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WE GREET THE NEW YEAR

With New Offices:
Opening executive offices at 608 South Dearborn Street, Chicago, in addition to our New York office, has delayed the January issue but promises to speed up and improve future issues.

With a New Size and Format:
To streamline your national magazine, to make it fit your pocket, to increase its economy we adopted a Digest size.

With Important Articles:
On Cooperative finance, education, legislation, credit, administration and philosophy promised for early publication.

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A larger (24 or 32 page) national magazine if you will help us boost the circulation.

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AFFILIATED REGIONAL COOPERATIVES

Name
Central Cooperative Wholesale
Consumers’ Cooperatives Associated
Consumers Cooperative Association
Cooperative Book Club
Cooperative Distributors
Cooperative Recreation Service
Cooperative Wholesale, Inc.
Eastern Cooperative Wholesale
Farm Bureau Cooperative Assoc’n
Farm Bureau Mutual Auto Insurance Co.
Farm Bureau Services
Farmers’ Union Central Exchange
Grange Cooperative Wholesale
Indiana Farm Bureau Co-op. Association
Midland Cooperative Wholesale
National Cooperatives, Inc.
Pacific Supply Cooperative
Pennsylvania Farm Bureau Coop. Ass’n
United Cooperatives, Inc.
Workmen’s Mutual Fire Ins. Society

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Amarillo, Texas
N. Kansas City, Mo.
118 E. 28 St., N. Y.
116 E. 16 St., N. Y.
Delaware, Ohio
1301 S. Millard, Chicago
135 Kent Ave., Bklyn
Columbus, Ohio
Lansing, Michigan
St. Paul, Minn.
Seattle, Washington
Indianapolis, Ind.
Minneapolis, Minn.
Chicago, Ill.
Walla Walla, Wash.
Harrisburg, Penn.

Publication
Cooperative Builder
The Producer-Consumer
Cooperative Consumer
Readers Observer
Consumers Defender
The Recreation Kit
E.C.L. Cooperator
Ohio Farm Bureau News
Ohio Farm Bureau News
Michigan Farm News
Farmers’ Union Herald
Grange Cooperative News
Hoosier Farmer
Midland Cooperator

Voluntary Co-op. Employment

Name
Central Cooperative Workers
Consumers Cooperative Association
Consumers Cooperative League
Cooperative Education
Cooperative Cooperative
Consumers Cooperative League
Central California Cooperative
Consumers Cooperative League
Northern California Co-op Council
National Cooperative Women’s Guild

Address
2301 South Millard Ave., Chicago, Illinois
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2720 E. 86th St., N. Y.

DISTRICT LEAGUES

Central States Cooperative League
Midwest Cooperative League
Northern States Cooperative League
California Co-op Education Ass’n
Northern California Co-op Council

Volume XXV. No. 1
JANUARY, 1939

Ten Cents

Cooperative Movement Acts to Make 1939 a Happy New Year

Happiness is more than wishful dreaming of a future cooperative society—it requires resolute action on all fronts. While local and regional cooperative development has been noteworthy during the past few years, we all have to admit that national development has not been equally successful. But the necessity of greater national action finally culminated in the closing months of 1938 in the Movement’s taking what we believe history will appraise as a number of giant strides which 1939 and future years should more clearly demonstrate.

After five years of thinking and discussion, The Cooperative League and National Cooperatives, or the national education and economic organizations of the Movement as they are commonly described, have laid the groundwork for wider national action which should be of great significance. We start 1939 with interlocking directorates of national directors, with interlocking executive committees, with joint executive offices and with the financing of national education and legislation equitably based on a uniform 5-cents-per-member of commodity and insurance cooperatives. There is a feeling in the Movement that we are “going places” nationally. It is for the democratically elected directors and management of our regional and national cooperative associations to make good on the high hopes of the members and build on the groundwork that has been laid a national movement in the United States which will be strong enough to cope with and conquer the giants of monopoly which oppress us.

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 St., N. Y. City. E. R. Bowen, Editor, Wallace J. Campbell, Associate Editor. Contributing Editors: Editors of Cooperative Journals and Educational Directors of Regional Cooperative Associations.

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Cooperators are the “Powerful Meek”
Professor Walter Rautenstrauch of the industrial engineering department of Columbia University, who is a loyal and active cooperator, reports that he has discussed with some of his language authority friends among the faculty the question of a modern version of the Greek word “Praos,” which has been previously interpreted as meaning “meek.” They are in agreement that a correct modern translation might well be “Blessed are the cooperators, for they shall inherit the earth.”

National Education and Legislative Programs to be Developed Democratically
The preliminary plans which the directors of the Cooperative League and National Cooperatives have adopted will begin to take more definite shape after the first of January 1939. The development of broader national educational and legislative programs will be based on democratic procedures in every way. Special meetings will be called of educational directors and legal representatives of regional cooperatives to consult with committees of the directors and with the staff, who together will formulate programs of action for these divisions of the movement to be carried out by the executives. There will be two rather distinct phases of these developments. The first will have to do with the unifying of the educational and legislative programs of the various regional associations so that each may take advantage of the best experience and judgment of all other groups. The second will be the development of broader education and legislative programs of a national character. Special divisions of the Cooperative League will be organized in due time to carry on these functions. Suggestions are in order and will be gratefully received from any who feel that they have worthwhile proposals to offer.

Some Thoughts Which We Should Turn Into Resolute Actions
Eleanor Roosevelt says “The age of cooperation is here to stay.” This will be true if we resolve to extend democratic cooperation into economics.

* * *

John L. Lewis says “If this government gives the workers what they need—a job, a home, enough to provide for their families—then the workers will see to it that no ill befalls that kind of government.” But why should we depend on the political government to give us incomes, employment and ownership? If we do we’ll have some form of dictatorial State. What we need is to build consumer, producer and public organizations, independent of the political government. We might all get “bread” through the political State as other nations are attempting, but if we do we’ll wake up to find the “stone” of paternalism around our necks.

* * *

Quentin Reynolds says “Self-help was the cornerstone of the American tradition and the democratic form of government was designed and adopted to preserve the structure resting on it.” In other words, a democratic government can only be a coordinating agency through which we legalize and enforce agreements entered into voluntarily by individuals or groups to enable them to help themselves and benefit society as a whole.

* * *

The Hearst New York Sunday Mirror says in its department “Straws in the wind that make headlines of tomorrow” that “The cooperative movement in America . . . will make history before 1940” and cites as evidence the fact that “the co-ops are the backbone of the ‘Swedish Way’ to prosperity.” A good resolution for 1939 would be to Scandinavianize America and make good on this prediction.

January, 1939

New Year’s Thoughts of a Cooperative Employee

YESTERDAY

I was a part of a capitalistic economy which is contracting and is rapidly increasing poverty, unemployment and tenancy.

I was employed by a Board of Directors who were undemocratically chosen by proxy votes to represent absentee owners whose primary interest was in personal speculative profits.

I was constantly checkmated in any effort to put economic liberty, equality and fraternity into practice.

TODAY

I am part of a cooperative economy which is expanding and is steadily increasing incomes, employment and ownership.

I am employed by a Board of Directors who were democratically chosen by delegates to represent active owners whose primary purpose is the general welfare of all.

I am able to feel that every effort will help to build a cooperative economy of plenty and peace for all.

TOMORROW

I hope that each day of the New Year of 1939 and the years thereafter will accelerate the speed at which others will break the shackles of the old order which bind them and enter into the great experience of cooperative membership and employment.

* * *

GUEST EDITORIAL

A National Cooperative Movement

Perry L. Green, President
Ohio Farm Bureau Cooperative Ass’n

There are two phases of the cooperative movement which need to be emphasized. The broader one of the two is the meeting of the general social needs of the people; the other is the building of a business set-up whose provisions compel general obedience to methods of procedure which contribute to the broad social needs of the people.

We have gone along for quite a few decades without any emphasis having been placed on the desirability of having our forms of corporate business comply with such social needs. The cooperative movement, taking into consideration these two general principles which should apply, will, in its general business operations, be supported by social ideals which are practically lacking in any other form of business. It has the further advantage of rendering the same service to people that any other form of business is capable of rendering even though there is little, if any, appreciation of the real motivating social desire behind it being recognized by people generally.

The cooperative movement, if it is to accomplish the maximum of results in a minimum of time, should not be compelled to wait until a full measure of understanding of consumer cooperation dominates the thinking of the people. The same kind of aggressiveness on the part of cooperative leaders that prompts the action of the leaders of business for private profit, if persisted in on a federated basis for a long period of time, will as unconsciously lead the people out of the meshes of a restricted distribution system as they have been unconsciously led into it.

It seems to me that the important problem before us now is to consolidate our efforts on a nation-wide basis in order that the movement as a whole may have the benefit, in a large way, of these two contributing forces which I have tried to designate.
Democracy guarantees to each member of a society the right to influence other members. This influence is exercised for the purpose of inducing a majority to favor some particular motion or project, so that, when a question comes to a vote, the majority will support the proposal. Efforts to induce people to vote one way or another are a part of the provisions of democracy.

When a member of a democratic organization is about to attend a meeting and present a resolution, if on his way to the meeting he passes the houses of four different members, two of whom will support his resolution at the meeting and two of whom will not, he naturally stops at the houses of the first two and urges them to come to the meeting. That is democracy.

**Democracy Demands Freedom and Truth**

On the floor of a democratic meeting an individual gets up and proceeds by his discussion to influence members of the meeting to do something he wants them to do. As a matter of fact, when he presents his resolution or any other proposition, democracy permits him to present it from the standpoint of its virtues with the purpose of having it adopted. If no one presents the opposite side, so much the greater is the possibility of its acceptance. These are approved and natural methods which prevail in democracy. They are the privileges of all members. The characteristic of democracy is that it gives each individual the opportunity to influence other individuals in the interest of any particular project which the individual desires to promote. Others have the right to refuse to conform, or they may set up other projects as they see fit. Democracy can demand only two things: freedom and truth.

**Persuasion is the Privilege of All**

Democracy is a scheme for giving everybody a chance by freedom of action, not only to win adherents to a proposal but to induce those adherents to come to a meeting and register themselves by voting. Winning adherents means little unless it is followed by the use of the franchise. "Pack the house," "controlling the convention," and, "undue influence," justified? If they are, then that is precisely what a speaker who has good logic, facts, and presence does when his speech wins adherents to a cause.

**Employees Should Not Be Disfranchised**

If this thought is carried further, let us imagine the expansion of cooperation to the position in which all of the members are employed by the cooperative society. This is the ideal toward which cooperation aims. Under those circumstances, does all of these employees lose their individual right to act as free members of a democratic society? If they do, to what extent?

**The Role of a Cooperative Official**

Experience teaches that there are certain functions in which neutrality is essential. The chairman of a democratic meeting must be neutral as chairman. But democracy has no right to deny him his freedom outside of the chair. It is the office that must be neutral.

Likewise there are other offices, secretarial, educational, and otherwise, in which the office itself must not be partisan. That means that a paid official must serve all elements in the spirit of impartiality. But that paid official cannot be denied his personal privilege, external to his official functions, to have opinions and to express them. In these situations, good taste and expediency recommend the elimination of conspicuous partisanship. Here the man and the office are two different things. But democracy at its best cannot deprive the man of his freedom of opinion and of action.
A NATIONAL CONSUMERS’ COOPERATIVE ORGANIZATION

E. R. Bowen

The greatest appeal for the national organizing of our political states was "united we stand, divided we fall." This is also applicable to our economic cooperatives. The thirteen political states faced the common enemy of control by autocracy. Today each regional cooperative is greatly handicapped against nationwide monopolies. But united together our regional cooperatives can check-mate and eventually supplant monopolies. While our forefathers removed from the shoulders of the American people the political yoke of tyranny, they left for later generations the task of removing from the shoulders of the people of America the economic yoke of monopoly.

Thomas Paine, who became the great advocate of a federal government, proposed that a national political union be established "when the states saw themselves wrong enough to be put right." Just so a national economic union of all regional consumers’ cooperative associations is timely today, in view of the self-evident difficulties of regional cooperatives in acting alone. After our national political union was organized, Paine declared that "this union was naturally produced by the inability of any one state to support itself against any foreign enemy without the assistance of the rest." No more today is any one regional cooperative sufficient unto itself to resist the common domestic enemy of monopoly without the assistance of the rest. There would have been as much reason for any state failing to join a national political union as for any regional cooperative today attempting to "go it alone."

It should not require argument to support the statement that no one regional or group of regionals less than all, can either purchase, distribute, produce or finance as economically or efficiently for their members as can all the regionals joined together in one national organization. While some savings can be made in distribution by a separate regional association and still further savings can be made in production by a group of regionals, no effective attack to prevent the power of monopolies in finance, production or distribution can be made except by a strong national organization of all regional consumers’ cooperative associations.

Again quoting Paine, “it is not in numbers (of states) but in a union that our great strength lies.” So today, it is not the number of regional cooperatives which gives the cooperative movement its greatest strength—that strength lies in the potential power of an economic union of all. Paine declared that “Our citizenship in the United States is our national character. Our citizenship in any particular state is only our local distinction.” Just so today we must be national and international cooperators as well as local and regional cooperators.

Functions of a National Consumers’ Cooperative Organization

We must learn what can best be done locally, regionally and nationally in the Consumers’ Cooperative Movement. Each decision must be approached from the standpoint of the best interests of the whole movement rather than the interests of some individual or group of individuals. The injection of individualism into the making of decisions affecting the whole is most unfortunate, whether in the cooperative movement or elsewhere.

No matter whether the function is any one of the six principal departments of the Consumers’ Cooperative Movement, namely, Development, Organization, Commodity Services, Insurance or Finance, there are certain parts which can best be done locally, others regionally and others nationally.

As an example, consider the matter of publicly financing the movement. No one except a representative of a local association can handle local publicity effectively. Other publicity is likewise largely only of regional interest and can therefore only be handled effectively by a representative of the regional. On the other hand, there are other matters of national public interest which no regional could handle as well as all the regionals banded together into a national publicity representative. This also applies to matters of education as well as commodities, services, insurance and finance.

Some decisions relative to whether a matter can be best handled by local or regional associations or by a national organization may be determined on the basis of judgment in advance; others will only be eventually determined after experiment. It should also be added that no final judgment can ever be made; changing conditions will constantly call for changes in the distribution of functions for the greatest economy and efficiency.

Membership in a National Consumers’ Cooperative Organization

The Consumers’ Cooperative Movement the world over recognizes no basic difference between cooperative purchasing associations organized on the basis of Rochdale principles by ultimate users. All consumers’ cooperative associations are basically one and the same irrespective of the type of products purchased, whether vocational or household supplies, and irrespective of the residence of their members, whether rural or urban. All purchasing by ultimate users is an act of consumption. Consumers’ Cooperatives might be described as users cooperatives.

The Swedish Cooperative movement has published a pamphlet containing a chart showing the democratic organization of the people as consumers and producers, which clearly presents their interpretation of consumers’ cooperation as an inclusive movement, with no differentia-
tion between kinds of supplies or occupation of purchasers. The following is a summary of their chart:

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<th>Our Economic Interests</th>
<th>Consumer or Producer Interest</th>
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<td>1. Consumer or Buyer Interest</td>
<td>1. Consumer of Household Goods or Sales of Goods</td>
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<tr>
<td>2. Producer or Seller Interest</td>
<td>2. Consumer of Vocational Goods or Marketing Cooperatives</td>
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<td>General and Special Consumer Cooperatives or Labor Unions</td>
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In describing the Consumers' Cooperative Movement in Finland, the president of the International Cooperative Alliance, stated that "We have two large consumers' cooperative groups in Finland." In one of these groups both household and vocational supplies are handled by the same national association; in the other household and vocational supplies are handled separately. When asked the reason for the separation by the latter group, the answer given by their general manager was that "it was the result of 'mistaken theorizing'" in the early beginnings of the movement.

In a lengthy communication, the agricultural adviser for the Cooperative Union of Great Britain declares that there is no differentiation between kinds of supplies or occupations of consumers in the Consumers' Cooperative Movement in that country. Even where two local cooperatives are separately organized in a community, the one handling vocational supplies and the other household supplies, both are members of the same national Cooperative Wholesale Society, which handles both types of products.

There is a constantly growing tendency to break down the barriers between rural and urban residents and between vocational and household supplies in American local and regional cooperative associations. This removal of all such differentiations is vital to the building of the strongest possible local and regional cooperative as well as a national consumers' cooperative organization.

Another factor which requires most careful consideration in the building of a strong national consumers' cooperative organization in America is the overlapping of interests and the fact that the function of the national association is in the early stages of becoming a single national organization. This removal of all such differentiations is vital to the building of the strongest possible local and regional cooperative organization.

The three types of organizations might be described as dual, unit and unit-dual.

Britain first organized the Cooperative Wholesale Society and a few years later organized the Cooperative Union. For many years the leaders of the Union supported profit-sharing and ownership by the workers in a factory rather than ownership by the consumers of the products of the factory. Eventually the consumers' cooperative ownership principle proved far greater practicability, but they had left in their wake a second organization with entrenched positions and powers which was harder to eliminate than the theory that it originally supported and which organization still continues. Today official leaders of both the Union and the Wholesale are outspoken in stating that the dual organization principle which they have inherited is outdated, uneconomical, inefficient and cumbersome.

One of the factors which requires most careful consideration in the building of the strongest possible local and regional cooperative association is the question of the best type of national organization. We have, in fact, neither of the three types of organizations found in Europe. We have the unit type of locals, the unit type of regionals (with two exceptions which are apparently in the process of coming to be unit organizations). We have a unit type plan of operations, which we evidently would like to develop into a unit type plan of organization.

It is said that other countries in Europe have "profited by Britain's mistake." Sweden tried out the dual plan of organization in its early years and shortly discarded it for a unit plan in which education and economic functions are integral departments of a single national organization. Switzerland, Denmark and Norway likewise adopted the unit plan after observing the results of the dual plan. The largest group in Finland, as well as the Cooperative Movement in France, are organized as combination unit-dual types, which are in effect unit organizations except for their separate legal incorporation. In Finland this group elects the same delegates who meet the first day as a union and the second day as a wholesale. The three directors are elected for both the union and the wholesale, who elect the same directors. The directors then elect three managers of the wholesale and three secretaries of the union.

Wherever the unit plan of organization has been adopted in these countries, their leaders are strong advocates of the unit type; wherever the dual or the unit-dual plan has been adopted, leaders have frankly stated that they wish that they were organized on the unit basis. It would seem that, since the overwhelming testimony of the leaders in these outstanding cooperative countries is in favor of the unit plan of organization, we could well profit by their experience and consider favorably the building of a single unit national organization here in our early flexible stages before we become organizationally rigid and extremely difficult to change.

In the United States we have not generally considered the question of the best type of national organization. We have, in fact, neither of the three types of organizations found in Europe. We have the unit type of locals, the unit type of regionals (with two exceptions which are apparently in the process of becoming unit organizations) and yet we have two separately organized national bodies of the dual type. If we believe in unit locals and unit regionals, which we evidently do judging by the manner in which we have organized, then why a dual type of national organization? If we are to be consistent, should we not either change our locals and regionals to the dual type, or change our national organizations to the unit type to correspond to our local and regional organizations?

Since the growing tendency is to elect the board of directors of both our national organizations many of the same representatives of locals and regionals, it could seem logical that they might best consider and decide policies as to all national matters as a single unit directorate, with committees of the directors for each of the major departments.

January, 1939
A NATIONAL CONSUMERS' COOPERATIVE ORGANIZATION

To the end of initiating a thorough discussion of the subject of the best type of national organization for America, we present herewith a chart of a unit National Consumers' Cooperative Organization.

The members of such a national organization would be the regional cooperatives, who in turn have as their members the various locals. These regional cooperatives would be, in a national economic union, somewhat similar to the states in our national political union. They would determine as to what functions to transfer to the national and what to retain for themselves as regionals.

Provision is made in the chart for regional cooperatives to organize themselves into district groups for either education or business if they so desire. Such district groups would be organized entirely at the option of the regionals who desired to do so.

Regional members of the national organization would pay uniform dues per member to the national for the support of the development and organization departments which are not self-supporting and be entitled to equitable representation on the board of the directors. Each regional would nominate from its staff a representative to serve on a technical committee for each department.

Each technical committee would consult with and report to the manager of its department and also, where desirable, to the directors' committee. In turn, each department manager would consult with and report to the whole staff of managers and to the department committee of the board of directors.

The chart accompanying is the result of lengthy study and discussion and incorporates suggestions from many cooperative leaders. It is not considered to be final but to present for further discussion and decision a more definite proposal for a National Consumers' Cooperative Organization than has been hitherto formulated in such a specific manner.

"THE LORD HELPS THOSE... Who Help Each Other"

The Harmon Foundation has just completed a three reel, 16 mm. silent motion picture describing how the miners, farmers and fishermen of Nova Scotia have lifted themselves out of dire poverty through adult education and cooperative organization.

Two months of camera work in Nova Scotia, four months of research and editing, and over a thousand dollars cash went into the production of this remarkable cooperative film.

The movie may be secured for a single showing for $4.50 and $2.25 for each additional showing or $13.50 for a week's engagement. For information write The Cooperative League or the Harmon Foundation, 140 Nassau Street, New York City.
COOPERATIVE HIGHLIGHTS
OF 1938

Wallace J. Campbell

Complete statistics are not yet available for cooperative business in 1938. But more than $440,000,000 worth of goods and services were handled by consumers cooperatives in rural areas as well as in urban areas. Petroleum products handled by co-ops in both rural and urban areas topped $110,000,000 in 1937. Twenty-four hundred co-op stores with 330,000 members and $107,250,000 business were reported by the U.S. Bureau of Labor Statistics. Cooperative credit unions reported 2,000,000 members and assets well over $100,000,000 at the close of the year. Other cooperative activities for which summary statistics are not available include cooperative insurance, cafeterias, housing, rural electrification, telephone, book service, medical and burial cooperatives.

Regional Cooperative Associations

Five co-op grocery wholesalers adopted a program of uniform labeling and have voted to co-operate in grade labeling on CO-OP label products as rapidly as feasible. Eastern Co-op Wholesale, one of the group, has established its own testing kitchen and model co-op store in its new Brooklyn warehouse and developed co-op grocery stores to check all co-op products and to train prospective employees.

Cooperatives, already credited with breaking the commercial fertilizer monopoly, consolidated their position as a "yardstick" when the Farm Bureau Cooperative Association, Columbus, Ohio, and the Cooperative G.L.F. Exchange, Ithaca, New York, purchased a 100,000-ton fertilizer factory in Baltimore.

Consumers Cooperative Association, North Kansas City, is completing a drive for funds to build the first co-op oil refinery in the U.S. and last year shipped oil to co-ops in France, Scotland, Bulgaria, Estonia, Holland and Canada.

Midland Co-op Wholesale, Minneapolis, launched a program, in cooperation with its affiliated local cooperatives, to establish co-op grocery stores.

Ohio co-ops purchased the site on which their 8-story "co-op skyscraper" stands in downtown Columbus.

On completion of an anticipated $5,000,000,000, Farmers Union Central Exchange, St. Paul, announced a program which will consolidate co-op funds as a first step toward a co-op bank.

A financial declaration of independence was approved by the annual meeting of Consumers Cooperative Association, North Kansas City, which is expected to put the organization on a spot cash basis with its member co-ops; this action plus the formation of a credit pool will eliminate as far as possible dependence on outside capital.

Central Cooperative Wholesale, Superior, wound up its twentieth year by launching one of its most ambitious steps into the field of production by purchasing a feed mill.


The Grange Cooperative Wholesale, Seattle, continued to expand its services and launched the Grange Co-op News as an educational service for local retail cooperatives affiliated with it.

The Pennsylvania Farm Bureau Cooperative Association, Harrisburg, wound up the year with fifteen county co-ops organized and a wholesale volume of $1,250,000. Indiana Farm Bureau co-ops, with a record $6,600,000 business in 1937, entered their second year with co-op life insurance service and their fourth with co-op auto insurance.

The Farm Bureau Mutual Auto Insurance Company, Columbus, jumped from seventh to fifth place among the mutual casualty companies of the country. It started writing insurance in New York State under the sponsorship of Eastern Cooperative Wholesale, Brooklyn, in January and now serves 11 states. At the year's end it reported more than $200,000 policy holder-members and assets near $6,000,000.

The Cooperative Life Insurance Company of America, Columbus, bought by the co-ops and transformed into a cooperative three years ago, reported coverages more than $8,000,000 last year.


Cooperative Distributors, a mail order co-op with headquarters in New York, serving members in various sections of the country, started wholesaling a line of co-op drugs and cosmetics to retail cooperatives.

The Cooperative Book Club, New York, added a wholesale department during the year and is now serving general, school and cooperative libraries and other institutions.

Consumers Cooperatives Association, Amarillo, outpost of the cooperative movement serving retail cooperatives in the panhandle of Texas and in parts of New Mexico and Oklahoma, continued to increase its buying activities. The Cooperative Wholesale, Chicago, youngest co-op grocery wholesale, opened a growing city co-op business.

California cooperatives affiliated with the Cooperative Education Association, Los Angeles, and the Northern California Cooperative Council, Oakland, made plans to extend their joint buying.

Relations with Other Movements

The American Federation of Labor at its annual convention in Houston and the Congress of Industrial Organizations at its first annual congress in Pittsburgh gave cooperatives renewed endorsement.

The Labor and Cooperative Conference held in Dillitonal, Ohio, September 16, 17 and 18 under the sponsorship of the Labor Board of The Cooperative League, drew together 160 representatives of organized labor, farm, credit union and cooperative organizations to discuss the need for increased consumer cooperation.
organization in the ranks of organized labor. The Eastern Cooperative League sponsored a similar conference for New York and vicinity in April which was attended by representatives of 40 unions and an equal number of cooperatives.

The Committee on the Church and Cooperatives of the Federal Council of Churches sponsored Inter-Faith Conferences on Credit Unions and Consumer Cooperation in Columbus, Washington, D.C. and Boston. The National Catholic Rural Life Conference discussed a report of its special Committee on Cooperatives at its 1937 convention. For the first time, invited a representative of the consumers cooperative movement to appear before its 51st annual convention in New York in June, declared: 

"The age of cooperation is with us. Where we find it convenient and valuable not only to ourselves but to our neighbors, we should join in cooperative movements."

Among the visitors from European cooperatives were: Albin Johansson, president, and Axel Gjores, secretary, of Kooperativa Forbundet of Sweden; Prof. Reginald Gosling, of Oxford University, and Walter Batley, member of the board, of the London Cooperative Society, largest retail cooperative in the world; J. M. Davidson and A. Buchanan, members of the board of directors of the Scottish Cooperative Wholesale Society; Mrs. Eleanor Barton, former general secretary of the Cooperative Women's Guild of Great Britain; and Anders Hedberg, secretary for international questions, of Kooperativa Forbundet.

On the Educational Front

Sixty educational directors, publicity men and editors attended the three-day Conference on Cooperative Publicity and Education held at Waukegan, Illinois in June.

Immediately preceding the educational conference the Cooperative Society for Recreational Education held its Third Annual Summer School at Waukegan providing specialized training for those interested in cooperative recreation.

The Eastern, Central and Northern States Cooperative Leagues held very successful summer institutes offering both general and employee education. Eastern Cooperative League reported an increase of 86 per cent in membership last year.

Cooperative Medicine became headline news when the U.S. Department of Justice filed suit against the American Medical Association under the anti-trust laws for its discrimination against the Group Health Association, a medical coop in Washington, D.C. The co-op hospital in Elk City, Okla. completed a successful year with plans to alter its legal structure to enable many more of its patrons to become active members. A health cooperative was launched in Superior, Wisconsin, with the sympathetic support of the Wisconsin Medical Society.

Consumers' Cooperation

New Cooperative Ventures

Three model towns built by the Farm Security Administration, Greenbelt, Maryland; Greenhills, Ohio and Greensdale, Wisconsin have organized all their business enterprises as cooperatives. Consumer Distribution Corporation, New York, founded by the late Edward A. Filene, is providing management service for the co-ops in Greenhills and Greenbelt and is cooperating with Midland Cooperative Wholesale, Minneapolis, which has a management contract for the operation of the enterprises at Greensdale. The first co-op movie theatre in the U.S. opened at Greenbelt in October.

Rochdale Institute completed its first year as a national training school in consumer cooperation in October. Twenty students a term have taken the training course.

Circle Pines Recreation Center, sponsored by the Central States Cooperative League, Chicago, was the scene of a series of ten cooperative institutes running consecutively throughout the summer. Circle Pines is a delightful camp near Hastings, Michigan, built by the WPA and leased to the cooperatives.

The Wisconsin Cooperative Housing Association, Madison, began construction on the first 22 homes in one of the first co-op housing projects since the depression.

Student cooperatives at the Universities of California, Oregon, Washington, Idaho, and Washington State College, organized the Pacic Coast Student League of College Cooperatives which will act as a clearing house of information to assist the organization of other campus co-ops and to help solve mutual co-op problems.

One hundred and eighty-six American educators, ministers and cooperative leaders took part in four tours of Nova Scotia cooperatives and attended the Rural and Industrial Conference which drew together 1,000 farmers, miners, and fishermen from cooperatives in the Maritime provinces.

January, 1939

National Broadcasts in 1938

Nation-wide broadcasts on the cooperative movement during the year included:


Effects of European Cooperatives on Retail Trade," Anders Hedberg, international broadcast by short wave, WITXAL, Boston, September 27.


New Cooperative Publications

By the year's end these new books had been added to a very comprehensive array of cooperative literature:


RECENT COOPERATIVE ARTICLES


The Canadian Hospital, September, 1938, "Co-operation," an editorial.

Commonweal, December 9, 1938, "Co-ops on the Chesapeake"—the Antigonus of the U.S., Harry Sylvester.

Freeman, November, 1938, "Cooperators Prove Their Inadequacy," Milton Finkel. A Georgist attacks the co-ops.

Free America, November, 1938, "Community Hospital," Bertram B. Fowler. The story of Dr. Shadid and the co-op hospital at Elk City, Okla.

October, 1938, "Cooperation: A Means To An End," Bertram B. Fowler. A friendly debate in which Mr. Fowler seems to have the upper hand.

Industrial and Labor Information, November 7, 1938, "Consumers Cooperative Societies in Spain." Based on a pamphlet recently published by the National Federation of Cooperative Societies of Spain.


The Messenger, December 15, 1938, "Holier Than Thou," an editorial based on the editorial of the same name in Consumers Cooperation.


Pathfinder, December 24, 1938, "Co-ops—They Form a Giant Democratic Enterprise,"

Background and current material on the cooperatives.

Political Digest, December, 1938, "Consumers Cooperation," General John Hartnett. The article carries the subtitle, "An American Way Out from Depressions, from Extreme Wealth and Poverty, from the Strain of Competition, and from War."


Protestant Digest, November, 1938, "Fruits of the Cooperative Movement," Elbert M. Parkhurst. The spiritual values of cooperation.


Sunday Mirror, Magazine Section, December 4, 1938, "Experiment in Utopia." Greenhills, Maryland, is one year old—America's "Guinea Pig" town in cooperative economy.


Tide, October 1, 1938, "Co-op Baiting"—the government's venture at Greenhills comes in for some.


NEW COOPERATIVE LITERATURE


"Index of Laws Pertaining to Cooperation," by V. Tereshtenko and research staff, WPA Cooperative Project, 52 pages, mimeographed, free, available from The Cooperative League.

MANAGER WANTED

An expanding Consumers Cooperative in the midwest, gross business for 1938 in excess of $100,000, requires a capable, well-trained manager, with some cooperative experience. Address, with full particulars, XY, Care of Cooperative League, U.S.A., 608 South Dearborn, Chicago, Illinois.
CONGRESS PROCEEDINGS—

Now available at 25c.

Complete reports of the 11th Biennial Congress of The Cooperative League of the U.S.A. are now available. The reports as printed in full in the special November-December issue of Consumers' Cooperation, are invaluable for your permanent records of the cooperative movement and will be in constant use as reference for anyone vitally interested in the progress of the cooperative movement.

Because the proceedings were printed in Consumers' Cooperation they are available at the extremely low price of 25c. per copy, 5 copies for $1.

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Union Insurance Service, 153 Kent Ave., Brooklyn, N. Y.

AFFILIATED REGIONAL COOPERATIVES

Name
Central Cooperative Wholesale
Consumers' Cooperative Association
Cooperative Wholesale, Inc.
Cooperative Book Club
Cooperative Distributors
Cooperative Recreation Service
Cooperative Wholesale, Inc., Eastern Cooperative Wholesale
Farm Bureau Mutual Auto Insurance Co.
Farm Bureau Services
Farmers' Union Central Exchange
Indiana Farm Bureau Cooperative Association
Midland Cooperative Wholesale
National Cooperatives, Inc.
Pacific Supply Cooperative
Pennsylvania Farm Bureau Coop. Ass'n
United Cooperatives, Inc.

Address
Superior, Wisconsin
Amarillo, Texas
N. Kansas City, Mo.
118 E. 28 St., N. Y.
116 E. 16 St., N. Y.
Delaware, Ohio
2304 S. Millard, Chicago
135 Kent Ave., Blyth, Columbia, Ohio
Columbia, Ohio
Lansing, Michigan
St. Paul, Minn.
Seattle, Washington
Indianapolis, Ind.
Chicago, Ill.

Publication
Cooperative Builder
Producers-Consumers
Cooperative Consumer
Readers Observer
Consumers' Defender
The Recreation Kit
E.C.L. Cooperator
Ohio Farm Bureau News
Ohio Farm Bureau News
Michigan Farm News
Farmers' Union Herald
Grange Cooperative News
Hoosier Farmer
Midland Cooperator

Penn. Co-op Review

DISTRICT LEAGUES

Central States Cooperative League
Eastern Cooperative League
Midwest Cooperative League
Western Cooperative League

2304 South Millard Ave., Chicago, Illinois
135 Kent Ave., Brooklyn, N. Y.
153 Kent Ave., Minneapolis, Minnesota
1676 E. 85 Street, Los Angeles, Cal.
372—40th Street, Oakland, Cal.

2000, Superior, Wisconsin

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Consumers' Cooperation Simplified

We are indebted to Arthur W. Baum, author of the article "Consumers Try Cooperation" in the February issue of Country Gentleman, for the following simplified description of a Consumers' Cooperative which he used in his introduction:

"'Now look,' Freckles piped, 'you got a nickel, and I got a nickel. You can git five of them lemon balls with orange stripes for your nickel and I can git five for mine. But the store man'll sell ten of 'em for nine cents, and for the other penny—'

That was as far as he ever got. Pigtailed, although a little slow in her class arithmetic, was pure lightning in front of a glittering candy case. 'We can get two licorish whips,' she finished promptly.

'That's elegant.'

By the miracle of joined purchasing power they had achieved eleven cents worth of living between them—for a dime."

"Learning is not by force. You can't get into a man's brain with a monkey-wrench and change his mind. You can show him the light, from that on he has to take the steps himself."

—Dr. M. M. Coady, Director Extension Department
St. Francis Xavier University
“Economic Democracy is Users’ Ownership” says Murray D. Lincoln

In his annual address as Secretary of the Ohio Farm Bureau Federation, Murray D. Lincoln defined democracy in business as follows:

“My understanding of economic democracy is the ownership and control of economic institutions by the people who use their services.”

“Users’ ownership” is a good phrase. It covers individual ownership of farms and homes. It covers ownership by cooperatively organized consumers and producers of the businesses and banks which they “use.” It covers ownership by the people of the utilities which they “use.” A “users’ owned” world is what cooperators intend to organize.

Did You Get Your Share of the 1938 U. S. Income?

The estimated total income of Americans in 1938 was $64,000,000,000. On the basis of approximately 30,000,000 families this would mean an average of a little over $2,000 per family. In 1929 we produced $3,000 per family, or half as much more. Two questions are pertinent: Why are we satisfied now to produce sixty billion when we once produced ninety billion—How should the national income be divided per family? These questions cannot be dodged. They represent the basic problems of ethics in division of income and efficiency in production.

Ownership of the Good Earth

The Report and Recommendations of the Farm Tenancy Committee of the Iowa State Planning Board, published under this title, contains many challenging statements and statistics which cooperators should read.

Fifty per cent of Iowa farms are now tenant operated; 58% of Iowa farm acreage is tenant operated; 75% of the value of all farms belongs to landlords and over-burdened debtors. On the basis of these cold statistics, the Committee makes these general statements:

“The good earth was never intended . . . to be a source of benefit to the few and a mere means of servile labor to others.”

“Ownership of productive property is essential to economic freedom, hence to political freedom. And we, unhesitatingly state that ownership of land by the family that lives upon it and operates it, is the best way to secure and retain these manifold freedoms and thus achieve permanency for the free, democratic institutions we cherish.”

Under the heading “General Recommendations suggested for Serious Consideration After Careful Study,” we are delighted to note the following:

“The proper application and practice of cooperative credit, consumers’ and producers’ cooperatives, and processing cooperatives might be the very steps needed for Iowa farmers to retain the wealth they produce and thus achieve a state of deserved prosperity and help create a better situation for the whole nation.”

Iowa is on the march to recover ownership of its farms by the farmers when such a report is made by a state-wide committee of 45 members. The implications of the report are that some Iowans are beginning to understand that the only way to recover farm ownership is by the prior recovery of ownership by the people of the businesses and banks of every community through the organization of cooperatives. The Committee might well have substituted the word “are” for “might be” in the above, since Denmark has positively proven that cooperative purchasing, marketing and credit are able to completely eliminate tenancy.

Consumers’ Cooperation

Your real power is in the money you spend. Since all production is ultimately for consumption, your conscious use of your purchasing power will enable you to eventually control production in your own interests.

And Now, Dear Children —

This morning, dear children, you are about to learn the “why and wherefore of our American way of living” through the kindness of your dear friends the National Association of Manufacturers of the United States of America.

“Two kinds of government have developed . . . the first is individualistic, the second collectivistic . . . the American system is individualistic . . . Under the American system we have freedom and equality of opportunity.”

What is your question, Willy? You want to know why in this America of equal opportunity your father cannot get a job? It is because the collective theorists interfere with the practical process of individualism, Willy. Now let me read on.

“The ability of the consumer to buy represents the dynamic force of the system.”

Your question, Lilly? You ask why your mother hasn’t the ability to buy more to eat and wear? Well, I’m sorry, but we cannot talk about such personal matters in school.

Those who like this sample and wish to learn more about “The American Way” and “The American Standard of Living,” etc., etc., can get free copies of eight such booklets beautifully printed and illustrated and full of such economic bank from cover to cover by writing for “You and Industry Series” to 14 West 49th St., New York City. It is surely high time that cooperators in other states offset this propaganda by following the example of Wisconsin, Minnesota and North Dakota and providing for the teaching of the true economic facts to their children.

What Will Happen to Private Dealers as Cooperatives Develop?

This question is often asked at meetings where cooperatives are discussed. The best answer is a counter question, “What is happening to private dealers now?”

The testimony of Dr. Willard L. Thorp of Dun and Bradstreet, before the Monopoly Investigation Committee in Washington, presented the facts in the form of a chart showing that from 1900 to 1938 an average of over 20% of businesses discontinue operations every year. Herman Oliphant, general counsel of the Treasury, who is a member of the Monopoly Committee, commented, “The door to opportunity seems largely an opportunity to fail.”

There’s just one thing which can save dealers from failing and that is for the farmers and workers of America to reorganize the businesses of every community into cooperatives. Then the present dealers can become employees and managers of the cooperatives, if they are cooperatively minded and capable, and save themselves as well as help save their communities. The present economic system only results in the end in busted dealers, tenant farmers and unemployed workers.

When Kagawa of Japan was in America he answered the question with the simple statement, “When the automobile came in, the horse and buggy had to go out.” Dr. J. J. Tompkins of Nova Scotia says in answer to the same question, “The people are not going to continue to starve—they are not going to wait for a few fellows who want to sell them a few shoe strings.”

February, 1939
A Lesson For Cooperatives From Capitalistic Business

A trustee of the Reo Motor Car Company says there are four steps to be taken to put the company back on its feet. They apply equally to cooperatives, whether to get them going or keep them going. They are: efficient management, competent board of directors, stockholders who work together, and adequate finances.

Business and Banking Make and Keep Too Much Profit

Leonard P. Ayres, vice-president of the Cleveland Trust Company says, "If the prospects for profits could be restored to about their old proportions we could produce a national income of 80 billions." Ayres is one of the statisticians of big-business-banking. Yet his reasoning is entirely unsound. It was the excess profits of 15 billions in 1929, when we produced a national income of over 80 billions, which the Brookings Institution report proves was the cause of reducing production. Increased profits cannot restore production—they will prevent it. Only widely distributed purchasing power can increase production. Cooperatives are one of the effective means of distributing purchasing power by the distribution of savings (profits) to every purchaser in the form of patronage returns and interest on shares.

Is This the "American Dream" in an Economic System?

Is an economic system which will produce these results either ethical or efficient? The items are from recent newspaper stories.

Brenda Frazier whose recent "coming-out" party cost the people of America $25,000, is allowed by the court $32,000 a year, or $1,000 a week, for maintenance and support.

The Southern Pecan Shelling Company has petitioned the Wage-Hour Administration for permission to pay laborers 15c. per hour rather than the minimum of 25c.

The United States Chamber of Commerce has concluded that "the government must continue to subsidize farmers."

The Securities and Exchange Commission reports that "insiders" sold their shares in McKesson & Robbins "shortly prior to the suspension of trading on December 6 by the New York Stock Exchange" before the Coster-Musica fraud was uncovered. One of the insiders who sold his stock was later elected president to succeed Coster-Musica.

The Railway Business Association advocates a federal railroad subsidy of between one and two billion dollars. "The association represents the views of companies manufacturing and selling railway equipment."

Export sales of American goods in 1938 exceeded imports by over a billion dollars, the U.S. Department of Commerce reports. European countries still owe us billions of war debts and defaulted bonds. Price, Waterhouse & Co., who "overlooked" millions of factitious crude drug assets in auditing McKesson & Robbins, were paid over $1,000,000 in fees.

$102,015 was spent to see the Louis-Lewis prize fight which was described as the "prime butchery of the pugilistic age" and "one of those magnificent spectacles of brutality that only the prize ring shows."

Draw your own conclusions. Does this kind of economics really represent the "American Way" we want?
surpassing all the expectations of those connected with its foundation. A few figures will indicate its rapid development.

When founded, the bank had a share capital of only about $2,000 and the deposits amounted to only about $100,000. During the first twelve years the share capital of the bank rose to about $800,000 and the reserves to nearly $1,200,000. The deposits rose to about $14,000,000. Every year the bank paid dividends averaging between 12 and 22% to the shareholders, which means the organizations. The cooperatives had the leading positions on the board and had control.

Cooperative Movement Became Financially Independent of Private Banks

The success of the bank as shown by the above mentioned figures rendered the Austrian cooperative movement independent of private banks. The cooperative bank repaid all the loans which the consumer cooperatives had made from the private banks before the foundation of the Cooperative Bank. It accumulated the surplus funds of the credit unions, insofar as they were not utilized within the activities of the credit unions; paid interest to the credit unions and kept their funds liquid. The bank granted credits to the different cooperatives according to banking principles, after investigating the justification of the credits and the possibility of repayment. They stipulated fixed terms for the repayment.

Cooperative Savings Mobilized

In Austria, the consumer cooperatives were allowed by law to accept savings of their members in the different stores. All the savings deposits in the whole country amounted to nearly $8,000,000. It often happened that some of the retail cooperatives received so many savings deposits that a great part of them could not be used within the cooperatives themselves. On the other hand, it was sometimes necessary in other places to borrow, as the funds of the cooperative were not sufficient. Depositors became distrustful of all private banks and brought their savings deposits to the Arbeiter Bank. Though these depositors were not members of cooperatives, it accepted their money, and in this way, without any advertising, the Cooperative Bank received about $1,800,000 additional deposits. To gain the right idea from these figures, it is necessary to mention that the rural population of Austria was only six million people. In time, these depositors became members of their own accord.

Bank Takes Over Installment Credits

Another task of the bank was the separation of installment purchasing from that of cash purchasing in the consumer cooperatives. At that time, it was the custom of the different retail cooperatives to sell merchandise to their members on installment. This mixture of transactions of cash purchases and installment within the cooperatives had disadvantageous consequences. Therefore, the Arbeiter Bank established a special department which was provided with sufficient funds and had the task, after thorough investigation, to grant credits to those of their members who wanted to buy on credit. This special department made loans which enabled members to buy the merchandise desired in the consumer cooperatives on a cash basis.

Thus, in the different cooperatives there were only cash purchasers. The granting of the credits and their collecting was done only by this special department. The bank was able to satisfy the claims of all its depositors 100%, within the period of one year.

Thus a prosperous and most promising cooperative institution became the victim of the political developments in Austria.
WHY POVERTY—HOW PLENTY?

(Editor's Note: The following article and illustrations are reprinted from the November 1938 Monthly Survey of Business of the American Federation of Labor with the approval of William Green, President. We requested permission to reprint this for the reason that it seems to us that it is a clear statistical presentation of our economic diseases of idle factories, idle men and idle money which are producing poverty, and offers suggestions in democratic organization to achieve plenty.)

AMERICAN industry is today coming to grips with a problem which has never been squarely faced. The new industrial revolution which took place with the coming of electric power and highly productive machines has, without our realizing it, shaken the very foundations of our economic order. Industry has never adjusted fundamental work relationships to the power age.

Our present ways of doing business are the heritage of the last century, when American business men were making their fortunes—often large fortunes—by taking over the vast natural resources of a new continent. Farms, mines, oil wells, timberlands, acquired at low cost or no cost, produced richly. Newly built railroads and industrial plants found a ready market, for they sold, not to wage earners, but to those who had made wealth from the abundance of free resources. Business men received, and grew to expect, high rewards for their activity. Wages were paid on the basis of what one man could produce with his physical energy and skills. High powered machinery played little part in the economic picture until the end of the century, mass production industries were virtually unknown.

With the new century has come a new era. Free land is gone; fortunes can no longer be made by taking over natural resources. Nor can industries find a market among the wealthy alone. For the power age has transformed American industry, and mass production dominates our markets. Mass production can live only by mass markets. Yesterday's order is gone forever. Tomorrow's growth must come from mass consuming power.

The captains of industry created mass production, but they could not build up a mass market able to absorb the production of high powered industry plants. Therefore our plant has never been used to capacity, and we have the spectacle of millions on starvation incomes in the midst of a possible plenty. The charts herewith show the failure of American society to act so that our machinery, manpower and credit resources might be used to produce the high living standard possible for every American family.

Idle Factories

The chart shows that even in 1929, our year of highest production, we fell far short of the living standard our industries were equipped to produce for each family. Consumers' goods represented in the chart include not only food, but clothing, homes, automobiles, services such as telephone calls, medical care, and every other family need. The ten baskets, representing what we actually produced for each family in 1929, could have been increased to 13.7 if our industries had operated at capacity, and distributed their product so that all shared justly in the national income. This would have increased the average family wage by 37 per cent. In 1935, when production per family had dropped to only 73 per cent of 1929, capacity production could have doubled family income. By

Consumers' Cooperation

Idle Men

These rough estimates are no idle dream. They are based on careful and exhaustive studies made by competent engineers. They sketch what is approximately possible in our present age of power. But today, a large part of our plant stands idle; American workers are denied the chance to work and produce in private industry. We are wasting manpower as well as machines and keeping the living standard at starvation levels.

Government Regulation

A Part of Forward Program

These credit figures illustrate the increasing part that Government is playing today in American business activities. Government control is here to stay, and working capital have shrunk from $11,500,000,000 in 1929 to $7,100,000,000 in 1937. Banks seem afraid to lend, business to borrow, Government instead is using funds for WPA housing, loans to farmers, and other measures which put money to work creating jobs and stimulating business. Money invested by banks in government securities increased from $3,860,000,000 in 1929 to $12,370,000,000 in 1937.

