fruit. Today there is more unity, more understanding, and more common interest among cooperative accountants than ever before. In those matters which affect them, these accountants, like the Society, and its Bulletin afford a valuable medium of expression and discussion."

"While our present membership is not large, it does represent a substantial part of the cooperative accountants of the country. We have today forty-four members, all fully paid to the end.
of this year, of which fourteen are associates.  

"The National Society of Cooperative Accountants has done little more than break the sod. We can accomplish much in the development of cooperative accounting and management, and we can make our Society an organization which merits the respect and confidence of cooperative institutions of this country. It devolves upon each member to do whatever he can to further the aims and purposes of the Society in that he will help to make it known wherever cooperatives exist."  

Laurie L. Lehtin, Secretary.

CHURCH AND COOPERATIVES

Dr. J. Henry Carpenter, chairman of the Committee on Church and Cooperatives of the Federal Council of Churches, opened the sectional meeting and Rev. C. A. Olson, former president of View College, was elected to act as chairman.

Dr. G. A. McDonald, Associate Editor of the Queens Work and secretary of the national office of Sodalities, a church organization which exists in colleges, high schools and parishes, told of the cooperative work of that organization. They reach 3,600 schools and 12,000 parishes. Father McDonald declared that on the economic side, the best thing they have found to present to the Sodalities is consumer cooperation. He also said that quite a number of men active in rural communities are organizing consumer cooperatives.

The social documents of the Catholic Church, written by the Pope for the guidance of the Bishops, favor cooperatives and urge the formation of labor unions, consumer and producer cooperatives, Father McDonald declared. Last year a Committee on Cooperatives was formed at the National Catholic Rural Life Conference.

Some of the things which Father McDonald felt could be done by Catholics to promote cooperatives are:

1. Organize parish credit unions.
2. Urge Catholic people to join local cooperatives.
3. Form study clubs and buying clubs as first steps toward cooperatives.
4. Include literature and projects on Cooperatives in material from the Central Office of Sodalities.

Continuing his report Father McDonald declared: We have held ten conferences in the different states, with an average attendance of 1,000 high school and college students, and we applied the principle of cooperatives in the camps. I held a class on cooperatives in each camp, with a coverage of 100 in a class, including 20 priests.

An example of a cooperative movement under Catholic auspices is in Nova Scotia. A letter from the Pope, written to Bishop Meldrim of Antigonish, commending the great work being done in Nova Scotia, was read by Father McDonald.

Rev. Carpenter said the real development of church interest in the cooperative movement in America started when Kagawa came to America. This church is the freest of all organized groups in the country in which we can carry on an educational program.

No one can say how many cooperative groups were started by church groups. Dr. Carpenter declared, but he pointed out that in Brooklyn every one of the cooperatives was by church people. In Oakland, California, a cooperative store was started in an old woodshed of a Methodist Church. They now have their own building and are doing a $60,000 business.

Following these reports the group discussed the following questions:

1. What has been the effect of religious people upon the cooperative movement, and what necessity, if any, are there for us to try to get religious people into the movement?
2. What do cooperatives think about the connection the church should have with the cooperative movement?
3. What has been the most successful method of promoting the social gospel?
4. Is the church benefited by its association with the cooperative movement?

It was moved, seconded and carried, that Drs. Olsen, Dr. Carpenter, and Father McDonald be a committee to draw up a resolution expressing the appreciation of this to the Cooperative League Congress for the time given for the meeting; and suggesting that next year time be given to present the relation of Church and Cooperatives in the general assembly.

Evah Lave, Acting Secretary.

SCHOOLS AND COOPERATIVES

The sectional meeting on Schools and Cooperatives was opened by Dr. H. G. Lull, head of the department of education, Kansas State Teachers College, and member of the Cooperative Committee of the National Education Association, who sketched briefly the educational background for the discussion.

Dr. Lull pointed out that there are three general areas of the curriculum. The first, dealing with social problems, should be required of all students because it is a study of problems faced by all. The second, or vocational section, should be comprised entirely of elective subjects so that students may develop their particular interests and abilities. The third area deals with the play life or recreation and should also be optional.

In the social studies, Dr. Lull declared, we must take the initiative in training for democracy. Acquisitiveness must be balanced with sharing, freedom must be balanced with social responsibility. Patriotism must be balanced with the international view.

Supporting the academic work of the social studies a program of creative recreation is education functioning in a free, voluntary way. The student is enriching his experience, discovering himself, and learning to cooperate with others. Recreational activities conducted, makes socially conditioned persons.