Government Regulation

A Part of Forward Program

These credit figures illustrate the increasing part that Government is playing today in American business activities. Government control is here to stay, and

1. See Monthly Survey of Business for October 1938.
2. The figures are based on Nat'l Survey of Potential Product Capacity, by Harold Lohn and associates, brought up to date by allowing for increases in productivity and labor force.

1937 production had increased again to 92 per cent of the 1929 volume; but had our industries operated at capacity, the average family could have enjoyed a living standard of 54 per cent above 1929 and 67 per cent above 1937.

Idle Money

Also, we are letting our credit resources lie idle. Although excess reserves of Federal Reserve member banks form a base for credit which permits more lending than in 1929, borrowings by business for
BUSINESS BORROWING

Power production makes regulation essential. For it requires huge concentration of capital, and has enabled powerful groups to set up controls which fix prices so that a free market no longer exists. Thus economic laws cannot operate to prevent undue price increases and exorbitant living costs. Control is inevitable; the question is: Shall it be control by Government in the interest of all, or by powerful groups for their own interest?

Under the New Deal many important controls have already been set up, marking advances in our adjustment to the power age. Thievery on the stock market is being checked; control by anti-union employers over Labor's right to organize has been lessened; we have begun to provide security against seasonal unemployment and old age; other controls also are protecting the interest of working men and women.

These measures are steps forward, but these alone are not enough to lift production to maximum levels. In 1933-6 we fell short of maximum production by 40 per cent, and nine-tenths of our population lived on incomes of less than $3,000 a year. Maximum production rightly distributed means an income of over $4,000 for every family, with higher incomes for those in more responsible positions.

Power Production Wages
By Collective Bargaining

Our American economy can achieve a $4,000 income for every family, but there is no get-rich-quick way of doing this. Nor is there any one panacea that will accomplish it. There are a number of steps which will bring us nearer the goal. We have already embarked on the first step: Trade union organization throughout industry and a steady and rapid increase in wages.

We need to follow this by a new conception of wages: Wages based on producing power with machines. The old conception of wages, based on human skills and energy alone, is totally inadequate. Workers today are not receiving the wages justified by their power to produce. Productivity wages can be established through collective bargaining by (1) raising wages according to increases in productivity in an industry and by (2) some form of partnership wage which shares excess income equitably between management, workers and investors.

Lower Prices, Higher Quality
By Consumers Cooperatives

Secondly, we need to think of ourselves as consumers. The consumer is the key man of the power age. His buying power is the gold mine out of which resources for industrial growth must come. Eight out of every ten consumers derive their buying power from wages or small salaries. Therefore the trade union has a responsibility as spokesman for more than three-quarters of all consumers. As consumers, however, our concern is not only for income, but also for the lowest possible price and the best possible quality in the goods we buy.

Consumers' cooperatives are already performing an essential function in controlling quality and price for farmers and union members. Their growth is a second measure for increasing buying power.

Democratic Plan of Action Needed

Neither of these two measures alone, however, can in the near future break the jam which prevents the free flow of production and consumption. It has been suggested that a thoroughgoing study of the nation's consuming needs, followed by a program under democratic methods to get the necessary goods produced, would give private business an opportunity to raise production rapidly with assurance of reasonable profit. Such a program, developed by a commission composed of representatives of owners, management and labor concerned in production and distribution, consumers and government representatives, and served by technicians, would conserve the interests of all groups and thus make possible sustained mass production with higher standards of living for all.

No large industrial concern would approach a year's work without a plan of action; yet our effort as a nation to produce for our people is haphazard and subject to the whims of millions. The power age has driven European countries to programs for production, and they have adopted fascism or communism.

We need to establish a plan of action under democracy before unending depression drives us to unAmerican methods.

NEED AND METHOD OF TEACHING CONSUMERS' COOPERATION IN SECONDARY SCHOOLS

Carlton John Siegler

(FEBRUARY, 1939)

(EDITOR'S NOTE: The author has written from his experience as a teacher of marketing in the public schools, and has written practical suggestions for teaching consumers' cooperation.

For teachers it offers a pattern which might well be adapted for use in marketing, economics, history, current problems or other courses.

For cooperators it should serve as an inspiration to see to it that the subject is included in the courses of all public and private schools as well as in adult education.)

In a recent survey of consumer education courses given in the secondary schools of the United States it was apparent that consumer educators are apt to emphasize the study of consumers' goods and neglect the study of consumers' cooperatives. While it is important for the consumer to know how to purchase wisely it is equally important to know where to go to buy goods and services.

To be a more intelligent consumer the subject of Marketing should be correlated with the study of consumer goods since the average consumer knows very little about the marketing channel through which her or his goods must travel before they are purchased in a retail store. Therefore the educators have a splendid opportunity to teach the importance of cooperatives in America to consumers. It is with this thought in mind that the following suggestions are made. Such a course as outlined is at the present time...
Parents have become members of co-ops. These phases of retail marketing and merchandising are divided into three separate units to enable the student to better understand the various phases of retail marketing and merchandising. The First Unit of such a course may consist of a study of "The Marketing Functions"; the Second Unit, "Middlemen and Certain Types of Retail Organization"; and the Third Unit, "Consumers' Cooperatives." These three units are suggested in order to conform to the three marking periods which are common in most secondary schools during a one semester course.

### SAMPLE INSTRUCTION SHEET

Each student in the Marketing class will visit ONE Consumers Cooperative and will prepare an oral report of his research. Apply the knowledge you have acquired this semester in your Marketing class as well as from previous courses and answer the following questions in your written report—

1. Give the name, location, and the date of the visit to the cooperative.
2. What is the purpose of the consumers cooperative that you visited?
3. What are some of the reasons for the organization of this cooperative?
4. How is the merchandise priced and displayed in the consumers' cooperative? What suggestions can you make for improving the display?
5. Do you feel that this cooperative is in the proper location for consumers?
6. Has the cooperative proper lighting and equipment to aid consumers in purchasing their goods? What suggestions have you to offer?
7. What methods of advertising would you employ in order to secure additional consumers for this cooperative? Why?
8. What methods of advertising are now being used by the consumers cooperative?
9. First impressions are usually lasting impressions. What would you suggest as a model window display for this cooperative?
10. In your opinion what will be the future of this particular cooperative? Discuss.

### Reporting on Cooperatives

On the first day of the marking period every student should be given a mimeographed sheet with instructions for reports to be made during the marking period. Then every day, at the beginning of the class recitation, a different student reads his report to the other members of the class until all students have recited. As an example, during the third marking period when Consumers' Cooperatives are studied, each student will visit a cooperative and report on his visit to the other members of the class, and class discussion should follow. After being graded, these particular reports are sent to the manager of the consumers cooperative which the student visited with the aim of aiding the consumers in this particular store.

**New York—Seventy-five new cooperatives have opened in the area served by the Eastern Cooperative Wholesale during the last two years. The need for well trained managers has become so pressing that Eastern Cooperative Wholesale is acting as co-sponsor of a course in management training given by Rockefeller Institute.**

**Columbus, Ohio—The Cooperative Life Insurance Company of America showed an increase of 34.9 per cent in new policies during 1938. Policies totaling $6,729,000 were written in the states of Ohio, Pennsylvania, West Virginia, North Carolina, Maryland, Delaware and Vermont which are served by the co-op.**

In sharp contrast to cooperative progress, life insurance production for all companies in the U. S. was approximately $11,800,000,000, a decrease of 20 per cent from the total of the previous year.

**Total insurance in force in the co-op at the close of the year was $24,457,000. Surplus paid out to policy holders was $486,487. Total admitted assets were $2,705,000.**

**Chicago—After months of investigation, the grocery committee of National Co-operatives, Inc., has approved adoption of a uniform label on all CO-OP canned goods. It also approved the use of government grade labeling on commodities where it is available, and discussed a program of joint purchasing which will make available to many of the CCW co-ops showed sales about 5% per cent under its 1937 record volume.**

**Minneapolis—While private profit oil distribution in Minnesota and Wisconsin remained static in 1938, Midland Cooperative Wholesale handled 6,400 railroad tank cars (about 50,000,000 gallons) of petroleum products, an increase of 449 cars or 7.5 per cent over its 1937 record volume.**

**Pre-audit figures showed Midland's dollar volume as $3,650,000, or about 1.5 per cent below the dollar volume for 1937, but prices declined from 10 to 15 per cent during the year.**

**Nine new retail cooperatives joined Midland last year, bringing the membership up to one hundred and eighty affiliated cooperatives. During the year member co-ops completed a building program of more than a quarter of a million dollars.**

**Superior, Wisconsin—Central Cooperative Wholesale reported total sales of $3,045,512 during 1938, a decrease of about 5½ per cent under its 1937 record volume. The decrease in dollar volume was largely due to a fall in price levels. The amount of goods handled will probably show a very slight decline, if any. Total U. S. retail sales dropped 11.6 per cent in 1938. The food group showed an increase of 34.9 per cent while general stores comparable to many of the CCW co-ops showed sales off 10.5 per cent.**

**North Kansas City—Equity Co-op Creameries in North Dakota, South Dakota and Iowa have made arrangements with Consumers Cooperative Association to handle co-op groceries. Grocery departments are expected to serve as the basis for consumer cooperative organization. The Equity creameries operate a fleet of trucks to handle milk and will use them to deliver groceries to the retail units from the cooperative grocery wholesale.**

February, 1939
Madison, Wisc.—Governor Julius P. Heil issued a proclamation designating the week of February 20-24 as “Cooperative Week,” to be observed throughout Wisconsin.

Following the tradition set by Governor LaFollette last year, Governor Heil declared:

“NOW, THEREFORE I, Julius P. Heil, Governor of the State of Wisconsin, do hereby designate the week of February 20-24 inclusive as WISCONSIN COOPERATIVE WEEK and urge all the citizens of the state to avail themselves of the opportunities provided during these five days by special radio programs, newspaper articles, and otherwise, to learn more of the spirit and principle as well as the aims and accomplishments of cooperation.”

Racine, Wisconsin — The second regional conference on “Organized Labor and Consumer Cooperation” will be held in Racine, February 24, 25 and 26. Delegates are expected from cooperatives and labor unions in Minnesota, Wisconsin and Illinois.

Among the featured speakers at the conference will be Henry Ohl, Jr., president of the Wisconsin Federation of Labor (AFL); Jacob Baker, president of the United Federal Workers (CIO); E. R. Bowen, general secretary of The Cooperative League of the USA; Joseph Gilbert, Midland Cooperative Wholesale; Herbert Katz, manager of the Racine Consumers Cooperative; and James Myers, industrial secretary of the Federal Council of Churches.

The Racine co-op, which will be visited by the conference delegates, has just completed its fourth year and reported a volume of $217,000 through its six gas and oil stations, grocery store, butcher shop, coal yard, appliance shop and credit union.

New York — Thirty-two thousand

New York — Music lovers wherever they are or whatever their tastes may be can now buy their records through cooperatives.

A group of record enthusiasts are completing plans for a nation-wide mail order cooperative service which will buy and ship records for its members. The new co-op is being organized under the auspices of the Cooperative Book Club, 118 E. 28th Street, New York City.

Quebec, P. Q., Canada — Laval University has established a Chair of Cooperation in its new School of Social, Political and Economic Sciences. Official announcement of this new educational department declared, “Laval University, ever eager to adapt its lessons to the needs of the day, has decided to accord special attention to Cooperation. . . . This new chair will have as its purpose the spreading not only among our intellectual elect, but also among the masses of the people, the idea of the common effort basis of the Cooperative Movement.”

New York — Rochdale Institute, national training school in Consumer Cooperation, opened its spring term here February 6 with 27 students enrolled for regular courses in cooperative business and education and a special training course in cooperative grocery store management. The students are from 9 states, Canada, Philippine Islands and China.

One-third of the students at this fourth term of the Institute were sent by cooperative societies to get special training. The grocery management course is being given under the joint sponsorship of the Institute and Eastern Cooperative Wholesale.

Indianapolis — Herbert W. Smoots, supervisor of operations of the Ohio Farm Bureau Cooperatives, was selected as manager of United Cooperatives, Inc., at the meeting of the board of directors of the regional cooperative purchasing federation January 9. He succeeds the late V. L. Everson. L. J. Bennett will take over Mr. Smoot’s duties with the Ohio Farm Bureau Cooperatives.

February, 1939
New York City — Sidney Hillman, president of the Amalgamated Clothing Workers of America, was re-elected for a three-year term as a director of the Amalgamated Cooperative Apartments at the annual meeting of the members. Other directors elected were: William T. Spahn, S. Lipshitz and Israel Ostroff. The housing cooperative saved its 600 family members more than $10,000 during the past year.

Chicago — The Cooperative Union, federation of consumer co-ops in "Chi-cagoland," is considering a 60-house cooperative housing project in Hinsdale, a suburb of Chicago. The total cost of the project would be in the neighborhood of $400,000.

BOOK REVIEW


This little book tells the story of the Brighton Society, England, started in 1828. The active person in the development of cooperative education in Brighton and finally in starting the society was William Bryan. The following year Bryan migrated to New York City and resided at 561 Hudson Street. He organized a cooperative society in New York, the first recorded, in 1830. This is the kind of information that is discovered in this fascinating book.

The first Brighton Society failed as was the case with so many of the early British societies. Then came Dr. William King, physician of Brighton. He was the first man to reveal an understanding of cooperation. He was the first person to see how the machine might be owned by the cooperative society, and instead of driving people out of employment, it would shorten the hours of labor and prove a blessing. It was here that Lady Byron, the widow of Lord Byron the poet, Lord of the manor of Rochdale, gave the last thirty years of her life to the cause of cooperation. The Rochdale Pioneers got their best ideas from Brighton.

The story of the Brighton society is good reading. It is a real drama on the economic stage. After its ups and downs, this society now has 50,000 members, and serves much of the countryside of Sussex. Mr. Brown has done a fine service to cooperation in this historical narrative.

—J. P. WARRIANCE

INDEX

The INDEX of CONSUMERS COOPERATION for 1938 is now available and may be secured from The Cooperative League, free of charge.

BOUND COPIES

Bound volumes of CONSUMERS COOPERATION for 1938 are also available. These are $2 a volume and are a valuable addition to your library.

Plays

The Spider Web, a 3 act play, by Ellis Cowling ........................................... 25
The Answer, a 3 act play, by Ellis Cowling ........................................... 20
Two One Act Plays, Ellis Cowling ........................................... 15

Posters

Organic Cooperatives, 20"x20" Green, 5 for $1 ........................................... 20
Cooperative Principles, 19"x25" Blue, 5 for $1 ........................................... 20
Cooperative Ownership, 18"x28" Mulberry, 5 for $1 ........................................... 20

Films

"The Lord Helps Those Who Help Each Other," a new 3 reel, 16 mm. film of the Nova Scotia adult education and cooperative program, produced by the Harmon Foundation. Excellent photography. $4.50 per day, $2.25 additional showings, $13.50 per week.

"Clasping Hands," a 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," a 16 mm. silent, three reel film, with English titles, of cooperative stores, wholesales and factories in France.

"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.

Put Reserves Before Dividends
The Religious Attitude and the Consumer Economy

Dr. Horace M. Kallen

Labor Conditions of Cooperative vs. Private Employees in Sweden

H. Hjalmarsson

Movies For Co-op Education

Wallace J. Campbell

Organized Labor and Cooperative Leaders Meet at Racine

March 1939
Do All the Directors and Officers of Your Cooperative Read Consumers' Cooperation?

Consumers' Cooperation is written for the leaders of America's cooperatives. Not just for presidents and managers of regional federations, but also for educational directors, but for all who assume positions of leadership in retail cooperatives and federations.

Your directors, as the representatives of Mr. and Mrs. Average Consumer, shape the policy and practices of the consumers cooperative movement.

As cooperative leaders it is their right and their responsibility to be up to date on the latest developments in the movement—to have the best information available on "cash vs. credit policy," "building reserves for cooperative stability," "membership education to make cooperation pay," "cooperative banking," and a host of other important questions your co-op director must decide.

You will find it a good investment to see that all of your directors subscribe.

Send subscriptions to:

THE COOPERATIVE LEAGUE,
167 West 12th Street, New York City.

CALENDAR OF COMING EVENTS

Central Cooperative Wholesale, Annual Meeting, Superior, Wisconsin, April 15, 16.


World's Fair Cooperative Center, New York, Grand Opening, May 27.


Cooperative League Publicity and Education Conference, Milltown, Wisconsin, June 22, 23 and 24.

National Cooperative Recreation School, Milltown, Wisconsin, June 25 to July 8.

Trip to Cooperative Europe, sails from New York in the Motorship Batory, July 1. Returns to New York Sept. 3.

Tour of Nova Scotia Cooperatives, begins Antigonish, Nova Scotia, August 21, closing September 2.

THE COOPERATIVE LEAGUE

167 West 12th Street, New York City.

DIVISIONS:

Auditing Bureau, 167 West 12 St., N. Y. C.
Design Service, 167 West 12 St., N. Y. C.
Class Insurance Service, 153 Kent Ave., Brooklyn, N. Y.

AFILIATED REGIONAL COOPERATIVES

Name

Central Cooperative Wholesale
Consumers' Cooperatives Associated
Cooperative Book Club
Cooperative Distributors
Cooperative Recreation Service
Cooperative Wholesale, Inc.
Eastern Cooperative Wholesale
Farm Bureau Cooperative Ass'n
Farm Bureau Mutual Auto Insurance Co.
Farm Bureau Services
Farmers' Union Central Exchange
Grange Cooperative Wholesale
Indiana Farm Bureau Coop. Association
Midland Cooperative Wholesale
National Cooperatives, Inc.
Pacific Supply Cooperative
Pennsylvania Farm Bureau Coop. Ass'n
United Cooperatives, Inc.
Workmen's Mutual Fire Ins. Society

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Superior, Wisconsin
Anahuil, Texas
N. Kansas City, Mo.
118 E. 28 St., N. Y.
116 E. 16 St., N. Y.
Delaware, Ohio
Chicago, Ill.
135 Kent Ave., Brooklyn, N. Y.
Columbus, Ohio
Lansing, Michigan
St. Paul, Minn.
Seattle, Washington
Indianapolis, Ind.
Chicago, Ill.
Walla Walla, Wash.
Harrisburg, Pa.
Indianapolis, Ind.

Publication

Cooperative Builder
The Producer-Consumer
Cooperative Consumer
Consumers Defender
The Recreation Kit
E.C.L. Cooperator
Ohio Farm Bureau News
Michigan Farm News
Farmers' Union Herald
Grange Cooperative News
Hoosier Farmer
Midland Cooperator

AIR AND MAIL PRIVILEGES

Address

2301 South Millard Ave., Chicago, Illinois
135 Kent Ave., Brooklyn, N. Y.
Seaton Building, Minneapolis, Minnesota
1676 E. 83 Street, Los Angeles, Cal.
372—40th Street, Oakland, Cal.
Box 1000, Superior, Wisconsin

DISTRICT LEAGUES

Central States Cooperative League
Eastern Cooperative League
Northern States Cooperative League
California Co-op Education Ass'n
Northern California Co-op Council
National Cooperative Women's Guild

An advertisement of the Central Cooperative Wholesale of Superior, Wisconsin, is headed "The Cooperative Movement is not a 'Friend' of Labor—it is Labor itself." Workers, whether factory, office or farm, need badly to learn that Consumers' Cooperation is just as much their movement as their producers organizations, whether labor unions, professional associations, or marketing cooperatives. While they should organize separately as producers to bargain collectively they must also organize jointly as consumers into cooperative associations to take over ownership and control of industry and finance.

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 St., N. Y. City. E. R. Bowen, Editor, Wallace J. Campbell, Associate Editor. Contributing Editors: Editors of Cooperative Journals and Educational Directors of Regional Cooperative Associations.

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.

"Under-consumption is the euphemism for over-production," truly says the Federated Press.

When cooperative leaders come together today there is much evidence that "The dominant mood is a genuine desire to achieve understanding." This fact is borne out by the friendly discussions and acceptance of democratic majority rule in recent decisions made by representatives of regional cooperative associations relative to the joint purchase of tires, adoption of a uniform label for canned goods and by other similar actions.

The famous Dr. William H. Kilpatrick of Teachers College, Columbia University, expresses the cooperative purpose when he says, "We not only agree with our ancestors in rejecting external political control of the many by the few, but we also wish to abolish the economic control of the many by the few."

An advertisement of the Central Cooperative Wholesale of Superior, Wisconsin, is headed "The Cooperative Movement is not a 'Friend' of Labor—it is Labor itself." Workers, whether factory, office or farm, need badly to learn that Consumers' Cooperation is just as much their movement as their producers organizations, whether labor unions, professional associations, or marketing cooperatives. While they should organize separately as producers to bargain collectively they must also organize jointly as consumers into cooperative associations to take over ownership and control of industry and finance.

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Private dealers should not buy from Co-op Societies, says a four-column headline over a story of the discussion at a meeting of a local Chamber of Trade in England. It surely is an embarrassing position for a dealer to have to be "disloyal" to his organization in order to provide his family with pure food and goods at a low price.

The widespread interest in the Consumers' Cooperative Movement is plainly indicated by the varied and important groups which have recently requested presentation of the subject by the Secretary of the Cooperative League. They have included such a national educational group as the American Economic Association, the national Committee on the Church and Cooperatives of the Federal Council of Churches, a farm group at a State Farmers Week and delegates of labor unions to a Cooperative-Labor Conference. Such widespread interest is of great significance in the further development of Consumers' Cooperation.

One of our copy book maxims which we use to teach our children to learn to write is the expression, "Honesty is the best policy." Apparently it doesn't soak into those of us who become bankers any too well, even though we copy it over and over in school.

The United States Circuit Court of Appeals has recently ruled that there was "no excuse or justification" for the RFC lending $90,000,000 to the "Dawes" bank in Chicago "without adequate security" and that statements signed by two presidents of other large Chicago banks that the loan was fully secured were "arbitrary and untrue" and that both of them knew it. This famous loan will "sink to high heaven" until we make banking a cooperative-public function for the benefit of all, rather than a private function for the profit of a few.

Incidentally to whom are we to point as proof of what we teach our children when we find such examples in high places?

Bertram Fowler says we are becoming "a rootless people," which is another way of saying we are becoming a nation of tenants and servants. Only ownership of homes and shares in cooperative distribution, production and financial institutions will ever sink our economic "roots" deep enough into the natural resources in the soil of America to eliminate poverty and achieve plenty for all.

"Consumers Cooperation is a Vision Incarnated in a Business"

We are highly indebted to Dr. Horace M. Kallen for again phrasing the ideals of the Consumers' Cooperative Movement in striking sentences in the article printed in this issue of Consumers Cooperation. Ideals are handles to hold on to in the struggles of everyday life. It will help each member to constantly remember that "Consumers' Cooperation is a business illumined by a vision, a vision incarnated in a business," as he graphically describes the Movement. It will help each employee in whatever work he or she is doing, whether wrapping groceries or filling gas tanks or typewriting, to recall that "the consumer ideal can coexist and transform the most prosaic and material item of economic behavior into a spiritual event." It is a personal challenge to us all to a greater self-analysis when Dr. Kallen declares that "Cooperation can grow certainly only as human beings themselves grow, moment by moment, step by step." These and other words of wisdom from one of America's greatest philosophers will be found in his complete article on later pages in this issue.

Consumers' Cooperation

The greatest danger to democracy in America is not in "external enemies," says Dr. Harry Emerson Fosdick, famous radio preacher, but in "the inequalities among our own people." Cooperators know this to be a fact and are hard at work building the only democratic remedy for our economic inequalities.

Five hundred uniformed honor cadets in Chicago heard Major General Stanley Ford's eulogy that the R.O.T.C. "constitutes today the hope and faith of our country." How much different are we in America from the dictators who raise their boys to be soldiers? Fathers of every country train their children to fight against one another. If wars are to be fought, why shouldn't the fathers be men enough to fight their own battles instead of forcing their sons to be bloody sacrifices for them?

Not This Kind of "Co-op"

A newspaper story of the recent National Farm Institute, sponsored by the Des Moines, Iowa, Chamber of Commerce, is headed "U.S. Found Needing Coop: Labor, Farm and Factory." We solemnly warn labor and farmers to stop, look and listen or they will find themselves swallowed up more than ever by this kind of "Cooperation." The word "Factory" as used in the heading was represented in the Institute by officials of the National Association of Manufacturers and of the U.S. Chamber of Commerce. Representatives of these organizations necessarily are primarily interested in increasing "private-profits," which means raising prices to labor and farmers on what they buy and lowering the pay to labor for what they sell and to farmers for their products. There can be no such thing as true Cooperation until labor and farmers own the factories as consumers. Then labor and farmers as producers can really cooperate with themselves as consumer-owners.

Put Reserves Before Dividends!

A report of the annual meeting of a European cooperative society says, "The sound policy of putting reserves before dividends has been maintained." Would that this policy had been adopted and maintained by every American cooperative! Dividends have bled many an American cooperative white. What cooperatives need is the red-blood of reserves. It's all a question of immediate vs. future results. It's a few dollars to each member in dividends for immediate needs vs. accumulating the savings of all the members in reserves toward the earlier ownership of an increasing number of facilities. All the earnings of a cooperative are what might be called "velvet" to the members. They are what a private owner would get if the members traded with him. If the members trade with themselves they simply save what they would otherwise have to pay out. It is a question whether it would not have been better if the Rochdale Pioneers had not invented the device of patronage dividend but had started the Cooperative Movement on the policy of using all the savings which resulted from group buying as reserves or capital to invest in facilities to serve additional needs of the members and to build up an impregnable financial strength in the movement so as to be able to lower the general price level and thus distribute purchasing power more widely among all the people and eliminate poverty, unemployment and tenancy at an earlier date. The whole problem of dividends vs. reserves is a question of immediate small benefits for each member individually in patronage returns vs. future larger benefits for all in cooperative ownership. We urge that "ownership" be stressed more than "dividends" in soliciting new members and that more savings of cooperatives be voted to reserves or capital rather than to cash patronage returns.

March, 1939
Labor Conditions of Cooperative vs. Private Employees in Sweden

At the end of the year 1937 the number of persons employed in the Consumer Cooperative Movement in Sweden was 23,904. This number can be divided into the following main groups:

a. Kooperativa Forbundet
   1. Office workers .......... 1,037
   2. Warehouse and factory workers .... 5,306
   3. Shop workers .......... 651
   a. Local Cooperative Societies
   1. Shop workers .......... 14,798
   2. Productive workers ...... 5,306
   3. Shop workers .......... 651
   Total ............. 23,904

Cooperative Labor Agreements Cover Nearly All Employees

By far the largest part of the cooperative employees in Sweden are members of the trade unions connected with their respective branches of work. Their wages and other conditions of employment are therefore in general determined and regulated by collective agreements, i.e., contracts entered into by the employers on one side and the trade union on behalf of its members, on the other. With respect to Kooperativa Forbundet, the combined Cooperative Union and Wholesale Society of Sweden, all employees with the exception of officials are included under the regulations of collective agreements. The employment benefits stipulated by the collective agreements—other than wages—are, however, also applied for officials. About 95 per cent of the employees of consumer cooperative societies affiliated with K.F. are members of appropriate trade unions. Those societies which have not established collective agreements with their employees are entirely small societies with very small staffs, and, furthermore, events show that such societies are becoming fewer and fewer. The general managers of societies and, in the larger societies, certain departmental managers, are in general not members of trade unions.

Any account of the labor conditions of cooperative employees in Sweden must therefore be most nearly a survey of the contents and regulations of current collective agreements.

More Favorable Employment Conditions in K.F.

If office workers are left out of account for the moment, there are no great difficulties in making direct comparisons between the labor conditions in K.F. and corresponding private enterprises. In the spheres of activity where K.F. employs the largest number of its workers, i.e., in warehouses and industrial establishments, labor conditions are also generally regulated through collective agreements in private enterprise. Comparisons with respect to the latter group of workers indicate that employees in the cooperative undertakings have generally a much more favorable position than in private enterprise, as regards both wages and conditions of employment. The conditions naturally vary between the various branches of activity, with respect partly to prevailing practice in certain spheres of work and partly to the different circumstances under which the different undertakings work.

The ordinary working hours are 48 hours a week with one exception where shorter hours are applied. For the greater part of these employee categories a 48-hour week is established by law, and is thus applied also for workers employed in private enterprises of the same kind.

As regards holidays, a considerable difference has hitherto been noticeable between cooperative and private enterprise. Thus an annual holiday of 12 days with full pay has been applied throughout for the cooperative employees whilst those in private service have generally had only 5 to 6 days annual holiday. Through the passing of a new law on holidays by the Swedish Parliament this difference will, however, be levelled out after 1940, when all workers will become legally entitled to an annual holiday of 12 days with pay.

The regulations concerning pay during illness vary considerably between the different spheres of work. In a number of cases, K.F. pays 50 to 60 per cent of the employee's dues for sickness insurance, corresponding to a certain daily sickness allowance, e.g., 3 kronor per day. In other cases a certain proportion of the ordinary wages is paid out for a certain period per year. For instance, K.F.'s margarine factory pays workers who have been employed there for 5 years two-thirds of their wages during a period of 6 months.

With respect to K.F.'s office staffs it is scarcely possible to make comparisons between current collective agreements in the cooperative and private forms of business, as office workers in private enterprise are in general not organized in trade unions. If comparisons are based upon investigations which have been made, however, it will be found that K.F.'s office staffs work under incomparably more favorable circumstances than those usually obtaining in similar private undertakings. The hours of work are, according to the collective agreements, 48 per week, but in actual practice they are about 5 hours less. Those who have been employed for a shorter period than 5 years received 12 days annual holiday with full pay. Those with a longer period of employment receive 3 weeks' holiday with full pay every year. The highest stipulated sickness allowance is obtained after 7 years' employment; it consists of one month's full wages and three-fourths wages for a period of nine months. In addition the employees are provided with medical attention gratis.

On the whole, K.F. and the trade unions in which its workers are organized have collaborated well together. Certain dissensions and differences have, nevertheless, been unavoidable, principally when efforts have been made from the workers' side to secure conditions which have diverged too greatly from those applying to workers in enterprises competing with K.F. In one or two instances differences have led to open labor conflicts, of which the most serious was the strike at the Gislaved rubber factory in 1933.

Only Cooperative Retail Employees Organized

In general, business workers in Sweden are not organized in trade unions with the exception of workers in the Cooperative Movement. Those private enterprises with organized staffs are so few that they lack all practical importance. It may also be claimed that the conditions of employment for persons employed in the private trade leave much to be desired, not only as regards wages but also as regards hours of work and security in employment.

Collective agreements are established with each cooperative society separately, and their contents and stipulated benefits thus display great variations. It can, however, be perceived that the general regulations in the agreements have, in the main, come to be shaped similarly during latter years, principally on account of the labor advice service provided by K.F. At present K.F. employs two labor advisers, who are placed at the disposal of the societies without charge to assist them in arranging collective agreements. The societies also make use of this service to a large extent. During recent years about 90 per cent of the collective agreements concluded with consumer cooperative societies in Sweden have been arranged with the collaboration of one of K.F.'s labor advisers.

The idea of a national agreement has in a strict sense never been seriously discussed, even though it has occasionally loomed in discussions of associated questions. From several points of view, however, there would appear to be insoluble difficulties to achieve a national agreement.

Consumers' Cooperation

March, 1939

H. Hjalmarsson, Labor Adviser, Kooperativa Forbundet
Wage conditions for shop managers and shop assistants are evolved according to two different principles. The wages of shop managers are related to the employee’s age and experience, while those of shop assistants are related to the employee’s age and time of service. The wages are fixed scales based on the size of the shop and the employee’s performance. The wages for shop assistants are usually equal to 65% of the employee’s wage and are thus set aside. These reserves were originally equal for all employees, irrespective of age. Since then, however, the allocations have been increased, so that employees under the age of 35 still subscribe 5% of their wages, while those between the ages of 35 and 40 subscribe 45% and those over 40 subscribe 5%. The total allocations thus equal 6, 8, and 10% of the wages respectively. The reserves are placed in K.F.'s Savings Bank. These accounts are blocked and the capital credited to them can only in certain exceptional cases be used for other purposes than to assist in maintaining the employees in their old age.

**Employee Pensions in Cooperatives**

Earnest efforts have been made for several years in the Swedish Cooperative Movement to solve the problem of employee’s pensions. The matter was brought up at the 1937 Congress, when a committee was appointed to work out for submission to the 1939 Congress proposals for a solution to the question. As a provisional measure until the problem has been finally settled, both K.F. and the local consumer cooperative societies have established “Three per cent funds.” The name is derived from the method employed: the employees allocate 3% of their wages and the society advances an equal amount. Altogether a sum equal to 65% of the employee’s wage is thus set aside. These reserves were originally equal for all employees, irrespective of age. Subsequently, however, the allocations have been increased, so that employees under the age of 35 still subscribe 5% of their wages, while those between the ages of 35 and 40 subscribe 45% and those over 40 subscribe 5%. The total allocations thus equal 6, 8, and 10% of the wages respectively. The reserved sums are placed in a personal account for each employee, usually in K.F.’s Savings Bank. These accounts are blocked and the capital credited to them can only in certain exceptional cases be used for other purposes than to assist in maintaining the employees in their old age.

**Consumer Cooperatives and Labor Union Conciliation Committee**

For the purpose of contributing to the settlement of disputes concerning collective labor agreements in the Cooperative Movement without stoppages of work, an agreement has been reached between K.F. on the one side and the Federation of Swedish Trade Unions on the other to maintain a conciliation committee. This committee was established in 1926 and consists of six members of whom three are appointed by K.F. and three by the Trade Union Federation. The agreement implies that no stoppage of work of any kind may take place before the dispute has been brought before the conciliation committee and before the committee has taken all measures it considers possible to solve the question by peaceful means.

**Consumers’ Cooperation**

Men have long known that the Kingdom of Heaven or City of God is not a place in the cosmos but a dream of the heart of man. This, however, has made its significance in the history of civilization all the greater. I know of no system of religion, ancient or modern, which has not employed some conception of a City of God where with to measure and judge the City of the World, and I find that churches and sects may very profitably be distinguished from one another according to the use they make of the idea of the City of God in their own struggles for survival and expansion.

Tradition and custom define the City of God as the polar opposite of the City of the World. The City of God is good, the City of the World is evil; we are sinners by nature, our lives are a burden of labor and sorrow, and our salvation must be a repentance transforming our nature and a turning away from the earthly life which is its condition. Thus devotion to the City of God can be accomplished only by spurning the City of the World; there can be no victory for the spirit save as an overcoming of the flesh, whose mortification alone can bring life everlasting; to be alive to eternity we must be dead to the world. So, from the earliest beginnings to this day, men of God argued, however they lived, and were believed.

Their way of delineating the relation of the City of God to the City of the World is now more eccentric than customary. Three hundred years of infiltration from the steadily growing sciences of nature and man has made the Western world so transformed our notions regarding the relation of the City of the World to the City of God. At least in Protestant circles, the two are no longer treated as antagonists. Rather is the City of God regarded as the terminus ad quem of the City of the World. If the City of God is fulfill-

**Dr. Horace M. Kallen**

**Decline of the “City of God”**

In their beginnings all religions tend to set forth the relation of the City of God to the City of the World after the analogy of the relation of the early days of a man’s life to his later days, since the present is but the living past, living because centered on a present situation which it permeates and is permeated by. When new religions arise, they come first as plans of action which shall overcome actual evils and thereby open to the users of the plan a life more abundant. The intent of each new religion is consummatory; most so, indeed, when it presents itself as a scheme of salvation whereby men may be saved to “enjoy God forever.” It defines, it gives a local habitation and a name to an ideal of good which enfolds both the satisfaction of unsatisfied desires and the shape of the means to this satisfaction. But if the new religion survives and grows, it becomes embodied in institutions, it acquires property, it seeks alliances. Its interests transfer from the salvational rule of life to the reassuring conservation of power and property. Seeking alliances and declaring enmities in accord with these new interests, it becomes a complex of spiritual contradictions and material compromises. Soon its role is to be the apologist in God’s name of those new brethren, sharing their judgments and attitudes, and entering into an organic relation with their establishments. Thus it becomes a bulwark of the status quo and a perpetrator of the very evils it was at first intention designed to abolish.

Such is the history of the different sects and parties composing the religions of the world.
world. The elder ones turn aside from
their vocation, and this turning aside makes place for new sects and parties to
come to birth. These, in their turn, renew
the challenge to present forms of ancient
heaven.

These resurgent challenges carry at their
hearts a repudiation of the pretensions to
religion of the older religious establish-
ments. More often than not, the new
faiths reject and denounce the old as
enemies of the City of God and the King-
don of Heaven. A leader among the chal-
engers of our day is communism; and in
fascism and Nazism it does not lack emu-
lators worthy of itself. I
principle communism evinces all the char-
acteristic differentia of a salvational re-
ligion. I
condition, a class war whose battles make
is foredoomed to destruction. It promises
that this destruction shall be followed by
the establishment of a new heaven and
a new earth, a City of God formed in the
shape of a classless society wherein men
live happily ever after. It argues and pro-
poses a method of salvation which it calls
"the revolution" and "the dictatorship of the
proletariat." It proposes them as the ineluctable preliminaries to the attain-
ment of the classless Kingdom of Heaven.
It denounces all its competitors and rivals
as the enemies of this Kingdom of Heav-
en. Is not religion, as Marx said, "the
opiate of the people?" Did not Lenin
write that it "teaches those who toil in
poverty all their lives to be resigned and
patient in this world and consoles them
with the hope of reward in heaven?"

To establish and maintain this growing
and enduring liberty of the spirit, religion
must forego Utopianism. It must disad-
gard the age-old notion that the City of
God and the City of the World are for-
ever antagonists at war. It must treat the
world of our daily lives as something that
grows into the world of our aspirations
naturally, without prejudice of cataclysm or
disaster, without break or discontinuity.
As the man is to the child, concession
and not inversion, so, it must recognize, is
the City of God to the City of the World.

THE SOCIAL FRONTIER, D

A Frontier Faith

This spirit can live only if nothing is
permitted to divide the City of God and
the City of the World, only if the one
should pass into the other like the tones
of a tune or the years of a life, with
nothing changed in the nature of either,
nor in the qualities of the human beings
in whose existence and story both are
stages. Living religion is and remains for-
ever pioneering religion, forever pushing
forward the frontiers of the spirit toward
that freedom to choose among alternatives
of which abundance, spiritual and ma-
terial, is the condition and ground. It may
not be bound to vested interests—whether
of the spirit or of the flesh. It must reject
both subjections. This is what the Pur-
itans had in mind when they declared that
"rebellion to tyrants is obedience to God."

A Consumer's Creed

Now, men of religion who observe and
analyze conflicting programs of social
change which should reshape the City of
the World of our experience into the City
of God of our hopes, claim that there is
one which has traits capable of meeting
these conditions. This is the consumers' cooperatives political movement. Postulated on
the primary of the consumer, consumer co-
operation seeks an economy of abundance
by means which do not contradict, but
confirm its ends; its going and its goal are
one and the same. Any group of men and
women associating together on Rochdale
principles can bring them into action,
joining their efforts with others as they
go. They need not wait for revolutions or
dictatorships, for totalitarian transforma-
tions, or personal changes of heart. The
cooperative action is here and now; and
the difference between the City of the
World, of Heaven and Now and the City
of God of the World to Come is quantita-
tive, not qualitative. Hence the consumer
ideal can consecrate and transform the
most prosaic and material item of eco-
nomic behavior into a spiritual event. Its
technique is such as to identify private in-
terest with public advantage. Its rule of
mixture, and not of exclusion; and its
open. All individuals of all classes and
nations and races and faiths come together
in it, each strong with the strength of all,
all strong with the strength of each. Thus
the existence and record of the Interna-
tional Cooperative Alliance is a measure
of all religions with their particularisms,
their exclusions, and their warfares. It is a
step in the practical organization of the
brotherhood of man which Utopian re-
ligions, whether of God, of the State, of
the Race, or of the Class, only pretend to.

But this Alliance, and each of the co-
operative societies of which it is confed-
erated, has been born, and lives, and
ought to contain the cooperatives' inward-
ness with its own quality. It endangers
them by overstatement, by separating
hopes from deeds, ideals from conduct,
technology from vision. Cooperation can
grow certainly only as human beings
themselves grow, moment by moment,
step by step. The past generates and
molds the figure of the present; and the
bifurcation of professions and practices
which is the curse of Utopianism, when
joined to the uselessness of the quality
and trends of the present moment, can
defeat the purpose which gives form to the
future of this moment. The religious spirit
must be an exceedingly realistic as well as
a gay and gallant spirit. It must be alert
with that eternal vigilance which is the
price of competency no less than of lib-
erty. It must ever emulate the servant who
was made ruler over many things because
he was faithful in few. The fact is that
consumers' cooperation is a business il-
luminated by a vision, a vision imbedded
in a business, as a project and growing,
concern. If it succeeds, it succeeds only as
it performs the same task better than its
rivals; if it fails, it fails by performance
and not by profession. It must live and
work for fighting weight. This is a hard
thing for the religionist, for men of re-
ligion are by tradition expected to be full
of faith and of speculation, and not of
action; and all too often they are so intoxicated
by their expectations as to be rendered
incapable of realizing them in the soil
and sense which alone can give them the
body of life. Utopians by first intention,
their Utopianism defeats them. To be vic-
torious, they must give up Utopianism
and seek to shape the City of God out of
the materials of the City of the World.
For this, it may be the fact that the con-
sumers' cooperative movement provides
sufficiently both goal and method. But
the goal is a plan and the method is a
procedure, and unless both are disciplined
to the reality they are designed to change,
they culminate in a way of talking rather
than a way of living.

(Reprinted by courtesy of
THE SOCIAL FRONTIER, December, 1938)
The average American would rather pay to see a poor movie than be paid to hear a good lecture.

This fact was brought home very pointedly about a year ago when Anders Hedberg, the famous Swedish cooperator, made a speaking tour of the United States. Mr. Hedberg is a most interesting and effective lecturer, so the fault was not his. During the tour he spoke in a number of towns where the predominant Swedish population should have turned out to hear him, both as an important figure in Swedish life and as a spokesman for the cooperatives. But even with good advance publicity, only a dozen to forty people came to hear him in some of these towns. Two weeks later a fieldman for Midland Cooperative Wholesale went through the territory with a projection machine and a couple of moving pictures. Hundreds of people turned out for the movies in these same towns.

Our Story Has Not Been Told

Here is a very pointed need. But we do not have a motion picture of the cooperative movement in the U.S.A. to meet it. We have very little visual education material of any kind to tell the story in pictures that people are waiting to see and hear.

Private interests are spending millions of dollars each year for documentary films to tell the story of profit business; millions of school children, church people and the general public are “eating it up,” just because it’s in free movies. The undemocratic “isms” are putting their story across in pictures. But our story, the most democratic and most hopeful of all, remains untold.

Sweden and England

Pioneer in Co-op Movies

Swedish cooperatives for many years have used motion pictures to tell interesting consumers about the cooperative way of doing business. Kooperativa Förbundet usually schedules production of one feature length picture and a number of shorter movies each year. Axel Gjess, former secretary of K.F., said when he was here last year that the use of motion pictures has become one of the most reliable methods of cooperative education.

To supplement general pictures about the movement and cooperative products, the Swedish cooperatives make and use films for the training of cooperative employees. For it is easier to bring to a student pictures of situations and methods of handling distribution problems which have been developed in many parts of the country than it is to present effectively these ingredients of education in any other way.

In England the cooperative movement has gone into motion picture production in a big way. The Cooperative Wholesale Society, the Cooperative Union, the Cooperative Party and many of the larger retail cooperatives have their own motion picture production and film libraries. CWS has specialty films describing cooperatively produced goods from CWS soap to co-op radios. A colored movie was taken of the Wembley Pageant presented by the cooperative movement on Cooperative Day last year. Four retail cooperative societies in the city of London have launched a joint moving picture production campaign and their first production, ADVANCE DEMOCRACY, is receiving splendid notices throughout England.

Most pretentious are the plans now under way for a series of musical comedies in sound movies to be used to promote the public interest in the cooperative movement. Plans for the Rochdale Centennial in 1944 include the production of a feature length movie in which Grace Fields, highest paid English motion picture star, is being asked to play the leading role.

During the course of their experimentation with inexpensive motion picture production, the local cooperatives in England have made a number of discoveries which have hastened the perfection of 16 mm. motion picture equipment.

A Growing Demand in America

In the last few years the American movement has felt an increasing demand for moving pictures for use in cooperative education. Movies of “Cooperative Europe” taken by members of the parties of American cooperators who visited the European cooperatives four and five years ago are in demand even today.

A three-reel movie of a “Trip to Cooperative Nova Scotia” was produced through the joint efforts of three motion picture enthusiasts who took their cameras along on the first Nova Scotia tour. To be most effective, that movie needed an accompanying lecture by someone who had been on the tour. It had that “talking” feature for hundreds of showings.

About twenty-six prints of the movie were distributed to members of the tour party, cooperative societies and churches. Audiences conservatively estimated at well over a hundred thousand heard the story of the Maritime Miracle, and as a result the number of people who took the tour jumped from 81 in 1937 to 188 the following year.

Since the first “Trip to Cooperative Europe” was shot, supplementary material has been taken by many American visitors. Dr. Albert Allinger shot three reels in color of the co-ops on the Baltic. Wilfred Husband, professional lecturer, took a moving picture sequence on the Swedish cooperatives. Both lecturers have been crowded for lecture and movie dates because their movie-lectures had both eye and ear appeal.

The Cooperative League has imported a moving picture, “THE LORD HELPS THOSE . . . Who Help Each Other.” This is the dramatic story of the miners, farmers and fishermen of Eastern Nova Scotia and Cape Breton Island who have lifted themselves out of dire poverty and psychological despair through adult education and cooperative organization. The film is a three-reel, 16 mm., silent production, notable for its complete description of the study circle method, the organization of cooperatives and credit unions, and for its deft reflection of the character of the people.

A number of the regional cooperative associations in the mid-western and northern states have been building up film libraries of rather limited proportions containing available movies of European, Nova Scotian and local movies.

Space does not permit mention of all the movies of local co-ops which have been produced. In each instance the results have been important enough for the cooperative to feel that they have found one road to popular visual education.

As a movement, however, we must confess that our efforts in this field have been far from perfection. Those closest to the production and distribution of these films have been most ready to point to these shortcomings and to suggest the need for concerted national effort to produce visual education material in the motion picture field which will stand up against the best available from outside sources.

Putting the Maritime Miracle in the Movies

The Harmon Foundation, in cooperation with the Cooperative League and St. Francis Xavier University, has recently produced a moving picture, “THE LORD HELPS THOSE . . . Who Help Each Other.” This is the dramatic story of the miners, farmers and fishermen of Eastern Nova Scotia and Cape Breton Island who have lifted themselves out of dire poverty and psychological despair through adult education and cooperative organization. The film is a three-reel, 16 mm., silent production, notable for its complete description of the study circle method, the organization of cooperatives and credit unions, and for its deft reflection of the character of the people.

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Reaching Masses of People

The size of the ultimate audience for the story of the cooperatives told in moving pictures will vary with the excellence of the material we produce.

If the European co-op movies have reached tens of thousands and the "Trip to Cooperative Nova Scotia" was shown to well over a hundred thousand, the new Nova Scotia film, "THE LORD HELPS THOSE... Who Help Each Other" will reach more than a million because of the excellence of its story and its photography. Twenty prints are already in use and from the response today, one hundred prints will be in constant use before the year is over. If each print is shown only five times a month to a hundred at a time the picture will reach 600,000 its first year. This has been done at a maximum cost of $1,500 for production and $200 for prints. The sale of prints and rentals will repay the entire investment.

Chances, schools and cooperative audiences are clamoring to see the story of cooperation told in motion pictures. Helen Topping has taken a copy of the film to Australia to show to audiences there. A candidate for parliament in British Columbia is planning to use the film in his campaign. University extension divisions in Texas and Quebec are using the film and the Wheat Pools in Western Canada are buying copies.

One-Fifth of a Cent Apiece

It costs money to make movies—especially good movies. But if 1,000,000 people are told the dramatic story of cooperation through a $10,000 film the cost per person is cheaper than any but the simplest leaflet—and more effective! If five million people eventually see a film of the American cooperatives, and that is not beyond the realm of probability, the cost is only a fifth of a cent apiece.

If any one cooperative undertook the job it might be prohibitive. Tackled cooperatively on a national scale, the job can easily be done.

THE LORD HELPS THOSE—WHO HELP EACH OTHER

A Motion Picture of the Nova Scotia Cooperatives, produced by the Harmon Foundation, 16 mm., three reels.

Those who are familiar with the development of the adult education and cooperative program in Nova Scotia under the direction of the Extension Department of St. Francis Xavier University realize the drama inherent in that development. Sunk in poverty and faced with despair the fishermen, miners and farmers in the Maritime provinces have wrought a modern economic miracle. Relative prosperity and security have been brought about through a program of study clubs, credit unions and cooperative purchasing and production. It is a story packed with human drama and thrilling accomplishments. The Harmon Foundation has successfully captured this drama in their new film, "The Lord Helps Those Who Help Each Other."

Starting with scenes of the destruction of these people, the film traces the pioneer work of Dr. J. J. Tompkins, Dr. M. M. Coady and others on the Extension staff. The best scenes in the film are those of the study clubs—small groups and larger meetings. Close-ups of individuals at these meetings are excellent. The film does a great deal to visualize one of the intangible "planks" of the Antigonish program—"faith in the people." Out of the study clubs the film traces the growth of the credit unions—the foundation of cooperative development. As the people start other cooperative enterprises—fish plants, lobster factories, stores, handicraft projects, housing—there is a real feeling of accomplishment.

The film is strengthened by graphic illustrations of cooperative principles. The photography is excellent—the character studies of various types of people adding a great deal of interest to the film. As a result the film is thrilling as well as instructive. The Harmon Foundation has utilized effectively the dramatic elements of a group of people awakening to the possibilities of self-help.

E. Edwards

March, 1939
COOPERATIVES ON THE MARCH

Organized Labor and Cooperative Leaders Meet at Racine

Racine, Wisc.—Representatives of both the A. F. of L. and the C.I.O. got together on common ground as consumers at the Second Institute on Organized Labor and Consumers Cooperation, sponsored by the Cooperative League at Racine, Wisconsin, February 24-26. Headlining the significant panel of speakers were Henry Ohl, Jr., President of the Wisconsin Federation of Labor, and Jacob Baker, President of the United Federal Workers of America.

"Wisconsin organized labor advocates the development of Consumers' Cooperatives," said Ohl, "so the people may enjoy the means to live without being compelled to pay tribute to some non-contributor at every point in the struggle for existence.

Based on first-hand study as Chairman of the Inquiry on Cooperatives in Europe, Baker declared that in addition to organizing labor unions and farm marketing cooperatives, the most hopeful way out of the economic dilemma is to also organize consumers cooperatives to reduce costs and improve quality. He also emphasized that while an enormous further growth of labor unions and farm marketing cooperatives is needed there will be eventually an almost self-limiting situation in the labor movement unless alongside it workers develop a consumers cooperative movement.

A striking piece of history was brought to light by Chris Jorgensen, President of the Racine Trades and Labor Council and active member of the Racine Consumers Cooperative, who read from the preamble to the constitution the statement that the purposes of the organizers of the Trades and Labor Council were "to assist in the formation of labor organizations . . . to assist in the formation of cooperatives societies." Concluding the opening night program, Gunnar Mikkelson, Director of Consumers' Cooperation

more effective cooperation between these groups.

New York—Cooperative Distributors, national mail-order consumers cooperatives, showed a net gain of $2,528 for the fiscal year ending January 31, 1939. The business volume for the year was $93,760. Under the direction of Olga Hourwich, who became General Manager late in 1937, the organization has moved into the black during a period of business recession.

Cooperative Distributors serves more than 200 cooperatives affiliated with the central office and over 3,000 individuals living in every state in the Union and in foreign countries including the Belgian Congo, Czechoslovakia, Syria, Transylvania, Guatemala, Japan, China and Denmark.

In addition to doing a mail-order business, Cooperative Distributors operates a retail store in New York City, and also wholesales drugs and cosmetics to cooperative stores throughout the nation.

Columbus, Ohio—The Farm Bureau Cooperative Association, central office serving 82 county-wide cooperatives in the state of Ohio, reported a total business of $6,856,932 for 1938 at its annual meeting here last week. The cooperatives affiliated with the central organization are operating 51 petroleum bulk plants in the state and handle in addition to petroleum products, paint, electrical appliances, tires, commercial fertilizer and farm machinery.

Brooklyn, N.Y.—The Eastern Cooperative Wholesale completed another record year in 1938 when its sales volume jumped to $717,000, 34.5 per cent ahead of its total business for 1937. ECW is basing its operating costs on an anticipated sales volume of $1,000,000 during 1939 and is already ahead of the monthly-month sales into which the year's quota has been broken down.

A patronage refund of 1 per cent on total sales during 1938 will be paid to more than 200 consumer cooperative stores and buying clubs in 18 states and Puerto Rico. The refund will be applied to the purchase of shares in the wholesale. Because of increased economies ECW has already reduced prices on 60 items since the first of the year.

The co-op wholesale has just purchased a new 12-ton trailer truck which will make special runs to cooperative stores in the Washington, D.C., Springfield, Mass., and Harrisburg, Penn. areas.

Minneapolis, Minn.—Representatives of the recreation and publicity and education committees of The Cooperative League of the USA announced this week that the National Cooperative Recreation School and the Cooperative Publicity and Education Conference will be held in the little town of Milltown, Wisconsin, this summer. The Recreation Conference will be in session from June 25 to July 8. The publicity and education conference will be held June 22-24 immediately preceding.

The National Cooperative Recreation School is designed to train prospective leaders for recreation activities in the cooperative movement. Courses will include instruction in drama, folk singing and dancing, music, puppetry, handicrafts, as well as lectures on group leadership and the philosophy of cooperative recreation.

Educational directors, editors, publicity men and others active in the cooperative movement throughout the country will take part in the three-day Cooperative Publicity and Education Conference.

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Member of The Cooperative League of the U.S.A. Under supervision of N.Y. State Insurance Department.
TAKE A CO-OP TOUR THIS SUMMER

The Cooperative League of the USA has completed arrangements for tours of European cooperatives and of cooperatives in Nova Scotia this coming summer.

The Trip to Cooperative Europe will sail from New York July 1 on the new motorship *Batory*, going directly to Denmark to visit cooperatives, folk schools and housing projects there. The Tour party will visit rural and urban co-ops in Finland which do nearly 40 per cent of the retail business of the country. They will study the famous “trust-busting” co-ops in Sweden and Norway; inspect Scotland’s hardy cooperatives and then spend several days in the “cradle of cooperation” visiting the Cooperative Wholesale Society, and the gigantic co-ops in London, as well as the “Shakespeare country,” Westminster Abbey and other points of interest. The Co-op Tour will close with trips to France and Switzerland, arriving in New York, September 3.

Leaders of the Tour will include Dr. J. Henry Carpenter, Chairman of the Committee on the Church and Cooperatives of the Federal Council of Churches; Monsignor Luigi Ligutti, president of the National Catholic Rural Life Conference; and Rev. James Myers, Industrial Secretary of the Federal Council of Churches who is also a director of The Cooperative League.

Cooperative members, educators, churchmen, students, social workers, journalists and all interested in the social and economic movements of our day are invited to join the Tour party. The sixty-four days of all-expense travel will cost $675, or slightly over $10 per day.

The Third Annual Tour of Nova Scotia Cooperatives will begin with the Rural and Industrial Conference at Antigonish August 21 and end September 2. Last year 186 American educators, cooperative leaders, churchmen and professional people visited the cooperatives in Eastern Nova Scotia inspired by a program of adult education sponsored by St. Francis Xavier University which led poverty stricken miners, farmers and fishermen in that area to lift themselves out of their extreme poverty through cooperative effort.

The Nova Scotia Tour will be under the direction of Dr. Harley Hartman of Brooklyn. Other tour leaders will be Glenn Thompson, educational director of Midland Cooperative Wholesale, Minneapolis; Maurice Weiting, Teachers College, Columbia University; and Father John C. Rawe, S.J.; Creighton University, Omaha, Nebraska. The cost of the tour will be $67.50. This includes all expenses during the tour but does not cover transportation to and from Nova Scotia.

BOOK REVIEWS

COOPERATIVES IN AMERICA—By Ellis Cowling. Introduction by J. P. Warbasse, Coward McCann, Special Co-op Edition, $1, available through The Cooperative League, 167 W. 12th St., N. Y.

Perhaps this book on consumer cooperation is the one we’ve been waiting for in this country. We have needed something besides the factual surveys and the thick philosophical tomes into which two classes most American books can be divided. We have needed a brief summary of the birth and evolution of the various cooperative movements of the past century in the United States, plus a clear interpretation of these movements against their respective backgrounds, and in addition an evaluation of the current status of the movement undistorted by bias or over-reaching enthusiasm. Cowling’s book of 200 pages seems to meet these requirements better than any other so far published.

Two things in this book should be specially commended. First is the clear and simple presentation of the economic situation growing out of the industrial revolution, out of which, in turn, the Weavers of Rochdale were trying to find their way when they stumbled upon the formula that has become known all over the world as the Rochdale principles. Second, the author skillfully analyzes the inner controversies which rent the English cooperative movement during the first half century of its growth, and are even now distracting the American movement from the realistic approach which it should be making to its major problems. It is sometimes difficult to understand how the American movement has reached its present promising status in view of the ever-present triple obstacles of theoretical controversy, crude trial and error methods and widespread misunderstanding.

Once more the mass purchasing power of American cooperatives demonstrates itself. The price of Cowling’s book in its original edition was $2. Through the efforts of The Cooperative League of the U.S.A., a special edition is available at $1 per copy. Binding, paper and format are the same as in the more expensive edition. The reduction makes it possible for every association, guild and co-op club to add this worthy volume to its library.

—IVER LIND, Associate Editor
Midland Cooperative

Consumers’ Cooperation

NATIONAL MAGAZINE FOR COOPERATIVE LEADERS

April 1939

| National Cooperative Chronology |
| National Cooperative Highlights A Report |
| Cooperative Condensed Financial Statements E. R. Bowen |
| The Consumer Consumed or Pure Applesauce Josephine Johnson |
| Cooperation: A Way of Peace: A Review Harold E. Fey |
CALENDAR OF COMING NATIONAL EVENTS

Central Cooperative Wholesale, Annual Meeting, Superior, Wisconsin, April 17 and 18.


Board of Directors, The Cooperative League, Quarterly Meeting, Chicago, June 7-8.


Cooperative League Publicity and Education Conference, Milltown, Wisconsin, June 22, 23 and 24.

National Cooperative Recreation School, Milltown, Wisconsin, June 25 to July 8.

World Congress on Education for Democracy, Teachers College, Columbia University, New York, August 15-17.

Trip to Cooperative Europe, sails from New York in the Motorship Batory, July 1. Returns to New York Sept. 3.

Tour of Nova Scotia Cooperatives, begins Antigonish, Nova Scotia, August 21, closing September 2.

Forthcoming Meetings

Not Yet Scheduled

National Conference on Consumers' Cooperative Medical Services

Annual Meeting of Society of Cooperative Accountants

National Conference on Cooperative Insurance

THE COOPERATIVE LEAGUE

167 West 12th Street, New York City

DIVISIONS:

Auditing Bureau, 167 West 122 St., N. Y. C.

Central Cooperative Wholesale, Inc., 2301 S. Millard, Chicago.

Cooperative Book Club, 135 Kent Ave., Brooklyn, N. Y.

Cooperative Distributors, 116 E. 16 St., N. Y. C.

Cooperative Recreation Service, 2301 S. Millard, Chicago.

Cooperative Wholesale, Inc., 135 Kent Ave., Brooklyn, N. Y.

Eastern Cooperative Wholesale, 167 West 12th St., N. Y. C.

Farm Bureau Cooperative Ass'n, 2301 South Dearborn, Chicago.

Farm Bureau Mutual Auto Insurance Co., 2301 S. Millard, Chicago.

Farm Bureau Services, 135 Kent Ave., Brooklyn, N. Y.

Farmers' Union Central Exchange, 2301 South Dearborn, Chicago.

Grange Cooperative Wholesale, 116 E. 16 St., N. Y. C.

Indiana Farm Bureau Coop. Association, 135 Kent Ave., Brooklyn, N. Y.

Midland Cooperative Wholesale, 135 Kent Ave., Brooklyn, N. Y.

Midland Cooperatives, Inc., 135 Kent Ave., Brooklyn, N. Y.

National Cooperatives, Inc., 116 E. 16 St., N. Y. C.

Pacific Supply Cooperative, 135 Kent Ave., Brooklyn, N. Y.

Pennsylvania Farm Bureau Coop. Ass'n, 135 Kent Ave., Brooklyn, N. Y.

United Cooperatives, Inc., 135 Kent Ave., Brooklyn, N. Y.

Workmen's Mutual Fire Ins. Society, 135 Kent Ave., Brooklyn, N. Y.

AFFILIATED REGIONAL COOPERATIVES

Affiliated Regional Cooperatives

Name

Central Cooperative Wholesale

Consumers' Cooperative Association

Consumers Cooperative Association

Cooperative Book Club

Cooperative Distributors

Cooperative Recreation Service

Cooperative Wholesale, Inc.

Eastern Cooperative Wholesale

Farm Bureau Cooperative Ass'n

Farm Bureau Mutual Auto Insurance Co.

Farm Bureau Services

Farmers' Union Central Exchange

Grange Cooperative Wholesale

Indiana Farm Bureau Coop. Association

Midland Cooperative Wholesale

Midland Cooperatives, Inc.

National Cooperatives, Inc.

Pacific Supply Cooperative

Pennsylvania Farm Bureau Coop. Ass'n

United Cooperatives, Inc.

Workmen's Mutual Fire Ins. Society

Address

Superior, Wisconsin

Amarillo, Texas

N. Kansas City, Mo.

116 E. 28 St., N. Y.

116 E. 16 St., N. Y.

Delaware, Ohio

2301 S. Millard, Chicago.

135 Kent Ave., Brooklyn, N. Y.

Columbus, Ohio

Lansing, Michigan

St. Paul, Minn.

Seattle, Washington

Indianapolis, Ind.

Minneapolis, Minn.

Chicago, Ill.

Walla Walla, Wash.

Harrisburg, Penn.

Indianapolis, Ind.

227 E. 84th St., N. Y.

Publication

Cooperative Builder

The Producer-Consumer

Cooperative Consumer

E. C. L. Cooperator

Ohio Farm Bureau News

Michigan Farm News

Farmers' Union Herald

Grange Cooperative News

Hoosier Farmer

Midland Cooperative

Penn. Co-op Review

Consumers Defender

Cooperative League Publicity and Education Conference

Volume XXV. No. 4

APRIL, 1939

Ten Cents

NATIONAL COOPERATIVE CHRONOLOGY

The new Supreme Court Justice, Mr. Douglas, declares that the strength of democracy lies in its ability to keep pace with the rate of change of its virulent competitors. The Consumers' Cooperative Movement, as one of the forms of democratic organization, must prove its ability to help solve our economic problems more soundly and more rapidly than can dictatorship.

Recent events in the Movement in the United States indicate that the Consumers' Cooperative Movement intends to do its national job in the way in which it should be done. Some of the significant recent national events are here listed:

Recent National Events

October 1938—Election of national Directorate of regional cooperative representatives interlocking educational and economic functions.

November 1938—Adoption in principle of a chart of A National Organization of the Consumers' Cooperative Movement.

December 1938—Decision to open joint executive offices of the Cooperative League with National Cooperatives.

January 1939—Acceptance of policy of uniform dues of 5c. per individual member for national education and legislation.

February 1939—Indications of get-together spirit among committee members of National Cooperatives on grocery labels, tires and other products.

March 1939—Decision to open Washington Legislative and Information Office as soon as balance of funds are available.

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 St., N. Y. City.

E. R. Bowen, Editor, Wallace J. Campbell, Associate Editor. Contributing Editors: Editors of Cooperative Journals and Educational Directors of Regional Cooperative Associations.

NATIONAL COOPERATIVE HIGHLIGHTS

A NUMBER of requests have been received that more publicity be given to the membership generally of actions taken at the meetings of the Boards of Directors of the Cooperative League and National Cooperatives. We will endeavor to comply with this desire regularly. The two Boards of Directors have now definitely voted to meet immediately following one another quarterly in Chicago. Their first meetings for this year were held on March 23 and 24; the League Board meeting on the 23rd and National Cooperatives on the 24th. The meeting of National Cooperatives was its annual meeting as well as a meeting of the newly elected Board of Directors.

Cooperative League Board Meeting

At the November 1938 meeting of the Directors of the Cooperative League the Secretary presented a chart of a National Consumers' Cooperative Organization which was adopted in principle as a general blueprint for future developments. This chart and the accompanying explanation, as presented to the Directors, was reproduced in the January issue of Consumers' Cooperation. As the second major step in national development there was presented by the Secretary at the March 1939 meeting of the Directors A National Consumers' Cooperative Program of Action with suggestions covering immediate and future activities.

It was first stated that the four necessary corner stones had now been laid for a strong growth of the Consumers' Cooperative Movement in the United States, namely: An Interlocking Directorate of the national education and economic organizations; the adoption of a National Organization Chart; the opening of Joint Executive Offices; the adoption of Uniform Dues.

The National Organization Chart calls for six Directors Department Committees. As a beginning it was recommended and approved that three major committees be appointed as follows:

1. Development and Organization Committee
2. Commodities and Services Committee
3. Insurance and Finance Committee

The Directors then proceeded to express their preferences and the matter was left to the President to make the final appointments. There will be a rotation of at least one member of each committee each year.

The Secretary then presented suggestions for the consideration of the three committees, which followed the order of the list of subdivisions of the six major departments of a National Consumers Cooperative Organization as shown in the chart previously published in January. Only the principal actions of the Directors in connection with the various divisions can be printed because of limited space. It should be added that in the future the meetings of the Directors of the Cooperative League will be two-day meetings; the first day will consist of the meetings of the three Directors Department Committees which will invite the Chairmen of the various Division Committees to meet with them; the second day will consist of the consideration by the full Board of the reports of the Committees. The dates for the three remaining quarterly meetings in 1939 will be Wednesday and Thursday, June 7 and 8; September 6 and 7; and December 6 and 7. The Directors of National Cooperatives will meet on the Fridays immediately following these dates, or June 9, September 8, and December 8.

Development and Organization Committee

The subject of Research brought out a vital discussion relative to whether or not research should be a matter for the Cooperative League, as the policy-making body of the Consumers' Cooperative Movement, to undertake, or for National Cooperatives, as the commodity organization. Further consideration was left to the coming meeting of the Development and Organization Committee.

The discussion of Architecture resulted in a request that Cooperative Design Service bring in a definite proposal for starting a Cooperative Architecture Department.

The selection of Personnel for the Movement was next considered but no immediate action taken.

The discussion of Relationships resulted in the following actions: the approval of a Conference at Greenville, South Carolina on May 18, 19 and 20 of representatives from nine southern states to discuss the subject of "Educating People to Help Themselves," which Conference has grown out of the interest in adult education and cooperatives on the part of a number of leading southerners who have visited Nova Scotia on the Cooperative League tours in 1937 and 1938; the approval of further Cooperative Labor Conferences such as have been held at Dillonvale, Ohio, and Racine, Wisconsin; the acceptance of an invitation to appoint a committee which will consist of the Directors of the League and others to represent the Consumers' Cooperative Movement in connection with a World Congress on Education for Democracy sponsored by Teachers College of Columbia University and to be held in New York City on August 13-17.

There was a lengthy discussion of the subject of the Study Group method of education which was reported to be highly successful by Directors representing Ohio Farm Bureau Cooperatives and Midland Cooperative Wholesale. Two new pieces of foreign literature in English are now available on the subject, namely, "The Present Position of Adult Education in Sweden" published by the World Association for Adult Education (price 50c.); and "Coo: Collaborator—Democracy in Cooperative Education" by Herman Stolpe of Kooperativa Forbundet of Sweden (price 15). These can now be ordered from The Cooperative League.

The question of the cooperative Press resulted in a unanimous motion by the Directors that it be the sense of the Board that regional cooperative associations urge their local cooperatives to subscribe to the national magazine Consumers' Cooperation for all their directors and employees.

It was announced that the Film Committee of the League would meet on April 6 and 7 to formulate final plans for a national film of the Consumers' Cooperative Movement in the United States to be taken this summer. The announcement was also made that the Publicity and Education Committee of the League would hold its fourth annual meeting at Milltown, Wisconsin, on June 22 to 24, immediately preceding the fourth ten-day annual Institute of the Cooperative Society for Recreational Education.

The memoranda adopted at the meeting of the Legislative Committee on February 1 was then presented and discussed, after which the Directors passed two significant motions having to do with Legislation: the first motion instructed the Chairman of the Legislative Committee, M. D. Lincoln, and the Secretary of the League, E. R. Bowen, to arrange for the drafting of an amendment to the Farm Credit Administration Act permitting loans to be made to wholesale and retail cooperatives for the purchase of household supplies as well as vocational supplies, and to cooperatives with not more than 15 per cent non-farm producing members. The second motion authorized the Executive Committee and the Chairman of the Legislative Committee to arrange to open a Washington Legislative, Information and Research Office and to select a representative to be in charge as
soon as the remaining necessary funds are available, which the Directors anticipate are in sight.

**Commodities and Services Committee**

Under the subject of Purchasing, the growing spirit of get-together on a national basis exhibited in the meetings of the various technical committees of National Cooperatives was favorably commented. Under Distribution it was urged that future actions by any regional cooperative association along any line which might affect the whole movement be first submitted to the national organizations for the benefit of "collective thinking" and the approval of "majority decisions" which were stated to be the heart of the cooperative idea.

As a result of the consideration of the subject of Housing the Directors approved the appointment of Mary E. Arnold as chairman of a committee on industrial housing to develop in the United States the type of an industrial housing program which she has demonstrated in Nova Scotia. Particular attention was paid by the Board to the beginnings of practical medical consumers' cooperative developments and the Secretary was authorized to arrange with the Bureau of Cooperative Medicine for the calling of a national consumers' cooperative medical conference. The great success of burial cooperative associations organized by groups of local cooperative associations was noted and similar developments elsewhere were urged.

**Insurance and Finance Committee**

Under the division of Insurance the Directors authorized the calling of another national conference on cooperative insurance.

The apparent significant results from the Cooperative Condensed Balance Sheet and Operating Statements originated by the Cooperative League were noted and the announcement made that, following conferences with a number of cooperative accountants which had resulted in ironing out various questions which had arisen, an article would appear in the national magazine at an early date which would present the matter publicly.

The possibility of uniform Auditing of regional cooperative associations was considered, after which the matter was left to the Secretary, the Director of the Accounting Bureau and the Society of Cooperative Accountants to consider the subject further and report back to the Directors Committee. The Secretary was instructed to request copies of their latest annual certified auditors' statements from each regional cooperative association. The calling of a conference of Cooperative Credit Men was also approved to be held with the next meeting of the National Society of Cooperative Accountants.

A report of the Committee on cooperative Banking was presented which indicated that progress was being made toward the end of the further development of cooperative banking on a regional and national basis but no definite announcement of action could as yet be made.

**Treasurer's Report**

The report of the Treasurer, L. E. Woodcock, showed that seven of the regional banks of the League had already accepted the payment of uniform dues of 5c. for all their members. The Board urged that all the other members likewise approve of equal support of the publicity, education, research and legislative activities of the national movement in order that the entire budget may be raised to a level which will be required to carry on the vital minimum of cooperative services.

**Other Subjects on the Agenda**

The Credit Union National Association of Madison, Wisconsin, was accepted into the national membership following the unanimous approval of an application by its Executive Committee.

The President was requested to prepare a draft of "A Cooperative Declaration of Peace" to be published in the national magazine.

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**National Cooperatives, Inc. Annual and Board Meetings**

The annual meeting of stockholders of National Cooperatives, Inc., was held on March 24 which was followed by a meeting of the Board.

The president, I. H. Hull, and the secretary-treasurer, Howard A. Cowdren, were reelected for their sixth successive terms. J. L. Nolan and George Barrett were elected vice-presidents. A new officer of the Board was created and A. J. Hayes elected as Chairman. The executive committee was increased from 18 to 32 and the four regional cooperative associations of Indiana, Michigan, Ohio and Pennsylvania which were previously indirect members through United Cooperatives, Inc., were accepted into direct membership. The executive committee was increased in number from ten to fifteen and the members elected were: I. H. Hull, H. V. Cowdren, A. J. Hayes, J. L. Nolan and L. A. Taylor.

The balance of the Directors' meeting was given over largely to a consideration of the reports of technical committees. Among the resolutions adopted by the annual meeting were the following:

WHEREAS, the law which created Farm Credit Administration provides that loans may be made to a cooperative, otherwise eligible, whose principal business is that of purchasing farm supplies for its members, but not to such a cooperative if its principal business is the purchase of household supplies; and,

WHEREAS, there is a growing demand among farmers that their regional cooperatives shall undertake the purchase and distribution of household supplies and other consumer goods, along with farm supplies; now, therefore,

BE IT RESOLVED, that National Cooperatives, Inc., assembled in annual meeting in Chicago, Ill., on twenty-fourth day of March, 1939, shall take prompt action looking toward the introduction in the Congress of an amendment to the Farm Credit Act which will make it possible for producers to serve themselves with household supplies which bona fide farm supply cooperatives, even though the furnishing of personal goods may or may become the principal business of the cooperative; and,

BE IT FURTHER RESOLVED, that included in the amendments shall be one providing that the percentages of producers members required of existing cooperatives, and those to be organized, in order to qualify for PCA loans, shall not be more than 85 per cent of the total membership.

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**George L. Cooley, Founder of Ohio Farm Bureau Cooperatives Dies**

Funeral services for George L. Cooley, of Dover Center, Ohio, founder of the Ohio Farm Bureau, were held Saturday afternoon, March 18. Mr. Cooley was 78 years old.

Familiarly known as "Uncle George" to thousands of persons throughout Ohio and many other parts of the country, Mr. Cooley led the organization activities in 1918 and 1919 which resulted in the formation of the Ohio Farm Bureau.

At the time of his death, he was a member of the board of trustees of the Ohio Farm Bureau Federation, in which position he has served ever since its organization. He was also president of the Farm Bureau Mutual Automobile Insurance Company, and a member of the executive and investment committees of that organization.

In addition, Mr. Cooley was a member of the boards of directors of the Farm Bureau Mutual Fire Insurance Company, the Farm Bureau Life Insurance Company, the Ohio Farm Bureau Corporation, the Farm Bureau Rural Electrification Cooperative, and the Farm Bureau Cooperative Association.

A life-long worker in many organizational activities for community welfare and agricultural advancement, Mr. Cooley led the promotion of numerous cooperative and other enterprises which resulted in rural and civic reform.
COOPERATIVE CONDENSED FINANCIAL STATEMENTS

E. R. Bowen

(The following is presented for your careful study and comment. The idea has been discussed with a number of cooperative accountants and auditors and before audiences of cooperative members. The results have been significant in enabling cooperators to understand more clearly the true condition of their association and thus to decide to vote Earnings to Capital or Reserves rather than to Patronage Returns, as well as to raise additional Capital.)

There is a true statement, which grew out of capitalistic ethics, to the effect that “there are three kinds of liars — plain liars, blamed liars and statistics.” No wonder such a saying was coined, for capitalistic Balance Sheets and Operating Statements are purposely secretive and so designed as to partially cover up the true facts about a business except to a few insiders. However, there is another saying that “figures cannot lie,” which is also true. For the ten figures from 1 to 0 can be used even better as media for telling the truth than the 26 letters of the alphabet.

Cooperatives are built on mutual confidence resulting from thorough knowledge of the condition of the business by the members as well as the officers and employees. Cooperative Balance Sheets and Operating Statements should be so designed as to disclose the truth, the whole truth and nothing but the truth. They should be self-readable. They should be so simple that everyone can fully understand them. They should be “economic portraits” which instantly show whether the cooperative is healthy or sick, strong or weak.

In Sweden, when the members join study-circles they are urged, first of all, to study the Balance Sheet and Operating Statement. And rightly so, for, as a representative of Dun and Bradstreet says, “every policy of an executive staff has its reflection in the Balance Sheet or Operating Statement.”

Cooperative auditors submit elaborate financial statements to the directors of a cooperative. The directors, in turn, submit abbreviated statements to the members. These generally follow the form of capitalistic statements. I propose that we should also publish special Cooperative Condensed Balance Sheets and Operating Statements in order to enable everyone to more easily understand the true condition at the close of each accounting period. The following model forms are accordingly submitted for your consideration.

The figures given below were taken, in the main, from an actual local cooperative balance sheet, except that only round figures in thousands are used.

**COOPERATIVE CONDENSED BALANCE SHEET**

<table>
<thead>
<tr>
<th>Assets</th>
<th>Liabilities</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Cash $1,000</td>
<td>1. Earnings $6,000</td>
</tr>
<tr>
<td>2. Receivables 10,000</td>
<td>2. Payables 10,000</td>
</tr>
<tr>
<td>3. Inventories 7,000</td>
<td>3. Reserves 4,000</td>
</tr>
<tr>
<td>4. Investment 2,000</td>
<td>4. Earnings $10,000</td>
</tr>
<tr>
<td>5. Facilities 25,000</td>
<td>5. Capital 15,000</td>
</tr>
<tr>
<td><strong>Total</strong> $45,000</td>
<td><strong>Total</strong> $45,000</td>
</tr>
</tbody>
</table>

Perhaps the simplest way of defining Assets and Liabilities is to say that Assets are what you “own” and Liabilities are what you “owe.”

The story is told that a certain director of a local cooperative phoned the manager one morning after he had received the current Balance Sheet at a directors’ meeting the night before, and said “I have been looking over the figures you gave us and there must be something wrong. Both sides ‘jibe.’ Yet that’s what the final totals on a Balance Sheet must do — the Assets must always equal the Liabilities — what the cooperative “owns” must always equal what it “owes” on the statement. However, the president of one of our Cooperative Banks says that one of the problems he faces in making loans is that occasionally the Balance Sheet of a cooperative applying for a loan “does not balance.”

In this Condensed Balance Sheet all types of Receivables, Investments, Facilities, Payables and Reserves are included as single total amounts. The figures covering Receivables, Inventories and Facilities are net amounts after deducting depreciation.

You will note at once that the order in which the figures are given in the above Cooperative Balance Sheet is not the same as is usual in a capitalistic Balance Sheet. The Asset side of the statement is fairly similar. Cash is naturally placed first. Receivables precede Inventories. Investments and Facilities follow. These are in the approximate order of their quick convertibility into Cash. The Liability side is rearranged much differently from capitalistic statements. Earnings are put at the top, where ordinarily they are placed at the bottom. This arrangement of the five Asset and the five Liability items has been made in the belief that there should be a rather definite relation between certain Assets and Liabilities in a cooperative association, even if not so considered in a capitalistic business. For convenience in making such comparisons the Asset and Liability items are numbered.

1. Cash Should Equal (1) Earnings and (2) Payables

Some cooperative auditors describe Earnings in a cooperative as Savings. They are distinctly not Profits. You cannot make a profit in dealing with yourself. And you are the joint owner of a cooperative.

The reason why Earnings and Payables should be definitely related to Cash is because the manager and directors may be called upon by the members at the end of any specified period to produce the Earnings in the form of Cash and by the creditors to meet the Payables. The members have the right to demand that the Earnings be in Cash in order that they may determine how they wish to allocate them — whether to use that part of the Cash which represents Current Earnings to distribute in the form of Patronage Returns, to reduce Payables or Mortgages, or to retain as Reserves or Capital in order to increase some form of Assets. The creditors also have the right to demand that there be sufficient Cash to meet the Payables.

Reserves should equal (2) Receivables (3) Inventories and (4) Investments

The Receivables item should include both accounts and notes. Receivables should be conservatively depreciated to their probable net collectible value. It is said that “creditors have better memories than debtors.” While the Payables which a cooperative owes should be worth 100 cents on the dollar on the books of its creditors, it is generally quite true that the Receivables which a cooperative owns are seldom worth 100 per cent of their face value, particularly if they are a large amount and old.

Inventories should be depreciated by the full amount necessary to cover any partial obsolescence or unsalability at full current prices, so that the normal percentage of margin may be maintained during the following accounting period.

Investments of a local cooperative usually consist largely of shares owned in other cooperative institutions such as the wholesale which serves it. They should be carried on the books at their true net worth.

Reserves should include both the amount which is the property of all the members, which may be called “General Reserves” or “Social Capital,” together with any amount which may be the undistributed property of certain members, in the form of “Individual Reserves” or “Members’ Equities” which are presumed to be distributed at some future time.

In a cooperative, the amount of Reserves should equal the Receivables, Inventories and Investments. In other words, the Receivables, Inventories and Investments should be in a sense “velvet.” They should be represented by Interest-Free Reserves.

April, 1939
Cooperatives Should Do Business For Cash

All of the above is based on the assumption that the cooperative has any Receivables or Payables at all, at the close of an accounting period.

The ideal is CASH for goods sold and also CASH for goods purchased. "Debt is the invention of the devil," as the Rochdale Pioneers correctly described it. It is largely the result of the faulty capitalistic system which fails to distribute sufficient purchasing power in cash to equal the amount of production.

Sweden has shown the way. The Swedish cooperators faced the problem of Debt in 1920 and resolved to conquer it. They first put their individual family budgets on a cash basis. Then the local cooperatives were also able to pay cash for their purchases. Confidence grew and members invested their savings in additional capital until today the cooperatives of Sweden practically "owe no man anything"—neither banks, government nor producers. It is for that reason that they are able to face and challenge the trusts and bust them. In fact, the local cooperatives in Sweden generally pay their whole credit at the end of each day.

The problems of poverty, unemployment and tenancy will never be solved until business is done on a cash basis. For only on such a basis can people recover ownership and control of distribution and production. Every cooperative should set as its goal to "neither give nor accept credit," and progress as rapidly as possible to that end. It will require "character," as Mr. Johansson of Sweden says, but in the case of the Swedes, they proved that they had the character and ability to stick to it until they had achieved their goal of Cash terms. American cooperatives should do likewise.

(5) Capital Should Equal (3) Facilities
Facilities include land, buildings and equipment. In some cases such Facilities are mortgaged and any such amounts should be listed separately from other Payables. Capital should be the net amount of common stock issued to members or partially paid for.

Capital should cover Ownership and control of Distributive and Production. Every Cooperative should set as its goal to "neither give nor accept credit," and progress as rapidly as possible to that end. It will require "character," as Mr. Johansson of Sweden says, but in the case of the Swedes, they proved that they had the character and ability to stick to it until they had achieved their goal of Cash terms. American cooperatives should do likewise.

An "Improved" Balance Sheet
Suppose you were a voting member of the cooperative which had the above Balance Sheet and was asked, "What would you do if you were in your shoes?" What would you vote to do? This question has been repeatedly asked of audiences with whom this Cooperative Condensed Balance Sheet has been discussed.

Generally there is a pause for democratic thought and then someone suggests that the Mortgages should be paid off. What to do about them, then, is the question. There is too little Cash on hand to pay them off. Receivables may be as low, so this cooperative reports, as they can yet well be, considering the nature of the business. They were said to be all current and only about the minimum necessary considering the monthly volume. Inventories were also reported to be low for the volume—there was a rapid turnover of stock and the inventory was live and not obsolete. There was accordingly little hope of getting Cash out of Receivables or Inventories to reduce the Mortgages.

Finally a bold individual proposes the only kind of a real answer—that the members purchase another $5,000 shares of common stock, which will "kill two birds with one stone"; the Cash received will pay off half the Mortgages and the increase in Capital to $20,000 will mean that they will own the cooperative sooner, while now they own it in part.

The next question raised is what to do with the Earnings. Should they not put the cooperative on a solid financial basis before paying out Patronage Returns? Of course a cooperative in the condition of this one could not pay a large return in cash, for the Cash is not on hand and it is unwise to borrow money in order to pay Patronage Returns. The only question, accordingly, is whether to transfer the Earnings to Reserves or to Capital. If the members buy additional shares, that will eventually increase the Capital to equal the Facilities. And since Reserves are entirely too low, the only real question should be whether to vote the Earnings to General Reserves or to Individual Equity Reserves. Arguments could be advanced for either of these methods of transferring the Earnings to Reserves. Only the members themselves can decide.

A final point is raised that some of the Earnings are profits on transient business. What to do with such profits should never be a question. They should always be used for education and expansion.

After these actions are taken the "Improved" Balance Sheet would look like this. How are you satisfied with it compared with the way it was? It is not yet "ideal" but it is nearer than it was.

An "Ideal" Balance Sheet
Summing up what has been said before relative to the relationships which should be maintained between the Assets and Liabilities, an "ideal" reconstruction of the Balance Sheet would be about as follows: (1) Cash should be increased to equal (1) Earnings and (2) Payables. (2) Reserves should be increased to equal (3) Receivables, (3) Inventories and (4) Investments. (4) Capital should be increased and Mortgages paid off so that Capital will equal (5) Facilities. After these are done, the Balance Sheet will look like the following at the end of the year and the cooperative will then really be in a position to pay Cash Patronage Returns.

(IDEAL) COOPERATIVE
CONDENSED BALANCE SHEET

<table>
<thead>
<tr>
<th>Assets</th>
<th>Liabilities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>$16,000</td>
</tr>
<tr>
<td>Receivables</td>
<td>10,000</td>
</tr>
<tr>
<td>Inventories</td>
<td>7,000</td>
</tr>
<tr>
<td>Investments</td>
<td>2,000</td>
</tr>
<tr>
<td>Facilities</td>
<td>25,000</td>
</tr>
<tr>
<td>Total</td>
<td>$60,000</td>
</tr>
</tbody>
</table>

There, of course, still remains the problem of educating the members to pay CASH for their purchases which will enable the cooperative to pay CASH for its purchases, and thus eliminate from the Balance Sheet both the item of Receivables and Payables altogether.

Condensed Comparative Sub-Statements

Five Condensed Comparative Sub-statements are also of great value—covering Assets, Liabilities, Operations, Expenses and Departments. The comparisons of Assets and Liabilities are subsidiary to the Balance Sheet. The Comparison of Operations is a condensation of the more complete Operating Statement. The Comparisons of Expenses and Departments are subsidiary to the Operating Statement.

All of these sub-statements show the differences between the present and the previous year. Percentages are as necessary to financial statements as kilowatts to electricity and inches to measurement.

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Consumers' Cooperation
It may in time be possible to set standards as to the percentages which a cooperative should have of each of the five items in its Assets—how much Cash, Receivables, Inventories, Investments and Facilities is the best proportion, according to the kinds of products handled. A determination of such percentages will have to await thorough research studies as the Movement grows and becomes more standardized. However, the variations from year to year in each cooperative are worthy of careful consideration by the employees, officers and membership.

Like the Comparison of Assets, time may be able to determine as to the best ratio between the Liability items. Until then it is well to study carefully the variations in each cooperative between comparative periods. A summary of the average of the five items under Assets and Liabilities for each district and for all the local units affiliated with any wholesale cooperative would also be of advantage to have with which to compare the figures of each local cooperative.

It is important that the members of a cooperative know the results by Departments, as well as the total results of Operations. To make a dependable statement before any actions to be taken, it is necessary that the direct expenses which are incurred by each department be accurately charged, and that the general overhead expenses be allocated to Departments in the amounts to which they are properly applicable.

We Must Develop Cooperative Statistical Knowledge

It is said that in general we are economic illiterates. It is not surprising if we are. We, the people, have given over the direction of our economic affairs to a few middlemen and have depended upon them, far more than upon ourselves, to manage production, distribution and finance. They have largely failed. They have not produced plenty for all. They have not equitably distributed what has been produced. They have not provided employment for all. The people have increasingly become poverty-stricken, have become unemployed, have lost ownership and are servants, as they formerly were serfs and slaves.

The primary necessity to enable the people to recover ownership and control of their economic functions is for us to be willing to apply liberty, equality and fraternity to our economic organizations; then for everyone to gain the necessary knowledge of how to do it. This will require as much or more than any other one thing, a thorough knowledge of financial statements. Because of the present lack of knowledge on the part of the people generally, it is necessary that statistical statements be presented in the simplest possible form. It is for this purpose that the condensed balance sheet of the years ending April 1939 and April 1938 is presented.
above special Cooperative Condensed Financial Statements were designed. They are not to be considered as substitutes for the usual, more complete Balance Sheet and Operating Statements with detailed subsidiary statements which cooperative auditors supply to every cooperative, but are intended to be supplementary to such more complete statements.

It is believed, judging by the reaction of cooperative individuals and audiences, that these Cooperative Condensed Financial Statements will serve a valuable purpose in helping Members, Officers and Employees to a correct understanding of the exact condition of their cooperative and thereby enable them to reach the best final judgments, after democratic discussion, as to the next steps to take to advance soundly with the utmost possible speed.

THE CONSUMER CONSUMED OR PURE APPLESAUCE

Josephine Johnson

EDITOR’S NOTE: This puppet play written by the author of the Pulitzer Prize novel “Now in November” has been produced before cooperative and civic groups by Marjorie and Josephine Johnson of the St. Louis Cooperative Consumers. Very simple hand puppets are used and are operated behind a screen containing a small stage. Hand puppets are easy and fun to construct and operate. “Puppets for Amateurs,” Kit 40, Cooperative Recreation Service, Delaware, Ohio, 25c., gives complete directions. “Inexpensive Puppets” by Staples which is available from the National Recreation Association, New York City, for 10c., is also available. This play is copyrighted by the Cooperative League. Permission for performance may be secured from the Cooperative League, 167 West 12th Street, New York City, by payment of a royalty of one dollar.

SCENE I

(ENTER FARMER. An apple on the ground.)

FARMER

I plow the weed,
I plant the seed,
This orchard I have grown.
I plant the seed,
I squash the slugs,
I plow the weed,
I derrick the weed,
I can get apples without worms or with,
I spent my whole life raising him!
And when the year rolls round at last,
And what you have is mine.
And when the year rolls round at last,
And what you have is mine.

FARMER

Wait a minute, Hayseed!
Wait a minute, Hayseed!
What for? Who’re you?
What for? Who’re you?
I am the Broker, the Buyer,
I am the Broker, the Buyer,
—The Buffer, you might say.
—The Buffer, you might say.
I’m the guy who speaks for other guys
I’m the guy who speaks for other guys
A million miles away.
A million miles away.
You give me the apple,
You give me the apple,
And I’ll start it on its way!
And I’ll start it on its way!
How much?
How much?
Well, times are hard—and apples soft.
Well, times are hard—and apples soft.
It’s a good apple. It’s a damn good apple!
It’s a good apple. It’s a damn good apple!
I spent my whole life raising him!
I spent my whole life raising him!
Yeah? Well, there’s lots of good apples around!
Yeah? Well, there’s lots of good apples around!
(He sings)
(He sings)
I can get apples from Jones or Smith,
I can get apples from Jones or Smith,
I can get apples without worms or with,
I can get apples without worms or with,
I can get apples from Texas to Maine—
I can get apples from Texas to Maine—
Apples are common as taxes or rain!
Apples are common as taxes or rain!
It’s a privilege for you to have me here on your farm!
It’s a privilege for you to have me here on your farm!
FARMER (Bow)
FARMER (Bow)
I do thank you for coming, sir!
I do thank you for coming, sir!
Well, hand me the apple. I’ll give you some credit.
Well, hand me the apple. I’ll give you some credit.

Broker
Broker
Wait a minute, Hayseed!
Wait a minute, Hayseed!
What for? Who’re you?
What for? Who’re you?
I am the Broker, the Buyer,
I am the Broker, the Buyer,
—The Buffer, you might say.
—The Buffer, you might say.
I’m the guy who speaks for other guys
I’m the guy who speaks for other guys
A million miles away.
A million miles away.
You give me the apple,
You give me the apple,
And I’ll start it on its way!
And I’ll start it on its way!
How much?
How much?
Well, times are hard—and apples soft.
Well, times are hard—and apples soft.
It’s a good apple. It’s a damn good apple!
It’s a good apple. It’s a damn good apple!
I spent my whole life raising him!
I spent my whole life raising him!
Yeah? Well, there’s lots of good apples around!
Yeah? Well, there’s lots of good apples around!
(He sings)
(He sings)
I can get apples from Jones or Smith,
I can get apples from Jones or Smith,
I can get apples without worms or with,
I can get apples without worms or with,
I can get apples from Texas to Maine—
I can get apples from Texas to Maine—
Apples are common as taxes or rain!
Apples are common as taxes or rain!
It’s a privilege for you to have me here on your farm!
It’s a privilege for you to have me here on your farm!
FARMER (Bow)
FARMER (Bow)
I do thank you for coming, sir!
I do thank you for coming, sir!
Well, hand me the apple. I’ll give you some credit.
Well, hand me the apple. I’ll give you some credit.

Cash you might spend—and get you indebted.
Cash you might spend—and get you indebted.
(The Farmer hands over the apple and puts his hands behind his back. The Broker starts to walk away.)

FARMER

Oh, I forgot—you pay me!
Broker (waves hand)
Tsk, tsk! Credit, Mr. Farmer!—credit—
don’t you understand?
(He sings)
Oh, credit, is a wondrous word!
—A mystic, magic sign.
It means that what I have is yours,
And what you have is mine.
I don’t pay you,
You don’t pay me.
Just take what you want,
And everything’s free.
Never ask for cash, sir—
It isn’t being done.
In buying and in selling
Credit’s much more fun!
Oh, credit is a magic word,
A mystic, magic sign.
It means that what I have is yours,
And what you have is mine.
And when the year rolls round at last,
What matter if you’ve found
You owe me house and home and hogs,
You owe me sky and ground?
Why, credit, Mr. Farmer,
Makes the world go round!

FARMER

You make my head go round . . .
Broker
Well, by-by! I’ll be seeing you!
(He disappears. The Farmer gazes down at his stocking feet and slowly disappears.)

SCENE II

(The Broker appears to the Wholesaler, with an apple marked 10c.)

Broker
Good morning, Mr. Wholesaler!
Times are hard, and apples scarce:
April, 1939

It’s all that I could do
To find this splendid apple
And bring it straight to you!
(He steps forward—then backs up)
My travelling expenses, of course, you must consider . . .

Wholesaler
All right, all right, you’ll get your fee.
But next time bring an apple
That’s big enough to see!
(To the Broker)
The Broker hands the apple to the Wholesaler.

Broker
By-by. I may be seen’ yeh.
(A hand appears, to put a 20c. sign on the apple.)
(The Broker appears on the opposite side of the stage.)

Wholesaler
Well, here I am again, Mr. Wholesaler!
The apple, please!
(To the Broker)
The Wholesaler hands it to him with a bow, and disappears. A hand comes up to put a 40c. sign on the apple.
(The Canner enters, carrying a can.)

Canner

Well, what have you got for me?
What I want’s an apple—
Just any apple’ll do.
I’ll mash him and I’ll smash him—
You won’t know him when I’m through!
Broker
Just what you want, sir!
—Only my travelling expenses, of course,
My fee—You can’t get personality
Without paying for it!

Canner

Yes, yes, of course. I understand.
—The personal touch!
Well, gimme the apple.

(To the Broker)
The Broker hands him the apple and disappears. The Canner puts apple into a can with a label on it.

NON SUCH DEELICIOUS APPLESAUCE!

Ah, there we are!
And now for Mr. Hoggeldy Everything!
(Up pops the Broker again.)