With this general introduction Dr. Lull placed these questions for group discussion:

To what extent and how should a high school student body be organized on a cooperative basis? In introducing cooperative material, should it be integrated with other subjects presented in an academic course? What rights of the student should be protected? What rights of the student should be protected? What rights of the student should be protected?

The group discussion brought out a great deal of valuable material on each of these questions.

December, 1938

Consumers' Cooperation

Using the example of the junior high school at Winnetka, Illinois, a well rounded program of cooperative education in all phases of school life was illustrated. All student organizations are chartered by the democratically elected Student Council and operated as nearly as possible on a democratic basis. The student store is a consumers cooperative. The students operate their own credit union, and run their newspaper as an example of public ownership.

The discussion on integrated vs specialized courses on cooperatives pointed out that the schools today have followed the trend of the industrial revolution to such a degree that we now have over-specialization. Integration of studies to create an integrated approach to life is the great need. It was the consensus of opinion that material on the cooperative movement should be made an integral part of the regular courses rather than set aside in special courses not only because of greater educational integration but because the information would then reach the greatest possible number of students.

The group expressed the belief that recreation should follow the cooperative rather than competitive pattern wherever feasible. Cooperative recreation will tend to bring forward the type of leadership desired.

Merlin G. Miller, Secretary.

CAMPUS COOPERATIVES

The Chairman of the National Committee on Student Cooperatives began this session by presenting the accompanying report on the progress of the student cooperative movement during the last two years. The meeting then turned to the discussion of the problem of the development of a National Student Cooperative League. The group felt that any regional conferences should be arranged before any further efforts were made to build a national league. The difficulty of arranging a suitable time for a national meeting, together meeting, with the great distances involved, makes it seem much more practicable to hold regional con-
The 1938 Conference Program of this present Committee was conducted at Bowen Country Club, Waukegan, Illinois on June 25 of this year. A general discussion of the topic presented by one more experienced in that form of Educational and Publicity activity was followed by group discussions with each group bringing in its reports on the following topics:

- "Education of Cooperative Employees"
- "Education of Cooperative Members"
- "Education of the General Public"
- "Cooperative Journalism and Publicity"
- "Cooperative Recreation and its relation to the Cooperative Movement"
- "Cooperative Youth Education"
- "Cooperative Literature"

This form of cooperative experience was shared together by sixty-six cooperators representing fourteen affiliated regional cooperatives and district leagues, constituent groups of the National Cooperative League, ten retail societies, two Canadian cooperatives, one state farm organization, two Federal agencies, and one state government agency.

The efforts of the Committee have been directed toward providing an opportunity for the cross-fertilization of cooperative educational ideas. But suggestions of the Committee members for an organized national program of action have been thwarted by the lack of a sufficient budget to carry the personnel of the national staff to make such a program possible.

In conclusion the following suggestions are offered not in criticism of the present personnel nor of its policies but rather as an expression of opinion from the present Committee directed to this Congress and to the Board which it will elect:

December, 1938

Glenn Thompson, Secretary, Publicity and Education Committee

COOPERATIVE DESIGN SERVICE

To keep an idea alive! This is the function of Cooperative Design Service. This is the essential purpose for which it was established four years ago and under which it has been operating since.

When visiting Cooperative Europe in 1934 I received an impression which grew into a conviction. That is, that only in Cooperative Scandinavia had the consumer cooperative movement reached a position of real significance in the culture of its people. Knowing, of course, of the impressively large volumes and exceedingly large memberships, in many of the other countries, there remained that lack of a place of distinctive significance which was so apparent, for instance in Sweden.

Why should this be true? Where does this vital difference lie? It lies, I believe, in the fact that the leadership of Cooperative Scandinavia, in line with their admittedly aggressively commercial policies, does not overlook a single opportunity to achieve significance.

In the last fifteen years the idea of the representation of cooperation by the best in design and architecture has been seized upon and exploited to the full. Because of this aggressive, pioneering spirit Scandinavian Cooperative Archi-
The Cooperative Society for Recreational Education was organized about two years ago last June, by an informal group which came together from 13 different states to study the problems of recreation in our modern society and how we could make our recreation in our society more truly educational, particularly in the cooperative way. Last year we held our annual session at Des Moines, Iowa, in conjunction with the committee on education and publicity. At that time we had 13 or 14 states represented, about 45 full time students. The committee voted to meet again the next June at Waukegan. At Waukegan we had representatives not only from 15 states in this country, but from Sweden and Canada. The Cooperative Society has been sponsored by The Cooperative League in several states. It has been developed in a number of other groups, such as the Rochdale Institute, and I think this is a pretty good experimental method to find out what groups are worthy of support and to explore this cooperative company off to a good start in New York overshadows the importance of strictly brokerage business sufficiently so that...
The Institute next year will be held somewhere in Minnesota and the various cooperative wholesales are invited to give it their attention and to support it by at least one delegate from each wholesale. This organization so far has been operated thoroughly democratically by the students who attend. Already in two states the students have gone back to form local chapters, or societies, in order to foster the objects of the organization.