Well, here’s that man again!
Listen, Brother—

Broker
Oh, you can’t do without me!
I'm here, I'm there,
I'm everywhere.
There's no place where I'm not!
No monkey trades a cocoanut
Without me on the spot!

CANNER
All right, all right!
Oh, we've been to so much trouble
To make this sauce for you!
We've mashed it and we've hashed it
And we've vitamined it too!
We've slow-roasted it and roasted it;
We've deodorized and sterilized,
Vorlitzed and psychoanalized,
We've spiced it and enraged it,
We've yellowed it and yellowed it,
We've sliced it and spiced it
And magnetized it too.
It'll give you energy and lethargy—
There's nothing it can't do!
—Gets your tinsels out and your teeth
back in
And curls your hair for you—
Contains anthracite for your appetite,
And lead to stabilize,
Keeps emotions on the up-and-up,
Puts sparkle in your eyes—
Oh, Lord, it's just wonderful!
—You can't pay me too much!

BROKER
What's the big idea? You can't fool me
Just pass over that can.
I'm everywhere.
I'm here, I'm there,
There's no place where I'm not!

(They sing in chorus)
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BROKE
Well, I can state the cause of this
And agree that I am right,
For under all that's thought or done,
And under all that's said
Behold—the Profit Motive
Rears its ugly head!

(PROFIT MOTIVE rises slowly, and reciter
of EPILOGUE pushes him down.)

You have seen the poor consumer
Doubtless doing all she can
To stretch the hard-won wages
Of some honest working man.
Well—I can state the cause of this
And why she never can—
Behold! The Profit Motive!

(PROFIT MOTIVE appears again and is
again pushed down.)

BOOK REVIEW


This book carefully explores the relation of the basic principles of the cooperative movement to the problems of war and peace. Beginning with a summary of America's wars which pictures each of them without exception as "unnecessary and demoralizing." Dr. Warbasse relates each of the nine primary principles to the current situation in a manner which shows the way in which they contribute to peace and their opposites make for war. He then outlines the international outreach of the cooperative movement, sketches its remarkable world war history in keeping lines of communication open and ends the book by discussing the philosophic validity of mutual aid. The words which close the chapter on cooperation as a moral force will live a long time. "Peace is not an entity to be striven for and won as a prize. The peace the world needs is like the healthy life. It is something that must be lived. Its other name is social healthfulness. We shall have peace when we live healthily in our relations with our fellow men. Every contribution to social justice is an aid to peace. Peace must be developed in our living, day by day, in the market place and in the home."

What are governments for? According to Dr. Warbasse, their chief function is to perpetuate themselves and the economic forces which give them birth. In this process, they inescapably make war. The way to peace there-

Well—there is one solution
On which our hearts are set:
A swift extermination
Of this little household pet—
The Profit Motive!

(Again up and again downed)

And you who build the Co-op
Have seen at last the need
To do business for each other
And not for private greed.
You will assist to bring about the last triumphant deed—
And squash the Profit Motive!!!

(PROFIT MOTIVE appears for last time
and is slowly crushed out of sight.)

fore in the opinion of the author, is to get rid of governments. This is easier than it sounds. The cooperative movement stands ready to substitute for the competitive economic order which bids governments to fight its wars a cooperative society of mutual aid which needs no such good. He says in a passage which gives the key to the book, "Cooperation is social structure upon an economic foundation. It represents society organized into a way of life. It is from every standpoint different from political organization. This cooperative socio-economic relationship of people grows out of their needs; government arises out of their wickedness. The first supplies their wants; the second restrains vices. Cooperation promotes friendly relations; government creates differences. Cooperation guides; government punishes."

This book requires serious attention. It cannot be dismissed as the ramblings of a faddist. The evils which it indicts are so imminent and the remedies so closely at hand that they demand the careful thought of all whose contribution to world affairs is more than that of the poor sheep who are shorn one day and slaughtered the next. While some will seek to dismiss it as a current version of philosophical anarchism, it will not be easy to do unless the whole context of today's political trend is ignored. When government everywhere except in cooperative countries is moving through centralization towards totalitarianism, when the only way it can offer to save democracy is to invite democracy to commit suicide in the house of its friends, then it is time to move out beyond accepted formulas into the daring and the new.

—HAROLD E. FRY, Executive Secretary
Fellowship of Reconciliation

Consumers' Cooperation

CALENDAR OF COMING NATIONAL EVENTS


Conference on Organized Labor and Cooperation, Akron, Ohio, June 3-4.

Board of Directors, The Cooperative League, Quarterly Meeting, Chicago, June 8.


Annual Meeting of Society of Cooperative Accountants, Milltown, Wisconsin, June 20 and 21.

THE COOPERATIVE LEAGUE
167 West 12th Street, New York City

Cooperative League Publicity and Education Conference, Milltown, Wisconsin, June 22, 23 and 24.

National Cooperative Recreation School, Milltown, Wisconsin, June 25 to July 5.

World Congress on Education for Democracy, Teachers College, Columbia University, New York, August 15-17.

Trip to Cooperative Europe, sails from New York in the Motorship Batery, July 1. Returns to New York Sept. 3.

Tour of Nova Scotia Cooperatives, begins Antigonish, Nova Scotia, August 21, closing September 2.

Forthcoming Meetings
Not Yet Scheduled

National Conference on Consumers' Cooperative Medical Services
National Conference on Consumers' Cooperative Insurance

COOPERATORS MUST HELP OTHERS REACH RIGHT CONCLUSIONS

At the extremes there are two principal kinds of people—the reactionaries and the revolutionaries. The reactionaries stick their heads in the sand and declare that "all is well," or would be if we would only go back to the "good old days," and refuse to open their minds to change. The revolutionaries also stick their heads in the sand and declare that "all is wrong," that a radical revolution of things, with or without actual violence, would bring about the "good new days," and refuse to open their minds to change.

In the middle are the cooperators who recognize the worth of the inheritance of the past but also recognize its faults, who desire a better world to live in here on earth but do not believe that the pattern can be worked out by revolutionary changes, who believe in eternal evolution toward perfection but who recognize education and practice as the only true means toward the desired ends.

It is probably true that the reactionaries, the revolutionaries and the cooperators are all minority groups today—that the majority of the people are those who sway with the winds of prejudice and propaganda, who blow hot and cold. The story of their lives is like the description which a reviewer uses to summarize a new book "the novel comes to no conclusion." How much cooperators, who have reached conclusions, can do to help reactionaries and revolutionaries to reach the cooperative conclusion may be uncertain. The great field and the great need is to persuade those who have not yet made up their minds to do so as we see the right. That "right" is the simple extension of the democratic principles of liberty and equality to the economic organization of society by education and cooperative organization.
COOPERATIVES AND THE LAW

1. Incorporation

Many states have laws which were passed under the impetus of the Sapiro wave which provide only for the incorporation of cooperatives among farm producers and do not even conform to the latest and best cooperative practices. In many states there is no satisfactory consumer cooperative law. Such laws have been introduced in some states and in the District of Columbia, based on the model Consumers' Cooperative Law, and it is vitally necessary that the Movement have a Washington office and a representative active on the job in order to assist in the passage of such state laws wherever necessary. Whether or not it will also be eventually desirable to press for a national incorporation law remains to be seen, but this is within the range of possibilities.

2. Right to do Business

The question of the status of Consumers Cooperative Wholesales which have urban memberships and handle bituminous coal is still to be determined. At present only one of our wholesale members is involved and in due time an application will be made for registration as a wholesale under the National Bituminous Coal Act. We do not yet know how the Commission will interpret the provisions forbitting wholesales to give rebates. The fact that patronage returns are not rebates will necessarily have to be discussed with and accepted by the Commission.

3. Credits to Cooperatives

If the government is to increase its functions as a lending agency, then why should cooperatives not have equal treatment with private business? Why should rural cooperatives now only have the right to borrow for the purchase of farm supplies and services and not for the purchase of home supplies and services? Why should urban cooperatives not have the same access to credit as rural cooperatives?

These three questions are even more vital to the Consumers' Cooperative Purchasing Movement than they may seem by these simple statements. They involve two basic economic questions having to do with the eventual financial success of the Movement. The first question is whether it is not more economical for a local cooperative to handle all kinds of food, goods, and services desired by its members than for separate organizations to be set up; the second question is whether a local or regional cooperative will not be more successful if it deals with every potential user of the products it handles, whether rural or urban residents, than for it to restrict its membership to only part of the potential patron-members in its trade area. Will cooperatives be able to compete without handling whatever their customers desire in sufficient quantity to make such handling profitable, and without serving everyone who desires to purchase such commodities? Both are accepted practices of private business. No one would think of restricting a cooperative business borrower in the products it handled or the patron it served; why then should a public bank restrict a cooperative business borrower? If such restriction is allowed to continue, as the present laws provide, will not cooperatives be placed in an unfair and uneconomic position and be unable to operate on a free competitive basis with private business?

The statement of these problems is sufficient to convince any cooperator of the absolute necessity of the Movement having its own representative on the ground in Washington to deal with such credit questions.

4. Taxation of Cooperatives

Why should there be any differentiation between cooperatives composed of rural or urban members relative to taxation of savings voted to reserves? A cooperative is a cooperative, whoever its membership may be.

May, 1939

E. R. Bowen

There should be no differentiation between rural and urban cooperative purchasing associations as now provided in the revenue law. Continuing such differentiations will drive deeper the wedge between farmer and worker which laws have introduced into the cooperative movement. Such revenue laws not only hinder the unified growth of the movement, but also undermine the economic strength of cooperatives by inducing them, in order to save taxes which no cooperative whether urban or rural should be required to pay, to limit their membership to only part of the potential user of the products they handle. Representation in Washington is needed to secure equal exemption from unjust taxation for urban as for rural cooperatives. This will also enable cooperatives to practice without penalty their principle of open membership, with which the law now interferes.
of a reenactment of some form of NRA legalization of monopolies.

9. Statistical Information

The Cooperative Movement asks of the government equal treatment with private businesses in the collection of statistical data. The Department of Labor and the Farm Credit Administration have collected statistics by mail for many years. However, for such statistics to be complete and accurate in every detail they must also be included in first-hand census returns. Questions relative to the amount of farm products marketed and the amount of farm supplies purchased, which were included in the agricultural census of 1920, '25 and '30, were omitted from the census of 1935. They should be included and the Cooperative Movement is now actively engaged in endeavoring to persuade those in charge of the forthcoming census to do so. The commercial census should include statistical data on Consumers' Cooperatives of the same nature as is compiled for the benefit of private business. Since the Consumers' Cooperative Movement has had significant growth during the depression of the past 10 years, such statistics would be particularly striking in comparison with the decline of private business. By having a representative constantly on the job, it should be possible to persuade the census officials to give the cooperatives equal treatment in the collection of invaluable statistical data.

8. Transportation

A bill has been introduced in Congress which would vitally affect the interests of cooperatives which are now developing cooperative transportation facilities. It would place under the Interstate Commerce Commission the control of all means of transportation and, if enacted, would seem to prevent the ownership by cooperatives of fleets of trucks for general transportation purposes, which is now developing successfully. Cooperatives necessarily must be directly represented in the consideration of such matters.

7. Control of Monopolies

The Cooperative Movement has asked for an opportunity to appear before the Monopoly Investigation Committee to present its case for the control of monopolies by the effective yard-stick method, rather than by the legislative prohibition method which has proven futile during the past fifty years of trial. The cooperatives propose to present the facts about the effect in higher quality and lower price which cooperative competition produced in the feed, fertilizer and other fields in the United States as well as the results in European countries of the greater development of cooperatives. This presentation should give the Movement wide publicity and stronger national standing as an effective middle-way for America, and assist in forestalling the possibility of a reenactment of some form of NRA legalization of monopolies.

6. Truth and Purity in Products

Cooperatives are organized to supply their members with pure products truthfully described. No laws are necessary to require cooperatives to follow these principles. They are a part of the structure of cooperatives. However, cooperatives need legal protection against private business which seeks to violate these principles by innumerable forms of adulteration and deception. Just so long as business is motivated by profits for a few stockholders rather than by service for all patrons-members, just so long will this evil be with us. Cooperatives not only set an example of purity in products and truth in description for private business to follow, but must also work with those private businesses which want to practice honesty and require others to do so by legislation.

5. The Cooperative Movement

Now we have, for the first time, an authoritative comparative study of the operating costs of cooperatives and some comparisons with independent and chain stores. This study will not attempt a full interpretation of the statistics—we will only attempt to condense the figures from the report and quote briefly from the text accompanying them. Those who wish to study the complete report can secure copies from The Cooperative League by sending in a dollar bill, which is the retail price.

INTRODUCTION

Consumers' Cooperatives are classified by the report in three groups for the purposes of the study: 1. Food-store cooperatives; 2. General-store cooperatives; 3. Farm-supply and petroleum cooperatives. The retail volume of Consumers' Cooperatives was estimated to be in 1935: one-half of 1% of all foods and general merchandise; 25% of all petroleum products; and 25% of all farm supplies. The data for the study was secured from auditors' statements rather than from special reports from local managers. Cooperative auditors will be interested in the comment that "the Bureau received statements for individual societies varying widely in completeness, and perhaps, in general reliability ... the data from all reports used were transferred to copies of the standard form." The question might well be raised why the reports varied in completeness or reliability or even why they varied in form. Education was included in operating expense in the compilation rather than being deducted from savings (profits). "This procedure may have given rise to a slight over-statement of the expense of cooperatives as compared with that of private

Summary

These ten and other matters are the reasons which have led the Board of Directors of The Cooperative League to finally reach the decision to open a Legislative and Information Office in Washington as soon as the balance of the funds are available and permanent personnel can be selected. In the meantime the Officers and Directors of the League are themselves starting action by spending as much time in Washington as their other duties will permit.
vate enterprise," says the report. The argument that cooperatives have comparative advantages as a result of "unpaid, volunteer labor" is disposed of by the report which says, "It is thought, however, that, once a cooperative is firmly established, the amount of volunteer services received is negligible."

Food-Store Cooperatives

The statistics cover 42 retail food-store cooperatives. Sixteen were in the New York area, 16 in the Chicago area, 7 in the Superior area and the other 3 were scattered.

Volume increased 17%, as compared with 5.1% for independents.

"The final net gain of 2.3% on net sales was equivalent to 20.7% on net worth, a gratifying figure."

The net worth for cooperatives was 11.1% of net sales, while for chains it was above 20%; the reverse statement would be that net sales were 9 times net worth for cooperatives and 5 times for chains.

Both gross margin and expense were smallest in the New York area, higher in the Chicago area and highest in the Superior area.

Average volume for the cooperatives was $50,000, which the report says is "approximately the figure set by many of the corporate chains as that necessary for comfortable, profitable operation of neighborhood units"; and further observes "it appears that, under the conditions of 1937, a cooperative had to secure average sales of about $4,000 a month, or between $900 and $950 a week, before it could expect a fairly secure profit for the year as a whole from merchandising operations alone."

Expressing the caution that "the data... must not be looked upon as strictly comparable" and describing it as "rather sparse evidence," the report shows "total expense before interest" of the Cooperatives as 16.6% compared with the 16.4% reported by Dun and Bradstreet for independents and 16.2% reported by Harvard for chains. Other comparisons are given, but these seem to the reviewer as the most fairly comparable. As an indication of the possibilities in developing food-store cooperatives in the future, we are also showing on the chart the operating costs in British cooperatives of 12.8%.

The general conclusion of the food-store cooperative section would seem to be that cooperative food-stores operate today at about the same percentage of expense as independents and chains; that they have at present the advantage of saving for their members an average of 2.3% of net sales and possible undetermined advantages in price and quality; that further additional savings must come from greater retail efficiency and the greater development of wholesaling and manufacturing.

General-Store Cooperatives

The general-store cooperatives handled groceries, meats, work clothing, dry goods, hardware, china, glassware, feed, etc.

The report concludes that "cooperatives may have introduced some economies in retail distribution" after presenting the statistics of cooperative vs. independent stores. The "total expense before interest" of the cooperative general-stores was 11.6%, as compared with 15.6% reported by Dun and Bradstreet for independents.

The net savings (profits) of the general-store cooperatives averaged 3.5% as compared with 2.5% for food-store cooperatives or "much more favorable."

The general store cooperatives included in the report numbered 47, of which 27 were located in the Superior area, 15 in the Omaha and Kansas City area, and the other 5 elsewhere.

Farm-Supply and Petroleum Cooperatives

No comparisons are made of the results of farm-supply and petroleum cooperatives with independents or chains. The farm-supply reports cover only 17 units. The principal observation made is that "In looking carefully at the common figures in this table, one is struck by the close resemblance which the expense percentages (of farm-supply cooperatives) bear to those for the 47 general stores... expense before interest was almost exactly the same." (This similarity is also indicated by studies of the Farm Credit Administration of farm-supply and general-store cooperatives in Wisconsin. It may be that the possible savings to members in the handling of home-supplies are as great or greater than in the handling of farm-supplies. At least, these statistics can well be studied by cooperative regional and local managers.)

An attempt is made to break down the statistics and compare cooperatives with and without filling stations, with indefinite results. One table covers Combined Farm-Supply stores and Bulk Stations, with and without Filling Stations. The gain of those with Filling Stations was 2.5% larger. On the other hand another table compares only Bulk Stations with and without Filling Stations. In this table the gain of those with Filling Stations was only 1%.

Summary:

Our own summary would be in general:

— that cooperative general-stores can at least compete on equal terms with independents and chains in the matter of expense.

— that the present advantage of a small percentage of savings may be increased in the future by increased efficiency in retailing and by the extension of wholesaleing and manufacturing.

— that cooperatives may also have possible advantages in price and quality.

— that cooperative general-stores now have a distinct advantage over independent stores in operating expense.

— that the fact that cooperative general-stores operate at the same percentage of expense as farm-supply stores may indicate the advisability of the Movement's entering more rapidly into home supplies.

— that the weight of evidence is in favor of adding filling stations and going after the urban business in petroleum products.

Compliments and Criticisms

The Consumers' Cooperative Movement is indebted to the Harvard Bureau of Business Research for making this study and to the Good Will Fund for financing it. We believe that it will be accepted as a whole as an unusual study considering the present stage of development of the Movement.

The report necessarily could not cover many of the great advantages of the Consumers' Cooperative Movement which are even more important than the savings resulting from purchasing-at-cost, such as user-ownership and democratic control. The stability of volume and employment in cooperatives as compared with competitive business should be determined. The safety of investment in cooperatives due to their low morality, compared with the discomfiture of private business at the rate of 20% per year, should be studied in future reports. Savings in the initial price to consumers on the same product, or better quality for the same price, offer possibilities of advantage to members of cooperatives, and though more difficult to determine than operating expenses, might well be studied.

Irrespective of its shortcomings, which future reports may eliminate, and the many advantages of cooperatives which cannot be covered by statistics, the value of this report is very great for the Consumers' Cooperative Movement.

May, 1939
NATIONAL COOPERATIVE RECREATION SCHOOL

The Fourth Annual National Cooperative Recreation School will be held in Milltown, Wisconsin, June 26 to July 8. The school, which is sponsored by the Cooperative League, is under the direction of the Cooperative Society for Recreational Education. The program is designed to equip prospective leaders with skill in the use of recreation methods and materials.

The staff of the school is composed of recognized authorities in the several fields of recreation who have a basic understanding of the importance of recreation in building the cooperative movement. Miss Neva L. Boyd, Department of Sociology and Division of Social Work, Northwestern University, will again head the staff. Miss Boyd has been a teacher of recreation and social group work for many years and is the author of numerous collections of folk dances and games. She will be assisted in teaching folk dancing and games by Mrs. Janina Adamczyk and Richard Seaman of Northwestern. Miss Ruth Chorpenning and James Norris, Chicago, will be assisted in teaching folk dancing and games by Mrs. Janina Adamczyk and Richard Seaman of Northwestern. Miss Margaret Gardner will teach puppetry and Miss Lois Landfear, crafts.

The Central States Cooperative League announces a Recreation Leadership Training School to be held at Circle Pines Center, Middleville, Michigan, June 25 to July 8. The school, which will offer instruction in recreational leadership in all its forms and actual practice in techniques, will be under the direction of Chester A. Graham. He will be assisted by Lynn Rohrbough, Cooperative Recreation Service; W. W. Kapnick, Musical Director of Circle Pines Center; Naomi Rawn, Margaret Graham, Mrs. Bruce Siddell, and Dr. David Sonquist. Complete information about the Training School and a folder describing Circle Pines Center can be secured from the Central States Cooperative League, 2301 S. Millard Avenue, Chicago.

M y article on fascism in the 1939 Cooperative League Year Book has been criticized by cooperators who fear and earnestly oppose fascism, but to whom I have apparently not made my subject clear. It has also been criticized by some who have not read it.

This country is threatened with fascism. Let us do all that we can to prevent it. But if it should come, it is my belief that we should have considered its possibilities and that we should not be caught surprised, unprepared, nor confused.

The Year Book article is not a general discussion of fascism, nor of its development, nor of its wickedness. It is merely an attempt to visualize the cooperative societies in the United States and when fascism should come. What are our societies going to do and what will be their position in the picture if we should have a fascist regime?

If we should find ourselves not with the present sort of government and economic system, but with the sort of government and economic system that prevails in Italy, what is going to happen to our cooperatives? What is to be their relation to such a government? Now is the best time to think about the subject.

It sounds very noble for cooperators to say that they are going to fight the government. But we should be more concerned with facts than with sentiments. All that is attempted in the article in question is to face the situation factually rather than emotionally. And to attempt this in a time of propaganda, tension, and animosity is difficult. But there is no use dodging the question nor confusing it with emotional slogans.

It should be clearly understood that I am not sympathetic to fascism, that I am sympathetic to trade union organization and everything that makes for democracy. But I do insist upon cooperative neutrality, so far as the actual offic acts of cooperative societies are concerned, in every field in which people are divided into special classes and organizations which are not all inclusive.

This is emphasized in my “Cooperative Democracy” and in my “Cooperative, a Way of Peace.” I have always insisted that the official neutrality of cooperative societies should in no wise interfere with the freedom of the individual to be as unneutral as he pleases in any question, and to be free to ally himself with any other movement that he wishes.

Discussion of such subjects is not only profitable to the cooperative movement, but it is necessary if the movement is to have an understanding membership, and if it is to prepare itself to face whatever situation the uncertainties of the future may bring.

A supplementary article on this subject, for those who want the information, appeared in the COOPERATIVE BUILD-ER of May 13, 1939.

COMBINE YOUR VACATION AND COOPERATION

A Study Tour of the Nova Scotia Cooperatives

Thirteen stimulating days, August 21 to September 2, visiting one of the most important adult education and cooperative developments on the North American continent. Total cost, $67.50.

A Tour of Cooperative Europe

Sixty-four days visiting the cooperative, cultural and historical centers of Denmark, Norway, Sweden, Finland, Scotland, France and Switzerland. July 1 to September 3. Total cost, $675.00.

For information write THE COOPERATIVE LEAGUE

167 West 12th Street

New York

J. P. Warbasse
INSIDE THE COOPERATIVE FAMILY

THREE statements have been made by different cooperators to the editor recently, which are in the nature of constructive criticism of the consumers’ cooperative movement as it has thus far developed. All were made with an attitude of apology for offering the suggestions, as the ones making them did not wish to seem to be critical of the movement to which they are contributing their lives. The right kind of “family councils” are, however, greatly beneficial and equally so inside the cooperative family as in families with blood ties. Here are the suggestions for the consideration of “our family” of cooperative readers:

Do Some Cooperative Employees Work Too Hard?

The first suggestion was in the form of a question, “What are we going to do about the fact that some cooperative employees are working themselves into early graves?” There is no easy answer. If it is true that they are, it is not, we believe, so much because they are over-driven by the members, as because cooperative employees are so desirous of making every effort to solve our feverish economic diseases of poverty, unemployment and tenancy by evolutionary means before these diseases cause a national or international revolution. But concerned as cooperative employees generally are and should be to contribute every last ounce of effort toward the great cause which they represent, the real question is, how they can so live and work to contribute the most. They cannot “give” continuously without “giving out.”

There are, we believe, three primary answers. The first is that cooperative employees, who give up all hope of ever becoming rich when they accept cooperative employment, should be compensated in addition to their salaries with the peace-of-mind certainty that they will be adequately cared for in sickness or old age. The American cooperative movement has given little attention to this necessity which is only primary justice. European cooperatives generally have adopted sickness and retirement benefit plans. They do not depend upon the inadequate protection of the State. Copies of such plans have been secured and are available for the American Movement to pattern after. In general they provide for sickness benefits covering a six-months period and for retirement at the age of sixty-five at half pay. It should be added that such retirement provisions not only insure the greater peace-of-mind of cooperative employees during their working years and justice during their retirement years, but likewise solve the question of automatically discontinuing employment at an average age when physical and mental powers may begin to decline.

The second answer is that working hours should be shortened, particularly for those cooperative employees who are called upon by their occupations to spend many additional hours in night work. Rest is an absolute essential at any age for recuperation of mental and physical strength. One of our largest and most successful regional cooperative associations has adopted an eight-hour five-day working week for its employees. Its success would seem to indicate that such working hours are not impracticable. Less working-days every week would enable cooperative employees to accomplish more during the regular hours they worked and to study and contribute more of value in after-hours effort. Most cooperative employees work so many hours at their regular occupations that they do not have the time for the constant reading and thinking necessary to make the most progress. Initiative and ideas are the valuable by-product of such reading and thinking. They cut short and sometimes completely eliminate routine operations, which otherwise may be carried on indefinitely, and thus increase efficiency.

A third answer is to observe a day of rest. Many cooperative meetings are scheduled for the day of rest. Other cooperatives never schedule such a meeting. Yet there is no evidence but that they are not equally as successful as others which do. And it goes without saying that the members and employees are more refreshed and energetic for the following week’s work. Not only are mental study and physical relaxation necessary for the recuperation of one’s energies, but quiet and meditation are equally necessary for the growth of one’s spirit. Cooperative employees do not live “by bread alone.” Cooperation is a relationship between human beings and such relationships must develop in the spiritual as well as the mental and physical spheres of life.

There are others, but these are some possible answers to the question asked us as to how to keep cooperative employees out of early graves: peace-of-mind through sickness and retirement benefits; shorter working hours; fewer working days which will permit more mental study and other cooperative activities as well as physical recuperation; the growth of the spirit through the quiet and meditation of a “day of rest and gladness.”

Regional Leaders’ Attitude Toward National Organization

Another question asked us by a cooperator was, why some regional cooperative leaders do not seem to take the same attitude toward the national organization of the cooperative movement as they urge their local cooperative members to take toward their own regional organizations. This cooperator went on to explain that regional cooperative leaders rightly urged their local cooperative associations to support the activities of their regional association 100%: in adequately financing and staffing their public, educational and legislative activities; in purchasing all their requirements through their regional, and in supplying sufficient finances through stock subscriptions, reserves and loans. He then asked whether all regional cooperative leaders follow out in dealing with matters of national cooperative organization the advice which they strongly urge their local cooperative associations to follow in dealing with their regionals.

Our only answer was to state our implicit belief that in time all regional cooperative leaders will “follow through” and practice fully in all their dealings with the national cooperative organizations the same things which they urge their local cooperatives to do in dealing with their regional organizations. It is not only logical that they should do so but to their benefit as well. And logic plus benefits will surely bring every right action to pass. Time is necessary to develop strong national cooperative organizations, just as time was required to develop strong regional cooperative organizations. Statistics show that the great upturn in regional cooperative organization development began in 1926; the great upturn in national cooperative organization development is only recently under way. “You cannot go it alone” applies as strongly to regional cooperatives as to local cooperatives. For their own best interests regional cooperatives must federate into and develop strong national cooperatives, just as local cooperatives must federate into and develop strong regional cooperatives. The only question is when? Since it will be done eventually, it would seem to be the height of wisdom and the responsibility of every regional cooperative leader to answer affirmatively the question asked by one cooperator “Why not now?” We must act in every way to strengthen the national cooperative organizations and enable the Consumers’ Cooperative Movement to take its rightful place in national influence in building economic democracy and preserving religious, educational and political democracy while there is yet time, and before it is too late as it has become for lack of national action in other countries.
What Should Be Discussed Publicly and Privately?

A cooperator, who has attended many meetings of directors as well as meetings of members or delegates, might point out that the observation to us that the most important matters are not discussed publicly in the meetings but in "off-the-record" personal conversations. Who would not agree that this is true? The question is to what extent should important matters be publicly discussed in a democratic cooperative organization. Is there an inhibition which has been inherited from the lack of public discussion in competitive economic organizations, or is it well that important matters should be discussed personally rather than publicly? To what extent should feelings be protected from public discussion of cooperators' activities? What is really necessary in order to do a good job of collective thinking and to achieve a reasonable degree of unanimity in democratic decision? If the results of one cooperative compare unfavorably with those of another under similar circumstances, should not that fact be openly discussed and the group endeavor as a whole to determine the real reasons? Yet such comparisons, which are possible among cooperatives because the books are open, while they are not possible among competitive organizations, are seldom made in a public way and in a spirit of emulation. To what extent should the management and directors be expected by the members or delegates to publicly acknowledge their own errors, if the results are unfavorable, rather than passing over any such situations by incomplete statements?

We do not know who can answer this cooperator's observations and the implied questions. So we leave them to our readers to think through. We would only suggest that the word "open" may prove a valuable tool in discussions. To what extent are the books open, as the books are held open in a democratic cooperative? Is it well to consider at this time that long periods of discussion and open decisions may give better results than short periods of closed discussion and decisions?

FARM CO-OPS SHOW HUGE GAINS

This report covers the record of various commodity marketing cooperatives such as dairy, fruit, grain, livestock, etc. as well as the total number of associations listed, estimated membership and estimated business of farmers' marketing and purchasing cooperatives. Our readers will be particularly interested in the cooperative purchasing statistics. The ten year record of farmers' purchasing cooperatives is shown by the chart. Associations listed increased from 1205 to 2600 or 115 per cent. Estimated members increased from 558,000 to 900,000 or 126 per cent. Estimated business increased from $128,000,000 to $350,000,000 or 173 per cent. It is interesting to note that the big jump in associations and volume started in 1934, when the Movement began to organize nationally to a greater degree. Whether there is any connection between the two facts cannot, of course, be determined.

MEDICINE FOR THE PEOPLE


This is an extraordinary book. It presents two unusual features. First, it is the experience of a doctor who came up from poverty to affluence, who lived close to the people, and who became possessed of a great social idea. And second, it tells of the creation of the first cooperative hospital in this country. Here is history that burns itself into the consciousness of the reader, and will touch the sensitive nerve of social justice of every live mind that comes in contact with it. A number of biographical stories by doctors who have recently appeared and have been widely read. They depend largely on fiction to make them attractive. But Dr. Shadid's book is the naked truth—unembellished. It is utterly thrilling. Its facts are impressive. I know Dr. Shadid. He is the noblest work of God—an honest man. He is the point of view in his simple directness. And an enlightened medical profession of the distant future will rise up to proclaim him its benefactor.

After recounting the story of his boyhood on the slopes of Mt. Lebanon in Syria, he goes on with the narrative of education and of medical work. He practiced in Oklahoma. His eyes were opened to the need of medical reform when on one day, as a young assistant, he helped a doctor perform unnecessary major operations on three patients, for the sake of the fees, and all three patients died. He asks the question, what kind of justice could you expect from our courts if the remuneration of the judges were dependent upon their decisions? One guilty brought a five hundred dollar fee while 'innocent' meant only five dollars? This book gives the history of the founding and the growth of the Community Hospital of Elk City, Oklahoma, and the opposition to it. Here is revealed the sordidness in the medical profession. It progresses through the business greed of the incompetent little doctors of the community up to the business cupidity of the American Medical Association. Facts and figures are put on record. It is obvious to the reader that the offense which brought down the doctors was the fact that he had set up an association and a hospital owned by the patients, doing better work than the doctors and hospitals of the neighborhood, saving the patients money, and making preventive medicine possible as never before.

May, 1939

A number of biographical stories by doctors who have recently appeared and have been widely read. They depend largely on fiction to make them attractive. But Dr. Shadid's book is the naked truth—unembellished. It is utterly thrilling. Its facts are impressive. I know Dr. Shadid. He is the noblest work of God—an honest man. He is the point of view in his simple directness. And an enlightened medical profession of the distant future will rise up to proclaim him its benefactor.

MEDICINE FOR THE PEOPLE

This book should be read by every doctor with a social conscience, and by every doctor without one. People concerned for the improvement of the public health will read it. And to those who enjoy narrative, that is more thrilling than fiction, this book offers both entertainment and enlightenment.


This book of 350 pages tells the dramatic story of the possibilities of medical service, of its need by the people, of the failure of the individualistic method of medical practice adequately to supply the need, of the resistance of organized medicine against anything socially progressive, and of the public's reaction to this sad drama. Mr. Rorty has done a good piece of research and has effectively presented his material.

This book possesses the merit that it shows the methods of the American Medical Association. Here is a trade union with 110,000 members ruled by a small coterie of successful business doctors, who place publicity and administration here is a trade union with 110,000 members, without one. People concerned for the improvement of the public health will read it. And to those who enjoy narrative, that is more thrilling than fiction, this book offers both entertainment and enlightenment.

The chapter in this book on Medical Cooperatives ties in with the rest of the text. It is an interesting story. From the standpoint of the patient, who are trying to get more and better medical service, who want to make use of preventive medicine to protect their health, the opposition of the A.M.A. to cooperative medicine is tragic. From the standpoint of the average informed doctor, the attitude of this powerful trade union should be both humiliating and discouraging. But since the propaganda carried on within the organization keeps the membership misinformed as to the nature and methods of cooperative medicine, the knowledge of this medical subject in the United States is largely among the lay public while the ignorance of it remains the special possession of the medical profession.
WHAT THE CO-OPS ARE DOING


The U.S. Bureau of Labor Statistics of the Department of Labor has just published its fifth report on Consumers' Cooperation in the United States and finds more consumer cooperatives than ever before, that they represent "not only a more extensive but a sounder development than at any time since the Bureau started to follow the movement in 1918" and that the "business practices of local associations have undergone a noteworthy change for the better."

The Bureau made the study in cooperation with the Farm Credit Administration, the Rural Electrification Administration, the Consumers Council of the AAA and the Consumers Project of the Department of Labor. The report, based on operations for 1936, shows 4,100 consumer cooperatives in the field of retail distribution and service with 830,000 members and a business of $188,000,000 that year; 5,000 consumer cooperative telephone associations with 6,000,000 members which reported a gross income of $5,485,000; 5,540 cooperative credit unions with 1,200,000 members and loans to members totaling $112,135,000; and 1,800 co-op insurance associations with 6,800,000 members and a gross premium income of $103,875,000.

These statistics cover only part of the consumer cooperatives in rural areas. The Farm Credit Administration recently reported 2,600 consumer cooperative purchasing associations in farm areas with approximately 900,000 members and a total business in the 1937-38 season of $350,000,000 while cooperative purchasing by marketing cooperatives boosted retail sales of 1,000,000 members to $700,000,000.

Three-quarters of the co-op stores were in towns of 5,000 population or less and "although the cooperators formed only 0.05 per cent of the population cities of a million or over they formed about 11 per cent in places of 1,000 to 5,000, nearly 24 per cent in place of 500 to 997 in permits of less than 500 inhabitants. In sharp contrast, practically all the housing associations, credit unions, medical associations, restaurants and bakeries are centered in centers. That cities are not invulnerable to cooperative attack, however, is attested by the growing number of American cities in which there are associations of some size that are apparently in successful operation," the publication points out.

The Bureau of Labor Statistics' study shows that nearly 45 per cent of the co-ops reporting have been formed since the beginning of the depression in 1929. The average membership of all retail co-ops is 257. Seven retail distribution co-ops and sales in 1936 of over a million dollars each although the average annual sales per co-op was $81,058. More than 70 per cent of the cooperatives reporting were able to dispose of all of their goods and patronage dividends averaged from 2 to 10 per cent for store associations and 5 to 10 per cent for service associations. Averaging yearly savings however, it was found that the net savings per family in stores and oil associations were almost the same.

The Bureau's field studies disclosed that "the independent, isolated cooperative associations do not maintain the level of the federated associations in business efficiency, size, volume, financial stability and operating results. Among the increasingly large number of associations which have realised the advantages of federation and have utilized to the full the wholesaling, auditing and other facilities available, failures are becoming fewer and fewer." "Today," the report continues, "more associations are formed only after extended educational work than was formerly the case. Reliance on practical facts has to a large extent supplanted the unthinking enthusiasm and exaggerated claims that characterized the early period. . . . Fewer than 200 associations were affiliated with the national body—The Cooperative League—in 1920. In 1936 the League had some 10,000 members when private profit utilities refused to sell them power at a reasonable wholesale rate.

Central Co-op Wholesale, Superior, Wisconsin, at its 22nd annual meeting, April 17 and 18, approved the hiring of 7 regional educational directors; OK'd the board of directors' recommendation to pay a 1.4 per cent patronage dividend to retail stores on the wholesale's $3,045,000 business last year and approved a printing plant for the Cooperative Builder.

The Central States Cooperative League and The Cooperative Wholesale, both of Chicago, moved a step closer together when the delegates at the annual meetings of the two organizations April 22-24 set up a coordination committee and instructed it to bring in a plan for amalgamation in the first year.

The Pennsylvania Farm Bureau Cooperative Association boosted its volume to $1,279,000 in 1938—35 per cent ahead of its record sales a year ago. Twelve hundred delegates and guests packed the Hershey theatre for the annual meeting.

The State of North Dakota has created a Division of Cooperatives as part of the Department of Agriculture and Labor to serve as a source of cooperation and information in the establishment and/or maintenance of cooperatives generally.

Patterning their work after the very successful program of adult education and cooperative organization in Nova Scotia, the Conference of Southern Mountain Workers have set up an extension program with headquarters at Berea, Kentucky, to train leaders and organize cooperatives in the mountain area.

CONSUMER COOPERATIVES ON THE MARCH

This has been a month of great consumer cooperation progress.

Consumers Cooperative Association, with headquarters at North Kansas City, Missouri, has signed a contract for the construction of the first cooperative oil refinery in the United States. The plant will be built at Phillipsburg, Kansas, this summer at a cost—with a 70-mile pipe line—of $700,000. The refinery will serve co-ops in Kansas, Colorado and part of Nebraska and will supply about 40 per cent of the petroleum products handled by C.C.A. It will take fifty cooperative refineries of the same capacity to supply all the gas and oil cooperatives in the United States.

Eighteen communities in Minnesota and Wisconsin have completed drives for the establishment of cooperative grocery stores to be operated with the new grocery division of Midland Cooperative Wholesale as CO-OP STORES, Inc. The wholesale-retail features of the program are patterned after the large French cooperative societies and bring consumer members advantages of large scale centralized operation while preserving consumer ownership and control.

The Farm Bureau Mutual Auto Insurance Company, a cooperative established twelve years ago reported premium income of $6,000,000 in 1938, placing it squarely in position as fifth largest mutual auto insurance company in the country. Cooperatives in New York and vicinity, in cooperation with several of the regional associations in other sections of the country, completed plans for a CO-OP CENTER for World's Fair visitors who will be in New York this summer. Located at 136 East 44th Street, one half block east of Grand Central Station, it will be a mecca for out town cooperators and an information center for consumers.

Three hundred educators, churchmen, social workers, labor and cooperative leaders from ten southern states met at Greenville, S. C., for the First Southern Conference on Cooperation. Taking as its theme, "Educating People to Help Themselves," the conference marked the opening of a drive to bring cooperation to the South as a partial answer to America's Economic Problem Number One.

Eleven rural electric co-ops in Minnesota, Wisconsin and Iowa made plans to erect a generating plant to serve the needs of their 10,000 members when private profit utilities refused to sell them power at a reasonable wholesale rate.

W.J.C.

Consumers' Cooperation

May, 1939
The Cooperative League, 167 West 12th Street, New York City.

**AFFILIATED REGIONAL COOPERATIVES**

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**DISTRICT LEAGUES**

- Central States Cooperative League
- Eastern Cooperative League
- Northern States Cooperative League
- California Co-op Education Ass’n
- Northern California Co-op Council
- National Cooperative Women’s Guild

**COMING EVENTS**

- Cooperative League Publicity and Education Conference, Milltown, Wisconsin, June 22-24.
- National Cooperative Recreation School, Milltown, Wisconsin, June 26 to July 8.
- Dinner for Neal Beaton, president of the Scottish Co-op Wholesale, World’s Fair Co-op Center, New York, June 28.
- Mexican Conference on Cooperatives and Economic Problems, Torreon, Coahuila, Mexico, July 1 to 6.
- Circle Pines Center, near Hastings, Michigan, series of summer institutes: Recreation Leadership Training, June 25 to July 8.
- Youth Institute, July 9-22.

**THE COOPERATIVE LEAGUE**

167 West 12th Street, New York City

**DIVISIONS:**

- Advertising Bureau, 167 West 12 St., N. Y. C.
- Medical Bureau, 5 E. 57 St., N. Y. C.
- Book Service, 167 West 12 St., N. Y. C.
- Chois Insurance Service, 135 Kent Ave., Brooklyn, N. Y.

**Address**

Chicago, Ill.

**Publication**

Co-operative Builder

**OFFICIAL NATIONAL JOURNAL OF THE CONSUMERS’ COOPERATIVE MOVEMENT**

Price $1.00 a year.
DEFENDING DEMOCRACY

A GAIN we are hearing appeals to exert "righteous force" in a "holy" war. They sound like echoes of a quarter of a century ago. There is a deep obligation upon each one of us to think through to the end, to speak our convictions and to act in accordance therewith. The obligation is particularly heavy upon those who suffered losses in their own immediate families from the last war and who might be called upon to do so again.

Face the Facts

What, after all, is the real difference between the imperialistic designs of the past on the part of England and France and the fascist desires of the present on the part of Germany and Italy? What is the real difference between England and France continuing to hold protectorates over other nations and Germany and Italy seeking to establish such protectorates? Look at a current map of Africa, particularly a colored one for clarity, if you can find it, showing the protectorates established by England and France over the various countries on that continent. Then ask yourself, why do not England and France set the example to Germany and Italy by giving up their protectorates?

No one should be deceived. "It was," as Senator Borah wrote to students in St. Olaf College of Northfield, Minnesota, "the democracies of Europe which wrote the secret treaties by which all the spoils were divided even before the war closed. It was the democracies of Europe which wrote the Versailles treaty, not a peace treaty, but a spoils treaty. It was the democracies which, for 20-old years refused to make any changes in the Versailles treaty looking toward peace." Is the present struggle in Europe really over ideologies of democracy vs. dictatorship, or is it not actually another of the periodically recurring struggles of European economic imperialism for control of markets?

Canon Charles E. Raven of England, who has been touring America, is reported editorially by the Christian Century to have informed a Chicago audience that "in sending aid to Great Britain and France ... America is not placing her vast resources behind the democracies but is helping maintain the policies of the world's two most unrepentant imperialisms."

If the United States entered a future war to win, it would probably have to join with Russia as well as Great Britain and France. Do we want to fight to promote Russian Communism as well as British and French Imperialism? If Russia goes to war it will be to promote Communism; if Britain and France go to war it will be to promote Imperialism; if Germany and Italy go to war it will be to promote Fascism. In other words, all of the nations act in what they conceive to be their own national interest. What have we to do with promoting any one of these three political-economic ideologies?

The real democracies of Europe such as Switzerland and Scandinavia kept out of the last war. If the United States wants to promote democracy, these are the nations whose policies we should support. And their policies were and are today to "keep out" of the struggle between other ideologies.

Americans should study this through and see if these are not the true facts.

National Executive Attitude

The President opened an "over there" verbal attack by his "quarantine the aggressor nations" speech. The natural question was raised "who would do the quarantining," for someone would have to do it. He followed it by his message to Congress suggesting "methods short of war, but stronger and more effective than mere words." Yet, as Ernest L. Meyer, in the New York Post says, "When people today soberly argue that throwing our financial resources behind foreign powers will not commit us to war, all one can reply is: in heaven's name, turn back the pages of history but twenty short years, and if you cannot read, then weep."

The war of words applied to "over here" started with the declaration by the President that the United States would never "stand idly" by if Canada were invaded. Then, in his Pan-American Day address, he proposed "matching force with force" to defend the American peace. One cannot but remember President Wilson's expression about force, "force to the utmost, force without stint or limit, the righteous and triumphant force," and wonder if lasting peace is an end to be achieved by the means of force.

President Wilson's appeal to "save democracy" is now superseded by President Roosevelt's appeal to "save religion." But if democracy cannot be saved by war, as America should have learned, then how can religion be saved by war? The editor of the Christian Century, Dr. Charles Clayton Motirson, declares, "here, we do not hesitate to say, is the most misleading appeal made to the American people by a chief executive in the history of the republic ... it should be utterly and instantly rejected." He characterizes it as an appeal "to paralyze men's rational processes" designed "to carry his program of limitless armament spending through Congress."

A political "battle royal" is staged over the question of $50,000,000 more or less for "relief" which is finally voted down by the Senate on the same day when it is reported than an additional $285,000,000 will be asked for "defense" which will be rushed through the House and Senate without delay." Yet it is a question if "relief" is not our greatest "defense."

June, 1939

National Legislative Program

Three questions stand out supreme in the various bills now before Congress having to do with the question of war.

The first is the various neutrality bills. The present law prevents sales of arms, ammunition and implements of war to either side when a state of war is declared by the President. The Nye-Bore-Clark bill proposes to strengthen this law by giving the President power, with the approval of Congress, to apply the law to only one side in a foreign war. The Pittman bill would permit both sides in a war to purchase war materials including arms on a cash and carry basis. The question before every American citizen today is, what do you want Congress to do about neutrality? You should keep in mind that "cash" is a largely fictitious method of payment today, unless it results in trading food, goods and services. Transfer of gold as cash is of no particular value to the United States today. Furthermore you should remember that trading in war materials was a potent factor leading to America's entrance into the last war. Your armies followed our sales of arms. Someone must shoot the guns and throw the bombs. Cash trading was soon followed by credit trading and then by loans, after which Ambassador Page urged that we declare war in order to prevent a financial collapse, which we did.

Do you want to make money out of such bloody traffic, even if it did not later involve us? But we cannot have both profits and peace, even if we so desired. Senator Borah declares "The mothers of this country will find that there is no practical difference between furnishing arms and other fighting instruments and furnishing boys. They will inevitably come together in the end."

Have you a flesh and blood son whom you are willing to have buried in a foreign
land in exchange for sterile gold to be buried in the Kentucky hills? If not, what are you going to do about it?

The second question relates to the matter of declaring war. Do you think that our forefathers did or did not make a mistake in transferring to Congress the power to declare war? Do you want to take this power back into your own hands? If you feel that this power of life or death is too precious to be delegated to anyone but yourself, then you will support the Ludlow-LaFollette war-referendum bill. Chief Justice Hughes said in his address to Congress on its 150th birthday, "We are here not as masters but as servants . . . to attest our loyalty to the commands and restrictions laid down by our sovereign, the people of the United States." Is this a matter where you wish to act directly as a sovereign, or to delegate your sovereignty, as in the past?

The third question relates to war profits, if war does come. Senator Bone and 49 other Senators have introduced a bill to tax the profits out of war. This bill does not involve fastening a war dictatorship on the country as did the May bill. What do you want to do about the question of profits? Who should get the profits from war? It is for you to help your representatives determine how they should vote. Of course it may not make much difference who does get the profits, for the time being, in a war of poison gas and high explosives. Such a war would probably end in almost universal destruction and result in revolutions which would change the status-quo in a vital manner.

Don’ts and Do’s

The "don’ts" boil down simply to two, if we really want peace. Develop cooperatives and all the other forms of economic organization which will solve our domestic questions of poverty, unemployment and tenancy and thus enable America to become an example of true economic democracy as well as political, educational and religious democracy. Support the calling of a world conference and the sharing of resources by the "have" nations with the "have-nots" as well as the adjustment of racial and other differences.