C. R. Hutchinson, President, Cooperative Society for Recreational Education

ROCHDALE INSTITUTE

A full time training school in Consumers Cooperation has been discussed in these Congresses since 1932, and in 1936 the Board of Directors of The Cooperative League formally approved the operation of such an Institute in New York as a department of The League. That action brought our League into line with England and Sweden where cooperative colleges have long since been established to ensure adequate facilities for the advanced study of cooperation. Frankly, it was an experimental step. The assistance and experience of the district leagues, who, and individual societies were solicited and counted upon in order that the best possible theory and practical training might be offered to the students.

The League House in New York was chosen as headquarters for Rochdale Institute, and Dr. Warbasse who developed the plan into definite form, became director. A Board of Trustees and a faculty of cooperative leaders and university teachers were selected. Several people expressed their interest in Rochdale Institute with financial support which, added to the tuition fees of the first class, enabled the school to open its first session in the Fall of 1937.

The curriculum of Rochdale Institute provides for academic training which is followed by actual practical work in cooperative societies. Discussion methods of study and actual work in cooperatives during sessions resident at the school bring about an understanding of cooperative business and problems. A student buying club, cooperative renting of living quarters, and the natural interchange of ideas among students of Rochdale Institute who have come to New York from 25 of the United States, Canada, and Germany, have well supplemented much of the theory presented at the School.

A Practical School

Rochdale Institute is a practical school with a purpose. Its student body has been restricted for each of the first three terms to about 20 students because of limited facilities. Over two-thirds of them are actively engaged in cooperative service at this time from Maine to the western states and Canada. Many expressions of satisfaction have been received from the students in which they were employed.

It is planned to develop the Institute into a genuine national training school that will be a practical aid to all the constituent members of The Cooperative League. The purpose and administration of Rochdale Institute is evidenced by the fact that it has been chartered by the Board of Regents of the University of New York.

When proposals for Rochdale Institute were first launched in 1931 by George Halonen, Henry Negley, Dr. William Zeuch, Colston Warne, J. W. Baker, George W. Jacobson and others, it was claiimed that a special full-time cooperative institute was necessary because no other college gave that attention to cooperative subjects which the needs of the movement demanded.

Rochdale Institute, since its establishment, has resulted in better direction of cooperative instruction by providing more advanced courses; it has provided the movement with well-trained employees; its students have produced many valuable research reports; its establishment has been followed by an extension of correspondence tuition; and it has strengthened the bonds of international cooperation.

But Rochdale Institute as yet is only in its infancy; what it has done in the directions indicated is as nothing compared with the service it can render when adequately supported. Our membership is increasing and our trade improving. The time is ripe for the further development of Rochdale Institute which requires for this purpose more students and more money. Societies can provide Institute scholarships for their employees and aid the voluntary field work program at the end of the academic sessions by agreeing to permit certain selected students to gain actual practical experience for a two month period in the type of cooperative enterprise in which they plan to make their life work.

Rochdale Institute stands on its record and earnestly asks on this, its first birthday, your good wishes and support.

Lionel Perkins, Registrar

BUREAU OF COOPERATIVE MEDICINE

UPON the approval of the Board of Directors of The Cooperative League, the Bureau of Cooperative Medicine received its papers for separate incorporation under the Non-Pecuniary laws of the State of New Jersey. This action was taken to protect the sources of funds upon which the Bureau relies for support.

Because of the limitations placed on the Bureau by the Treasury Department, which was asked for a ruling on tax exemption, it was decided to set up a complementary organization to engage in activities authorized by the Bureau. In consequence the Association of Medical Cooperatives, a federation of existing cooperative health associations, was organized in 1938.

To complete the legal structure the Bureau Publishing Company was incorporated under the non-profit corporation law of the State of New York to make available to the field the Bureau's library which is now recognized as one of the country's most complete collections of data on the subject of Cooperative Medicine.

The magazine Cooperative Health is still too young to judge its effectiveness but there is every indication that it will, in the coming year, develop into a worthy organ of the movement.

As to the use of such publicity media as radio, magazines, etc., the past year has seen the subject discussed in our leading magazines until at the present time nearly all the important magazines have carried or contracted for articles on cooperative health association cooperative medicine.

The subject has likewise been discussed on the leading radio programs and by most of the commentators.

Research Work

Of the research projects completed during the year one has been on how to organize a cooperative health association. The results will be published in a pamphlet under that name. The second project has been a study of the teaching of medical economics in the country's medical schools. It will appear shortly in the Journal of the Association of American Medical Colleges under the authorship of Dr. Kingsley Roberts and Dr. M. M. Davis. The third is a study of the operation of a Cooperative Health Association serving a population of 20,000.

Two projects nearing completion are a study of Group Medical practice and a study of the medical administration of Group Hospital Plans. Two projected projects are, first, a manual of forms and procedures to be used in the operation of cooperatives; second, a study of medical service in the mining areas of Southern West
Virginia. This would be undertaken in cooperation with the United Mine Workers of America and the Good Will Fund should plans materialize.

Organisation Assistance

Nine instances of such work might be mentioned. In Greenbelt, Maryland, initial detail plans were drawn up by the Bureau's staff. Plans for a cooperative health association in Ann Arbor, Michigan, were checked and recommendations were made. The by-laws of Group Health Association in Washington, D.C., were amended following specific recommendations. As a result of these recommendations by the Bureau, the American Provident Association of Los Angeles, California, amended its by-laws so as to more closely conform to cooperative principles. The development of the Cooperative Health Association of New York has been closely watched by the Bureau and practically all steps taken are with the advice of the Bureau. The Bureau has been advising on the development of a Cooperative Health Association in Boston, Massachusetts. The United Mine Workers of America has been mentioned above in connection with the research work of the Bureau. Situations in the field of the undertaking, plans for the establishment of cooperative health associations in mining towns would be checked. The same technique would then be used on behalf of other unions.

In addition to these plans specifically mentioned, the facilities of the Bureau have been used by most of the associations already in operation, such as Group Health Association and Wage Earners Health Association of St. Louis.

Medical Society Opposition

The most significant and far reaching activity of the Bureau in this regard has been cooperation with the Department of Justice of the U.S. Government in its Grand Jury Investigation of the American Medical Association and its District of Columbia branch, which began October 17th.

In Superior, Wisconsin, the Medical Society is now to cooperate in the development of an experiment in Cooperative Medicine. This suggestion was made to the Wisconsin Medical Society early in 1938. The experiment will not be limited to the Superior area.

Progress has been retarded in several cases, and organization prevented in several instances, by the opposition of Medical Societies. This has been the case in Akron, Ohio, and has delayed the beginning of operations.

Legal Aid

The staff and counsel of the Bureau have advised numerous groups on legal problems. The Association of Medical Cooperatives filed a brief, as a friend of the court, in the litigation involving Group Health in Washington. The Bureau has also advised the Cooperative Health Association of New York and the Cooperative Health Association of San Francisco on legal matters. It has cooperated with numerous organizations on the drafting of by-laws.

Dr. Kingsley Roberts, Director

COMMITTEE ON RELATIONS OF ORGANIZED LABOR AND COOPERATIVES

It is not necessary to emphasize the importance of this subject since it is clear that in countries like Great Britain and in Scandinavia where the cooperative movement has grown strong, it has done so with the active support of organized labor as well as of organized farmers.

There are many issues involved and conditions to be met as well as educational work in order to secure the hearty support of organized labor. Such issues include wages and hours for employees of cooperatives and recognition of labor unions, and on the other hand a constructive policy on the part of unions toward cooperatives.

1. Speaking and Literature

The Chairman and the other members of the Committee, Miss Dorothy Kenyon and Prof. Horace M. Kallen, have spoken on Cooperation in labor union meetings in many parts of the country, eliciting from the rank and file very keen interest in Consumers Cooperation as a method of control of prices and a step toward economic democracy. Releases of these addresses have been sent out by the Cooperative League News Service and carried in many newspapers—cooperative and labor papers and the religious press; the League has also made available reprints of present articles such as that of the Racine Cooperative, 85% of the membership of which are trade unionists. Reprints of the Chairman's article on Labor and Consumers Cooperation (from the Annals of the American Academy of Political and Social Science) are also available.

2. Exchange of Speakers

Secondly the Committee has arranged for organized labor speakers at cooperative conferences and for farmer-cooperator speakers at labor union meetings and for representatives of both on general conferences on Cooperatives such as those conducted jointly last winter by national church groups, Protestant, Catholic and Jewish.

3. Resolutions

An increasing number of resolutions endorsing consumers cooperation are to be noted by the A.F. of L. and by unions affiliated with the CIO. An increasing number of friendly resolutions by cooperatives toward organized labor are also in evidence.