These "don’ts" and "do’s," make up a program that is neither individualist nor collectivist. It is not antagonistic. It proposes action for peace and the prevention of war.

It is not America’s primary business what flag flies over a European, African or Asiatic nation. It is not America’s primary business whether the people choose to be ruled by a single or multiple kings, a dictator, a president, or president. America’s greatest historian, Charles A. Beard, says, "The business of preventing German and Italian domination in Europe is the business of the powers immediately and directly interested, and they have the men, money and materials to do the work, if that is what they really want to accomplish."

Our primary duty is to put our unemployed army at work manufacturing useful consumption products, not producing useless war materials or fighting other people’s wars.

These are the opinions of one troubled and involved American, who believes that these matters are the vital concern of all earnest citizens, and especially those who as cooperative consumers are zealously striving for a higher standard of human living, and, consequently, a better world in which to live.

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The Consumer Cooperative movement in territory served by Midland Cooperative Wholesale officially and finally became of age Friday, May 5, and went places. It went from gasoline to groceries. First stores are expected to open by the end of June.

The movement in Midland territory "par on long pants" in a history-making meeting at the Midland plant in Minneapolis in the presence of some 125 co-operators—farmers and city people—who knew what they wanted and why.

Carloads of delegates from 18 would-be co-op store communities began arriving at the Midland offices in the early morning. They came from Wheaton, Clinton, Donnelly, Morris and Montevideo in western Minnesota; from Onamia, Hinckley, Mora, Milaca and Rush City north of Minneapolis; from Osceola, Amery and Milltown in western Wisconsin; from Whitewater, Burlington, Neenah, Greendale and Center Valley in eastern Wisconsin; and from Minneapolis' twin, St. Paul.

Mud, Dust and Hard Times Can’t Stop Cooperation

A spokesman from each community took the floor, told the audience—which included the Midland board of directors—of his community’s particular struggle to sign up enough shareholders and to get enough money together. The story in every case was much the same: bad weather, mud, dust, hard times, wild numbers, opposition, but also hard work, sacrifice, grit, patience, and finally—we’re over the top, we’re ready to go, we can’t hold ‘em back much longer.

Altogether, the reports showed that in 15 communities (not including three in Wisconsin just starting—Burlington, Whitewater, Milltown) 3,685 families had subscribed for one or more $15 shares of stock, an average of 246 families to a store. A total of $48,100 capital was collected (average of $3,206 a store), of which about $16,000 is in loans to the local cooperatives from the Consumer Distribution Corporation. In every community, however, the local cooperators have invested cash at least equal to the amount of the note and furthermore, they have individually signed notes for the balance due on their shares of stock.

The reports concluded, the delegates next adopted a resolution urging the Midland board to act now, before it was too late, on the question of going ahead. An advisory committee, composed of one person from each store community, then met with the Midland board and presented their case in detail. The board recognized the demand for cooperative grocery stores by giving those co-op store delegates—from 18 Minnesota and Wisconsin communities—the “Full speed ahead!” signal on a federated, “pay-as-you-enter” grocery program in which the local store is the retail department, and the grocery division of Midland is the wholesale department, of one and the same organization—CO-OP STORES, INC.

A Pay-As-You-Go Program

This grocery enterprise, in which one consumer buys groceries with the power of many consumers, and one co-op store buys with the power of many co-op stores, will entirely pay its own way. It expects no financial help whatever from any other Midland department.

Cooperators in every community have raised among themselves the funds necessary to establish their local grocery AND to pay for their share of the financing of their own wholesale department.

June, 1939
It is, indeed, the first time in the history of cooperation in the Northwest that local cooperatives have provided in advance the money needed to establish their own retail and wholesale departments; the first time, in other words, that a "pay-as-you-enter" rule has been followed.

The decision by the Midland board to go from gasoline to groceries may well turn out to be one of the most significant actions in the development of American cooperatives. It marks, of course, a definite realization by rural people that their household consumer interests are fully as important as their vocational interests to protect. But it does more than that. It pushes the button on some entirely new machinery with which to build the cooperative movement, for this grocery program is something new under the cooperative sun. It combines the proved advantages of cooperative buying and selling with the proved advantages of modern chain store organization. It proposes to get, as a product of this combination, one of the most powerful weapons yet devised for the use of the ordinary man-in-the-street, or farmer-in-the-dell consumer.

This project is not a departure from the orthodox, time-tested Rochdale principles of cooperation, under which consumers buying as one consumer, a federation of many co-ops as one co-op, and power-in-the-dell consumer.

Volume Buying Plus Democratic Control

The Midland store program is designed to accomplish two major objectives:

Objective No. 2—to insure the democratic nature of that organization by placing its ultimate control in the hands of Mrs. John Consumer.

To achieve Objective No. 1, these things are necessary, building from the bottom up:

Item 1—At least 200 families in at least 15 communities who want a co-op store;

Item 2—At least $3,000 invested in each community in non-speculative, non-assessable shares worth $15 each;

Item 3—A retail store in each of those communities;

Item 4—A wholesale department owned collectively by those stores;

Item 5—A centralized system of organization and management able to carry out efficiently, economically and speedily the wishes of Mrs. John Consumer.

Add up these items and you have CO-OP STORES, INC., a federation of many consumers buying as one consumer, a federation of many co-ops as one co-op.

Combining Wholesale and Retail Operations

But note this fact! It is a vertical as well as a horizontal cooperative, for it not only unites the retail co-ops as part of the same organization; it also makes the wholesale co-op a part of that same organization. When you speak of CO-OP STORES, INC., OF MORO, or CO-OP STORES, INC. OF OSCEOLA, you are speaking of a completely integrated co-op unit which performs for the consumers who own it both retail and wholesale functions. The Midland Cooperative Wholesale's grocery department is the wholesale arm and the store in Mora or Osceola is the retail arm.

The consumer in Mora or Osceola, in other words, gets all the savings and benefits resulting from ownership of his and her retail store PLUS those resulting from ownership of his and her own wholesale.

Consumers' Cooperation

Because of this concentrated wholesale-retail set-up, when Mrs. Consumer pays $15 for a share of co-op store stock in her community, $10 of it goes to equip and stock the retail and $5 of it goes to finance the wholesale department. In the same way, the combined wholesale and retail earnings of CO-OP STORES, INC., will be credited one-third to the wholesale and two-thirds to the retail, although all earnings, wholesale and retail, will belong to Mrs. Consumer. Each retail will, of course, have different amounts available for patronage refunds to its members, for its net earnings will depend upon its own volume of business and the degree of efficiency of its management.

An agreement calling for central management of the entire set-up, entered into by Midland and the governing board of each retail store, provides an additional means of strengthening this co-op union and infusing even more efficiency into it. This agreement means, in effect, that the local board of directors, instead of hiring a man to manage the retail store, hires his own central organization to do the job, and the manager himself is hired jointly by the central organization and the local retail board. The manager is subject to discharge either centrally or upon the request of the local board.

The agreement in no way whatever affects the usual self-governing rights and powers of the local members and their board.

And since retail and wholesale are parts of the same whole, the retail stores are supplied with all their needs through their own wholesale department.

Centralization of the retail-store department is nothing new in the grocery business, of course. Indeed it is the very essence of efficiency realized in just such a centralization that chain stores have gone so far in dominating the food industry. It seems high time, then, for cooperators to catch up with the times and reap the benefits of centralization themselves.

June, 1939

Advantages of the New Program

Here are a few of the advantages which may be expected to benefit the ultimate boss, Mrs. Consumer:

1. Systematized management, making for economy and efficiency through uniform merchandising;
2. Carload purchasing power, lowering the cost of goods;
3. Standardized modern machine accounting, making complete monthly comparative records telling where each store has been and where it is going when there is still time to do something about it;
4. Effective joint display and advertising program, with costs spread thin;
5. Trained experienced specialists in a highly technical, highly competitive business; costs spread thin here, too;
6. Quality control through uniform grading and labeling and laboratory tests (when you buy by grade you don't buy blindfold);
7. Continuous, aggressive educational aids in "knowing your groceries" and "knowing your cooperation";
8. Special training for local managers;
9. Elimination of credit and traveling salesman's costs;
10. Chain store prices because of volume buying and efficient merchandising and management.

Now for the achievement of Objective No. 2—democratic control. The Midland program calls for these things:

Item 1—Open membership; any consumer, town or country, may become a member by purchasing a share of stock;

Item 2—One member, one vote; each member gets one vote, but no more, in any matter which is brought by him or someone else before any official meeting of his co-op;

Item 3—A local board of directors elected by the members and responsible to them for the operation of their co-op;

Item 4—A local delegate or delegates to the annual meeting of the member
associations of Midland Cooperative Wholesale at Minneapolis.

Item 5—A board of directors of Midland that is elected by all the local delegates from all member associations, the board being responsible to those delegates for operating their wholesale.

Item 6—An advisory committee composed of one representative from each local store co-op which meets with the Midland board at various intervals and acts as a consumer barometer.

Now add these items together, shake well and you have democracy in action. Apply the spark of centralized management, and you have an organization equipped to do battle for the consumer with the toughest of modern competitors.

Years of Planning

This “many-co-ops-as-one” program is no “jerry-built” structure thrown together over night. Its construction has, on the contrary, taken the better part of two years.

The urgent necessity for consumer cooperatives to go from gasoline into groceries has long been realized by farsighted American cooperative leaders; first, because gas and oil margins are getting smaller and smaller; secondly, because groceries are the largest single item in any family’s budget—it does the farthest thing of all.

As a result, cooperators in this country, thought so too, and so did the more experienced leaders of English, Scottish, Swedish, Finnish and Swiss cooperatives to whom the program was explained.

The next question was, “What does it take to put such a program into effect?” And the answer was that it demanded (1) an experienced and competent merchandiser who knew his wholesale and retail groceries, from artisans to zebra-back; and it demanded (2) an informed cooperative membership who not only would realize the need for co-op stores but who would work and act together to satisfy that need.

An Able Technician
For a Big Job

One day in the spring of 1937, the first requirement walked into Mr. Cort’s office. It was Charles I. Cook, who had been successively a grower, manufacturer, wholesaler and large scale chain operator, but who, strangely enough, had been thinking along almost exactly the same lines as Mr. Cort in working out a plan to turn his business over to his customers.

The two men got together, and now Mr. Cook is in charge of the technical end of this newest thing in grocery merchandising—operation of co-op stores owned by consumers as a federated wholesale-retail unit.

The filling of the second requirement, however, was not so easy. This requirement could not walk into any office. It could not be found all ready-made. Nor could it be forced down the throats of people who did not want to swallow it. Yet it was absolutely necessary for the people themselves to want their own co-op stores before the “many-co-ops-as-one” program stood a ghost of a show to succeed.

Building a Working Membership

So there began in the winter of 1937-38 in various communities where successful oil cooperatives existed, a series of educational meetings called Neighbor Nights. Neighbors met together in their homes, studied over their economic problems and, on the basis of what they found out, kept on getting together to decide what, if anything, they ought to do about it.

In those communities where the majority of the people decided that a co-op store was their next job, they set to work to get that store. They kept on holding meetings, they formed neighborhood Co-op Clubs to carry on where the Neighbor Nights left off, they organized store committees, they elected boards of directors, they incorporated, and they started out on that longest, hardest task of all, the collecting of the necessary capital.

But the second and last requirement had been fulfilled, for the people in more than 15 communities really wanted co-op stores, and they were determined to have them. It was only a question of time until they got them.

Snow, dust, mud, hard times and opposition might delay the store landslide a bit; they could no more stop it than King Canute could stop the tide.

The summer of 1938 passed, and the winter of 1938-39. Interest steadily mounted. St. Paul people joined their country cousins in demanding their own store. Two hundred and seventy-five local committeemen combed their communities for subscribers and for the $3,000 capital required for each store. Finally, with the advent of spring, the store workers saw their two-year goal was within reach, and they put everything they had into a final plunge to the finish line.

The Stores Are Coming

Special editions of the MIDLAND COOPERATOR containing only store material were sent to the co-op grocery communities, and the progress of the capital collection campaign in each community was shown twice a month on a page-wide “store building.”

The building kept getting blacker and blacker as the dark blocks indicating “capital collected” were piled on, and finally, with the May 10th issue, which went to all readers of the COOPERATOR, the “store building” was, for all practical purposes, completed.

So, ends the story of the birth of CO-OP STORES, INC. But now begins the story of the life of CO-OP STORES, INC.

DEAR READER:

You can help us make Consumers’ Cooperation a better magazine.

Renew your own subscription promptly.

Send subscriptions: for your friends, the libraries that serve your community, a lending library for your co-op.

Arrange for your cooperative to send Consumers’ Cooperation regularly to every member of your board of directors.

Your magazine has to carry its own costs. More subscriptions will provide funds to make Consumers’ Cooperation a larger and more valuable “magazine for cooperative leaders.”

—The Editors
Leaders From Ten States
Launch Education Drive

COOPERATION MOVES SOUTH

The general expression of the nearly three hundred individuals from ten Southern States who attended the Conference on Cooperation held at Greenville, S. C. on May 18-20 was that it was “one of the most significant conferences ever held in the South.” For three days leaders and members of churches, schools, government, farm cooperatives, labor unions and other organizations discussed the subject of “Educating People to Help Themselves.”

The Conference was arranged by The Greenville County Council for Community Development, The University of North Carolina Extension Division and a Sponsoring Committee of Fifty. The Committee on the Church and Cooperatives of the Federal Council of Churches and The General Education Board were cooperating organizations.

Opening the Conference the executive secretary of The Cooperative League, stated as a keynote that, “If the South is America’s Economic Problem Number One, adult education and cooperative organization are the Number One answers,” and then described the programs of adult education and cooperative purchasing and marketing in various democratic countries of Europe.

The development of “cooperation in the Midwest” where hundreds of millions of dollars of business are done cooperatively was offered by Murray D. Lincoln, executive secretary of the Ohio Farm Bureau Cooperatives, as proof that “people have within their own hands the tools with which to fashion their own destinies if they will only use them.” Twelve million dollars worth of farm supplies have been purchased by the members of the Farmers Cooperative Exchange of Raleigh, N. C., said M. G. Mann, general manager.

The featured speaker of the Conference was Rev. J. Nelson MacDonald of Nova Scotia who told of the outstanding development of study clubs which resulted in the organization of seven hundred credit unions, cooperative stores, fish, lobster, poultry, livestock, dairy and other cooperative marketing associations in the Maritime Provinces. His description was illustrated by the film, “The Lord Helps Those—Who Help Each Other” taken in Nova Scotia by the Harmon Foundation.

“If cooperation comes out of necessity, the South is about ready to launch a cooperative program,” said Arthur Raper, research and field secretary of the Commission on Interracial Cooperation. A panel discussion on credit unions was led by C. R. Orchard, director Credit Union Section, Farm Credit Administration. Dr. Kingsley Roberts, medical director, Bureau of Cooperative Medicine, discussed the necessity and presented illustrations of the development of “Cooperatives for Health.”

A summary of the discussions of the Conference presented by Walter J. Matherly, dean of the College of Business Administration of the University of Florida, was approved by the Conference. It included recommendations for the preparation of a directory of local cooperatives already existing in the South, the development of courses on cooperation in the schools and adult education groups, the organization of credit unions, buying clubs and other forms of cooperatives, and the appointment of the Executive Committee of the Conference as a Continuation Committee for the setting up of a permanent organization.

Active in the organization and credited with the success of the Conference were Howard W. Odum, University of North Carolina, chairman; Walter J. Matherly, University of Florida, vice-chairman; R. M. Grumman, University of North Carolina, secretary; C. B. Loomis, Greenville County Council, treasurer, who constituted the executive committee with E. R. Alexander, State Department of Education of South Carolina; Lee M. Brooks, University of North Carolina; T. M. Campbell, Tuskegee Institute, Alabama; and James Myers, Industrial Secretary, Federal Council of Churches, New York City.

LABOR AND COOPERATIVE LEADERS MEET AT AKRON

One hundred and seventy-three delegates from A. F. of L. and C.I.O. unions and cooperatives in Ohio attended the two-day Institute on Organized Labor and Consumer Cooperatives sponsored by the Summit County Cooperative Council and the Committee on Organized Labor and Cooperatives of the Cooperative League of the U.S.A., June 3-4 at Akron, Ohio. The delegates represented 17 different types of unions, both A. F. of L. and C.I.O. The Institute was held in the A. F. of L. Labor Temple.

Ted F. Silvey, Secretary and Treasurer of the Ohio Industrial Council and Chris Jorgensen, President of the Central Trades and Labor Council, of Racine, Wisconsin, declared that “Labor Needs Cooperatives,” each reading the official resolutions on consumer cooperatives by the C.I.O. and A. F. of L. respectively. Mr. Silvey described cases where unions had won wage increases but prices in their cities had risen as much or more. “There are important issues,” he said, “which cannot be included in union contracts. We must help control prices by sharing in the ownership and operation of cooperatives.

“I believe also that organized labor in the cities and organized farmers in the country can best get together on the common economic platform of consumers cooperation,” Mr. Silvey declared.

Mr. Jorgensen declared that “We now have sufficient resolutions favoring cooperatives but the problem is to get union members throughout America informed on the subject and actually engaged in the cooperative movement.”

Mr. Murray Lincoln, Executive Secretary of Ohio Farm Bureau Cooperative Association, described the basic principles and the whole range of consumers cooperation. Mr. Lincoln expressed appreciation of the increasing number of conferences where labor and farmers could get together for friendly discussion and develop new understanding of each other. He brought out frankly some of the problems in relationships but declared that “Half of the farm problem is found in the city and half of the city workers’ problem is found in the country. We must solve the problem of mass purchasing power so as to absorb the full products of both farm and factory.” He deplored the tendency of all groups to look to Congress to solve all their problems instead of solving them themselves, which he declared “can best be done through consumers cooperation with both farmers and city workers participating.”

Mr. Harold Schroder, past president of the Ohio Credit Union League in the absence of Miss Louise McCarren, because of illness, explained the need and actual operation of “baby banks” and how to “build with your own money.” He called attention to the increasing trend of organizing credit unions among labor unions, farmers and other independent groups.

June, 1939
“The Lord Helps Those . . . Who Help Each Other,” the motion picture of Nova Scotia, was shown, accompanied by a running explanation by L. F. Warington, Educational Director of the Ohio Farm Bureau Cooperative Association, who then directed a demonstration of cooperative democratic discussion. The conference broke up in small groups for this purpose.

Rev. James Myers, speaking on the "Ideals and Practices of the Labor and Cooperative Movements," pointed out that "both movements are founded upon the basic principle of democracy." He stated that in addition to building a system of economic democracy it will be necessary to develop "cooperative individuals" in order to create efficiency and success even in the cooperative movement.

Two sessions of the Institute were devoted to technical discussion of methods of operation with the participation of representatives of cooperative gas stations, stores, buying clubs, and cooperative health study groups.

A session was also devoted to discussion of trade area organization with Clarence Wolf, member of the Board of Directors of Central States Cooperative Wholesale, and Emerson Kemsies, secretary of the Northern Ohio Cooperative Association.

Members of cooperatives and buying clubs from the following places were present: Akron, Cleveland, Dover, Kent, Warren, New Philadelphia, Columbus, Cuyahoga Falls, Willoughby and Lakewood, Ohio, and New Kensington, Pennsylvania.

Women's Guilds of the Akron and other cooperatives were active in promoting and conducting the Institute.

Herbert Katt, manager of the Racine Cooperative described the beginnings of the movement in Racine which "started from nothing" five years ago and now does a business of over $200,000 a year, operating a grocery store, five gas stations, bulk plant, coal yard, credit union and other services. Some 85% of its members are also members of labor unions, both A. F. of L. and C.I.O. All employees of the cooperative belong to their respective unions with union wages and working conditions. Mr. Katt declared that "There are no short cuts to building a cooperative—it's a lot of hard work. You've got to spend enough time in educating individuals so thoroughly that they stay convinced." Mr. Katt paid a tribute to the Midland Cooperative Wholesale for its assistance. The Racine cooperative is now fifth in gas station sales in the city, starting from scratch four years ago. "I'm interested in changing the system of distribution in this country in order to assure an economy of plenty and abolish unemployment. It can be done if people understand and get into the cooperative movement. I believe trade unions are absolutely necessary but consumer buying power is an equally powerful instrument for changing conditions for the welfare of working people."

Mr. Perry Taylor, manager of the Group Health Association, Washington, D.C. described the development of cooperative medicine in that city, covering 5,000 men, women and children of families of government employees. He described the many problems involved, but showed the increasing development of the cooperative in spite of many obstacles. The Group Health Ass'n operates a beautiful clinic with the latest equipment. It emphasizes preventive medicine as well as cure. It employs ten doctors, seven nurses, laboratory technicians and drugists. The Good Will Fund is assisting in the project.

It was voted unanimously by the Institute to recommend that conferences with farmers and labor participating should be held throughout the state.

Four hundred representatives of university extension departments, rural churches, adult education and agricultural organizations in the state met in Columbus May 24 at the Ohio Rural Leaders Conference to discuss practical programs of "Education for Democracy."

A unique feature of the conference was the series of discussion groups set up during the day to apply the methods of adult education in solving the problems presented to the conference. The discussion groups, after several hours of consideration, pointed to the need to create machinery for cooperative and democratic action to make it possible for the rural people to solve their own problems. "Democracy," the groups declared, "must extend into every avenue of human activity to be most fruitful." It was generally agreed that "there cannot be a proper application of democracy in all avenues of human activity until there is a better distribution of the proceeds of our joint labor."

The discussion groups agreed that producer cooperatives alone are not enough; that they must be supplemented by the establishment and operation of consumer cooperatives; and that to accomplish the greatest results, rural workers and city workers must understand each other and strive for more democracy in all relationships with each other.

The Rev. J. D. Nelson MacDonald, minister at Baddock Forks, Nova Scotia, and one of the members of the extension staff of St. Francis Xavier University which has taken the leadership in adult education and cooperative organization in Nova Scotia, described the methods used in drawing a quarter of a million people in the Maritime Provinces into the seven hundred cooperatives there. He placed great emphasis on the need for the extension of cooperative services to meet all the needs of the people particularly thru the organization of cooperative stores handling foodstuffs meeting the basic needs of every family.

Murray D. Lincoln, secretary of the Ohio Farm Bureau cooperatives, wound up the conference with an address entitled "Our Challenge" during which he declared: "Farmers and labor union members and ministers and teachers and extension agents must sit down together around the table and work out their common problems together. If they don't, other forces and interests will destroy what democracy we have today."

Ten years of cooperation: Eastern Co-op Wholesale

Plain citizens from 12 states met in New York May 30 to shape policies for their own "Big Business" which is expected to have a sales volume of one million dollars this year. At this tenth annual meeting of the Eastern Cooperative Wholesale, L. E. Woodcock, manager, reported that sales jumped from $533,000 in 1937 to $717,000 in 1938 and that a sales quota is being met which is 40% higher than last year.

Three hundred and fifty delegates and visitors from 110 member cooperatives were told that the increase in their business last year required the tripling of warehouse space for the New York of
fic, and a move for the Boston office to
quarters twice its former size.
Redfern and Redfern: "He worked at the
work of the testing kitchen, the
first ever operated by a cooperative whole-
sale. In the seven months this housewife's
laboratory has operated, research has been
done and results made on 1,225 differ-
ten items, to determine quality in vari-
ous value brackets.

Dr. Hartley Cross, of Springfield Col-
lege, economist and member of the board
of directors of the Wholesale, in the prin-
cipal address, laid economic ills in a
large measure to "an economy of scarcity"
which, he said, worked at cross-purposes
to the needs of mankind. "We might all
agree," he said, "that is desirable that
everyone should be well-fed and clothed
and that quality should be the best ob-
tainable, and at the least cost. But this is
diametrically opposed to business meth-
ods which seek profits out of scarcity and
large measure to "an economy of scarcity"

The meeting unanimously adopted a
resolution declaring that to be effective
as a democratic economic organization
built on the common denominator of con-
sumer interests, "Our cooperatives must
be protected against being used as either
battle grounds or weapons in other con-
licts, political, religious, social, economi-
or personal." Other resolutions urged fur-
ther development of the testing kitchen
and labeling program in the interest of
consumers, and a publicity campaign for
adequate financing of the wholesale's
program.

BOOK REVIEWS

"Education Through Recreation"—
L. P. Jacks, Harper and Brothers,
155 pages, $1.50. Available thru
The Cooperative League.

To all those who feel that recreation is
just a "fill'er in" of the time we are not
working, eating or sleeping, Dr. Jacks' book
is a real challenge. As the title suggests, he believes that recreation is a
vitalizing element in the process of edu-
cation. The discovery of the educational
possibilities of the play side of life may
be counted one of the greatest discoveries of the present day, he declares. Educat-
or, and recreational leaders all over the
country are just beginning to see the possibili-
ties underlying this discovery. Dr. Jacks
believes that it will lead to the develop-
ment of a new kind of recreation.

"Play, recreation, leisure—are the names of a great opportunity for awaken-
ing self-activity, the dormant creativeness of
human beings, which other influences and
other circumstances of our times are unhap-
ily tending to suppress," he states.

Cooperatives will be interested in his
comment that "Man the worker and man
the player are not two men, but one; so
that if you train him for his work by one
method and his play by another, you will
find that you are not training him at all
but dividing him against himself." Too
often are we doing just that in the coop-
erative movement—in our co-ops we are
training people in the operation of non-
competitive businesses, and then teaching them loose to seek their recreation in the
highly competitive system.

Dr. Jacks' chapters on the "Community
in Recreation" and "Democracy and Rec-
reation" will prove to be especially stimu-
lating. In fact, the entire book, which is
quite short, should be on the reading list
of every person who is working, in one
way or another, for the development of the
cooperative idea.

June, 1939

THE NEW HISTORY OF THE C.W.S.—By Percy
Redfern. Cooperative Wholesale Society, Eng-
land, 1938. 624 pages. Can be secured from
The Cooperative League, 107 W. 12th
Street, New York City.

Percy Redfern is much more of an histori-
ographer than George Holyoke who has always
been regarded as the historian of cooperation.
Redfern has an understanding of cooperation
which Holyoke never possessed. Holyoke's
historical writings run into all sorts of by-paths
which have no connection with the subject.
Redfern keeps to the point. When Redfern
brought out the fifty-year history of the C.W.S. in 1913, he produced a masterpiece.
Now, after seventy-five years of C.W.S. pro-
gress, this New History appears.

This book goes back as far as 1760. Its first
printings are the beginnings of the C.W.S. and
presents much new material. The important
facts presented are those of the past twenty-five
years. Frequent access to the C.W.S. records has
made this history fully documented and au-
thentic.

This period covers the story of the "food
ships" of the C.W.S. that won the docker's
strike in 1914. The C.W.S. during the World
War is graphically recorded. Here are present-
ations which illustrate the part played by the
largest business in Great Britain, which sup-
pplies the people's needs at a time when profit
business was taking advantage of every oppor-
tunity to profit at the expense of the con-
suming public. Economists and students of poli-
tical economy may well study this history.

This history tells the story of the continuous
expansion of the C.W.S. into the field of pro-
duction and its movement back to the sources
of raw materials. It is a business which began
with nothing, and in 1938 had a turnover of
$600,000,000, over 60,000 employees, a
banking department with deposits amounting
to $350,000,000 and some 1,300 different manu-
factories, some of which are the largest in the
Empire, and all of this owned and controlled
by the consumers of its products and services.

Mr. Redfern has written a magnificent his-
tory, which serves at the same time as his
valuable cooperative service. As was said of a
great Roman, it may be said of Perry Red-
fern: "He deserves well of the Republic."

J. P. W.

CAREERS IN CONSUMER CO-OPERATION—By
Clarence W. Failor; Science Research

Available from The Cooperative League.

This booklet is a condensation of a more
exhaustive study which the author carried
out this year under the title "Consumer Co-operatives
and Their Workers."

It consists of nine chapters, the first two of
which deal with generalities and the neces-
sity with the main subject of the booklet ("The
Cooperatives and Their Workers"). The last
chapter gives a summary of the findings in the
survey, and the author's conclusions.

While the booklet does not bring out any-
thing that is startlingly new—rather, its findings have been known to many for a very long
time—it summarizes and conclusions
should be of interest to cooperators in the
United States.

In one of these conclusions, Mr. Failor
points out that while the respective duties of the cooperative workers are the same as those of similar workers in private
enterprise, the cooperative employees render a
unique and additional type of service—that of
educating the public and the consumer-members on
in general way—its summaries and conclusions
should be of interest to cooperators in the
United States.

Several other interesting conclusions are
made, but space forbids their mention here.

We welcome this valuable addition to our
still meager and so far rather generalized
coopeative literature.

—V. S. ALANNE

TO SEE OURSELVES
AS OTHERS SEE US

Articles on the Cooperative Movement
From January to June

AMERICAN CONSUMER, January, "Consumers
in Action," notes on cooperative events.

AMERICAN FEDERATIONIST, "How to Pay for
Adequate Medical Service," an editorial
on the subject of cooperatives.

AMERICAN LIBRARY ASSOCIATION BULLETIN,
April, "Book Cooperative for Libraries."

AMERICAN-SCANDINAVIAN REVIEW, Spring,
"Cooperative Iceland," Ragnar Olaffson.

AMERICAN CONSUMER, January, "Consumers
in Action," notes on cooperative events.

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June, 1939

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CALENDAR OF COMING EVENTS
Circle Pines Center, near Hastings, Michigan, series of summer institutes:
Youth Institute, July 9-22
Co-op Educators, July 23 to Aug. 5
Managers and Directors, Aug. 6-19
Co-op Medicine, Insurance, Journalism, Aug. 20-26
Co-op Finance, Personnel, Housing, Guilds, Aug. 27 to Sept. 2
Educational Conference, Sept. 2-4.
California State-wide Conference on Consumer Cooperation, Camp Sierra, California, July 15-22.
First Annual Conference, Association of Medical Cooperatives, Hotel Astor, New York City, July 20-22.
Eastern Cooperative League, Summer Institute, Mass. State College, Amherst, Mass., July 30 to August 12.
World Congress on Education for Democracy, Teachers College, Columbia University, New York, August 15-17.

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Cooperative Recreation Service
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Eastern Cooperative Wholesale
Farm Bureau Cooperative
Farm Bureau Mutual Auto Insurance Co.
Farm Bureau Services
Farmers’ Union Central Exchange
Grange Cooperative Wholesale
Indian Farmers’ Cooperative Coop. Association
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PUBLICATION
Cooperative Builder
The Producer-Consumer
Cooperative Consumer
Readers Observer
Consumers Defender
The Recreation Kit
E.C.L. Cooperator
Ohio Farm Bureau News
Ohio Farm Bureau News
Michigan Farm News
Farmers’ Union Herald
Grange Cooperative News
Hoosier Farmer
Midland Cooperator

CONSUMERS’ COOPERATION
OFFICIAL NATIONAL JOURNAL OF THE CONSUMERS’ COOPERATIVE MOVEMENT
PEACE•PLENTY•DEMOCRACY
Volume XXV. No. 7 JULY, 1939

Consumers’ Cooperation Covers All Forms of Purchasing by Ultimate Users
Two-thirds of the large regional cooperatives in the U. S. are now members of The Cooperative League and National Cooperatives. Probably the primary reason why the others one-third are not yet members (as we are sure they will be in time) hinges on the simple matter of interpretation of Consumers’ Cooperation. Cooperative purchasing of vocational supplies is still interpreted by some as an act of production rather than consumption. We are glad to be able to present evidence from a new source. In the February issue of Country Gentleman, in an article “Consumers Try Cooperation,” appear these two statements:
“Farm purchasing groups dealing in farm supplies and urban consumer groups dealing largely in groceries and household goods . . . fundamentally are practicing Consumers’ Cooperation.”
“All these groups are practicing Consumers’ Cooperation, whether farm or city, human, animal or machine.”

These statements support the definition which the Cooperative League has submitted to the International Cooperative Alliance for approval which reads:
“Consumers’ Cooperation, in its broadest sense, is understood to mean the purchase of all forms of food, goods and services by ultimate users, organized on the basis of Rochdale principles.”

We predict that it will only be a matter of time when a definition is accepted by all that Consumers’ Cooperation includes the purchase of vocational as well as household supplies, and that all regional cooperative purchasing associations will organize under the same national and international banner for mutual assistance and protection.

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 St., N. Y. City.
E. R. Bowen, Editor, Wallace J. Campbell, Associate Editor. Contributing Editors: Editors of Cooperative Journals and Educational Directors of Regional Cooperative Associations.
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.
A COOPERATIVE ECONOMY

E. R. Bowen

The following is a condensed statement of the Purposes, Principles and Programs of a Cooperative Economy.

The Purposes of Cooperation

Cooperators purpose to achieve the elimination of poverty, unemployment and tenancy and the economic causes of disease, crime and war.

The Principles of Cooperation

Cooperators believe that the following are fundamental principles of the democratic economic organization of society:

1. The right of every person to an equitable share of the national income based on each one's needs.
2. The right and obligation of every able person to an equitable share in employment, under conditions which are conducive to the fullest physical, mental and spiritual development.
3. The right of every adult to an equitable share in the ownership of individual and social property.
4. The right of every person who is unable to participate in regular employment, because of youth, age or illness, to the proper care for each one's fullest development.
5. The right of every person to the fullest degree of democratic control over his economic affairs.

The Programs of Cooperation

Cooperators support the following programs of action as means of achieving these purposes and incorporating these principles into democratic economic organization:

1. The ownership of farms and homes by their users.
2. The organization of labor into unions and of farmers into marketing cooperatives for collective bargaining.
3. The organization of consumers into cooperatives to supply themselves with food, goods and services of pure quality at a just price, which is the cost of production and distribution.
4. The ownership by the public of such utilities as transportation, communication, electric and water supply, and such natural resources as have a public interest.
5. The development of social insurances providing for a national minimum of income, leisure, health, housing and education.

Cooperators believe that the adoption of these Purposes, Principles and Programs by the democratic process of discussion and organization will be the means of gradually achieving a Cooperative Economy which will result in plenty for all the people and peace among all the nations of the world. Such a Cooperative Economy will and should develop only as rapidly as persuasion increases the number of people who organize to practice Cooperation.

July, 1939
COOPERATIVE BUYING IS BIG BUSINESS

What the Government can do in collecting statistics for the Cooperative Movement and publishing them, as it does for private business, is well illustrated in the new Bulletin No. 26, A Statistical Handbook of Farmers Cooperatives, issued by the Farm Credit Administration. This can be secured from the Government Printing Office in Washington for 35c. The statistics are from a first hand census of all farmers’ cooperatives and cover the year 1936.

Number, Kinds and Location

The number of farmers’ cooperatives, the principal business of which was purchasing, was 2,601. This number was divided as follows:

- Independent Associations: 1,037
- Members of Federations: 1,328
- Federations: 55
- Subsidiaries: 181

Total: 2,601

It is noteworthy that the independent associations should be so many in number, and that a local cooperative, which has drawn a number of farmers together to gain the benefits of cooperation, should not itself appreciate the further advantages to its members of federating with other cooperatives. There is plainly a great deal of cooperative education yet to be done among cooperatives.

The 2,601 cooperatives are divided by principal kinds of commodities handled as follows:

- Feed stores: 490
- Exchanges: 396
- Petroleum products: 1,057
- Mixed supplies: 324
- Other types: 334

Ten States had 1,565 of the 2,601 cooperative purchasing associations:

- Missouri: 246 New York: 159
- Wisconsin: 195 Kansas: 117
- Minnesota: 190 Iowa: 114
- Illinois: 186 N. Dakota: 94
- Nebraska: 171 Ohio: 93

There were also 4,227 marketing associations which did some purchasing.

Dates of Organization

Of the 2,601 farmers’ purchasing cooperatives existing in 1936, fifty were organized before 1912. Then came a significant upturn. During the next ten years—from 1912 to 1921, inclusive—there were 658 more organized which were in existence in 1936. Then organizing slowed down after the war until 1926 when it rose again. The fifteen years from 1922 to 1936, inclusive, added 1,893 more associations to the number, making 2,601 in all. By decades, of these 2,601 associations, 1,549 are within ten years of age, 876 from ten to twenty years, and 176 over twenty years.

Votes Held by Farmers

The percentage of purchasing associations in which farmers held more than 90% of the votes were:

- Feed stores: 85%
- Exchanges: 86%
- Petroleum products: 83%
- Mixed supplies: 84%
- Other types: 90%

There is a constant increase in non-farmer membership as cooperatives grow older.

Patrons and Members

Of the 1,477,370 patrons, only 770,862 were members, which were divided as follows:

- Feed Stores: 378,736
- Exchanges: 150,153
- Petroleum Products: 560,518
- Mixed Supplies: 251,251
- Other Types: 136,712

Consumers’ Cooperation

There is plainly a great deal of education to be done in getting those already patrons of cooperatives to become members, as there is of cooperatives to become members of federations.

Volume

The net volume by commodities in 1936 was as follows:

- Feed and Flour: $116,100,000
- Building Materials: $4,670,000
- Petroleum Products: 73,299,000
- Packages, etc.: 4,533,000
- Fuel (mostly coal): 18,751,000
- Hardware and Implem.: 1,995,000
- Fertilizer and lime: 17,923,000
- Spray Material: 1,679,000
- Livestock: 8,419,000
- Binder Twine: 1,096,000
- Consumer Merchandise: 8,073,000
- Miscellaneous: 67,092,000
- Seeds: 7,670,000
- Total: $337,298,000

The net volume of purchases of associations operating primarily at country points by States where over $10,000,000 of cooperative purchasing was done was as follows:

- Illinois: $23,792,000
- New York: 15,691,000
- Missouri: 20,721,000
- Washington: 14,975,000
- Ohio: 20,637,000
- Kansas: 14,479,000
- Minnesota: 19,382,000
- Indiana: 13,478,000
- Iowa: 18,854,000
- Nebraska: 12,040,000
- California: 18,424,000
- Michigan: 11,658,000
- Wisconsin: 11,633,000

Retail Operations by Percentages

The average retail operating results by percentages were as follows:

<table>
<thead>
<tr>
<th>Commodity</th>
<th>Gross Margin</th>
<th>Other Income</th>
<th>Expenses</th>
<th>Net Gain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Feed Stores</td>
<td>9.6%</td>
<td>.6%</td>
<td>7.6%</td>
<td>2.6%</td>
</tr>
<tr>
<td>Exchanges</td>
<td>8.4</td>
<td>.8</td>
<td>7.6</td>
<td>1.6</td>
</tr>
<tr>
<td>Petrol. Ass’ns</td>
<td>21.8</td>
<td>1.3</td>
<td>15.3</td>
<td>7.8</td>
</tr>
<tr>
<td>Mixed Farm Supplies</td>
<td>13.2</td>
<td>2.4</td>
<td>11.9</td>
<td>3.7</td>
</tr>
</tbody>
</table>

Average Purchases and Returns per Patron

The average purchases per patron in petroleum associations was $116 and the average return per patron was $7. The advantage of volume is indicated by the fact that the average patronage return was $1 in petroleum associations having volumes of less than $10,000 and $14 in associations having volumes of $400,000 and over.

July, 1939

Summary

The Cooperative Purchasing Movement is highly indebted to the Farm Credit Administration for having collected and published these accurate statistics. Other figures of significance will also be found by readers in this Statistical Handbook of Farmers’ Cooperatives. We have only summarized some of the purchasing statistics—the book includes cooperative marketing as well as irrigation and mutual fire insurance associations.
A SURVEY OF COOPERATIVE MEDICINE TODAY

COOPERATIVE medicine is proving, in various sections of the country, that it can achieve its two goals—protect the family pocketbook from large and unexpected drains and give a better medical service than members could get for the same money without the cooperative. I do not mean to imply that those plans that are in existence are perfect. They aren’t by any means and it is important that we remain self-critical. But it is significant that the existing plans with all of their difficulties and defects can accomplish as much as they do.

Perhaps the best way to illustrate the ways of cooperative medicine is to describe briefly a few of the plans that I have personally investigated. Let us start with New York and swing around the country.

Group Health of New York

Group Health Association of New York, of which I am chairman of the Medical Advisory Committee, is now completing about one year of experimental operation. This year has revealed many advantages and many flaws in a cooperative structure that fits into the City’s needs. As the period of operation was experimental, adjustment was comparatively simple. Advantages retained; disadvantages and flaws they are.

Now that the experiment is almost over, the membership rolls will be opened to the public. The plan is really simpler than the following description:

The Association has arranged by contract with carefully selected physicians for services to be rendered to those members who desire to subscribe them. Thus there are three steps—first, the person must join the Association, dues $2 per family per year. These dues include a subscription to the popular monthly magazine “Cooperative Health” which is the official organ of the Bureau of Cooperative Medicine and the Association of Medical Cooperatives. Second, the Association contracts with the doctors. Third, the member applies for service as provided in the contract.

By virtue of the arrangements made, any member of Group Health Association of New York can now protect himself and his family against the vicissitudes of ill health. The services available are complete physicians services, x-ray and laboratory work, periodic physical examinations. Two points here are important. The services include those of both general practitioner and specialists. While these doctors each maintain their own offices in which they see the member, they hold frequent meetings and have themselves so arranged their work that they work as a group. The emphasis in the rendering of services is on preventive medicine. Each person receives a thorough physical examination, not only at the time of his application for service but periodically thereafter. A Wassermann and a fluoroscopic examination are a routine part of these examinations.

What Price Complete Medical Service?

What does such a service cost? The annual medical fees on the complete plan are $24 for the head of the family and $10 for each additional member of the family. There are several exceptions to this service, such as Workmen’s Compensation cases, cases requiring institutional care, i.e., T.B., mental, drug addiction, etc. There is no use setting forth further details of the plans here. These interested can write me and I will turn the letter over to the proper people.

Just a final word about these services. I know New York medicine pretty well. I practiced in the City for 18 years; my father was a doctor there before me. I can truthfully say that the services received by the Group Health Association of New York members under the plan compare most favorably with any that can be obtained. From the standpoint of ability and training, the doctors serving the members rate as a group extraordinary high; and equally important they are conscientious, endeavoring to do the best job they can.

Group Health of Washington D.C.

Now let us hop down to the Nation’s capital where another Group Health Association is in operation. This is the more famous of the two plans. The opposition to it by the local medical society and by the American Medical Association has made its development national news.

The Washington Group Health Association differs from New York’s in that they have their own clinic, in that the doctors are on full-time serving members. Given doctors of equal training and ability, they will do better work when working as a group. By pooling office space and equipment, many economies are possible. The combination of these savings with the utilization of a full time staff therefore means not only better service but lower dues.

Group Health Association in Washington has about 2,500 members plus their dependents, about 5,500 in all of these are scattered through many branches of the Federal Government, for, because of a quirk in the law, only employees of the Executive arm of the Federal Government may belong. These people pay dues as follows: $2.20 per month for the head of the family, $1.80 for dependent adults, $1 for each child between 18 and 21 and $1 for all children under 18.

Group Health Association’s staff is now composed of 10 doctors, 7 nurses and 5 technicians and pharmacists. The 10 doctors are so trained that 10 different specialties are covered. The result of the Group Health Association set up is that the member has not one doctor but 10 to serve his needs. In addition when the services of outside physicians are needed, the organization pays the bill. For example, during the first three months of this year 28 people required such services and Group Health Association spent $1,830.00 for them.

But there are other figures that are more impressive — Group Health Association serves approximately 5,500 people. These 5,500 received the following services during the first three months of 1939:

<table>
<thead>
<tr>
<th>Service</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consultations</td>
<td>6,679</td>
</tr>
<tr>
<td>Obstetrical</td>
<td>400</td>
</tr>
<tr>
<td>Pediatric</td>
<td>1,888</td>
</tr>
<tr>
<td>Eye, Ear, Nose and Throat</td>
<td>5,250</td>
</tr>
<tr>
<td>Surgical</td>
<td>1,869</td>
</tr>
<tr>
<td>Physical Therapies</td>
<td>4,232</td>
</tr>
<tr>
<td>X-ray</td>
<td>629</td>
</tr>
<tr>
<td>Laboratory Tests</td>
<td>4,454</td>
</tr>
<tr>
<td>Administration</td>
<td>589</td>
</tr>
<tr>
<td>Prescriptions filled at clinic pharmacy</td>
<td>4,677</td>
</tr>
<tr>
<td>Home Calls</td>
<td>1,160</td>
</tr>
<tr>
<td>Hospitals</td>
<td>255</td>
</tr>
</tbody>
</table>

During this period 116 persons were hospitalized for a total of 710 days with an average stay of 6.1 days. When spread among the entire population served by Group Health Association, it means 0.14 days approximately for each person. The average cost of hospitalization per person was $42.25.

This volume of service meant that on an average day 232 persons visited the clinic of the Association.

The Doctors Change Their Minds

Last summer Group Health Association secured pledges of $6,700 from its members toward the construction of a Group Health Association hospital. Now that existing hospitals have changed their attitude towards the cooperative and have admitted its doctors to the courtesy staff, the Group Health Association hospital is no longer essential. But the clinic has to be expanded so that crowding can be eliminated and new members admitted.
The effort is now being made to turn over the hospital pledges for expansion of the medical quarters.

**Greenbelt Cooperative Health**

From Washington, it is only a short drive to the town of Greenbelt. Greenbelt is probably as close to a cooperative town as we have in this country. In developing various business enterprises, the citizens of the town did not neglect their health. A Cooperative Health belt is probably as close to a cooperative heartaches, using two full-time physicians.

The Association is quartered in the Medical Center, one of the units of houses near the top of the crescent in which Greenbelt is laid out.

The services available there are constantly being expanded as more and more families join. There is now every likelihood that 7 hospital beds will be installed in the Medical Center for emergency and minor work. In planning the services at Greenbelt, special emphasis is being placed on maternity and infant care. A nursery and well-baby clinic is being organized.

**Wage Earners Health Assn.**

From Greenbelt, let us jump to the Middle West. In St. Louis, there has been in existence for the past 3 years, the Wage Earners' Health Association. The Association of 800 members has been steadily growing because the members have been receiving first rate medical service. There are many lessons to be learned from their experiences and mistakes, one of which now jeopardizes the future of the Association. One of the executives of the Association released a list of the doctors serving the Association and gave them incorrect University positions. The incorrect positions were bad enough but the fact that their names, the blunder was inexcusable. All groups can learn from it that the closest cooperation between the lay and medical side of any health association is absolutely essential to its success. We all hope that the mistakes of the Wage Earners' can be straightened out. The plan has been doing too well to fail. It offered to low income people of St. Louis a chance to budget medical expenses at a very low cost. The Association is similar to the Elk City plan in that dues are very low and charges are made for many special services. While complete prepayment is more desirable, if the members adopted such a policy, that is their business.

**Elk City Cooperative Hospital**

Our next stop is Oklahoma at the Farmer's Union Cooperative Hospital in Elk City. Here we find the leading cooperative hospital in this country. Because of these facilities members of the Association may for approximately $24 per year per family have themselves insured against illness and take advantage of the preventive services available. These dues payments cover the bulk of services but certain extra charges are made in special cases. For example, a charge of $2 per day for hospitalization is made, as well as small charges for the use of the operating room and for major and minor surgery.

Under the Elk City arrangements, Dr. Shadid is the Medical Director hired by the Board of Directors and he in turn is fully responsible for the work of the hospital. A staff of 6 doctors serve the members and have between 30 and 100 office calls a day. About 1,000 operations are performed each year. There is no reason to go into details on the Elk City organization. Dr. Shadid's newly published autobiography gives the whole story.

**San Diego Beneficial Society**

From Elk City we will make one final jump to San Diego, California where the San Diego Beneficial Society is flourishing. Organized as a fraternal organization because of the peculiarities of California law, the Beneficial Society is unique in other ways. More than any other group, it has developed a social program through which all members quickly get acquainted with each other. This has led to a marked cohesion of membership.

The services are furnished by a group of top notch doctors who have their own clinic and work in cooperation with the Society. Under the plan, a member is assured against medical and hospital care for $2 per month. Like many other plans including those in Elk City and St. Louis, the doctors are paid a percentage of the dues. This is then distributed among themselves as they may desire.