4. Informal Conferences

The Committee suggested and some of its members participated in informal acquaintanceship conferences between various regional cooperative associations (especially those organized chiefly of farmers) and leaders of organized labor in their areas. Mr. Lincoln and Mr. Benjamin have both referred to these get-togethers which have been productive of much clearer understanding and closer cooperation of the two groups.

5. Institute on Organized Labor and Cooperatives

The major project of the Committee has been the three-day Institute on Organized Labor and Cooperatives held at Dillonvale, Ohio, in February, 1938, and attended by 160 delegates from both A.F. of L. and CIO unions from Ohio, Pennsylvania and other states, and a number of representatives of farm and cooperative organizations from those states. The October issue of Consumers' Cooperation carries an account of the Institute at which one sensed the thrill of the keen interest and present readiness of trade union members to organize also as consumers in cooperatives. Many union delegations were inspired to organize cooperatives and others were inspired to start study groups and become active in the movement. The Committee plans a second Institute at Racine, Wisconsin, in February.

The Committee has operated without any funds, speakers volunteering their services and covering their own expenses. The Dillenvalle Institute took up a collection of $52 to help promote our next Institute.

6. Full Time Workers Needed

Informal efforts have been made by the Chairman and Mr. Bowen to persuade both the A.F. of L. and CIO to set aside full-time organizers for the educational work among trade unions on Consumers Cooperation, but so far without success. It might, however, be a good opportunity for the coop league plans to work, in cooperation with the A. F. of L. and CIO, representatives of a number of local unions, representatives of a number of the largest cooperative wholesale and retail societies, and government officials.

Three questions were proposed for discussion and brought out a flood of information and constructive suggestions from the groups: (1) What are the barriers to understanding between farmers and organized labor? (2) What can be done to draw these groups closer together? (3) How can consumers cooperation be made their common meeting ground?
Under the first question a number of reasons for prejudice between farmers and organized labor were mentioned, including the widespread belief among farmers that high union wages are chiefly responsible for the exorbitant prices farmers have to pay for manufactured products. It was pointed out, however, that the recent survey by the National Resources Committee shows incomes of farmers and wage-earners very similar and both lower than other population groups. Attention was drawn to the October issue of Consumers Guide, published by the Dept. of Agriculture, which was an extensive report of this important Report of the National Resources Committee. It was agreed that propaganda from sources wishing to keep farmers prejudiced against labor is responsible for much misunderstanding.

Other issues discussed were wages and hours of employees of cooperatives, use of union label on co-op printing, use of union made products where possible, recognition of unions by cooperatives, and the parallel obligation of labor unions in cooperatives an the general labor movement which should be assisted and not penalized by premature demands for higher wages than the unions themselves demand from private competitors. It was brought out that as fast as economically possible, however, cooperatives should set the pace for higher wages and better working conditions.

The group experienced a vital sense of the meetings of minds, removed of prejudice, and frank facing of the real problems involved. There was discussion as to how much, if any, have gotten of farmers, cooperators and representatives of organized labor can meet frequently for such rewarding study.

Key to City Organization

In conclusion I would say that large ly the greatest vision and effective approach of the general secretary and member of The League to larger groups previously not actively interested in consumers cooperation, there appears to me to be new promise of the cooperative movement in America becoming strong in cities as well as rural areas, among organized labor as well as with organized farmers, and among professional and church people. Developments which have made highly significant advances in the past three years. It augurs well for an American cooperative movement as strong, effective and comprehensive as those in Great Britain and Scandinavia to which we look for so much inspiration.

James Myers, Chairman

NOVA SCOTIA TOUR

MR. CHAIRMAN and fellow cooperators: I'm sure it's a great privilege for me to be able to report briefly on the question of the Nova Scotia tours. I hold in my hand a financial report covering the two years that these tours have been going on and I'm very happy to see that it shows a balance of $1.30.

I also hold in my hand a list of the people who took part in our tours of Nova Scotia during these two years. I'm very glad to report that 299 people went from America to Nova Scotia to study the Nova Scotia movement. These people 32 different states in the union, from Alaska, from the West Indies—one came up there this year from South Africa—all the way up to Nova Scotia to study the cooperative movement and keep a part of the tour. This group was made up of Protestants, Catholics, Jews, and Negroes, and we had some great opportunities to cooperate in this.

I have a letter here from the Extension Department of St. Francis Xavier University which shows something of the significance of what happened up there and how the people in America feel about it. This letter says that there were around 300 Americans in attendance at the Rural and Industrial Conference this year besides the 298 who were registered in the tour. Besides, the average of 10 Americans every day from the first of March until the last of September, worked in their offices, inquire about the Nova Scotia movement, to get literature and statistics. That means over 1,000 people besides the tour groups came up to America to study this movement. They are going up there because of what is happening in Nova Scotia.