In these plans we have, therefore, a peculiar type of cooperative. It is a hybrid form that is a fusion of consumer's and producer's cooperative. Experience shows that only when this is highly developed—when it is recognized that there are in fact two groups working together—the doctors and the patients—that the plan will be successful. Too much power in either group inevitably leads to trouble.

There are other plans—one in St. Paul and the other in Superior, that I have not had the opportunity to visit since they started.

**FREE TRADE IN IDEAS AT MILLTOWN EDUCATION CONFERENCE**

The Fourth Annual Conference of the Publicity and Education Committee of the Cooperative League, at Milltown, Wisconsin, June 22-24, reached a new high in interest and thoroughness of discussion. As someone remarked, the Conference illustrated "free trade in ideas." Limiting the number of topics, the conferees explored carefully the techniques of publicity and education used by the cooperatives; the problems that confront the movement and the possibility of greater coordination between the National office and Regional groups, as well as between the various departmental activities of accounting, publicity, education, legislation and recreation. An effort to interpret the cooperatives' position relative to government, to privately controlled publicity agencies and to organized educational institutions received the attention of the delegates.

**New Ventures in Cooperative Medicine**

Just a word about the St. Paul and Superior plans. The former is simply a group hospitalization plan on a cooperative basis. Of interest are their plans for the future addition of medical service. As in the case of the Superior plan, the approach is atypical and the results of the experiment will be most interesting.

I had occasion to visit Superior before the plan actually began operations. After over a year of searching ways and means of organizing their own group, they entered into a contract with the local medical society under which the cooperative turned over all medical phases of the plan to the medical society. I was skeptical of the current arrangement when it was first entered into. For a while, it looked like an interesting experiment but a clause in the contract limiting membership to 500 may hamstring it in the future. We are all watching these two cooperatives because now, as in the past, any method that arrives at the set goal is as successful and as praiseworthy as any other.

Of other plans now being organized we shall all hear more later.
of Midland and Robert Smith of Eastern Cooperative Wholesale. The many aspects of coordinating the activity of Discussion Clubs or advisory councils with the problems of the local cooperative, the barriers to be overcome in cooperative organization of the city consumer and the relative merits of proceeding from Study Clubs to Buying Clubs to Stores versus from Study Clubs to a federated cooperative store program were angles explored still further in the group discussions following the talks.

An adequate program of publicity from the national office through wholesale to local retail cooperatives was discussed in turn by the Secretaries, E. R. Bowen and Wallace J. Campbell, of the Cooperative League; Joseph Gilbert of Midland, Oscar Cooley of Central Cooperative Wholesale and George Tichenor of Eastern Cooperative Wholesale, Anthony Lehner of Pennsylvania and Merlin Miller of Consumers Cooperative Association. Reports were made on new books, pamphlets, magazine articles, filmsstrips and movies. The delegates replied by offering suggestions for appropriate material in news releases, and the quality, content and tempo of cooperative publications. The several editors in a "shop-talk" session of their own exchanged views on costs, deadlines, mailing experiences and policies of the Co-op papers.

Movies for Mass Education
The subject of moving pictures was thoroughly discussed. "The School" and "The City" were projected as new examples of what is possible in the field of documentary films. The proposed film on pictures and films treating on the social problems of the nation was a criteria which the movement should recognize in its effort to use modern methods in mass education in meeting present day problems.

Relating the publicity and educational functions to the other phases of Cooperative enterprise was partially accomplished by having one joint session with the cooperative accountants. In this session more effective methods were considered to interpret financial statements and cooperative records to the members of the cooperatives. Mr. Jack Schalet, attorney for the Consumers' Counsel of the National Etipurniing as Coal Commission, pointed out the necessity of Wholesale Cooperatives keeping departmental operating records in order to establish reliable "yardstick" costs of distribution. A shift in emphasis from the theoretical and philosophical approach to that of efficiency of operation and of adequate capitalization would indicate another significant characteristic of the conference.

Education for Democracy
Preparatory to participating in the World Congress on Education for Democracy, Dr. Frank Cyr of Teachers College, Columbia University called on the consumer cooperatives for an expression as to what the public school system should do to train the future citizen to maintain the democratic system. This was a preliminary hearing or participative representation of the democratic principles of the Cooperative League in the Congress later in the summer. In training students to think instead of to memorize, placing an emphasis on the democratic process in education and stressing the necessity of economic democracy before political democracy can be thoroughly accomplished were points brought out in discussion.

In comparing this year's conference with the three previous ones, the writer believes that a more intense desire was manifest by all participants to outline the basic problems with which all cooperative groups are faced. Every session demonstrated that democratic discussion makes it possible to achieve unanimous agreement on a collective solution. From such processes the real essence of democracy springs. A collective realization of the problem is experienced. The problem is thoroughly discussed and probable solutions are recommended by the small groups. A democratic decision is arrived at by the entire body. Cooperative action carries the group forward toward its goal.

The Publicity and Education Committee of The Cooperative League, at a special meeting held during the conference, elected Merlin Miller of Consumers Cooperative Association, chairman and Glenn W. Thompson of Midland Cooperative Wholesale, secretary for the ensuing year. The committee is composed of the educational director and editor from each regional cooperative association affiliated with The Cooperative League. The committee also voted to hold an intensive meeting on publicity and educational problems in Chicago next March.

ACCOUNTANTS STRESS UNIFORM REPORTS

AT NATIONAL MEETING

Laurie L. Lehtin

Laurie L. Lehtin

A System for Wholesale Auditing
"Auditing of Cooperative Wholesales" was introduced in a letter from Werner E. Vreeland of the Cooperative League Accounting Bureau. He suggested that members of the National Society of Cooperative Accountants might be used as national staff to make audits of wholesale societies. The advantage of having an independent outside auditor would be supplemented by the gradual standardization of accounting and bookkeeping, thus making possible comparisons of operations. Such comparisons are not possible today because of the variations in operating statements of the various cooperative wholesales, as well as of retail cooperatives.

The Society's board of directors was instructed to study the question, and empowered to call a meeting of the auditing department heads to further these plans.

In the business session, the new constitution was adopted, the Bulletin was discussed, and directors and committees chosen. E. R. Bowen and V. S. Alanne were elected honorary members in recognition of their interest in the field of cooperative accounting.

Officers and directors elected for the coming year were: E. F. Selvig, president; F. K. Wadsworth, vice-president; Laurie L. Lehtin, secretary-treasurer; Walter Jacobson and Jules Engleman, directors; and Fred Myhre and Hans Lahni, alternate directors. K. S. Alanne became auditor. 

Consumers' Cooperation

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The Need for Uniformity

In the joint meeting with the educators, J. J. Schalet, attorney on the staff of the Consumers’ Counsel of the Bituminous Coal Commission dwelt on the need for uniform accounting records, departmentalizing or segregating the costs involved in handling coal so that the cooperatives might serve as a yardstick for the costs of coal distribution. E. R. Bowen discussed the necessity for gathering cooperative statistics and its corollary, uniform accounting statements for cooperatives. The group split into discussion circles, which brought back the uniform opinion that the Cooperative League has need for a research statistician, and that the member wholesalers should finance this department.

A simplified balance sheet used for impressing members of the Midland group with the need for adequate financing was explained by Art Smaly, credit manager for the Midland Cooperative Wholesale.

SEVENTY-FIVE PARTICIPATE IN NATIONAL COOPERATIVE RECREATION SCHOOL

Ellen Edwards

The National Cooperative Recreation School, which was held at Milltown, Wisconsin, June 26 to July 8, drew together seventy-five students from all sections of the country. The students received training under the direction of expert recreation leaders in folk dancing and games, dramas, puppetry, group singing and musical instruments and crafts.

The Nova Scotia Credit Union League, which would provide creative expression for everyone concerned in the play. One of the significant developments was the presentation of plays which were written by students attending the school.

The students were given an opportunity to participate in all types of dramatic activity — simple dramatic forms such as charades, tableau, etc., directing, acting, playwriting, mass chants, etc., under the direction of Ruth Chorpening and James Norris. Emphasis was laid on techniques of acting and directing which would provide creative expression for everyone concerned in the play. One of the significant developments was the presentation of plays which were written by students attending the school.

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Dramatics for Everyone

In the field of dramatics, students had an opportunity to participate in all types of dramatic activity — simple dramatic forms such as charades, tableau, etc., directing, acting, playwriting, mass chants, etc., under the direction of Ruth Chorpening and James Norris. Emphasis was laid on techniques of acting and directing which would provide creative expression for everyone concerned in the play. One of the significant developments was the presentation of plays which were written by students attending the school.

Puppet Pedagogy

Puppets were made for “The Consumer Consumed” or “Pure Applesauce.” a puppet play by Josephine Johnson, and the presentation of the play was a highlight of the School. Construction of puppets was under the direction of Miss Margaret Gardiner.

Nearly every student returned not only with a leather belt, purse, pewter or silver article which he had constructed himself but with an appreciation of beauty and good workmanship. Miss Lois Landfair was in charge of crafts.

Short talks by various cooperative leaders were an important part of the School. L. F. Warbling, Educational Director of the Ohio Farm Bureau Cooperatives, in speaking to the students stressed the importance of group leadership and said, “The most valuable leaders are those who have the ability to get people to come forth and use their own initiative. The people then recognize that they are a definite part of the structure that is being built.”

WHERE THE WORLD IS BEING RE-MADE

This has been a year of achievement for the Nova Scotia cooperatives. Thirty-five co-op grocery stores in Cape Breton and eastern Nova Scotia have banded together to operate a grocery wholesale with headquarters in Sydney while the parent Canadian Livestock Cooperative in Moncton, New Brunswick continued its gradual metamorphosis from a small marketing co-op to a general purpose marketing and buying federation.

The Nova Scotia Credit Union League, long an educational federation, became empowered to act as a clearing house for credit union funds in the province and took its first step toward central cooperative banking.

The Extension Bulletin of St. Francis Xavier University, which has provided study materials for discussion circles in the Maritime provinces for these last five years bloomed forth this June as the Maritime Cooperative. In its new role, it will serve as the official organ of the new powerful cooperative movement.

In the Maritimes as a whole, the “Antigonish Movement” is taking hold as a peaceful democratic revolution by and for the people. A total of 250,000 people of the one million in the Maritimes are served directly or indirectly by the 700 cooperative credit unions, marketing associations, consumer co-op stores, producer and handicraft cooperatives, housing and medical societies.

The Provincial government of Quebec sent 125 agricultural agents and leading farmers and fishermen to observe the Antigonish movement. British Columbia called on Nova Scotia for assistance in launching its campaign and other Canadian provinces are following the program.

Last summer 200 American educators, cooperators and churchmen attended the annual Rural and Industrial Conference which draws together about a thousand miners, farmers and fishermen who have taken the leadership in cooperative organization in their respective communities.

The Cooperative League has arranged for another conference-tour which will begin with the Rural and Industrial Conference in Antigonish August 21 and will give American visitors an opportunity to spend ten days studying the cooperatives in action. Here is your opportunity to see farmers, miners and fishermen at work remaking their part of the world. Further information about the tour may be secured by writing Dr. J. Henry Carpenter, Tour Director of The Cooperative League.
Cooperators and non-cooperators alike were liant description of twentieth century Sweden. gress secured through a remarkable new "Policy," each being further sub-divided into though long awaited, our patience has been set down in the book under three member of the group took a certain phase of journeyed to Sweden in the summer of 1937 economic and social research. joys the highest reputation in the fields of search Bureau of Great Britain, we have the firming the reports that we have had of an un it cuts across the other chapters. It is impos tAPPED sources the reader is certain to learn about doing a research thesis. Their findings may not be the more helpful guide" in the principal part of the chapter on this subject. ; by the Cooperative Union make up the prin Cooperatives are closely linked together. "The Study Circle is the characteristic feature of modern adult education in Sweden," according to the author. The correspondence courses conducted by the Cooperative Union make up the principal part of this book. In a concluding chapter the author challenges the people of his own country that "preoccupation with more spectacular developments in Russia, Germany and Italy has so far been so incapable of understanding the achievements of cooperative movements as the在京 control, "I am a firm believer in farm cooperatives and I believe that these cooperatives, whether producer or consumer, should be managed as near home as possible."

"Outline Primer of Cooperative Principles," written for use in Granges, Labor Groups and schools, by B. W. Lyon, lecturer for the Washington State Grange. Written in out line form, the pamphlet condenses a great deal of material into this profusely illustrated presentation. After a study of the Grange Cooperative Wholesale, 3104 West ern Ave, Seattle, 32 pages, 15c.

July, 1939

CONCERNING THE CHOICES BEFORE US—Dis cussion Outline, by Benson Y. Landis, Abington Press, available thru The Co operative League, 36 pp., $0.25

This report was written by W. H. Harwick, who is a lecturer in the University of Edin burgh and a tutor in Adult Education. The results of a two month visit to Sweden financed by the World Association for Adult Education. The booklet covers the six forms of adult education which have developed widely in Sweden: folk high schools, popular lectures, study circles, correspondence courses, libraries, and informal education under which is includ ed travel, drama, and general recreation. The author cites various reasons for stating "it is therefore of some practical interest to consider whether Sweden rather than Denmark may not be an "ideal" guide in the development of Folk Schools. He raises the question whether social idealists have "yet learned the form of school that planned economics require a training in collective thought." Sub jects dealt with in Popular Lecture Courses are "more fully explored at subsequent meetings of Study Circles." These forms of adult edu cation are closely linked together. "The Study Circle is the characteristic feature of modern adult education in Sweden," according to the author. The correspondence courses conducted by the Cooperative Union make up the principal part of this book. In a concluding chapter the author challenges the people of his own country that "preoccupation with more spectacular developments in Russia, Germany and Italy has so far been so incapable of understanding the achievements of cooperative movements as the在京 control, "I am a firm believer in farm cooperatives and I believe that these cooperatives, whether producer or consumer, should be managed as near home as possible."
NEW COOPERATIVE LITERATURE

(Order thru The Cooperative League)


Report of the First Southeastern Regional Conference on Cooperation, held at Greenville, South Carolina, May 18-20, mimeographed, a limited number of copies free of charge from The Cooperative League.


"In Business for Service," The Religious Implications of Consumers Cooperation, by James Myers, published by the Committee on the Church and Cooperatives of the Federal Council of Churches. Mr. Myers brings his experiences as a churchman, a labor expert and a cooperator to bear in evaluating the ethical values of cooperation and the part the church can play in building "business for service." 12 pages, 5c.


"My Apprenticeship," by Beatrice Webb. The autobiography of the great English economist and cooperative author. Formally available only at $3.50. Now in the Penguin Book series, two volumes (paper cover) for 50c.

"Guide Posts to Good Times," Kit A, Handy I, Edited by Lynne Rohrbough, Mr. Rohrbough has just published a revised edition of Kit A, which he calls the "Blue Book of Social Recreation." The first section is devoted to quotations and short articles from various recreation leaders, poets, philosophers, teachers and others on the social values of play. The second edition is a reprint of an article "Youth and Leisure" by Edward C. Lindeman which appeared in the November 1937, Annals of the American Academy of Political and Social Science. It is excellent, stimulating article. Available through Cooperative Recreation Service, Delavan, Ohio, 25c.

"The Consumer Consumed or Pure Applesauce," by Josephine Johnson, which first appeared in the May issue of Consumers Cooperative, is now available in pamphlet form, with a bibliography of material on cooperative recreation, for 5c.

PLAYS

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

The Answer, a 3 act play, by Ellis Cowling

Two One Act Plays, Ellis Cowling

POSTERS

Organise Cooperatives, 20"x28"

Cooperative Principles, 10"x15"

Cooperative Ownership, 10"x20"

FILMS

"The Lord Helps Those Who Help Each Other," a new 3 reel, 16 mm. film of the Nova Scotia adult education and cooperative program, produced by the Harmon Foundation. Excellent photography, $4.00 per day. $2.50 additional showings, $13.00 per week.

"A House Without a Landlord," a new 5 reel, 16 mm. silent film on the Amalgamated Cooperative Houses in New York City. Total rental, $25.00 per showing, $1.50 each additional showing, $10.00 per week.

"Cooperating House," 10 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. Rental: Each of three above $8 per day. $15 for each additional showing or $10 per week.

Consumers Co-op Housing in Sweden: Merill Miller

Co-op Housing in Scotland: Abraham Perlstein

Fire Insurance

SAFE - ECONOMICAL - COOPERATIVE

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

NATIONAL MAGAZINE FOR COOPERATIVE LEADERS
CALENDAR OF COMING EVENTS

Tour of Nova Scotia Cooperatives, opens with Rural and Industrial Conference at Antigonish, Aug. 21-23 and continues with a tour of Eastern Nova Scotia and Cape Breton to Sept. 2.


Regular Quarterly Meetings
Board of Directors, Cooperative League of the U.S.A., Hotel Morrison, Chicago, Sept. 6-7.

National Cooperatives, Hotel Morrison, Chicago, Sept. 8.

Eastern Cooperative League, A.B.C. Campaign and Fall Membership Drive, Sept. 25 to Nov. 17.

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Co-op Supply Service, 135 Kent Ave., Brooklyn, N. Y.

AFFILIATED REGIONAL COOPERATIVES

Name
Central Cooperative Wholesale
Consumers' Cooperatives Associated
Consumers Cooperative Association
Cooperative Book Club
Cooperative Distributors
Cooperative Recreation Service
Cooperative Wholesale
Consumers Cooperative Association
Consumers' Cooperatives Associated
Central Cooperative Wholesale
Farmer Mutual Auto Insurance Co.
Farm Bureau Services
Farm Bureau Services
Farmers' Union Central Exchange
Grange Cooperative Wholesale
Indiana Farm Bureau Cooperative Association
Midland Cooperative Wholesale
National Cooperatives, Inc.
Pacific Supply Cooperative
Pennsylvania Farm Bureau Cooperative Association
United Cooperatives, Inc.
Workmen's Mutual Fire Insurance Society

Address
Superior, Wisconsin
Amatillo, Texas
N. Kansas City, Mo.
118 E. 28 St., N. Y.
116 E. 16 St., N. Y.
135 Kent Ave., Brooklyn, N. Y.

Publications
Cooperative Builder
The Producer-Consumer
Cooperative Consumer
Readers Observer
Consumers Defender
The Recreation Kit
E.C.L. Cooperator
Ohio Farm Bureau News
Ohio Farm Bureau News
Michigan Farm News
Farmers' Union Herald
Rural Farmer
Midland Cooperator

THE PROSUMER

PEACE, PRENT, DEMOCRACY

"Helz-A-Poppin" in America!

"Mother Poisons Five. Mrs. ——— fed capsules of poison to her five children today and slashed her throat with a butcher knife as they began to collapse . . . her husband was without a job."

"Erect to Riches, Jobless, Ends Life With Gun. ——— said 'I'm going to kill myself.' The youth's father collapsed."

"Sick Family Lies Down To Keep Home. An 82-year-old invalid, her sick daughter and a paralyzed grandson started a "lie-down" strike in their home here today after deputy sheriffs in an eviction attempt removed all furniture but their beds."

The right to work and the right to an income are as fundamental as the right to life and the right to liberty and must be made realizable for all in America soon or there will be "Helz-a-poppin" everywhere, and not just in a musical comedy and in newspaper headlines. The denial of the right to work to millions, by both business and government is fast becoming unbearable. It is a lot later than most people think.

PRIVATE-PROFIT CAPITALISM IS BOTH SPIRITUALLY AND PRACTICALLY BANKRUPT. IT NEITHER WILL NOR CAN PROVIDE JOBS, INCOME OR OWNERSHIP FOR ALL THE PEOPLE. IT MUST BE SUPERSEDED BY COOPERATION, JUST AS CAPITALISM SUPERSEDED SERFDOM AND SERFDOM SUPERSEDED SLAVERY. IT IS TIME FOR AMERICA TO ACT FAST IN ORGANIZING COOPERATIVES.

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 St., N. Y. City.

E. R. Bowen, Editor; Wallace J. Campbell, Associate Editor; Contributing Editors: Editors of Cooperative Journals and Educational Directors of Regional Cooperative Associations.

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"They Owned the Land They Farmed"

Of all the expressions which have ever appealed to us, we know of none which has in it more of meaning than this. Ownership of the farms and factories of America by the people who use them is the foundation of any real future. Users' ownership is the fundamental necessity. The right to the ownership of property is primary to the right to a job and the right to an income. Tenancy is little less than serfdom or slavery.

* * *

The Epitome of the Cooperative Movement

An individual should, and must in time, come to represent in his or her personality the ideals of the particular organization and movement of which he or she is a part.

George Russell (A.F.) illustrated this point. His own personal life was representative of the ideals of the Cooperative Movement. In magnificent phrasology he described the foundations of the Movement by using this illustration from chemistry—that when an atom of pure crystal is dropped into a solution it will attract to itself other like crystals—just so, he said, a person who in his own life truly represents the Cooperative ideal, when coming into any neighborhood, will attract to himself other like persons to form a Cooperative Community.

In turn, the members of any cooperative group, although small, who seek out to change the ideals and structure of society, must themselves practice in their daily relations of every kind the principles they profess, which they desire society as a whole to adopt. "A movement which aims to establish a society of human brotherhood must itself be a human brotherhood," says John Middleton Murray.

Father J. J. Tompkins of Nova Scotia declares that the primary need in a democracy is the self-development of a great people; that a great people will throw up out of their midst by common choice the great leaders they need. However, it is not only the responsibility of a people to become great, but also, in their progress toward that goal, it is likewise the responsibility of the leaders they select to develop their individual personalities so as to increasingly become representative of the principles and practices which the people are struggling to achieve.

It is because Abraham Lincoln epitomized the ideals of the people of his time that he was chosen as their political statesman and is so greatly revered by succeeding generations. It is because Toyohiko Kagawa so diligently and devotedly practices means which lead directly to high ends in conformity with the means, that he is counted as one of the world's greatest religious statesmen today. So John T. W. Mitchell, the Lincoln of Great Britain, will be honored for all time as an economic statesman because he typified the principles and practices of the Cooperative Movement.

There is a defect in a Movement which does not throw up great leaders; there is a defect in leaders who do not in themselves develop great personalities which epitomize the high ideals of the Movement they represent.

The people need as leaders in this present world's greatest crisis those who will sacrificially and energetically devote their supreme effort toward their own self-development and in turn the development of their groups and the whole of society.

Scandinavia Synthesizes Individual Liberty and Group Unity

According to Hegel society moves by the process of thesis, antithesis and synthesis— one idea (thesis) is opposed by another idea (antithesis) and the eventual result is a synthesis of the two into a greater idea. George Russell (AE) declares that the two great spiritual ideas between which organized society oscillates are "individual liberty" and "group unity."

In the so-called Middle Ages the idea of group unity was dominant. It was expressed in political and economic life through the organizations of feudalism, it was expressed in religious and educational life through the organizations of ecclesiasticism.

Then, as Russell expresses it, the "poles of being" began turning toward the idea of individual liberty as a reaction from the oppressive forms of organization into which an exaggeration of the idea of group unity had been moulded. Individual liberty as an idea found expression in new religious, educational, political and economic organizations in France in the old world and America in the new. For three centuries and more the spiritual idea of individual liberty has been dominant until it too became exaggerated and has become embodied in humanity crushing forms of organization. Particularly in the economic field, the idea of individual liberty, without the counter restraint of group unity resulted in the development of dog-eat-dog competitive organizations until the masses of the people are crushed into the depths of poverty, unemployment and tenancy.

Today the alternative idea of group unity has turned the "poles of being" toward Russia and Germany. In those countries group unity has now become dominant over individual liberty, as individual liberty is dominant over group unity in France and America. This was accurately prophesied by Russell, who said in 1915, "In a quarter of a century there will hardly be anyone so obscure, so isolated in his employment, that he will not, by the development of the organized State, be turned round to face it and to recognize it as the most potent factor in his life... the coming solidarity is the domination of the State."

"What we ought to realize," he says, "is that these reactions take place within one being, humanity, and indicate eternal desires of the soul." Is there then no prevention of the wide oscillation of the social pendulum between oppressive forms of institutions expressing these two great spiritual ideas? Must mankind forever be crucified upon one cross or the other?

Yes, there is a hope that a higher synthesis will result which will counterbalance and join together individual liberty and group unity in religious, educational, governmental, and economic community institutions.

Russell visions the Promised Land which society blindly seeks as a "human fullness, in which the opposites may be reconciled—the divine event to which we are moving is a State in which there will be essential freedom combined with an organic unity."

Indeed, such an eventuality is far more than a blind hope or even a clear vision for there have already been developed in the Scandinavian countries, patterns of social organization which to a large degree unite these two great spiritual ideas of individual liberty and group unity.

Look to Scandinavia, America! The highest pinnacle of democracy in the world, where religious, educational, economic and political democracy are all developing—where individual liberty and group unity are being synthesized in social organizations.

August, 1939
WHAT AN OPPORTUNITY!

WHEN youth by the millions cannot get jobs today, it seems maddening for one of the older generation to speak of opportunity. But, in truth, if youth can only dream dreams and see visions through the dark curtain of the present, there are far greater opportunities ahead for the younger generation than those which the older generation had. For our opportunities were largely the conquering of the physical world, while youth faces again, as it did in the early days of this nation, another great spiritual opportunity in social organization.

Harold Laski says, after a lengthy stay in America “There is the prospect if it has its chance of fruition, that America may come to count spiritually in the 20th Century as it counted in the last generation of the Eighteenth. It may become the inspiration of the oppressed and dispossessed all over the world. What people need a great many more persons who will become as deeply motivated by the idea of what Wallace speaks of as the general aims as idealistic and as realistic of thought for the twentieth century as the young men of 1776 and 1787 were motivated by the idea of a cooperative economic society as the young men of 1776 and 1787 were motivated by the idea of a political democratic society. The one is the living stream of thought for the twentieth century as the other was for the eighteenth . . . the need is for a body of people in accord on general aims as idealistic and as realistic as were the young Federalists of 1787 to channelize thought and initiate and consider proposals which may lead to a cooperative society.”

The pattern of such a cooperative economic society is before us. Wallace again predicts “we are going to democracy and preserve our capitalism for the benefit of all the people in such sensible constructive manner as the Scandinavians have demonstrated to us.” Scandinavia has synthesized the two great spiritual ideals of individual liberty and group unity into forms of religious, educational, political and economic organization which have resulted in the realization of what Wallace speaks of as the third great period of social organization “The Era of General Welfare.”

No wonder when Hugo Vasara, formerly general manager of S.O.K., the largest cooperative wholesaler in Finland, was in America he expressed the wish that he could be a young man again to start life over in this country. No wonder that Albin Johansson, dynamic leader of the Swedish Cooperative Movement, looked back to our shores when returning home to Sweden and said of America “what an opportunity!”

An American business man who was asked to give a message to young graduates could only helplessly say “it wouldn’t want to be a young man today.” Those of us who are of the older generation, and have caught the vision of the future cooperative economic society, will only that we could be physically young again. What an opportunity for youth again today! Only once before has America offered such a challenge before.

The opportunity was offered to the youth of 1776 to build here on this soil a pattern of political, educational and religious democracy. The opportunity is offered to the youth today to complete the job and build in a pattern of economic democracy and its fruits to all the world, lighting up the darkness which now engulfs it and leading the way out of poverty, unemployment, tenancy, crime, disease and war. The Promised Land of Plenty and Peace.

E.C.W.'s FIRST TEN YEARS

(EDITOR'S NOTE: There are many dramatic stories of the building of the Cooperative Wholesales in the United States. The most recent to come into the limelight is the Eastern Cooperative Wholesale of Brooklyn. For seven years after organizing, the wholesale idea was still in the germination stage. For seven years there were 10 member associations and a brokerage volume of $200,000. Then things began to happen fast. 1936 saw warehouses opened in both New York and Boston and the volume jumped to nearly $300,000 with 14 member associations. 1937 volume skyrocketed to over $500,000 and membership to 70, almost unbelievable. Again 1938 pushed volume up to over $700,000 and membership to 163, with the wholesale also serving 97 non-members. The 1939 budget of $1,000,000 is being exceeded month by month. This is the greatest story in America of urban cooperative progress, and what a story it is!)

** **

THERE are few members among the pioneer societies of the Eastern Cooperative Wholesale who ten years ago would have predicted the enlarged field of action which their simple beginning was to inaugurate. And even if they could have foreseen the trials immediately to face their infant organization it is probable that they would have gone ahead anyway, for they were people of strong convictions in the Rochdale tradition.

April 29, 1929 — the first annual meeting

Consumers' Cooperative

of the Eastern Cooperative Wholesale. Delegates from seven of ten charter organizations — all from the membership of the Eastern States Cooperative League — meeting in the American House in Boston. Tentative assaying of what would be good lines for the “buying committee” to undertake as a broker for the small and scattered group. And then, before the little business had scarcely got under way, the world’s economic boom had gone into its boomerang.

At the 10th annual meeting May 30, 1939, the manager could report that sales volume for the year before had been $717,415, and that better than a million dollars was anticipated for the current year; that membership had grown from 10 societies to 103, and a total of 252 groups had been served in the past year in 18 states and Puerto Rico; that inven-
itory had grown from practically nothing to $91,000 in the New York and new Boston offices. The pan-racial flavor, which happily characterizes E.C.W., was present from the start: Finns, whose tenacious societies were scattered through Brooklyn and Massachusetts; Jews, with their bakeries and later Cooperative apartment houses in New York; Italian textile workers from the turbulent city of Lawrence; Russians, and “white collar” consumers of Anglo-Saxon stock. But faces were friendly—proving that the welding power of an idea is more potent than the division of tongues.


The panic of ’29 tried every Cooperative with fire. Cash policies became more and more difficult. But in 1930 the Wholesale was able to move into separate offices of its own at 112 East 19th Street, after living for several months with Cooperative Trading Association, where Adolph Wirkkula, former manager of C.T.A., was the wholesaler’s first full-time manager, and later had space at Consumers’ Cooperative Services.

When the death of Cedric Long, in 1931, deprived the National League and the Eastern States Cooperative League of their mutual secretary, the E.S.C.L. moved, after an interval, into the offices of the Wholesale. Summer institutes and annual conferences were carried on determinedly, and delegates pledged “that struggling societies would not only hang on but would increase their trade and educational work.”

In January 1931, Leslie E. Woodcock was engaged as manager of E.C.W. For 11 years, Mr. Woodcock had been associated with C.C.S., first as a member of the board and then as a staff member. Later, in 1933, he was to become Secretary of the Eastern States Cooperative League, uniting E.C.W. and E.S.C.L. still more closely.

The staff, from 1931, consisted of Mr. Woodcock, Sophie Benjamin, bookkeeper, and George Meakin. The office was one room, with several desks and a file.

In 1934 dues of the E.S.C.L. had accumulated to the point where an educational director could be taken on, and R. L. Smith joined the staff. He had a desk and a typewriter and enormous ambitions which still keep ahead of an incredible variety of educational production.

Two moves, in the same building, before 1936, added a little more privacy, if not much more room. The staff fitted into the scenery about as cozily as eggs in a carton.

All the while an undertow was setting in which would sweep the Wholesale out into larger activity. While the depression stalled purchases of ‘societies, it was slowly awakening interest of the public in Cooperation. Most of E.C.W. business was brokerage, but a slowly growing number of items were passing through the office to be packaged with the Co-op label, and after a while it began to seem that one couldn’t rise from his desk without sardines, gelatine, macaroni, brown sugar and later, the famous soap, tumbling out of his lap.

The tour of Kagawa through the country had a stimulating effect upon the organization of new societies, and soon calls, visits and demands were being made that E.C.W. expand its services to meet an obvious and logical need.

The joint annual meeting of E.C.W. and E.S.C.L., in 1936, was held appropriately, a self-fulfilling prophecy in the development of wholesale. The tour of Kagawa through the country had a stimulating effect upon the organization of new societies, and soon calls, visits and demands were being made that E.C.W. expand its services to meet an obvious and logical need.

Until 1935, the Wholesale had concentrated its activity as a broker for a limited number of staples which were common denominators of the tastes of different groups. But new groups were clamoring for more direct wholesale service. A method of operation permitting delivery in the metropolitan area was set up. By the following March, shipments were being made to points as distant as Jamestown, N. Y. and Philadelphia.

The joint annual meeting of E.C.W. and E.S.C.L., in 1936, was held appropriately, the tour of Kagawa through the country had a stimulating effect upon the organization of new societies, and soon calls, visits and demands were being made that E.C.W. expand its services to meet an obvious and logical need.
VITAL STATISTICS OF EASTERN COOPERATIVE WHOLESALE

All figures are for the period indicated, except the CO-OP Label figures which are as of May 30 of each year.

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Income</th>
<th>Net Earnings</th>
<th>Capital Stock</th>
<th>Inventory</th>
<th>Membership</th>
<th>E.C.W. Labels</th>
<th>CO-OP Labels</th>
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<tr>
<td>1929</td>
<td>$203,736</td>
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<td>$1,800</td>
<td>$132</td>
<td>10</td>
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<tr>
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<td>$411</td>
<td>$1,800</td>
<td>$132</td>
<td>10</td>
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<tr>
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<td>$1,800</td>
<td>$132</td>
<td>10</td>
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<tr>
<td>1934</td>
<td>$187,655</td>
<td>$11</td>
<td>$1,800</td>
<td>$132</td>
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<td>4</td>
<td>4</td>
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<tr>
<td>1935</td>
<td>$206,315</td>
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<td>$1,800</td>
<td>$132</td>
<td>10</td>
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<td>4</td>
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<td>1938</td>
<td>$471,615</td>
<td>$87,979</td>
<td>$1,800</td>
<td>$132</td>
<td>10</td>
<td>4</td>
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</tr>
</tbody>
</table>

CO-OP Labels are sold to E.C.W. members exclusively. All other figures are for the period indicated.

Consumers' Cooperation

Farnsworth St., a two-story brick warehouse with 16,000 square feet — about double its former size. Since the beginning this office has been under the direction of Waldemar Niemelä, former manager of the United Cooperative Society of Maynard and the Cooperative Trading Association of Brooklyn. His preliminary study preceded the opening of that office in 1936. Otto Rossman is an educational field man of the E.C.L., operating from the Boston office. For five years he was on the auditing staff of Central Cooperative Wholesale, and later manager of the Rock, Mich., Cooperative. He came to E.C.L. in November, 1938. In February, 1939, George H. Tichenor was hired as Editor of E.C.W.'s newspaper THE CO-OPERATOR. The initial staff is now complete with Manager, Buyer, Educator, Editor and Fieldman and the future of E.C.W. in the key, urban distribution city in America is unpredictable. May it grow soundly and steadily to its possibilites.
within the cooperative as well as matters of a general nature.

Now that we have gone through the experimental stage, and have more than 400 Councils, we are very anxious to promote the organization of a large number of additional Councils, and are willing to assume the responsibility of placing all interested people in a position to think and to help us build a worthwhile organization. This can be done through discussion groups.

Groups Coordinated Into County Cabinets for Action

After a Council is organized, there is a time when the desire for action is evident. This must be recognized by the leaders, and when this desire becomes prominent, all the discussion groups in the county should be coordinated through organization of the leaders of the parent Councils into a County Cabinet. There are quite a number of counties in our state that have organized Cabinets.

At the first meeting of the Cabinet, a program of action is proposed by the members. This can be well termed a "blue print" to be followed by the organization. This proposed program consists of specific things that can be accomplished within the activities of the organization; for example, the proposed program of one county consisted of eight definite items to be carried out during the year. They were:

1. Organize twice the number of Councils that now exist in the county
2. Organize a mixed Chorus
3. Organize a youth band
4. Set up an additional distribution point for cooperative service
5. Raise $5,000 additional capital stock
6. Build a community hall
7. Organize Thrift Clubs in each Council
8. Supply all Councils with discussion material on Cooperative Medicine

After this program was proposed in the Cabinet, it was discussed in all Advisory Council meetings in the county. This is very important as it gives all the members of the groups an opportunity to be a part of the program by suggesting changes and offering new ideas.

After the program was proposed by the Cabinet and considered by the members, it was then drafted into a resolution submitted to the County Board for adoption. At this point the Cabinet plays an important part in each of its regular meetings they take up some item of the adopted program for discussion, and before adjourning, the item discussed is on the road to definite execution because ways and means have been discussed and provided by the Cabinet. Reports of each Cabinet meeting are always discussed at each Council meeting, giving all the members of the Council an opportunity to assist in carrying out the program.

A few of these Cabinets were organized in the early part of 1939, and have almost accomplished in seven months' time what they expected to do during the entire year. This is largely because they had a "blue print" to follow and the Cabinet provided the machinery by which this could be accomplished.

Leadership's Responsibility To People

It is my firm conviction that cooperatives will succeed to the degree that leaders have the ability to assist developing people. Members of an organization first must be conscious that they are a definite part of the Cooperative Movement, and have some definite responsibility to assume rather than having too much faith in leaders to do for them what they should do for themselves.

Summary

Here, in brief, are the vital factors of the Ohio Advisory Council program:

**First, organize as many discussion groups as it is possible to organize.** Second, through this process the people will educate themselves and become familiar with the workings of the Movement. Third, action must always follow in an informed group. This can be accomplished through tying together all the discussion groups so that whatever action is taken is on a uniform basis throughout the whole region. I cannot lay too much stress on the personal attention that the Home Office gives each individual discussion group. Sometimes their requests seem trivial to the leadership, but are very important to those who request it. The time and effort spent on this personal attention builds morale which is so necessary in any movement.

We should at all times be alert in discovering new techniques that will influence people to participate. By participation, the interest of members and patrons increases. If they can feel some degree of individual achievement, that tends to draw that individual much closer to the organization. The discussion group method is one which provides opportunity for participation in doing some thinking, planning, and finally acting in whatever organization he is interested.

Another means which will get a great number of people interested is discussion circles during mass meetings. Meetings should no longer be contented with the "teacher" or "speaker" type of program. Meetings should always be concluded by forming discussion circles and having each circle discuss questions that are raised during the speaking program.

We will soon discover that many of our meetings that have been very "dry" will become interesting because the rank and file of those attending the meeting have been given an opportunity to express their ideas of what they think should or should not be incorporated in the program of their organization.

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**LEAGUE OF CAMPUS CO-OPS TAKES PERMANENT FORM AT BERKELEY CONFERENCE**

**MEETING in the halls of the University of California Student Cooperative Association and within a ferry ride of the Treasure Island of San Francisco's Pacific International Exposition, sixty representatives of campus co-ops on the Pacific Coast took steps to make a working institution of the federation they set up three years ago. In addition to putting the Pacific Coast Students' Cooperative League on a permanent basis, the delegates established a closer bond of fellowship, a common plan, and a pass between their respective cooperatives for the 3,000 students who are constantly increasing their social and economic values through cooperative living.**

**The conference which was held in Berkeley June 13, 14 and 15 was called with this purpose: To enable the free exchange of ideas on the problems confronting the various institutions arising out of initial organization and operations; to formulate and recommend techniques which are aiding the existing cooperative movement; and to keep in touch with the leaders of the Nation's colleges through the various presidents of the federation.**

**Meeting Immediate Problems**

The opening address was followed by panel and discussion groups on some of the problems which will get a great number of people interested in discussion circles during mass meetings. Meetings should no longer be contented with the "teacher" or "speaker" type of program. Meetings should always be concluded by forming discussion circles and having each circle discuss questions that are raised during the speaking program.

**We will soon discover that many of our meetings that have been very "dry" will become interesting because the rank and file of those attending the meeting have been given an opportunity to express their ideas of what they think should or should not be incorporated in the program of their organization.**

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**Consumers' Cooperation | August, 1939**
the more important problems of student cooperatives such as: (1) GOVERNMENT IN STUDENT COOPERATIVES, (2) FINANCE AND ACCOUNTING, (3) SOCIAL AND RECREATIONAL PROGRAMS, (4) ADMINISTRATION PROBLEMS, and (5) EDUCATION IN COOPERATIVES. These discussion groups were particularly important because they brought out personal experiences in existing student cooperatives. This kind of participation made these groups the most earnest and constructive feature of the conference.

Creating Permanent Organization

The conference was climaxaded by a general meeting which created a permanent "PACIFIC COAST STUDENT CO-OPERATIVE LEAGUE," headed by a temporary board of five directors. This league will have the University of California as headquarters; will hire a secretary and proposes to organize the student cooperatives into an active working body with facilities for affording continual exchange of information among the organization members. Support is to come from League dues of 10¢ per member from each of the affiliated cooperatives. Elected to the temporary board of directors were John S. Essene, UCLA; Gordon Miner, UC; E. B. Ingham, WSC; R. W. Birchfield, Texas A. & M.; Robert Colwell, UW; Lorraine Bartlett, UC; Alvin HENT, UCLA; and Anna Mae Halvorsen, UO.

The meeting decided that the findings of the conference should be prepared and printed in the form of a "handbook" for student cooperatives. This handbook, with its recommendations will be finished soon.

The conference was an example of the growing strength and importance of the cooperative movement in general and the student phase in particular. The discussions, friendships, and business pointed toward the unification of the heterogeneous individual cooperatives and the banding together into a permanent body for future growth. Viewed in this light the conference was a distinct success. In spite of its weaknesses it laid a pretty solid foundation for the future strength of the student cooperative movement on the Pacific Coast. The next annual conference will be held in June, 1940 on the campus of the University of Oregon at Eugene, Oregon.

WHAT THE CO-OPS ARE DOING

Indianapolis—The cooperatives took an important step into the field of banking when the Indiana Farm Bureau Cooperative Association, together with a number of other cooperatives, credit unions and other non-profit organizations purchased the controlling stock of the Citizens State Bank at Beech Grove, Indiana, last month to facilitate financial operations of these institutions and to put a definite plan and system behind Indiana co-op financial operations.

Superior, Wisconsin—Central Cooperative Wholesale, acting on the instructions of its last annual meeting, has established its own testing kitchen to check on the quality of all goods handled by the cooperatives; purchased new equipment for its coffee roastery and feed mill; and is adding four new men to its educational staff.

Minneapolis—Thirteen new stores have been opened in Minnesota and Wisconsin since June 1 in Midland's new chain of co-op grocery stores. Five more will be added before the end of August.

New York City—Deciding that Government grades are not high enough, the grocery buyers committee of National Co-operatives, purchasing goods under CO-OP label for five hundred co-op stores, voted at their meeting here to require that only the top half of the government brand-
The teacher, even though absent, is used and used expertly. For each discussion period the study guide provides a series of questions for oral discussion and two or three summarizing questions for written answer. Often these deal with problems of the local association. The group as a whole agrees upon the answers which are carried back to the headquarters for comment by the teacher. A second answer in reply to the teacher's comment is written, if possible, by some member of the class.

Of the effects of the groups Mr. Stolpe says, "Approximately two-thirds of the members of the groups are ordinary members of societies; the others are office-holders and employees. The groups become the smithies in which the links of unity between members, office-holders and employees are forged stronger and stronger. All may come together and feel themselves like collaborators in a great work for the benefit of all, not like cogs in a great machine upon the operation of which only a few have influence."

**American Co-ops to-day**

**"THE CONSUMER AWAKENS"—By Harold V. Knight. Published by the Farmers Union Cooperative Education Association. 128 pages. 25 cents. Available through The Cooperative League.

I always look first at the chapter headings of a new book. Through them, one gets a glimpse of the book and its author, just as a glance through a lighted window gives a swift picture of a room, and with it the idea of the people who inhabit that room. The chapter headings of Harold V. Knight's new book-length pamphlet, "The Consumer Awakens and the Future", carry the reader along from beginning to end. Here are a few of them, selected at random: 'This Business Called Cooperation'; 'Co-operatives and the Consumer'; 'The Challenge of Tomorrow'; 'Our Daily Bread'; 'Portrait in Oil'; 'The Buyer Can't Beware'; 'Ever So Humble'; 'The Farmer Takes To Cooperation'; 'Youth Pioneering In A Modern World'; 'Dynamic Democracy'.

As may be guessed, these chapters deal with the principles of the cooperative movement, with the building up of cooperatives and the failure of those not soundly built, with the consumer ownership of our daily living needs, with the tremendous accomplishments of cooperatively owned oil companies in cutting gasoline costs to the consumer, with the helplessness of the consumer against advertising, and with the advantages and achievements in cooperative housing, with the advancements made by farmers in cooperative handling of their products and supplies, with the place of youth in the cooperative movement and with the fundamentals of democracy as a living thing. Everything is carried out with the greatest simplicity and a most factual presentation, also with case histories from actual cooperatives.

"THE CONSUMER AWAKENS" is Mr. Knight's most ambitious work to date. It begins with the promise of his popular column, "Footnoting The Headlines With John Consumer." This is carried on by many cooperative periodicals and is familiar to a large reading public throughout the United States.

This writer is a keen admirer of current affairs. The columns of the cooperatives are witty, pungent and intelligent. He carries this same style into "THE CONSUMER AWAKENS" but adds to it bite and experimental analysis. He covers the whole field of the entire economic system which makes his conclusions on the cooperative movement of very definite value.

All who are familiar with Harold Knight's writings will welcome the appearance of this book. Those who are not, will find in it a new exciting pleasure which will give them a vivid conception of the force and power of the cooperative movement as it exists in the United States today.
Dr. Ezekiel admits that the Cooperative Movement may be a fine remedy for our economic ills but maintains that it is too slow to save society from chaos and that is why, he claims, plans such as Industrial Expansion are needed. Perhaps Dr. Ezekiel is right, for Cooperation is slow and fundamental. All fundamental changes are evolutionary and slow—that is why they are lasting. Cooperators are welding the hole that causes our economic leak—they are not merely slowing it down with chewing gum.

If, however, Dr. Ezekiel is right and we need a stop-gap plan to stave off catastrophe, his Industrial Expansion may be fine if it will work. We, however, are skeptical of success of any large-scale regulation of capitalism, especially when the profit motive would be allowed to continue its wild, erratic life.

Erick Kendall

TWO NEW CO-OP MOVIES

A Day with Kagawa, 16 mm. film, 3 reels, silent, produced by the Methodist Board of Missionary Education, available thru The Cooperative League, $3 first showing, $1.50 additional showings.

This film, which was taken by a missionary in Japan, presents a clear and complete picture of the full, rich life which Toyohiko Kagawa, religious and cooperative leader, leads. Starting with glimpses of Kagawa's home life, the film shows the varied activities which Dr. Kagawa has been instrumental in getting started. The cooperative enterprises are most predominant—cooperative pawnshops, credit unions, soup kitchens, stores, farms, hospitals, etc. This film is valuable not only in giving to hundreds of thousands something of Kagawa's personality, but also in giving concrete illustrations of the social gospel which he is preaching.

In spite of the fact that the film was shot without sufficient lighting, it shows the warmth of Kagawa's personality and the wide extent of his cooperative work, and should be of interest to all.

The House Without a Landlord, 16 mm. 2½ reels, silent, a film of the Amalgamated Cooperative Apartments, available thru The Cooperative League, $3 first showing, $1.50 additional showings.

The story of how workers from New York's lower East Side who made their living in trades organized by the Amalgamated Clothing Workers of America built for themselves beautiful, permanent, cooperative homes, is familiar to most cooperators. Here is the story told in pictures so that you can see for yourself the spacious courtyards which replaced filthy alleys; the gardens blooming where tin cans reigned supreme; light, air and health enjoyed without extra cost by the owner-occupants. Here indeed is a graphic demonstration that beauty of surroundings and comfortable homes are within reach of wage earners. A multitude of services are rendered by consumer cooperatives—grocery and dairy store, milk and laundry distribution, electric generating plant, bus and credit union are owned and operated by the residents themselves. In addition, the picture shows the many recreation and educational opportunities possible for such a community and stresses the magnificent work done among young people. It should prove of especial interest to cooperatives, trade unions, schools, colleges, and all groups interested in better housing.

Ellen Edwards

PLAYS

The Spider Web, a 3 act play, by Ellis Cowling... 25
The Answer, a 3 act play, by Ellis Cowling... 25
Two One Act Plays, Ellis Cowling... 30
The Consumer Consumed, a puppet play, Josephine Johnson... 45

POSTERS

Organize Cooperatives, 20"x30"... 25
Cooperative Principles, 10"x15"... 25
Blue, 5 for $1... 25
Cooperative Ownership, 10"x20"... 25
Mulberry, 5 for $1... 25

FILMS

"The Lord Helps Those Who Help Each Other," a new 3 reel, 16 mm. film of the Nova Scotia adult education and cooperative program, produced by the Harward Foundation, Inc., is a graphic demonstration that mental changes are evolutionary and slow—more acceleration is needed. Perhaps Dr. Ezekiel is right, for Cooperatives—grocery and dairy store, milk and laundry distribution, electric generating plant, bus and credit union are owned and operated by the residents themselves. In addition, the picture shows the many recreation and educational opportunities possible for such a community and stresses the magnificent work done among young people. It should prove of especial interest to cooperatives, trade unions, schools, colleges, and all groups interested in better housing.

October 1939

FINLAND DEFINES CONSUMERS' COOPERATION

Oscar Cooley

Cooperation in the Land of the Midnight Sun

Henry A. Bokken

The Industrial Arts Cooperative

Ellen Edwards

Co-ops on the March

REVIEWS

Maintaining Democracy in Sweden

Midland's 1939 Yearbook

September 1939
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Cooperative Consumer
Readers Observer
Consumers Defender
The Recreation Kit
E.C.I. Cooperator
Ohio Farm Bureau News
Ohio Farm Bureau News
Michigan Farm News
Farmers' Union Herald
Grange Cooperative News
Hooiser Farmer
Midland Cooperator

For Cooperators to Think About
A college professor who wants to get into educational work in the Cooperative Movement gave as his reason that "it combined ethics, education and economics." Not only attractive alliteration but a clear, concise conclusion.

At the American Institute of Cooperation, Mr. Quentin Reynolds, General Manager of Eastern States Farmers Exchange of Springfield, Massachusetts, declared that the right use of words was very important in the Cooperative Movement and gave as comparisons the use of "member," rather than "customer"; "purchases," rather than "sales"; and "savings," rather than "profits." His subject was "The ultimate objectives of the Cooperative Movement" which he said might be summarized as "The Brotherhood of Men."

* * *

The "spotlight" in the Cooperative Movement shifts from time to time from one Cooperative to another. Right now the spotlight falls on the rapid growth of the urban grocery program of Eastern Cooperative Wholesale of New York in the face of the chains; the big increase in insurance of the Farm Bureau Mutual Auto Insurance Co. of Columbus in the face of reductions of rates by the old-line companies; the building of a petroleum refinery by Consumers Cooperative Association of North Kansas City; and the starting of a cooperative-chains grocery program by Midland Cooperative Wholesale of Minneapolis. Instead of jealousies on the part of other wholesales, as in private-profit business, there are cheers among other cooperative wholesales for such pioneering efforts, for all coopers are part of one great movement.

As 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 St., N. Y. City. E. R. Bowen, Editor, Wallace J. Campbell, Associate Editor. Contributing Editors: Editors of Cooperative Journals and Educational Directors of Regional Cooperative Associations.
In a personal letter from Toyohiko Kagawa of Japan, he reiterates his cooperative faith in these words "Ever and ever the conviction deepens that the cooperative way is the only way for individuals and for nations. Cooperating people in cooperative countries will assure peace in the world." While political and economic imperialistic leaders build armaments, it is reassuring that the people are building cooperatives which will finally bring plenty and peace.

* * *

Father Luigi Ligutti, President of the National Catholic Rural Life Conference, who finally "led himself" to Europe when the 1939 Cooperative League's Tour had to be abandoned on account of the war scare, writes from Edinburgh: "Getting more than I expected all along. Too bad the rest didn't come. It's great." Father Ligutti was also one of the leaders of the League's 1938 Tour to Nova Scotia. He is plainly determined to learn how to solve America's tragedies. Other religious and educational leaders should be urged to "go and do likewise."

* * *

One result of the national organization of regional cooperative associations is the closing of the "time-lag" between action on the part of one regional and others. As an illustration, it took about seven years after Midland Cooperative Wholesale started petroleum distribution for the Ohio Farm Bureau Cooperatives to start and about seven years after Ohio started automobile insurance for Midland to start. But it only took about a year after Ohio adopted a definite program of discussion-circles under the name of "Advisory-Councils" for Midland to start them under the name of "Neighbor-Nights" and Consumers Cooperative Association, North Kansas City under the name of "Neighborhood-Councils." Now the Eastern Cooperative League, New York and Central Cooperative Wholesale, Superior are also working out definite study-circle programs. We might venture a prophecy that other "Cooperative-chain-groceries" like Midland's and other "cooperative-refineries" like Kansas City's will follow with little time-lag. National organization does two things for those who are members—first, it gives them the opportunity regularly for the interchange of information, and second, it provides for the economical and efficient coordination of such functions as publicity, education, legislation, purchasing, etc., which they cannot do alone. National membership results in additional net savings above any cost to regional cooperatives, just as regional membership brings additional savings to local co-ops.

Do Cooperatives Make Profits?

Arthur W. Baum, writing in the COUNTRY GENTLEMEN, says: "Basically, co-ops are just as much profit organizations as any private business concern."

The new Governor of the Farm Credit Administration, F. F. Hill, says in News for Farmer Cooperatives that they do not. He speaks of cooperatives in general as "non-profit" organizations; and in describing them says "of course, there are no profits." Referring to one cooperative as an illustration he states, "It does not operate for profit, as that term is commonly used."

The word "profits" is a term of capitalistic business—not cooperative business. Cooperatives make savings—not profits. The profits of capitalistic business are legally divisible according to stock ownership. The savings of cooperative business are legally divisible according to patronage and can in no correct way be described as profits. Capitalism is founded on private-profits; cooperation is founded on public-service. The foundation of one is the antithesis of the other.

Consumers' Cooperation

A Definite National Job This Fall For Cooperative Executives, Educators and Editors

The key to continued and increasing interest on the part of the members of a cooperative is to "Educate FOR Something," as the famous Dr. M. M. Coady of Nova Scotia summarizes the secret of adult-education. The trouble with education generally is that it is education for knowledge rather than education for action.

This fall cooperative executives, educators and editors have the definite job of educating the members of cooperatives everywhere to the importance of the passage of S. 2605, when Congress assembles in January. Next to organizing cooperatives themselves, no work of greater importance has ever faced the movement. The truth is on our side but truth needs active support to win. This Bill provides for these two simple fundamental cooperative rights: it gives farm purchasing cooperatives equal access to credit when they handle home supplies as well as farm supplies; it gives farm purchasing cooperatives equal access to credit when they accept into membership a minority of non-farmers. Both of these rights are fundamental cooperative principles and are also fundamental economic requirements of free competition.

But far more important than the right to borrow money on equal terms is the fact that the passage of this Bill will wipe out altogether the dividing line between home and farm supplies and will drive our part way the wedge between rural and urban membership. It will release boundless energies for the more-rapid and greater development of the Movement. It will enable the Movement to "MOVE" as it should, free in part from unjust and uneconomic legal restrictions. It will provide for "Equal Justice Under Law" as the inscription over the new Supreme Court Building reads.

It's up to Cooperative Executives, Educators and Editors to "activate" their membership to support the Bill and to "win-over" any opposition to accept the justice of its provisions.

* * *

The Consumers' Cooperative Movement at the World Congress on Education for Democracy

From the standpoint of the "educational world" probably the greatest recognition ever given to the Consumers Cooperative Movement was the inclusion of The Cooperative League as one of twenty-eight national lay organizations who were invited by Teachers College of Columbia University to participate in the World Congress on Education for Democracy. An equal number of representatives of each organization were asked to act as delegates to attend the seminars. Consumer Cooperators sat across the table from representatives of finance, industry, labor, agriculture, professions, etc., on equal terms. An accurate immediate appraisal of the results of such a Congress is largely impossible. It would, however, be believed to be correct to report three significant facts which seemed apparent: first, the fact of equal recognition of the Consumers' Cooperative Movement with other national organizations; second, the fact that the Consumers' Cooperative Movement had taken the lead in "study-circles," which were recognized as the principal form of adult-education; third, the fact that the Consumers' Cooperative Movement had a far more positive and proven answer to our economic problems than did other organizations. The Consumers' Cooperative Movement plainly had a better understanding of the necessary "means" of adult-education study-circles and the "ends" of cooperative economic organization and was accordingly able by participating in the Congress to persuade others to their acceptance.

September, 1939
Finland Defines Consumers' Cooperation as All-Inclusive in Purchasing

We have repeatedly stated that the primary necessity in the national organization of the Consumers' Cooperative Movement is the acceptance by all the regional cooperative associations of the fact that 'Consumers' Cooperation, in its broadest terms, includes the purchase of all forms of food, goods and services by ultimate users organized on the basis of Rochdale principles.' We have previously published charts and statements from various European countries confirming their support of this interpretation. Now the Pellervo Society of Finland, which is the national society organized in the beginning by Dr. Hannes Gebhard for the promotion of all forms of Cooperation, has kindly supplied the American Movement with additional evidence in statistical form. In their yearbook they list various Cooperative Marketing Societies separately, but include all forms of commodity purchasing under the one heading of 'Consumers' societies, with a total membership of 538,600. To make certain beyond the question of a doubt that we correctly interpreted their report, we wrote direct to the Pellervo Society for further confirmation and now have their letter in which they say "The turnover of Consumers Societies includes, as you assumed, besides consumption articles, also agricultural supplies such as fertilizers, feeding stuffs, agricultural machinery, etc." (Sweden uses the words "household" goods and "vocational" goods). Still further evidence has just been received in a pamphlet reprinted from the International Labor Review entitled "The Diversity of Cooperative Institutions and Their Classification" in which Dr. G. Faquet, who was in charge of the Cooperative Division of the I. L. O. from 1920 to 1933, says "In Finland, the two functions of supplying agricultural requirements and consumers goods are performed by the same rural cooperative societies and are regarded by them as of equal importance." Dr. Faquet uses the phrases "Urban Consumers Cooperatives" and "Rural Consumers Cooperatives" according to the location of the residence of their members. The responsibility is heavy upon regional cooperative purchasing leaders to accept that they are all part of one great Consumers' Cooperative Purchasing Movement, irrespective of the residence of their members or the commodities they purchase, and to unite into one national organization for mutual protection and promotion of the movement which can only be done as it should and must be by everyone taking his proper place in the organized national movement.

"Masters of Their Own Destiny"

While Dr. M. M. Coady lies in a New York hospital fighting to recover from a major operation, the men and women of the Maritime Provinces whom he inspired to solve their own problems through cooperative effort are carrying on.

The Annual Rural and Industrial Conference drew together leaders of cooperatives in mining, farming, and fishing communities to report that more than a thousand study clubs are in operation and that 700 cooperative credit unions, consumer, producer, marketing and handicraft associations have been organized in the Maritimes to serve the needs of the people.

No greater tribute can be paid a leader than that he has trained his people so well they can carry on without him, releasing him for even greater tasks.

The story of the work of the "Men of Antigonus" is told completely for the first time in Dr. Coady's book, so aptly titled "Masters of Their Own Destiny" which he finished just before his operation. It will be published September 20.
after the establishment of the Rochdale society—societies were commenting on the ‘surplus’ capital—and (p. 142). “Except during the (World) war years and the early post-war period, the movement as a whole has never since 1870 been unable to develop any activity it wished to undertake, thru lack of capital.”

I believe that the British economists point to the secret of the matter when they say (ibid, p. 129) “The most significant fact about co-operative finance is that 99% of the share capital of the retail societies is withdrawable. For small sums no notice of withdrawal is necessary; for larger sums notice, varying from one week for £5 up to ten or twelve weeks for £100 has to be given. But as the majority of the individual shareholdings are less than £5, the bulk of the capital of retail societies could be withdrawn according to rule with only a few days notification.” And mark this statement: “Experience has shown that, even in conditions of acute general distress, co-operative annual meetings are rather reluctant to vote to make payments on share capital if such payments begin to endanger the society (even savings banks have a 90-day privilege). However, this should not be done unless absolutely necessary. For the more promptly payments are made, the more confidence will be generated and the more capital will flow into the society.

The members should understand, of course, that if they withdraw all or part of their last share, they will cease to be members.

Extend Loan Capital Method

Another way of accomplishing a similar end might be to extend and regularize our device of transitory deposits (loan capital), inviting them rather than accepting them as a favor to the depositor. The Central Co-operative Wholesale and similar societies are already proven that considerable capital can be had in this manner; the CCW, in fact, has long had more of this kind of capital offered to it by co-operators than it needed. Why not extend the policy, thereby borrowing from our own members rather than from the commercial banks? Here also the deposits should be liquid, with the board empowered to restrict heavy withdrawals if necessary. A simple book, like a bank book, could be provided for keeping account of a member’s deposits and withdrawals, and a regular rate of interest should be paid on such deposits.

The objection may be raised that states banking departments would look askance at this procedure. However, if Smith wants to loan a sum of money, or several sums, to Brown (or to a co-operative association), and Brown agrees to pay him interest on the money and to repay the principal on demand, can a banking department stop the transaction? If Brown gives Smith a little notebook in which to keep track of the loans, wherein is that different from giving Smith a promissory note? I can conceive that co-operators could, thru their societies, set up a whole system of deposits and withdrawals, which would help mightily to finance co-operation with the co-operators’ own funds, and which would not be “banking” or come under the jurisdiction of the banking department of the state.

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In America

The general practice of co-operative in the United States is to treat share capital as non-withdrawable, except in case of emergency need, or in case the shareholder leaves town—and even then only sometimes. Thus the American co-operator’s share capital is a relatively fixed or “frozen” investment, on which he may or may not receive interest, as the society may decide. This being the case, I believe it is not surprising that practically no one buys shares in a co-op for cash, except during the period of organization. It is not surprising that co-operative annual meetings are rather reluctant to vote to pay refunds in shares, either wholly or in part. And it is only natural that when the payment of refunds in shares is made voluntary, few members want to take shares. The average workingman or farmer simply cannot afford to “freeze” any savings, especially in an investment which he knows will pay him only a “limited rate of interest.”

Thus does not the answer to our capital problem lie in gradual adoption of the British policy of withdrawable capital? In fact it seems to me that we never will get adequate capital, from our own members, until we “liquidify” it. For we can not offer enough profit incentive (interest) to attract capital on a fixed investment plan. At present we are getting our share capital largely on the appeal of loyalty to the movement. That is not an economic sound basis for building a capital structure.

Redeem Shares on Call

I propose that all local co-operatives should offer to redeem their shares on call. This action should be preceded by an educational campaign pointing out the need for more capital—our OWN capital, the soundness of the co-operative, the desirability of the co-operator putting his funds into a co-operative rather the profit-making depository, etc. Combine with this action, a policy of paying a certain rate of interest, perhaps 3 to 4% if present, should be adopted. We would then be putting our co-ops in line to get some of the savings that are now being placed in savings institutions. We would be paying the individuals a higher rate of interest than they can get in savings banks at the present time, and yet a lower rate of interest than many co-ops are now paying on their shares.

It goes without saying that it is of course necessary to empower the board of directors to withhold payments on share capital if such payments begin to endanger the society. Shares are paid for with the co-operators’ own funds, and which would not be “banking” or come under the jurisdiction of the banking department of the state.

Share and Loan Capital Compared

If both share and loan capital were made withdrawable, what would be the essential difference between the two? There would be little difference, except that share capital indicates voting membership. Share capital is ordinarily considered a fixed or deferred liability, whereas loan capital is considered a current liability. Presumably that is one reason why co-ops prefer to have a large part of their capital in shares. But if both are made equally withdrawable, both would be equally current liabilities, which appears to be the case in England. Who has long had more of this kind of capital offered to it by co-operators than it needed. Why not extend the policy, thereby borrowing from our own members rather than from the commercial banks? Here also the deposits should be liquid, with the board empowered to restrict heavy withdrawals if necessary. A simple book, like a bank book, could be provided for keeping account of a member’s deposits and withdrawals, and a regular rate of interest should be paid on such deposits.

The objection may be raised that state banking departments would look askance at this procedure. However, if Smith wants to loan a sum of money, or several sums, to Brown (or to a co-operative association), and Brown agrees to pay him interest on the money and to repay the principal on demand, can a banking department stop the transaction? If Brown gives Smith a little notebook in which to keep track of the loans, wherein is that different from giving Smith a promissory note? I can conceive that co-operators could, thru their societies, set up a whole system of deposits and withdrawals, which would help mightily to finance co-operation with the co-operators’ own funds, and which would not be “banking” or come under the jurisdiction of the banking department of the state.

Consumers’ Cooperation

Consumers’ Co-operative Services, Inc., New York City, is a notable exception. For years it has re-deemed its shares on demand—and it has never, to my knowledge, wanted for capital.

September, 1939

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How the Member Looks at It

Ask yourself the question: If I tomorrow received a legacy of $1,000 which I did not immediately have use for, would I put any considerable amount of it into shares of my local co-operative association? We think not. The average worker simply cannot afford to put savings into an inaccessible depository. Security and accessibility are the important things to him, far more important than rate of interest.

I repeat, when today we ask co-operators to capitalize their co-operative businesses, we are appealing largely to their good-will and co-operative spirit. We are in effect asking them to make a charitable contribution to the co-operative cause (if not a contribution, then the next thing to it). Then we wonder why many of our co-ops are struggling along on insufficient capital.

We go into an annual meeting and persuade the members to vote to split the patronage refund and pay half in cash, half in shares. This in effect is equivalent to persuading them to cut the patronage refund in two. Our patronage refunds in any case are not large, especially in the stores; they are a rather slender attraction to draw people into the movement. And being practical, we must admit that some economic attraction is necessary.

If we declared the refund wholly in cash, then urged each member to leave all or part of his refund, voluntarily, in the share account, where it would be available to him in cash at any time, wouldn't we attract more people to the movement—as well as more capital to co-op treasures? I believe this subject is worthy of discussion through the movement, especially since the sharp difference between the American and the British policy has apparently been neglected. A further suggestion is that the Co-operative League should send representatives to England and perhaps other European countries to make a special study of this question.

COOPERATION IN THE LAND OF THE MIDNIGHT SUN

In Norway, cooperative retail societies provide a million people or a third of the total population with essentials for sustenance, shelter, and service. Individual members of the societies affiliated with the Norges Kooperative Landsforening (NKL) do not ordinarily buy all their requirements from their own shops, but the average annual sales to members exceed $250. However this amount of member patronage compares favorably with all other great cooperative wholesale societies in Northern Europe. On June 1 first this year, 626 member societies of NKL did at an average of 1,000 shops in all parts of the country, from Kristiansand to the North Cape. The aggregate retail sales of member societies exceed 45 million dollars annually, and NKL’s turnover is 14 million dollars or 30 per cent of the total.

Consumers’ Cooperation

Henry A. Bakken
University of Wisconsin

This remarkable organization has an interesting history. The high points in the story of NKL’s development merit our attention because they demonstrate again that organizations of this kind don’t “just happen.” They are the vision of leadership and the reality of labor and sacrifice on the part of thousands of loyal members. Moreover, the first quarter century seems to be the most critical period of development. If the foundations for service have been well laid and the organization adheres to sound cooperative principles and good business practices, its chances for survival are reasonably certain provided there is a desire for the services of such an institution.

Is Collective Action Natural?

Much has been written about the indigenous growth of cooperatives in Northern European countries. It is claimed that its inhabitants, are naturally cooperatively minded because they are a homogeneous people of high intellectual calibre living in an inhospitable climate. There is undoubtedly some truth in the contention that a common ancestral type and a severe physical environment are conducive to collective action. Cooperation of this nature, however, is restricted generally to neighborly favors and to simple community enterprises which include only minor business transactions. Business organizations for extensive trade which affect regional, and even national distribution have not grown spontaneously. It has taken years of patient persuasion by magnuminous economic and social reformers to break through the barriers of inertia and provincial suspicions to attain united action. In recent years the drive has been toward what the European people designate collaboration or what we in America call integration.

Approaching a Century of Cooperation

More than three-fourths of a century ago cooperation was introduced in Norway in the form of cooperative credit societies and collective purchasing organizations. From 1860 to the crisis of 1880, the movement, initiated by a forest owner named Helfe Vearningsaasen, gained momentum and it was estimated that more than 20,000 members were affiliated with thrift societies.

The producers cooperative movement also seems to have a legitimate title to priority in its development. It has been discovered that cheese was manufactured cooperatively in a mountain dairy—Kransfjord—Norway as early as 1855. On the sacters or mountain pastures during the summer months, neighboring farmers pooled the milk of their herds, manufactured cheese, and in the fall transported the cheese to urban centers for sale. These cheese rings were the predecessors to the cooperative dairies organized during the 70’s and 80’s in many Norwegian communities which have since that time so completely dominated the dairy industry.

After the turn of the century, various rural districts in Norway organized agricultural purchasing associations which have been fairly successful. There was at one time an attempt to consolidate these societies into a national organization for centralized purchasing, but for some reason, this did not prove successful.

Ole Dahl, a Norwegian lawyer, became the leading advocate of the greater Norwegian consumer cooperative movement as a result of his observations in England where he was sent by his government to study labor conditions and industrial legislation. During 15 years of arduous labor traveling up and down Norway’s valleys, in and out its famous fjords lecturing to fishers, farmers, and workers, and organizing local societies, he had inspired a few countrymen with the possibilities of cooperation among cooperatives. A conference was called to discuss ways and means of improving the cooperative technique on a regional and national basis.

The Norwegian Wholesale Society

In June 1906, a few delegates, representing various local societies, met at Oslo and formed the Norges Kooperative Landsforening. The new venture was almost immediately beset with legal difficul-
ties at the instigation of private tradesmen who feared cooperative competition. It was fortunate that the new society was conceived by one who was equipped to meet its adversaries in the courts of the land.

During the past thirty years, NKL has grown from a small enterprise of a dozen societies with 5,000 members to the present 626 societies patronized by nearly 170,000 members. It has created total reserves exceeding four million dollars. A considerable part of the sales of NKL are accounted for by the distribution of consumer goods manufactured in its own factories. In 1938, 42% of the goods sold to its local societies originated in NKL's factories, the value of which exceeded six million dollars. Member societies of NKL operate 184 enterprises of which 100 are bakeries and nearly 50 are slaughteries and meat packing plants. Some of the principal items manufactured by NKL include tobacco products, chocolate, margarine, flour, shoes, soap, and electric light bulbs. In the early years of the organization, the members of cooperative consumer stores consisted largely of industrial and agricultural workers who were sensitively class conscious. At times these workingmen were inclined to think of utilizing the office of their wholesale society as an agency for furthering their cause socially and politically, as well as economically. The rapid progress of NKL during the past 15 years is due to the efficient business leadership of those selected to direct the affairs of the organization.

Everywhere one travels in Norway, be it along the sunny southern shores or over the ice-bound regions of the Arctic provinces, one is impressed with the extent of cooperative trade. Generally, the main retail enterprise in village communities or rural centers is a cooperative store well stocked with carefully selected merchandise adapted to meet the needs of the workers in the part of the country in which the society is located.

Independence of Local Societies

The consumer cooperative movement in Norway differs from that of Sweden in that the Norwegian societies are relatively independent. Their affiliation with NKL represents, in a true sense of the word, a federation of local consumer societies. Cooperative retail trade in Sweden is more highly centralized under the management of KF. This centralized control, on the one hand, has some distinct advantages in that the organization can attain greater uniformity in architectural design, display arrangements, operating practices, standardization of services and the stabilization of prices on a national basis. The NKL plan of organization, on the other hand, permits more latitude and flexibility for local management to meet the specific needs of the locality or to conform to the ideas of the local manager and members. The role of NKL is mainly restricted to that of a wholesale buying and manufacturing enterprise. It does not have, other than persuasive, power over the business methods and operating practices of local societies. This degree of independence makes it possible for the local societies to affiliate with or to draw from the central wholesale almost at will. It is variously estimated that there are from 200 to 400 local societies which have never affiliated with NKL. In some parts of the country a few shops and societies have organized their own wholesale purchasing societies.

Legal Protection for Small Business, a Boon to Cooperatives

Marked variations in the income of fishermen, the relative inaccessibility of some farming areas, and the great distance from the northern to the southern extremities of the country are some factors which retard the growth of cooperative institutions in Norway. If NKL continues to render the excellent service that it has in past years, however, it is fairly safe to predict that in the course of time nearly all local cooperative societies will be affiliated with the Norwegian central wholesale.

The Norwegian government passed an unusual law which prohibits the development of chain store organizations by requiring all retail shopkeepers who engage in business for profit and who operate more than one store within a municipality to confine their trade to members only. If just one shop is operated the proprietor may transact business with anyone he pleases—members or non-members. This law was enacted to make the position of the independent retailers secure against chain store organizations and the operators of multiple shops. The act has not seriously restricted the progress of consumer purchasing even though societies in the larger municipalities cannot trade with non-members. In fact, the law is a boon to cooperative purchasing because it encourages membership affiliations with NKL societies where consumers may reap the benefits of large scale purchases in the form of high quality goods at low prices and liberal dividends on patronage.

Cooperation Converges Upon Reciprocity

In the Scandinavian countries as well as in Finland producer cooperation assumes proportions which are as great as those of consumer cooperation. The phenomenon of parallel growth in collective action is not generally emphasized by commentators upon the cooperative movement in this part of the world. The outmoded notion that consumer organizations should organize with the express purpose of completely dominating economic life is relegated to the zealots. Likewise the idea that producer cooperation is the sole means of attaining economic security is too naive to merit serious consideration. In apposition to these views, cooperative leadership in Scandinavian countries regard collective action as a reciprocal relationship indispensable for producers as well as consumers. Each type, they claim, is best adapted to perform particular functions. The main purpose of associations, however, must be to render services to members and bargaining power should be limited to economic areas where exploitation of anyone in the society is unthinkable. When the two fields of specialization in distribution are properly interrelated, the service of both are maximized and distributive margins are appreciably narrowed.

To Control Milk Floods

Ever since 1881 the dairy farmers have had a general association designed to improve marketing facilities. In 1920 this association was reorganized and renamed the National Union of Norwegian Milk Producers, a general organization for the 600 cooperative dairies of the country. These dairies manufacture about 35 million dollars worth of milk products annually. The National Union renders advisory service to all organized groups of dairymen and attempts to assist the dairymen in all problems affecting the industry. Immediately following the Great War several attempts were made to form a national marketing association for selling dairy products both to domestic trade and to foreign markets. No agreement as to type and kind of organization was reached by the dairymen until 1928 at which time the Norske Meieriter Exporelslag was formed. Up to this time, organized consumers and producers both
looked enviously upon the undeveloped field of cooperative milk distribution with a proprietary interest. In every country where there is a strong consumer movement, this has been a bone of contention between the organized farmers and the organized consumers. Toward the late twenties in Norway, milk production in all parts of the country increased very rapidly and as a consequence producers delivering to creameries and cheese factories received 30 and even 40 per cent less than neighboring producers selling milk in the fluid markets. Many farmers were enticed away from their dairies by these bonanza markets and every large dairies rushed into the business of peddling milk to city consumers. The chaos that resulted engulfed so many dairies and marketing organizations that it appeared the whole dairy distributive system of the country would collapse with serious consequences to the industry.

Measures of Legal Control

In times past, representatives of the producers and consumers societies reviled one another in the press and openly attacked rival cooperative groups on the public platform. These trades were never conducive to a better understanding of each other's problems, nor did they instill in the masses greater confidence in cooperation as a means of alleviating economic conditions.

Under the 1930 act, the government provides legal machinery by creating a marketing board, Omsetningsstyret, with authority to fix prices and determine handling margins on agricultural products such as milk, meat, and eggs. The board is made up of representatives from each of the national producers cooperative associations dealing in these commodities, and from each of the three principal agricultural societies.* The consumers are represented by a member of NKL. Private trade also has a representative on the board. If the consumers feel that the prices fixed by the board are unreasonable, they may appeal before members of the board and protest in order by presenting arguments concerning their interests. In extreme cases the consumers may carry their case to a government agency set up for controlling monopolies, Trusskortelleren, which may review the case and modify the policies adopted by the marketing board. The trust control is not an ostensible paper organization. It has great power and it acts. Recently it forced a reduction in the price of eggs and within the last year it commanded the shoe manufacturers and retailers of footwear to reduce prices. Recourse to decisions of the Trusskortelleren is vested in the courts of the land.

Mutuality Through Mediation

In addition to the legal machinery making control of production and distribution effective, the producers and consumers have joined hands on a voluntary basis through the Royal Norwegian Agricultural Societies Selskapet for Norges Vel. This venerable organization arranges a conference at which representatives from producers and consumers cooperative societies meet periodically to present their views and to discuss problems of mutual interest. Here in a calm atmosphere, removed from the distractions of trading, would-be antagonists learn to appreciate affects of association policies, to get understanding, and to form a basis for mutual agreement. Many of the causes for bitterness and animosity between cooperative groups have been dissipated as a result of these informal get togethers. The chairmanship of the "mediation committee," as it is sometimes called, is vested in the representative of the Consumers Cooperative Wholesale Society—NKL. This achievement of mediating differences narrows the natural chasm between organized producers and consumers and is in a real sense—"true cooperation."

THE INDUSTRIAL ARTS COOPERATIVE

Standing alone in its field, Industrial Arts Cooperative Service serves a unique need in the cooperative movement. It seeks to make available to all, simultaneously, purposeful art materials on a non-profit basis. The materials are primarily aimed to meet the needs of teachers in the elementary field but they are increasingly used by high schools, colleges, clubs and camps. There is also an emphasis on the arts and their place in the home and cooperative leaders wishing to find source materials for craft work will find a real god mine at Industrial Arts.

The Beginning

At the close of a class in Industrial Arts taught by Miss Sara Patrick at Teachers College, Columbia University, in the summer of 1924, the students, concerned with the problem of getting the type of materials they needed to carry on their work when they returned to their local schools in all sections of the country decided to set up their own "supply house." Miss Patrick was interested in the cooperative movement and Dr. Warbasse had spoken at several sessions of the class. It was natural that the organization would be set up on cooperative principles, as the chief purpose was, and still is, to provide good art materials on a non-profit basis. In a small room off one of the arms, legs and body, and two huge flat feet of lead. With this simple construction, Standpatters can be transformed into practically any form. They can take on whatever character is desired and also any position as they stand pat wherever they are. The uses they can be put to are innumerable—from figures in a scene depicting Indians in the forest primeval to marionettes in a puppet show. They come in two sizes, five and one-half and eight inches, and are guaranteed to arouse the creativeness of every individual who gets one in his hands.

A complete stock of children's books, seh

Type of Materials Available

In addition to the wide selection of such craft materials as paints, looms, both for weaving and bead making, yard, clay, pewter, etc., studies have been developed under the direction of Miss Patrick, who continues to head the organization, on such things as Food, Clothing and Shelter. Under clothing, for example, all of the materials and study helps are available for a study of wool—the raw wool from the sheep, the carder, the spinning wheel, and the looms for weaving. It is an exciting and educational experience to actually hold in your hands material which you have developed yourself from raw wool! One of the most interesting of the looms used is called the "Rochdale Weaver" and is designed on the type of looms used in Rochdale, England in 1844. Similar studies have been developed for flax and silk; also complete study units on such topics as Indian life; or Oriental life.

Best known of the materials handled through Industrial Arts is the "Standpatter," an ingenious "robot" constructed of one large wooden head for the head, two small wooden beads for the hands, some lengths of strong copper wire for the arms, legs and body, and two huge flat feet of lead. With this simple construction, Standpatters can be transformed into practically any form. They can take on whatever character is desired and also any position as they stand pat wherever they are. The uses they can be put to are innumerable—from figures in a scene depicting Indians in the forest primeval to marionettes in a puppet show. They come in two sizes, five and one-half and eight inches, and are guaranteed to arouse the creativeness of every individual who gets one in his hands.

A complete stock of children's books, seh

*The Royal Norwegian Agricultural Society, the Farm Association of Norway, and the Small Farmers Union.

September, 1939
lected by an advisory Book Committee, are real contributions in the educational field.

Organizational Set-up

Membership is open to all individuals and to schools, clubs and other organizations. Members receive a 10% discount on all purchases; the yearly catalog and the monthly publication, "The News Sheet." The membership fee is $3 a year. A local council comprised of persons doing active work in various schools in New York and vicinity controls the policies, being constantly mindful of the distant members both in meeting their needs and tapping their educational resources. A trained staff carries out the policies of the Council and volunteer workers make possible the carrying out of many ideas which otherwise could not be undertaken. Industrial Arts is one of the oldest members of the Eastern Cooperative League, and Miss Patrick includes a thorough treatment of consumers cooperation in her classes at Teachers College.

Recreation leaders will find at Industrial Arts Cooperative Service a wealth of craft materials suitable for use in either youth or adult recreation programs. In addition they will find a staff which is willing and eager to help groups and individuals make education an exciting, inventive process.

FOR THE RECORD

New York City—Cooperative leaders from abroad were featured in a series of International Night dinners at the CO-op CENTER this summer which attracted both New York cooperators and a large number of out of town visitors. Among the guest speakers were Neil S. Benton, president of the Scottish Cooperative Wholesale Society, John MacKenzie, president of the St. Cuthberts Cooperative Society, Edinburgh, and David Muir, grain buyer for the Scottish CWS, P. J. Agnew, a director of the Cooperative Union of Great Britain, F. H. Webber, a director of the Brighton Cooperative Society,Mrs. Astrid Svedberg, member of the staff of the Swedish Pavilion at the World's Fair and Hauker Snorrason, administrative assistant with KEA—the largest cooperative society in Iceland.

Silver Bay, New York—Five hundred agents and district managers of the Farm Bureau insurance companies and their families gathered here for their annual meeting August 23, 24 and 25 and celebrated the thirteenth year of progress of the co-op insurance companies furnishing auto, fire or life insurance to co-op members in eight states and the District of Columbia. Assets of nearly $10,000,000 and a surplus of $3,000,000 have been built up; policy holders have saved hundreds of thousands of dollars; and contributions totaling a million dollars have been made to cooperative education through cooperative sponsoring organizations.

"Cooperation is a challenge to the do nothing spirit which may rob America of her democracy." Murray D. Lincoln told the meeting: "It may take just that little something" directed into cooperative activity to save what our forefathers paid so much to attain.

Antigonish, Nova Scotia—One hundred and eleven educators, churchmen and cooperative leaders gathered here for the opening of the fourth annual Cooperative League Tour of Nova Scotia Cooperatives August 21. The Rural and Industrial Conference drew together leaders of the cooperative and adult education movement from the Maritime Provinces and Newfoundland to discuss the Antigonish program.

This was followed by a three-day institute with leaders of the movement preceding a one-week tour of the cooperatives in action.

Chicago—Secretary of Agriculture Henry A. Wallace told the American Institute of Cooperation at its annual meeting here August 7 that "Year by year cooperative action becomes more and more necessary to maintain the American way of life." He summarized the present progress of American cooperatives and declared:

"I believe we can gain both inspiration and guidance from the experience of such countries as Finland and Sweden. In those countries there has been an independent government or change of economic or social system. At the same time they have not stood still; they have improved their way of doing business, keeping both large and small corporations where these appeared to be most efficient and suitable, but always under control to cooperative organization and even to government ownership.

REVIEWS


Gunnar Myrdal is a distinguished young liberal economist from Sweden. These articles were adapted from his Senator Bronson Cutting Memorial lecture in Washington this spring. The title might well have been "Sweden—A World Example" for many aspects of Sweden's democratic economic organizations are becoming well known. They include as major types Coopers' Consumers' Co-op Power Utilities, Social Insurances and Farm and Labor Producers Unions.

"Sweden's democratic government 'delivers the goods', provides sufficiently well by its long proved competent to tackle economic problems" says Dr. Myrdal. "Can we afford to work?" was the Social-Democratic election slogan in 1932 on which they won a great victory. They have answered this negative question by practically eliminating unemployment. In contrast to our Congress composed predominantly of lawyers, Sweden's both chambers are composed mainly of workers and farmers, trained and most of them still engaged in the same business. In their home municipalities or in the big cities in Sweden, there has been no overturn of government. No party has ever been committed to political or drastic change of economic or social system. At the same time they have not stood still; they have improved their way of doing business, keeping both large and small corporations where these appeared to be most efficient and suitable, but always under control to cooperative organization and even to government ownership.

New York—Cooperative Distributors reported a noticeable upturn in its mail order and over-the-counter business during the opening months of its new fiscal year. CD, serving individual members and cooperatives in the country with cosmetics, medical supplies, wearing apparel and other mail order items, reported its first operating surplus last year.

our boundaries. The chief line of defense for a free people is to make democracy function effectively. The strength of Swedish democracy and of all democracies is that it functions to the satisfaction of its own people." This is one of the very best condensed social descriptions of Sweden which has been published.

1939 YEARBOOK, Midland Cooperative Wholesale and Affiliated Associations, Minneapolis, Minnesota. 100 Pages.

For many years the annual yearbook of Central Cooperative Wholesale of Wisconsin, and its affiliated locals has been looked upon as the model for others to follow. Now Midland Cooperative Wholesale of Minnesota, Minneapolis, has issued a deated printed report such as all wholesales undoubtedly will eventually do. The main body of the book consists of comparative Balance Sheets and Operating Statements of each of the 170 affiliated associations compiled by districts, which is followed by district summaries and a final combined total and average of all of the local associations. The 170 local associations of this first petroleum wholesale purchased a volume of $11,903,728 and made net earnings of $741,563 (in round figures nearly twelve million volume and nearly three quarter million earnings). The figures are then summarized into the simplified comparative form of balance sheet which Midland is using effectively in educating its members to vote savings to reserves or capital rather than to patronage returns. The need of doing so is shown by the statistical summaries as well as in graphic form. The balance sheet of the yearbook covers a number of valuable tables of statistics relative to the wholesale, and balance sheets of the Midland Credit Corporation, Consumers Agency, Midland Mutual Fire Insurance and Cooperative Auditing Service.

A limited number for those who can use them to advantage are available by writing directly to Midland Cooperative Wholesale, Minneapolis, Minnesota.
THE PRESS BOOSTS THE CO-OPS

AMERICAN OBSERVER, June 5, 1939, "Problems of the American Consumer," a brief discussion of co-ops as one of the solutions.

BUSINESS WEEK, July 22, 1939, "Cooperatives Adopt Grade Labeling."

July 29, 1939, "Co-op Transfer." Residents of Greenbelt take over co-op stores; "Woodworth Rival," British co-op plan rivalry in Woolworth field.

August 19, 1939, "Farm Co-ops Buying"


COMMON SENSE, September, 1939, "Co-ops Up to Date," a review of Harold Knight's "The Consumer Awakens," by Wallace J. Campbell


September 1, 1939, "Are Cooperatives the Answer?" John Horton discusses the limitations of the cooperatives and Ray Scott their applicability in the parish.

CONGRESSional RECORD, July 18, 1939, Hon. Jerry Voorhis of California, had reprinted in the Congressional Record the article on Nova Scotia by Rev. Ignatius W. Cox, "I Saw a People Rising From the Dead."


COUNTRY HOME, July, 1939, "Million-Dollar Revival," Bertram B. Fowler, the Farmers Cooperative Federation at Asheville, N. C.

DISCUSSION, Summer, 1939, "Nova Scotia Progress Due to Study Groups Organized by Priests."

INDUSTRIAL AND LABOR INFORMATION, July 24, 1939, "Cooperation in India," description of a health cooperative.

KEN, June 29, 1939, "Our Town's Business," an excerpt from the book by Omar and Ryllis Goslin, in which cooperatives are explained and praised.


NATION, August 5, 1939, "Everybody's Business — Cooperation Versus Monopoly." Keith Hutchinson, the cooperatives as "trust busters."

PROTESTANT DIGEST, June, 1939, "Real Adult Education," Rev. J. J. Tompkins, an address before the Antigonish Conference 1938; "The Head of the Table," editorial comment on the adult education program sponsored by St. Francis Xavier University.


CALENDAR OF COMING EVENTS

Cooperative Month—Throughout October
Consumers Cooperative Association, North Kansas City, Missouri, Annual Meeting, October 12 and 13
Eastern Cooperative League, Annual Convention, Knickerbocker Village, New York, November 12
Cooperative Schools sponsored by the Virginia Polytechnic Institute, Richmond, Virginia, November 29-30; Blacksburg, Virginia, December 1-2
Regular Quarterly Meetings: Board of Directors, The Cooperative League of the USA, Hotel Morrison, Chicago, December 4-5
Board of Directors, National Cooperatives, Inc., Hotel Morrison, Chicago, December 6

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THE COOPERATIVE LEAGUE
167 West 12th Street, New York City

THE COOPERATIVE PERSPECTIVE

The editorials in this issue should be considered, as in every issue, as representing the editorial viewpoint. While it is always our hope to correctly interpret what is, or what we believe should be, the position of the Cooperative Movement, the title of editor does not presume the authority but only gives the opportunity to do so. There are few official interpretations of the Cooperative Movement. The Rochdale principles and practices are the accepted foundation. Their application, however, is left to the interpretation of each individual and group of cooperators.

We have been stimulated in the hope that we are not only expressing our own editorial viewpoint, but are likewise correctly interpreting the position of the Cooperative Movement in the United States on the matter of Peace, by the favorable responses we have received from the article in the June issue under the title "Defending Democracy." We have had a number of requests for its reproduction which we have approved, in addition to hearty support by letters and personal comments. In this issue we endeavor again to interpret the peace position which we believe the Cooperative Movement in the United States should take. However, we presume only to express the editorial viewpoint.
"Quarantine" America

President Roosevelt has advocated the "quarantining of the aggressor nations." The difficulty is that no one can accurately decide in the war now on in Europe just which are the real aggressors. It is not a matter of immediate acts. The causes of the war lie far deeper. What we should do is to "Quarantine America" from the poisonous epidemic hatreds of Europe. The only people we can control others by force of invective or arms. However, we might so discipline ourselves as to keep isolated from the conflicts and as a result be really able to help Europe by friendly efforts to resolve their disagreements and eliminate their hatreds.

Cooperative Neutrality

Every cooperator knows that "Neutrality" is one of the cardinal principles of the Consumers Cooperative Movement. We ordinarily apply neutrality to religion, politics and race. What about its application to nations at war? What would true Cooperative Neutrality be today?

The question can be boiled down into four words — materials, munitions, money, men.

Does Cooperative Neutrality mean the supplying of materials? Our answer would be "Yes." We can see no reason for breaking off trade in materials ordinarily used for peace purposes. If other nations choose to convert them to war use, that is their own responsibility. We do not want any profit or employment resulting from processing them into munitions. We do not want to make money from mass murder. Of course we should ship materials only on a title and take, or cash and carry basis.

Does Cooperative Neutrality mean the supplying of munitions? Our answer would be "No." A seed produces a crop like itself. The ends are always the same as the means. Violence breeds violence. Satan cannot cast out Satan. Cooperation does not believe in the use of force, but persuasion to gain its ends. We do not believe that either political or economic democracy can be forced into other people's minds on the point of bayonets driven into their bodies. Then we should not be a party to supplying munitions to other nations. The fewer munitions they have, the fewer farmers and workers the imperialists can kill. Supplying munitions is only the first step toward supplying money to finance them and men to shoot them. There is little basic difference. Morally they are much the same. All of them mean American intervention and American entrance into the war. Declaring war is not when we enter into war—we enter war when we supply munitions and money, as well as when we supply men.

Does Cooperative Neutrality mean the supplying of money? Our answer would be "No." Loans and credits would only involve us in a precarious but futile attempt to retrieve them by sending men.

Does Cooperative Neutrality mean the supplying of men? Our answer would be "No." Cooperative neutrality would neither permit American men to fight on other nations' soils, or to travel in war zones or on belligerent nations' ships.

Trade in materials ordinarily used for peace purposes does not mean war for America. Munitions, money and men do mean war. This is the dividing line between peace and war. Materials only on a cash and carry basis — no munitions, money or men on any basis — this, we believe, would be true Cooperative Neutrality for the United States and would result in the preservation and promotion of political and economic democracy in America, for which we are responsible.

Cooperators of America!

Take a Positive Stand for Peace!

E. R. Bowen

The generation of men and women who are old enough to have been young men and women when the World War started, a quarter of a century ago, have had many years to study the causes and results of the last war and to reach definite conclusions as to what they should do personally, and what they should help America to decide to do, in the event of another European war. We, at least, should be able to see things straight, as a result of experience, which is the great teacher, and should be able to help direct the thinking of others in the right way. We should know these facts from study and experience:

Dictatorship vs. Dictatorship

First, that the present European war is a war of Economic Dictators vs. Economic Dictators and not Political Democracy vs. Political Dictatorship. Britain has been under economic dictatorial control as well as Germany. Now "Finance-Monopolies" have also thrown off their political mask in England as the "Feudal-Monopolies" did before in Germany. Monopoly has again declared physical war. Private-profit feudal-monopoly or finance-monopoly is always ready, if necessary, to throw off the mask of political democracy and adopt dictatorship whenever its power is really threatened. Now it has done so in Britain, under the pretense of necessity, as a part of the conduct of war, in order to prevent the increasing minority who oppose private-profit wars from speaking out in opposition. We are witnessing "the final tragic chapter in the politics of power and profit" as played by both Germany and Britain. "Democracy vs. Dictatorship" is no more true as a war slogan today than "Save the World for Democracy" was true before. After persuading the United States to enter a war to "Save Democracy" former President Wilson finally admitted after the war was over that "the real reason the war took place was that Germany was afraid her commercial rivals were going to get the better of her, and the reasons why some nations went into the war against Germany was they thought Germany would get the commercial advantage of them."

Why Be Fooled Again

Why then should America be fooled a second time? Recently, "feudal-monopoly" has committed the most open crimes against humanity but both commit the same crimes when necessary to dom-
Dictators vs. Economic Dictators. Its roots are in the age-old desire of Germany and Britain to be world powers. It is feudal-monopoly vs. finance-monopoly. It is Economic Greed vs. Economic Greed.

Force vs. Force

Second, the present European war is a war of Force vs. Force and not Love vs. Force. This at least is admitted. Both Hitler and Chamberlain cry for "Force, Force to the uttermost" as did Wilson. Loving one's brother as one's self might as well be forgotten while the war is on as the purpose of either side. It is Physical Force vs. Physical Force.

Fear vs. Fear

Third, the present European war is a war of a Devil of Fear vs. a Devil of Fear and not a God of Love vs. a Devil of Fear. The great declaration "Perfect love casteth out fear" has been erased as a motto for the duration of the war. A motto is being called upon to help Germany as well as England. There is no reason to assume that any nation's God, whose help is evoked, will interfere or assist one or the other side in a war. Let's be honest this time and leave every country's God out of the mechanized mass murder. Mars has been seated on every country's throne. It is Fear vs. Fear.

The modern Philistines again dodge their responsibility and say, "We have done everything possible to avoid war. The blood be upon your hands." The blood will actually be, as it should, upon everyone's hands. If we are truly honest we all have to plead "Guilty, Guilty, Guilty." For who dares declare that he has done all that he might to eliminate fear and greed from his own heart or to prevent their incorporation in the political and economic systems of the world? We have known Englishmen and Frenchmen and Germans and Italians and Russians and Japanese, as well as native born Americans. We have never been able to discover any basic difference between them. We refuse to accept that one race is better than another. Within every nation are ardent followers of love and unselfishness as the principles of life; within every nation are energetic promoters of cooperatives, unions and other forms of democratic economic organizations by which to implement the principles of brotherhood. They are all our brothers, as well as those who as yet must be converted to these principles and their economic practice.

War is Futile

We take our stand that the means of force in a war will never achieve ends that are the deep desires of humankind. We refuse to accept the substitution of force for peaceful persuasion as the method of achieving peace.