J. Henry Carpenter, Director Cooperative League Tours

Consumers' Cooperation

TREASURER'S REPORT

I want to call your attention to what we as a League include. According to the statement made by our President on Wednesday morning, we have about 965,000 members.

We have about 1700 constituent societies and these societies are doing a business of over $50,000,000 a year.

Of those constituent societies some are regions that is, groups which include a large number of other societies. We have 16 such regions. One of them, our host, the Consumers Cooperative Association. I understand has a membership of over 125,000.

Now what is our job gathered here as members of The League? It is not for me to tell you what that job is. I think you know its size and importance better than I do, but it is my job in the face of what I do, to be able to report briefly on the question of the Nova Scotia tours. I hold in my hand a financial report covering the two years that these tours have been going on and I'm very happy to see that it shows a balance of $1.30.

Now what is the reason for our present situation? As you know, in the past ten years The Cooperative League has grown from a small organization into a large organization, and no adequate basis for dues payment has been found. We have a regular salary budget for the job. Now what is the reason for our present situation? As you know, in the past ten years The Cooperative League has grown from a small organization into a large organization, and no adequate basis for dues payment has been found. We have a regular salary budget for the job. Now what is the reason for our present situation? As you know, in the past ten years The Cooperative League has grown from a small organization into a large organization, and no adequate basis for dues payment has been found. We have a regular salary budget for the job. Now what is the reason for our present situation? As you know, in the past ten years The Cooperative League has grown from a small organization into a large organization, and no adequate basis for dues payment has been found. We have a regular salary budget for the job. Now what is the reason for our present situation? As you know, in the past ten years The Cooperative League has grown from a small organization into a large organization, and no adequate basis for dues payment has been found. We have a regular salary budget for the job. Now what is the reason for our present situation? As you know, in the past ten years The Cooperative League has grown from a small organization into a large organization, and no adequate basis for dues payment has been found. We have a regular salary budget for the job. Now what is the reason for our present situation? As you know, in the past ten years The Cooperative League has grown from a small organization into a large organization, and no adequate basis for dues payment has been found. We have a regular salary budget for the job.
REPORT OF RESOLUTIONS COMMITTEE

MR. CHAIRMAN and delegates to the 11th Biennial Congress of The Cooperative League of the U.S.A.

The Resolutions Committee in undertaking its duties, and in offering these resolutions expresses to all of you its appreciation of this opportunity to serve you in the movement of which we are all a part.

The committee presents to you, not with a resolution, but in recognition of its worth, a communication from Mr. C. A. Olson, Chairman of the Discussion Group on Church and Cooperatives, and from Dr. J. Henry Carpenter, its co-chairman, who is also chairman of the committee on the Church and Cooperatives of the Federal Council of Churches of Christ in America. The communication is signed also by the Rev. G. A. McDonald, S. J., who is chairman of the Committee on Cooperatives of the National Catholic Rural Life Conference.

"The section on the Church and Cooperatives wishes to express its gratitude to The Cooperative League of the U.S.A. for providing an opportunity for discussion of the relation of the cooperative movement to the church, as part of the formal program of the Cooperative Congress. The section recommends that cooperative leaders recognize the great potentialities and the natural set-up (i.e., such advantages as organized groups with unrestricted freedom for study) the church offers for education of its membership in cooperative principles and ideals.

"The section strongly recommends that cooperative leaders cooperate with and utilize these educational forces and influences inherent in the church and the readiness to serve.

"It is the unanimous opinion of the resolvers committee that this convention expresses its appreciation of the good work of The Cooperative Project and cooperatives in WPA administration and in cooperation with The Cooperative League of the U.S.A., and furthermore, that we avail ourselves of the abundant research, educational, and other forms of material made possible through this cooperative project.

Before presenting the resolutions, the committee wishes to report that all suggested resolutions were duly considered, that all asking to appear were granted a hearing, that those suggested subjects not included in the resolutions were considered either to be without our province, or to be either partially or amply covered in the resolutions.

(The resolutions which follow were approved by the Congress as read.)

Appreciation

Whereas, the Kansas City Chamber of Commerce, the Kansas City Board of Trade, and the Consumers Cooperative Association of the National Catholic Rural Life Conference, have offered the Congress the use of the Kansas City Auditorium for the use of the Congress and in other manners, Therefore be it resolved: That we express our appreciation to the officials of Kansas City who were responsible for our comfortable and very pleasant visit to the city.

Appreciation

Whereas, The Consumers Cooperative Association has been host to the 11th Biennial Congress of The Cooperative League of the U.S.A. and its hospitality has been a most pleasant visit by delegates and visitors.

Therefore be it resolved: That we express our appreciation to the officers of the Consumers Cooperative Association for their efforts and success in making this Congress successful.

Appreciation

Recognizing the vast amount of work involved and the many problems encountered in the making of a plan such as that which has been our good fortune to serve.

Be It Resolved, That it is the desire of the delegates and visitors in attendance at this Congress to express their thanks and appreciation to all those who contributed in any way to its success.

We wish to especially commend the members of the Congress who have worked so much enjoyment by all those who participated in them.

Appreciation

Whereas, There has been an all wise Providence during the past two years to call for the formation of our land Cooperative Wholesale; among its achievements: a GDPR, F. C. Osborne, M.P.S. Whitehead, L. C. Tuell, Partners Union National Cooperative Association, and Consumers Distributing Corporation.

Therefore be it resolved, That we express our gratitude to the Board of Directors of the Cooperative Wholesale, and to the contributing members of the Consumers Cooperative Association, for their successful and efficient co-operative endeavors.

Appreciation

Whereas, We recognize that cooperation is taught in the schools of the U.S. A. and the Governments of the several states, and is comprehended by the many leaders in the ranks of organized labor as consumers.

Be It Therefore Resolved, that we urge The Cooperative League of the U.S.A. and its affiliates to promote the teaching of cooperation in the schools of the land, and cooperating associations in the maintenance of cooperative stores, wholesales and factories in France.

Therefore be it resolved, that the delegates of the Cooperative League of the U.S. A. request the principle of organization and collective bargaining for their employees, and shall on organized labor to recognize the unique function of the Cooperative Movement in building an economic structure controlled by Consumers in their own interest and further recognizes its responsibility to maintain relations with cooperative associations which will not place them at a disadvantage with their competitors or prevent their performing effectively in the interest of the workers who are all consumers.

Respectfully submitted

Carlos L. Palmer
Robert L. Smith
C. D. Clipfell
B. H. McCully, Chairman
Edwin J. Bath, Secretary

Resolutions Committee

FILMS

"Clasping Hands," 16 mm, silent, two reel film, showing how cooperation is taught in the schools of France. Won the Grand Prize at the International Exposition, Paris, 1937.

"When Mankind is Willing," 16 mm, silent, three-reel film, withŭ April 1938.

A Trip to Cooperative Nova Scotia, 3 reels, 16 mm, silent, with titles, based on the 1937 Co-op tour. Rents $1 per day, $15 for each additional showing or $10 per week.

FIRE INSURANCE

ON YOUR ESTATE,
SAFE—ECONOMICAL—COOPERATIVE
WORKMEN'S MUTUAL FIRE INSURANCE SOCIETY
227 East 84th St. New York, N. Y.

Whereas, there is growing evidence of the need for a cooperative insurance company in the United States.

Whereas, there is grave danger of the Questions of Peace and Finance.

Whereas, we believe the cooperative movement offers a unique solution to this problem.

Whereas, the U.S. Bureau of Census, in its survey of Cooperative Consumer Cooperatives in the U.S. A., reports that the cooperative movement is growing at a rate of 16% per year, and that the cooperative movement is the leading force in the American economy.

Whereas, the Cooperative Movement believes in maintaining the highest standards, and in mobilizing the people of the U.S. A. and the Governments of the several states to cooperate in the development of a cooperative system.

Be It Therefore Resolved, that we urge the Cooperative League of the U.S. A. and its affiliates to promote the teaching of cooperation in the schools of the land, and cooperating associations in the maintenance of cooperative stores, wholesales and factories in France.

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Whereas, we believe the cooperative movement offers a unique solution to this problem.

Whereas, the U.S. Bureau of Census, in its survey of Cooperative Consumer Cooperatives in the U.S. A., reports that the cooperative movement is growing at a rate of 16% per year, and that the cooperative movement is the leading force in the American economy.

Be It Therefore Resolved, that we urge the Cooperative League of the U.S. A. and its affiliates to promote the teaching of cooperation in the schools of the land, and cooperating associations in the maintenance of cooperative stores, wholesales and factories in France.

Be It Therefore Resolved, that the delegates of the Cooperative League of the U.S. A. request the principle of organization and collective bargaining for their employees, and shall on organized labor to recognize the unique function of the Cooperative Movement in building an economic structure controlled by Consumers in their own interest and further recognizes its responsibility to maintain relations with cooperative associations which will not place them at a disadvantage with their competitors or prevent their performing effectively in the interest of the workers who are all consumers.

Respectfully submitted

Carlos L. Palmer
Robert L. Smith
C. D. Clipfell
B. H. McCully, Chairman
Edwin J. Bath, Secretary

FILMS

"Clasping Hands," 16 mm, silent, two reel film, showing how cooperation is taught in the schools of France. Won the Grand Prize at the International Exposition, Paris, 1937.

"When Mankind is Willing," 16 mm, silent, three-reel film, with nudity.

A Trip to Cooperative Nova Scotia, 3 reels, 16 mm, silent, with titles, based on the 1937 Co-op tour. Rents $1 per day, $15 for each additional showing or $10 per week.

FIRE INSURANCE

ON YOUR ESTATE,
SAFE—ECONOMICAL—COOPERATIVE
WORKMEN'S MUTUAL FIRE INSURANCE SOCIETY
227 East 84th St. New York, N. Y.

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SPECIAL CONGRESS PUBLICITY

MAGAZINES
American Consumer, October, "Warbasse Re-elected Co-op President;"
Business Week, October 22, "Co-ops Plan United Front;"
Christian Century, November 2, "Credit, Clergy and Co-op Congress;" George Tichenor.
Christian Register, October 27, "Consumers Co-operation Assesses Two Years' Progress;"
Common Sense, December, Report of Co-op Congress.
Commonweal, October 28, "Labor and the Co-ops, report of the Congress;"
Consumers Union, November, "The Cooperators Meet;"
Federal Council Bulletin, November, "Contacts with Labor and Cooperatives;"
Free America, November, Notes on the Co-op Congress.
New Republic, November 16, "The Cooperative Congress;"

WDAF, Kansas City, October 12, "The Church and Cooperatives," James Myers.

NEWSPAPERS
Chicago Journal of Commerce, October 13, "Calls Co-ops Preservers of Democracy;"
Christian Science Monitor, October 20, "Co-ops as Peace Factors Outlined at League Session;" October 15, "Ballinger Warns Against Fascism;"
OIO News, October 22, "Co-operatives Back Collective Bargaining;"
Guild Reporter, October 15, "Unionists Are Turning to Cooperatives for Economy;"
Kansas City Star and Times, October 13, 14, 15, Daily story on Congress.
St. Louis Post Dispatch, October 11, "Gaia of Cooperatives Listed at Regional Meeting;"

NEWS SERVICES
Associated Press, Special advance story on the Congress by John Lear.
Associated Press, two special stories on the Congress—"Co-op Congress Urges Closer Ties Between Farmer and Labor" and "Cooperative Banking System Urged by Warbasse," both of which were widely carried.
Cooperative League News Service, advance material on the Congress and complete coverage to 600 newspapers, magazines and news services.

International News Service, advance and daily stories.
Transradio Press, advance and daily stories.

RADIO
Columbia Broadcasting System, October 11, 9:45 to 10 p.m., CST, "A Preview of the Congress;" Speakers: Dr. J. P. Warbasse and Howard A. Cowden. Coast to coast broadcast.
National Broadcasting System, October 13, 11 a.m., CST, Round Table Discussion. Speakers: A. J. Hayes, Murray D. Lincoln and Leslie E. Woodcock. Coast to coast broadcast.

Statement of the ownership, management, circulation, etc., required by the act of Congress of August 24, 1912, and March 3, 1913.

OF CONSUMERS' COOPERATION, published monthly at New York, N. Y., for October 1, 1938, State of New York, County of New York.

Before me, a Notary Public, in and for the State and county aforesaid. I, J. N. Perkins, who, having been duly sworn according to law, depose and say that I am the Financial Secretary and Business Manager of Consumers' Cooperation, and that the affiant is to the best of her knowledge and belief, a true statement of the ownership, management, of the above publication for the date shown in the above caption required by the Act of August 24, 1912, as amended by the Act of March 3, 1913, embodied in section 537, Postal Laws and Regulations.

3. That the known bondholders, mortgagees, and other security holders owning or holding 1 per cent or more of total amount of bonds, mortgages, or other securities are: None.
4. That the two paragraphs next above, giving the names of the owners, stockholders, and security holders, if any, contain not only the list of stockholders and security holders as they appear upon the books of the company but also, in cases where the stockholder or security holder appears upon the books of the company as trustee or in any other fiduciary relation, the names of the person or corporation for whom such trustee is acting is given; also that the said two paragraphs contain a true statement of the ownership, management, circulation, etc., required by the act of Congress of August 24, 1912, and March 3, 1913, embodied in section 537, Postal Laws and Regulations.

J. N. Perkins, Business Manager.

Sworn to and subscribed before me this 20th day of September, 1938.

SIDNEY BENJAMIN, Notary Public.
My commission expires March 30, 1939.

"Consumers' Cooperation"