We believe that the judgment of the bar of history will be that peace and plenty will only come from following the principle of love, rather than fear of others; and from the incorporation of the principle of love in cooperatives, rather than fear in competitive economic organizations.

We reject as false that force in a war solves anything. We accept only peaceful persuasion which eventually must be adopted when force proves futile as it does always in the end. We refuse to hate and will sincerely endeavor to strengthen our love for all others. We will earnestly strive to cast fear and greed from our lives. We will diligently endeavor to develop cooperative economic democracy more rapidly.

COOPERATORS OF AMERICA

TAKE A POSITIVE STAND FOR PEACE! Refuse to fight other cooperators. Live for the interests of all rather than die for the selfish interest of the few. Evangelize, Educate, Organize every where People's Cooperatives—Consumers, Producers, and Public—which will bring Plenty to All and Peace on Earth.

Consumers' Cooperation

October, 1939

COOPERATIVES WILL BRING PEACE

The Directors of
THE COOPERATIVE LEAGUE

"Profit business is the great war... The union of the national cooperative federations of thirty-eight countries in the International Cooperative Alliance is the most promising power for peace to be seen in the world today."
—James P. Warbasse

"In this 'game of grab,' where every individual is seeking to get ahead of every other individual, and every nation is seeking to get ahead of every other nation, what else can we have but war and hatred and mass misery? But there is a way out. We can, as the late Edward A. Filene pointed out, strive to get ahead with people instead of striving to get ahead of people. This is the sane and peaceful approach. Its name is Consumer Cooperation."—Howard A. Couden

"War is the final desperate climax to our economic and social policies of restriction. Although I hold no brief for the totalitarian nations, the great democracies have, since the last war, been engaged in nationalistic rivalry and a struggle for economic self-sufficiency. Those of us in the cooperative movement see the continued inevitability of war until the spread of a program of cooperation puts abundance in place of scarcity and national unity and international harmony in place of commercial rivalry and economic strife."—Murray D. Lincoln

"American participation in any war to save Democracy would result in later democracy in the world—just as the World War did—and probably in some form of dictatorship in America as well. In order to save democracy... America must stay out of war. By staying out of war we shall preserve in a ruined world... the ideals of democracy and be in a position to help rebuild civilization once more. This will be our greatest contribution to humanity."—James Myers

"The day war is declared, liberty will cease to exist in America. The government now has vast authority and billions are already prepared for enactment that will regiment every American citizen. We will be told what and how much we can raise, and when and how we must work, what we can eat and at what price we can sell the products of our labor. Industry, Agriculture and Labor will be subject to bureaucratic dictate. A minion of bureaucratic power will sit on every doorstep and circumscribe and direct our every act. Truly our entrance into the European conflict will mean a "blackout" of democracy in this western world. Good people, ponder this well—Liberty once surrendered is rarely if ever regained."—George G. Barrett

"Peace can and will be attained when nations and the citizens thereof are willing to pay the price of peace. The war of arms is only the final act in the constant economic war that goes perpetually on, not only between nations, but between groups within nations. Talking against war, even legislating against war will not insure peace. We will enjoy peace only when we have removed the causes for war."—R. N. Benjamin.

"Again war has broken out in the old world. This time the slogan is to make the world safe from Fascism. What is Fascism? Nothing but a brutal form of capitalism based on imperialism and..."
profit. The common people of any country would do well by refusing to fight in any capitalist wars, be they under guise of democracy or fascism. Especially we in the United States of America should be on our guard against war hysteria led by munition makers and others who profit by war. It is up to us poor people who are doing the fighting and paying for all the wars to do our utmost to keep this country out of war. Building a new economic and social order in the way advocated by Consumers' Cooperatives goes a long way in eliminating the causes of wars. Let's build our organizations while we still have a chance."—William Lounet.

"The utmost folly of mankind is the destruction of each other in the name of preserving democracy. The so-called democracies are as guilty in this respect as the totalitarian states, since fundamentally their economic systems are all the same—founded in the interests of PRIVATE PROFIT, motivated by PRIVATE GREED, and dominated by PRIVATE MONOPOLY.

"The only truly peaceful, positive economic force in the world today is the cooperative economy being practiced by the peoples of thirty-eight countries under the banner of International Cooperation. THE PATH OF PERMANENT PEACE IS THE PATH OF COLLECTIVE COOPERATION."—E. G. Cott

* * *

"When economic and political decisions are made more wholly on the basis of letting material advantage accrue indirectly from social service to the people rather than permitting the people to get what's left over after material advantage has been maintained, then and only then will permanent peace become more probable."—Perry L. Green

** Put Savings from War Prices into Reserves—Don't Pay Them Out in Dividends **

Cooperators should immediately set up a resistance in their minds against the desire to increase their dividends at the close of the year as the result of the additional savings which will be made from war prices. While cooperatives cannot be affected by speculation in their stock prices, they can be affected by increase and decrease in their commodity prices. From now on and until the close of the war two kinds of savings will be made by cooperatives—normal operating savings and war-price-increase savings. They should be rigidly separated. Cooperative accountants should immediately begin to set up savings resulting from war-price increases as reserves. If cooperatives do not do this, then what will happen? This generation has a clear example of what happened at the close of the World War. Thousands of businesses went bankrupt as a result of rapid declines in inventory values and sharp reductions in volumes. Cooperatives did not escape. Cooperative wholesalers failed. One survived only by cutting the value of its shares in two. KEEP COOPERATIVES FROM FAILING WHEN THIS WAR IS OVER. BEGIN NOW TO SET UP WAR-PRICE SAVINGS AS RESERVES TO COVER REDUCTIONS IN PRICES AND VOLUMES AFTER THE WAR IS OVER. DO NOT PAY THEM OUT IN PATRONAGE DIVIDENDS.

Consumers' Cooperation

The Spiritual Conflict

George W. Russell (AE)

(Forerower's Note: This article is reprinted with the kind permission of the Macmillan Company from the book, "Imaginations and Revelations." The book is a compilation of various prose writings selected by the author as being, in his judgment, among his best. It was written as a prophecy in 1913 after war was declared. To the editor, it explains, as no other article he has ever read does, the strivings of humanity to realize the spiritual ideals of individual liberty and group solidarity, how society swings like a pendulum between these two great ideals, how they become institutionalized in oppressive forms which cause violent reactions, and, following this clear philosophical analysis of war, what the answer is—namely that society must learn to synthesize these two great social ideals of individual liberty and group solidarity in democratic economic, political, educational and religious institutions which combine and express both ideals. We need to develop both the will and the way to peace.)

* * *

I AM told when a gun is fired it recoils with almost as much force as urges forward the projectile. It is the triumph of the military engineer that he anticipates and provides for this recoil when designing the weapon. Nations prepare for war, but do not, as the military engineer in his sphere does, provide for the recoil on society. It is difficult to foresee clearly what will happen. Possible changes in territory, economic results, the effect on a social order receive consideration while war is being waged. But how may war affect our intellectual and spiritual life? Is it not always apparent. Material victories are often spiritual defeats. History has record of nationalities which were destroyed and causes whose followers were overtaken, yet these left their ideas behind them as a legacy in the air, and these incarnated knew in the minds of the conquerors. Ideas are things which can only be conquered by a greater beauty or intellectual power, and they are never more powerful than when they do not come threatening us in alliance with physical forces. I have no doubt there are many today who watch the cloud over Europe as we may imagine some Israelite of old gazing on that awful cloudy pillar wherein was the Lord, in hope or fear for some revelation of the spirit hidden in cloud and fire. What is hidden is in the fiery pillar which moves over Europe? What form will it assume in its manifestation? How will it exercise dominion over the spirit? Whatever idea is most powerful in the world must draw to it the intellect and spirit of humanity, and it will be monarch over their minds either by reason of their love or hate for it. It is more true to say we must love the highest, because even the blind can feel power, while it is rare to have vision of high things.

Does Man Live For the State? A little over a century ago all the ideas of being pointed to France. A peculiar manifestation of the democratic idea had become the most powerful thing in the world of moral forces. It went on multiplying images of itself in men's minds through after generations; and, because thought, like matter, is subject to the laws of action and reaction, which indeed is the only safe basis for prophecy, this idea inevitably found itself opposed by a contrary idea in the world. Today all the needles of being pointed to Germany, where the apparition of the organized State is manifest in every factor, force, and entity coordinated, so that the State might move myriads and yet have the swift freedom of the athletic individual. The idea that...
the State exists for the people is counter-balanced by the idea that the individual exists for the State. France in a violent reaction found itself dominated by a Caesar. Germany may find itself without a Caesar, but with a social democracy.

Can We Relinquish Autocratic Power?

But, if it does, will the idea Europe is fighting be conquered? Was the French idea conquered either by the European confederation without or by Napoleon within? It invaded men’s minds everywhere; and in few countries did the democratic ideas operate more powerfully than in these islands, where the State was a most determined antagonist of their material manifestations in France. The German idea has not sufficient power to unite the free minds of half the world against it. But is it not already invading, and will it not still invade more, the minds of rulers? All Governments are august kinsmen of each other, and discreetly imitate each other in policy where it may conduce to power or efficiency. The efficiency of the highly organized State as a vehicle for the manifestation of power must today be sinking into the minds of those who guide the destinies of races. The State in these islands, before a year of war has passed, has already assumed control over myriads of industrial enterprises. The back-wash of great wars, their reaction within the national being after prolonged external effort, is social disturbance; and it seems clear that the State will be unable easily, after this war, to relax its autocratic power. There may come a time when it would be possible for it to do so; but the habit of overlordship will have grown, there will be many who will wish it to grow still more, and a thousand reasons can be found why the mastery over national organizations should be relaxed but little.

The Pendulum Swings

This may seem a far-fetched speculation, but not to those who see how the centuries humanity has oscillated like a pendulum between opposing ideals. The greatest reactions have been from solidarity to liberty and from liberty to solidarity. The religious solidarity of Europe in the Middle Ages was broken by a passionate desire in the hearts of millions for liberty of thought. A reaction rarely, if ever, brings people back to a, pole deserted centuries before. The coming solidarity is the domination of the State; and to speculate whether that again will be broken up by a new religious movement would be to speculate without utility. What we ought to realize is that these reactions take place within one being, humanity, and indicate eternal desires of the soul. They seem to urge on us the idea that there is a pleroma, or human fullness, in which the opposites may be reconciled, and that the divine event to which we are moving is a State in which there will be both freedom and solidarity combined with an organic unity. At no time have the possibilities of the organized State been more powerfully emphasized by the development of the organized State, than in its present position, where the State interferes little with the lives of men, the mood in literature tends to become personal and subjective; the poets sing a solitary song about nature, love, twilight, and the stars; the novelists deal with the lives of private persons, enlarging individual liberties of action and thought. Few concern themselves with the character of the State. But when it strides in, an omnipresent overlord, organizing and directing life and industry, then the individual imagination must be directed to that collective life and power. For one writer today concerned with high politics, we may expect to find hundreds engaged in a passionate attempt to create the new god in their own image.

Consumers’ Cooperation

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Moral Power or the Iron Hand

We are going to have our free individualism tempered by a more autocratic action by the State. There are signs that with our enemy the moral power which attracts the free to the source of their liberty is being appreciated, and the political power retained for Britain its Colonies and secured their support in an hour of peril is contrasted with the policy of the iron hand in Poland. Neither Germany nor Britain can escape being impressed by the characteristics of the other in the shock of conflict. It may seem a paradoxical outcome of the spiritual conflict Mr. Asquith announced. But history is quick with such ironies. What we con-
COOPERATION, A WAY OF PEACE

J. P. Warbasse

The present economic struggle, which sets individual against individual and nation against nation, creates a fighting world in which people live constantly in a flame of animosities and contentions. This great war goes on all the time. Its promotion is to be seen in the schools of business, in the advertising industry, in the methods of salesmanship, in the vices that express the urge of individuals to discord between employers and employees, in the tariffs, and in the many devices that express the urge of individuals and of nations to get ahead of, to get the better of, and to outstrip others in acquisitiveness. And the others, who are outstripped, become the hindmost and fall easy prey to the devil who takes them.

The prevalent economic system has performed its services, has run its course, and is declining. Its decline means disorganization, business failures, unemployment, and inability of the consumers to get the things they need. Insecurity, idleness, and loss of capital set men adrift, create restlessness, detachment, and discontent. Men lose their moorings. They are ready to enter the army. They are ripe for conscription. They welcome war. Then war is not wanted. It is, indeed, a part of an organized system. This should be plain to the simplest of minds. But since most people make their living and have what they want supplied by the prevalent business methods, their prejudices and supposed self-interest prevent them from seeing the way to peace. Diplomats and politicians must close their minds to it. Militarists and those who enjoy the profits of armament-purveying and war-making do not want a peace-promoting economy.

A Great World Federation for Peace

The cooperative way of business introduces a different motive and method. It begins with the individual and engages him in an economic system which has service as its motive. Not to get something from somebody else, but to unite individuals to help one another get what they need is its object. In the community, it tends to unite people in mutual aid, to create friendliness, and harmony. Nationally, it tends to unite their societies and businesses, not to compete with one another, but to help one another, to place their united resources at the service of each other. This is cooperation, not a way to get something more than this. They are not to do things for nothing, nor a way to the exploitation of anything. They are not to exploit, but a way to the exploitation of others. They are not to exploit, but a way to the exploitation of anything.

Argosies of Peace

Ships carrying commodities of this movement are sailing all the oceans. They carry also coffee, cotton, textiles, petroleum products, shoes, clothing, and many raw materials. Here is friendly commerce within a great organization. This is commerce, not for profit, not seeking markets to exploit, but a transportation of commodities from the places where they are abundant to the places where they are needed. And the vessels bearing these commodities of good-will may be looked upon as argosies of peace. They represent an international traffic that asks for no tariffs nor other barriers of hostility. They carry friendship and help.

When a farmer needs hands to help him, they are to be seen in the frame of his new barn, or a crop is threatened by storm, and the neighbors come to give assistance, here is an act that makes for friendship in the community. It represents the finest expression of ethics and culture because ethics and culture are economic affairs. And these farmers come to the task gladly. They believe the same help would be rendered to them. The cooperative societies of thirty-eight countries are doing something more than this. They are rendering aid to one another without making sacrifices, without practicing philanthropy. They are practicing mutual aid. And each one that renders assistance to the others is a part of an organized system so constituted that the others render assistance in return.

Cooperation is not a way to get something for nothing, nor a way to the exploitation of any. It is a system of mutuality. And thus the most exalted moral precepts are introduced in the business life.

Making War Less Profitable

Cooperation is a kind of commerce which has the power to exclude from the economic world causes of hostilities. It is a non-political method which automatically takes the profits out of war and makes war just so much less profitable. And that means just so much less possible.

Cooperation avoids human hostilities by observing a law of neutrality toward all things in which men are divided. This means that it offers a common ground upon which people of all races, creeds, political parties, and economic affiliations may unite. Its fundamental organization makes for peace.

At present, the totalitarian governments seem to be the great promoters of discord, militarism and war.

Cooperation vs. Totalitarianism

Cooperation is moving toward the prevention of the totalitarian state. As profit business fails and the government takes over business, the socializing expansion of the state is seen. So long as capitalism is dominant, this socialization of one industry after another is simply a reform.
movement. These reform measures, which take care of the wreckage and keep the capitalist machine going, are effective in Sweden and other stable countries. They keep capitalism alive and prevent the collapse of the profit system. The New Deal is the capitalists’ friend. There is nothing radical about this advanced socialism. It is wholly conservative. The reform governments are moving on toward taking over all business. The last step, as in Russia, is to take over the cooperatives; and then the totalitarian state is attained. Unless cooperation can prevent the totalitarian state, the totalitarian state will ultimately swallow up cooperation.

When the totalitarian state is attained, and when all business is in the hands of the state, political autocracy becomes inevitable. It could have been predicted in Russia, as it can in any other country which gets a totalitarian state. Autocracy is the natural offspring of any political government which aims to dominate an economic system. The office holders are in control and such control will always throw up an autocratic leader.

Against the trend now sweeping the world, the most effective opposing tendency is seen in the consumers’ cooperative movement. In every country, each industry which the people administer for themselves in their voluntary cooperative associations, is an industry saved from making its contribution toward an oncoming totalitarian government. Where the state attempts the destruction of genuine cooperatives, cooperation may patiently bide its time. Cooperation, we may hope, has greater power of endurance and resurrection than any government institution for its destruction.

Every industry that passes into the hands of any government is a blow against the cooperative movement; because political control of economic affairs, once gained, is not relinquished by the political controllers. It is this gradual transition from capitalism to totalitarian stateism, now being promoted, that in the future threatens cooperation and the world. The totalitarian state, by whatever name it is called, is capitalist and profit-making in its nature.

This is important to peace. War is made by political government. The people do not want war. When powerful forces, however, see an advantage in war, they penetrate the government by propaganda and coerce the government to make war. Wars are against the interests of the people. For this reason peace is best guaranteed by keeping economic power in the hands of the people and by minimizing governmental power over the people. Let no one entertain the idea that, once a totalitarian state, under any political name, is in full power, the people cannot control it. It has never been done. History is rich with examples of the power of the state versus the interests of the people.

Cooperation is a way of life. It represents an economic method of production and supply that promotes peace. Money, invested in cooperative business, and jobs in cooperative employment are more secure than in profit business. Cooperation stabilizes commerce, and tends not only to prevent recurring waves of depression, but also makes for the prevention of the social discontent and disorders that detach men from home and security.

Cooperation and Natural Law

There are certain economic laws which govern people, as there are certain natural laws that control matter. That fluid substance called human beings, is inescapably subject to these laws:

1. Human needs are best supplied when production and distribution are in the interest of the consumers, and are based upon the motive of service and not of profits.

2. People best succeed in getting what they need when they have the assistance of others whom they help also to get what they need.

3. Where abundance is possible, prosperity of the largest number of people is best promoted by equality of opportunity for all rather than by privilege for few.

These economic laws are as natural as the laws of gravity and of relativity. And these are the laws upon which the cooperative movement is based. Their violation is fraught with the same hazards as fellow attempts at the violation of the laws of gravity or of relativity.

We look upon a disordered world with its wars and its cries of pain. And underlying this distress is to be seen violation of natural laws. The whole dominant business and political system is based upon disregard of these laws. Individuals, groups, and nations, instead of observing the law, hope to get the better of others by its violation. And in the end they are losing, because when they succeed, the others fail. Ultimately the gains become losers. The prevalent economic system, predicated upon violation of natural law, is moving mankind toward chaos.

Cooperation is a method of business based upon the observance of fundamental economic laws. Cooperators do not make these laws; they have always existed. Cooperators are simply people who are attempting, in their own way, to adjust their economic affairs to the laws of nature, to go along with the force of the current of these laws, and to enjoy their help. They are doing this while the rest of the world is attempting to flout the laws and go counter to the stream of human harmony.

The violation of natural laws is the cause of war. Cooperation is an agency of peace because it is lawful and law-abiding in the high sense of human welfare.

WAR! WHAT FOR? PROFITS!

(This editorial is reprinted from the May 1935 issue of CONSUMERS’ COOPERATION. It was written immediately after the editor first learned of the 17-year old cablegram from Ambassador Page to President Wilson which definitely declared what the World War was really for. It is equally a true explanation of the economic reasons for all wars, past, present or future.)

THE NEW YORK TIMES which carried on its masthead the slogan, “All the news that fits to print,” evidently did not consider that the cablegram, which has come to light after seventeen years of suppression and which tells the American people for the first time the cold blooded fact that America’s entry into the World War was for the purpose of making profits, was fit news for the American people to read. The Times was one of some twenty leading newspapers which did not carry the text of the cable. In audiences in Minneapolis, Columbus, and elsewhere which have been asked how many read the cablegram, hardly a single member of the audience had ever seen it.

The following cablegram was sent to President Woodrow Wilson by Ambassador Walter Hines Page the day after Mr. Wilson had been inaugurated following a campaign on the slogan “He kept us out of war.” It is a month and a day after Mr. Wilson received the cablegram he signed the resolution declaring war. Extracts from the cablegram read:

“The pressure of this approaching crisis, I am certain, has gone beyond the ability of the Morgan financial interests or the British and French Governments. . . . It is not improbable that the only way of maintaining our present pre-eminent trade position and averting a panic is by declaring war on Germany.

“We could keep on with our trade...
and increase it, till the war ends, and after the war Europe would purchase food and an enormous supply of materials with which to re-equip her peace industries.

We should thus reap the profit of an uninterrupted trade over a number of years, and we should hold their securities in payment.

As one member of a gold-star family which lost the flower of the family on the deceptive appeal to "Save the world for democracy," I could only wish that every word of this cablegram could be written in blood and read by every American.

"Reap the Profit!"—how cooperators should hammer home these words in articles and addresses and in personal conversations. It's the only way of spreading the truth about war to all the people. The commercial newspapers, who suppressed this cablegram, will nor do it. Instead, they will lead us into preparedness and another war in order to attempt to make more bloody profits. One editorial now advocates doubling the Citizens Military Training Camps appropriation so that "more young men can be taught the arts of citizenship." As though giving one's life for munition makers and financiers to "reap the profit" is the "art of citizenship."

And even if the World War should be appraised only on the side of its commercial efficiency, it would still have to be counted a business bankruptcy as well as an idealistic failure in preserving democracy. Newspaper headlines on the second day following the first exposure of this cablegram read, "War debts to continue as international poison." "We won't pay" was the summary of the notes of the debtor nations, our government having collected only 15% of the amount due; 99.85% of the installment due on that day was not paid.

Both ideally and practically we know now that the World War did not pay. We know now that it was fought for markets and profits.

Rumors of another war are now current daily. Shall we be fooled again? Are those parents who have sons willing to sacrifice them again for "profits"? If you haven't a son, whose son do you want to die for you? Why should the next generation have to fight the battles for which this generation is responsible if a war comes? Grown men should accept their own responsibility.

Broadcast the fact that "war is for profits." Do not let idealistic slogans fool you. Oppose its coming again by organizing cooperatives with greater zeal. They are "the economic foundation of world peace."
Cooperative prices have increased when price rises have been due to increased prices for raw materials or manufactured products but since the co-ops are doing their own wholesaling as well as retailing they have eliminated any price increases which might be instituted in these fields. "A cooperative is owned by the same people who buy from it so cooperatives can't profit from it."

THERE'S DRAMA
IN PEACE

For the help of drama groups searching for worthwhile plays we are listing below several plays dealing with the general theme of peace. The production of such a play during the coming months should be particularly valuable. Additional peace plays can be secured through the National Council for the Prevention of War, 532 17th Street, N.W., Washington, D.C., Women's International League for Peace and Freedom, 1924 Chestnut Street, Philadelphia, and the General Conference, Commission on World Peace, 740 Rush Street, Chicago.

"PAWNS," Percival Wilde, one act, 6 men, extras. Two peasants, Russian and Austrian, who have lived side by side until war makes them enemies. Royalty, Walter Baker and Company, Boston, 35c.


"THE TERRIBLE MEEK," Charles Rand Kennedy, one act, 2 men, 1 woman. Mary, the mother of Jesus, spends the night weeping at Golgotha after the crucifixion. Her sorrow tempers the hearts of the rough men who speak with her. Samuel French, New York City, 35c.

CO-OP LITERATURE

- **Textbooks on Cooperation**
  - The Consumers Cooperative as a Distributive Agency, Orin E. Burley .30
  - Consumer Cooperative Adventures, Randall and Daggett, One Act Plays, Special .30
  - Cooperation, Hall and Watkins, Official British Textbook .20
  - Consumers' Cooperatives, Julian E. Johnson, Debate Handbook .10
  - When You Buy, Trilling, Elizabeth and Nicholas, High school and college, two chapters on consumer cooperation .10
  - Windows on the World, Kenneth Gould, high school text, one chapter on cooperatives .20

- **Cooperative Recreation**
  - The Consumer Consumed, Josephine Johnson, a Puppet Play .25
  - Cooperative Recreation, Carl Hutchinson, reprinted from The Animals. .15
  - Education Through Recreation, L. P. Jacks .15
  - The Spider Web, 3-act play, Ellis Cowling .25
  - The Answer, 3-act play, Ellis Cowling .15
  - Two One Act Plays, Ellis Cowling .15

- **FILMS**
  - "The Lord Helps Those Who Help Each Other," a new 2 reel, 16 mm. film of the New Seabees adult education and cooperative program, produced by the Harmon Foundation. Excellent photography. $4.50 per day, $2.25 additional showing, $15.00 per week.
  - "A House Without A Landlord," a new 2 reel, 16 mm. silent film on the Amalgamated Cooperative Houses in New York City. $10.00 for showing, $3.00 each additional showing, $10.00 per week.
  - "Classing 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. Rental: Each of three above $3 per day, $1.50 for each additional showing or $10 per week.

First Steps in Urban Cooperative Organization Ralph and Maire Cornelle
Rural Credit Unions Roy F. Bergengren
The Co-Op Moves Into Production Wallace J. Campbell
Masters of Their Own Destiny: Two Reviews Rev. L. G. Ligutti
Rev. J. Henry Carpenter
This Cooperative Business: A Review Colston E. Warne
Cooperative Play at Work
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AFFILIATED REGIONAL COOPERATIVES

Name Address Publication
Central Cooperative Wholesale Superior, Wisconsin Cooperative Builder
Consumers’ Cooperatives Associated Amarillo, Texas The Producer-Consumer
Consumers Cooperative Association N. Kansas City, Mo. Cooperative Consumer
Cooperative Book Club Columbus, Ohio Cooperative Builder
Cooperative Distributors Columbus, Ohio Cooperative Consumer
Cooperative Recreation Service Columbus, Ohio Readers Observer
Cooperative Wholesale, Inc. Columbus, Ohio Consumers Defender
Eastern Cooperative Wholesale Columbus, Ohio The Recreation Kit
Farm Bureau Cooperative Ass’n Columbus, Ohio E.C.L. Cooperative
Farm Bureau Mutual Auto Insurance Co. Columbus, Ohio Ohio Farm Bureau News
Farm Bureau Services Columbus, Ohio Ohio Farm Bureau News
Farmers Union Central Exchange Columbus, Ohio Michigan Farm Bureau News
Grange Cooperative Wholesale Columbus, Ohio Farmers’ Union Herald
Indiana Farm Bureau Coop. Association Columbus, Ohio Grange Cooperative News
Indiana Farmers’ Mutual Fire Ins. Society Columbus, Ohio House Farmer
Midland Cooperative Wholesale Columbus, Ohio Midland Cooperative
National Cooperatives, Inc. Lansing, Michigan
Pacific Supply Cooperative St. Paul, Minn.
Pennsylvania Farm Bureau Coop. Ass’n St. Paul, Minn.
United Cooperatives, Inc. Seattle, Washington

DISTRIBUTED LEAGUES

Central States Cooperative League Indianapolis, Ind.
Eastern Cooperative League Minneapolis, Minn.
Associated Cooperatives, So. Cal. Chicago, Ill.
National Cooperative Women’s Guild Harrisburg, Penn.

Fraternal Members
Credit National Association Madison, Wisconsin

Editorial Perspective

DECADE OF A DYING ORDER

Capitalism reached its climax on October 23, 1929, ten years ago. Since then it has been in its dying stages. Max Lerner speaks of a period of dying feudalism and dawning capitalism. Just so today we are in a period of dying capitalism and dawning cooperation. To refresh our memories, we reread the headlines of the New York Times for a month after the fateful day of October 23, 1929. The following day the headlines read, PRICES OF STOCKS CRASH IN HEAVY LIQUIDATION. Later headlines added stronger expressions such as STOCKS COLLAPSE and TORRENT OF LIQUIDATION.

The Pollyanna prophets went into action. President Hoover, who had declared on March 4th that we had achieved the abolition of poverty, reinforced his position as a false prophet of prosperity by declaring that “the fundamental business of the country, that is production and distribution of commodities, is on a sound and prosperous basis.” Bankers and business men chorused that “business is sound.” The principal remedy proposed was by Secretary of Treasury Mellon that income taxes be reduced.

We can take some comfort in these troubled times in the fact that we are a decade on the way through the transition stage from the collapse of capitalism to the coming of cooperation.

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.

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COOPERATIVE HIGHLIGHTS

The two most recent cooperative highlights in the United States are the progress of the central-western regional cooperatives into production; and the development of a complete cooperative educational program by Central Cooperative Wholesale of Superior, Wisconsin.

The regional cooperatives located East of the Alleghenies, generally speaking, went all the way from retailing to wholesaling to production of the principal products they handled such as feed and fertilizer more rapidly than did the regionals in the central west. Now great strides into production are being made by the central-western regionals.

East of the Mississippi, Ohio and Indiana Farm Bureau Cooperatives are moving into fertilizer production. Ohio first joined with the Cooperative GLF in starting fertilizer production at Baltimore. Then a plant was built at Alliance, Ohio, and another is under way at Toledo. Ohio and Indiana co-ops have joined together in building a plant near Cincinnati, and Indiana is building one at Indianapolis. The price of fertilizer will be lowered and the quality will be raised.

The Consumers Cooperative Association in North Kansas City and Consumers Cooperative Refineries in Regina, Saskatchewan, are building cooperative refineries west of the Mississippi and thus going from retailing and wholesaling to production of petroleum products.

These steps are most logical, for fertilizer and petroleum distribution are two of the principal fields into which cooperatives have entered. Production had to follow distribution for, as the Secretary of the Cooperative Wholesale Society of England, R. F. Lancaster, says, "Production is the life-blood of the Cooperative Movement."

Education With a Purpose

It was also most logical that Central Cooperative Wholesale, Superior, which was the first regional to have an educational director, should now take the lead in developing what we believe might correctly be called the first complete cooperative educational program developed by a regional association. Of course no cooperative program is ever altogether complete but the CCW educational program now covers all the people more thoroughly than any other program of which we know. It might be said to have four major divisions:

First, the education of children and youth. The Women's Guild has long sponsored an extensive children's program, and a Youth League, with a full-time Secretary, is very active.

Second, an employees training school. Candidates for the training school are selected from the Youth League as far as possible and are given an eight-weeks initial training course at Superior.

Third, a circuit school for employees and directors. Since it is difficult for employees and directors to spend much time away from home, a circuit school of meetings once a week for several weeks is brought to their doors.

Fourth, members' discussion groups. A drive is now under way to organize at least 250 member discussion groups this fall and winter.

A later issue of Consumers' Cooperation will carry a full story of CCW's educational program which covers youth, employees, directors and members.

The Cooperative Movement is ON THE MOVE into more extensive production facilities and more thorough educational programs.

Cash and Cooperation

The recent annual meeting of Consumers' Cooperative Association of North Kansas City, Missouri, was much more than an ordinary annual meeting. Not only were the members enthusiastic over the reports of progress into petroleum refining, which in itself would have been more than significant enough for one year's advance, but a second cause for unusual enthusiasm was the improvement in the balance sheet of the wholesale as a result of the adoption of a cash policy on February 1st. Accounts and notes receivable were reduced by about $75,000 and accounts payable by the same amount. The price of current assets to liabilities was accordingly increased from 2.4 in 1938 to 3.6 in 1939. The complete story of "How CCA Went to Cash" will be told in a future issue of this magazine and will be more than well worth studying as an example to the Movement of what the adoption and carrying out of a cash policy can do.

Pass the Norris Bill

One of the next jobs ahead of the movement is to persuade Congress to pass the Norris Bill S.2605, when the regular session opens after January first. The Cooperative League has now published a condensation of the Hearings on the Bill and the testimonies of Messrs. Benjamin, Bowen, Cort, Cowden, Hayes, Hull and Lincoln. The last page of the pamphlet tells what cooperative associations and cooperators everywhere should do to assist in the passage of the Bill. Write for as many copies as you wish to your regional or direct to The Cooperative League. The price is 5c. each.
FIRST STEPS IN URBAN
COOPERATIVE ORGANIZATION

Ralph and Moiree Compare

A PLANNED program for organizing, expanding and developing urban cooperatives has been projected in St. Paul, Minnesota. The urgent need for increased purchasing power on the part of city workers and the opportunity offered because of their growing organizational consciousness as expressed by rapidly enlarging labor unions creates a demand for Consumer Cooperative development unparalleled in the past.

Obstacles to Urban Cooperative Organization

There are innumerable barriers to the organization of an urban cooperative movement. We have a heterogeneous population confused and divided by class distinctions, nationality barriers and other divergent interests. Even the matter of distance is a serious handicap as we try to get together people who have to come from all parts of a modern city. There is a lack of neighborhood and a suspicion of each other which is typical of a large city. City life and the exploitation common to it do not tend to make neighbors out of people regardless of their proximity to each other.

Then too, there are all the varying interests of the urban group even within the same geographical neighborhood. They are Catholic and Protestant, union and anti-union, lodge member and non-member, politically minded and non-political. Innumerable varying interests cross which the Cooperative Movement must organize on a basis of common need.

Unions and Cooperatives

Organized labor presents both a problem and a stimulus in the process of organizing cooperatives. Certainly unions and cooperatives should work together. Both are working for the same basic purpose, namely, improving the standard of living of the majority.

Techniques used successfully in St. Paul, Minnesota, may be beneficial. First, it is essential to develop a good sized group for volunteer leadership—professional leadership for all the study and discussion groups which must be conducted is prohibited by the excessive expense. In St. Paul the first group of fifteen or eighteen were teachers, engineers, workers and others who had shown some interest from time to time in the Cooperative Movement. These people gave their time to an intensive training course which met one night each week under the leadership of the Educational Department of the Midland Cooperative Wholesale. They not only led discussion groups and helped to organize other groups, but as the campaign proceeded they became the Volunteer Committee in the soliciting of new members and share capital.

Through the entire program great credit must be given to this volunteer committee which not only led the discussion groups but sold at least half of the shares. If such valuable leadership is to be used successfully, simple, convincing, and provocative discussion material must be prepared. This material must be graphic, outlines, charts, pictures, slides, facts which hit close to home with each consumer.

Neighborhood Discussion Groups Organized

Discussion groups were organized on the basis of Neighbor-Night programs. Interested people were asked to invite in six to eight neighbors for one night a week for three to five weeks, according to the interest of the particular group. In addition to those invited by the host or hostess, other people in the neighborhood were invited. Group leaders located in the neighborhoods were used as far as possible in this was to be the time in covering distances. These leaders were also used as clearing houses for their districts in contacting interested people, checking lists, phoning or writing invitations, etc.

At the end of several weeks of this first intensive educational campaign, all interested people in the district were invited to a mass meeting. At this first mass meeting those present voted themselves into an organizational committee, and at a following meeting elected an incorporating board. Following incorporation, the Board called another meeting for the purpose of discussing the type of commodity organization which was to be the first venture of the St. Paul cooperative group. In the meanwhile, the various types of commodity organizations had been discussed more or less fully by all...
discussion groups so that there would be the widest possible understanding of the entire situation.

When the grocery store program as outlined by the Midland Cooperative Wholesale was chosen as the first activity, it was clearly understood by all participating that shares in such an organization would not merely be shares in a grocery store, but shares in Co-ops, Inc. of St. Paul, the board of which was city-wide with neighborhood groups represented on the city-wide board according to the size of the participating group.

**Campaign for Shares**

The definite sale of shares was fostered by additional techniques. Speakers were sent to organizations such as unions, lodges, etc. Cooperative movies, printed matter, fostering of the permanent neighborhood groups, mailing lists according to districts for publicity material with these names assigned to volunteer leaders in their respective districts, pep meetings for leaders, all contributed to the success. A succession of what was known as "one-night stands," based on the idea of the discussion group for people who do not attend more than one night, was held. At these a movie formed the basis for the general cooperative background and then the grocery plan was outlined and discussed in detail.

Extreme care in the handling of all financial records was one basis for success. People have more confidence in a movement which can handle money with not a penny out of balance. Nothing in the cooperative movement is more important.

This campaign in St. Paul resulted in the course of seven months in enlisting nearly four hundred member-shareholders and raised over six thousand dollars in share-capital. The first commodity organization, a grocery store, was opened, and is increasing in volume at the rate of about one hundred dollars per week. Nuclei of shareholders have been formed in three other districts and the campaign is proceeding toward organization of stores in these places.

**Group Discussion Most Important**

The most important factor in this whole program of education was group discussion. It was based on the premise that people are human beings first and city people afterward, that they would get together and could discuss their common problems in a friendly and helpful manner and come to some democratic and worthy solution. The success of the program proves that this is no longer a theory.

Perhaps most necessary of all in the success of an urban or any other kind of a cooperative program is the continued and continuous expansion of the educational program after the start of the commodity organization. It is only as people really grasp the cooperative ideal and the practical idea of cooperative quality and saving that the movement can actually go places. Basic cooperative education in theory and practice is the only way to achieve this. And that education must be done by the small discussion group. There is no more effective nor really democratic way.

As a permanent feature, these study groups have grown into Neighborhood Clubs, not according to the original group but according to districts as studied and decided. But either in the original study groups or later in the permanent cooperative clubs there have been from ten to fifteen meetings going on at once under the leadership of the volunteer group and the supervision of the educational leader from the wholesale.

One definite policy was discovered as a result of this technique: There must be an economic organization until a determined and articulate nucleus has been organized. Do not form cooperatives until the people are determined to have one. Don't risk trying to start until they know what they want and why.

**RURAL CREDIT UNIONS**

A "rural" credit union is a credit union organized primarily to serve a group of farmers; it therefore first becomes necessary to define a "credit union" before setting forth the peculiarities of this plan of cooperative credit when applied to rural conditions.

**Definition of a Credit Union**

A credit union is a credit cooperative; it is organized within a specific group of people and in accordance with the terms of the State credit union law or the Federal law as the case may be. It is a true cooperative, each member having a single vote regardless of his share holdings and it is governed by a Board of Directors, a Credit Committee and a Supervisory Committee, all chosen by and from the members. It supplies its members with three specific services: (1) It is first a thrift plan, enabling the members of the group to save something by specializing in the smallest units and by stressing installment saving, long sustained wherever possible; (2) In this fashion money is accumulated, which money is invested in those who accumulate it, by being used as a source of credit for them at normal rates for provident and productive purposes; finally, (3) because the credit union is self-managed, it is a most effective source of popular education in matters of money management.

**History of Credit Unions**

Possibly we should also devote a paragraph to history and statistics; many people move only from precedent and before trying a thing they require ample evidence that it has been tried before. The credit union is an old device, tried over a long period and in almost every country in the world. The first effective credit unions were organized in Belgium and Germany in the late eighteenth, the plan spread rapidly to other parts of the world during the latter half of the last century and reached the North American continent as the result of the work of Alphonse Des Jardins in the Province of Quebec who organized his first society in 1860. The first credit union law in the United States was enacted in Massachusetts in 1903 and, thirty years later, we find 8,200 credit unions, with more than a quarter million members in the United States, operating under 42 State credit union laws and the Federal law which was enacted in 1934. Further, the influence of this substantial beginning in the United States has spread to Canada until there are laws in all nine of the Canadian Provinces. Credit Unions in the United States are organized in forty-five State Leagues which work together in the Credit Union National Association.

There is therefore nothing new or strange about the credit union. Like all other effort in the cooperative field, the credit union is consistent with everything which we have been trying to produce in America from the beginning. For we are a nation dedicated to the principle that all men are created equal and that national life, political as well as economic, should function for the people, should be carried on efficiently by the people and should be consistently of the people. It is the perfection of this essentially American principle to which all cooperative effort is directed.

While the credit union has a long and very honorable roll of ancestors, we owe most to Frederick William Raiffeisen who organized the first credit unions in Germany along lines and with a basic philosophy very close to the methods and principles followed in the United States. It is, however, an interesting fact that our development to date has been primarily a manifestation of credit union organization within groups of city workers while Raiffeisen's work was entirely rural.
Where Rural Credit Unions Are Organized

That brings us to a definition of the "rural" credit union. It is a credit union organized primarily to serve farmers and their families. The unit of membership to accomplish this end varies. For example, the Noble County Farm Bureau Credit Union at Albion, Indiana, is limited to the membership of the Noble County branch of the Indiana Farm Bureau Federation. Or the credit union may be organized within a church parish composed mostly of farmers who come, many times from miles around, on Sunday to attend services. The common bond in this case is association with the parish and there are many such credit unions which are very successful. There are credit unions within units of the Farmers Union and the Grange and, in increasing numbers, credit unions are being organized within small communities, trading centers, serving well defined surrounding rural trading areas, with the credit union office at the center to which the farmers, within easy driving range, come frequently to trade. Since the early days of the depression and the heavy casualties among small rural banks, great numbers of communities of this sort have had no banking service available for their use. The total banking business of many a small country trading center is not great enough to warrant the usual overhead incidental to banking operations. A credit union supplies such a community with the basic elements of a banking structure, at very little overhead expense. This field is probably the most promising for rapid rural credit union development.

Rural Credit Unions and Government Farm Financing

The question will, of course, be raised as to the practicality of rural credit unions in the United States. We have a vast system of government farm financing — the Federal Land Bank, the Bank for Cooperatives, the Production Credit Corporation, etc. Through these agencies many millions of dollars of rural credit of various types have been created and the question may well be asked whether or not any normal field of operation at all is left to the rural credit union.

The credit union takes no issue with any of these agencies. It advances, rather, a few fundamental facts for consideration. Those who had to do with the early development of credit unions established experience, certain well defined principles; they were all opposed to government aid in any form for their purely cooperative institutions. Schulze-Delitzsch, Raiffeisen and Des Jardins, the three outstanding pioneers in the development of cooperative credit technique approached that cooperation is synonymous with self-help. There is no element of charity in it; it functions without direct or indirect government subsidy.

The rural credit union is, in the first place, a union of men and women who have common interests, who pool their resources and then, under their own steam, take care of their own credit problems. It is this complete independence of government aid which is the distinguishing difference between the credit union and the government's farm credit program. Because of this inter-dependence of the members on each other they must of necessity develop the capacity to completely operate their own affairs. They come to have a better understanding of their problems as common problems, which they all share and which they solve through truly cooperative action.

I have watched it work particularly in Nova Scotia, where, a dozen years ago, the financial lot of the average farmer and fisherman was very unhappy indeed. St. Francis Xavier University undertook to build a better economic life for the people of that Province. The University had no vast government funds at its disposal; it had only a modest budget to care for the work of promotion. First, it secured the enactment of a credit union law. Next it organized the first six credit unions or so. Today several hundred credit unions have been organized in the province and, out of that, is developing a very hopeful economic life for all of the people of the Province, made possible because they have learned how to work together cooperatively for the common good.

Find Out How to Organize a Credit Union

Those who are interested to learn more should contact the Credit Union National Association, Madison, Wisconsin. They are field workers of the National Association and the forty-five State Leagues in every State. The Federal Credit Union Section (address C. R. Orchard, Director, Farm Credit Administration, Washington, D. C.) also has a field force and it is possible for anyone interested, from the Hawaiian Islands to Nova Scotia, to get, free of any charge direct or indirect, all the help he needs in the matter of finding out more about the rural credit union or organizing such a union in his area.

And so—find out about it. Knowledge is power and what you learn may lead you to get your neighbors together in the school house some evening this winter. The teacher may be there and some folks from the four-corners store. You can have available for this meeting, free, someone who really knows all about organizing a rural credit union. Have him there and talk it all out; form a study club, possibly. Search into all the problems involved. Is there, for example, some regularity of income to be depended on; if not, can the farmer members put in lump sums once or twice a year and then do all their banking business against what they have put in? Can we set up a credit union to which the men and the women and even the children of a given area will belong, many of them working at the four-corners and receiving regular pay, some of them women with egg money, some farmers who work with cream checks, some kids in school who can be junior members at a dime a week? Can we solve the simple problems incidental to organizing a successful rural credit union? Others have, in increasing numbers. Why not you?

THE CO-OPS MOVE INTO PRODUCTION

HENRY GODDARD LEACH, the editor of Forum magazine referred to Sweden as “the land where consumers produce” when he described the trust-busting activities of Sweden's cooperatives in an article in Forum five years ago.

In that phrase, Dr. Leach laid his finger on one of the factors which makes consumer cooperation the most efficient system of business enterprise ever developed. For when consumer cooperatives build a large and steady demand for goods and create a new and efficient market, cooperative production is possible.

When consumers produce, speculation is divorced from production; over-capitalization is unnecessary; the 40% to 90% capacity production which is characteristic of many of our so-called efficient industries gives place to capacity production running close to 100%; and payrolls are spread over year-round production in contrast to the high costs and inefficiency of seasonal labor.

These are the economic characteristics of cooperative production. These are the economies that are being coupled with cooperative distribution by several of the American regional cooperative associations which are today moving rapidly into the manufacture of the goods they distribute.

As this is being written the first cooperative petroleum refinery in the United States is being completed in Phillipsburg, Kansas. At Regina, Saskatchewan, the contract has been signed and the ground broken for another cooper-
In Ohio and Indiana, one cooperative fertilizer factory last summer; a second is under construction and the cooperatives have made plans for two more to be built within the coming year.

The First Cooperative Oil Refinery in the U.S.

Here is an "Exhibit A" of how consumers produce. The four hundred and fifty cooperative associations affiliated with the Consumers Cooperative Association in Kansas City, Missouri, have built up their petroleum business step by step over the past ten years. One-pump stations grew into modern super-service stations, volumes of business grew. Their co-op wholesale, CCA, evolved from a small jobber into one of the larger independents.

Petroleum business step by step over the past ten years. One-pump stations grew into modern super-service stations, volumes of business grew. Their co-op wholesale, CCA, evolved from a small jobber into one of the larger independents. They have already purchased petroleum products from CCA.

A Co-op Oil Refinery to Serve Western Canada

The Phillipsburg refinery is only one exhibit of cooperative production. Consumers Cooperative Refineries, Ltd., Regina, Saskatchewan, was organized by ten co-op oil associations in southern Saskatchewan in 1934. In 1935 they opened a 500-barrel-a-day refinery, the first co-op oil refinery in the world. Today the refinery is serving 120 cooperatives in the province and the volume of business has taxed its capacity. To meet the constantly growing demand the cooperators signed a contract in September for the construction of a completely modern, quarter-million-dollar refinery. Ground has already been broken and the refinery will be completed in the spring.

The new refinery will have a capacity of 1,500 barrels a day and storage facilities for 2,000,000 gallons. The present plant represents an investment of $175,000, free of all financial encumbrances and has already effected savings to its consumer owners of $263,000 in patronage returns, in addition to reductions in the prices of petroleum products following its establishment.

Co-ops Expand Commercial Fertilizer Production

Cooperatives in Indiana have been distributing commercial fertilizer since 1928. When orders were taken at Farm Bureau Co-op meetings and deliveries were made at railroad sidings, home-mix fertilizers of this variety were replaced when the Farm Bureau cooperatives signed a contract with the Tennessee Corporation, a large chemical company, to manufacture its by-products into fertilizer. The "operative" contract, which was signed, provided that the cooperatives should share in the operating profits of manufacturing, at both the Lockland, Ohio and New Albany, Indiana, plants.

In 1935 the Ohio Farm Bureau cooperatives and the Cooperative Grange Federation of New York purchased jointly a $350,000 superphosphate plant at Baltimore producing 80,000 tons of commercial fertilizer a year. In another field cooperatives stepped directly into production for themselves.

Next, bringing operations closer home, the Ohio cooperatives built a $40,000 mixing plant at Alliance. Ohio in the summer of 1938 to serve the 21 counties in Northeastern Ohio.

The third step of the Ohio cooperatives into consumer cooperative production is a joint undertaking with the Indiana Farm Bureau cooperatives which calls for the construction of a $125,000 oil mixing plant and warehouse near Cincinnati. Work has already been started on a $100,000 fertilizer mixing plant and warehouse at Maumee, a suburb of Toledo. Altogether the Ohio co-ops will have a joint investment in $615,000 worth of plant and factories when the program is completed.

Completing the Indiana program of cooperative production is a new commercial fertilizer plant at Indianapolis which is being built of steel, concrete and asbestos and boasts a capacity of 30,000 tons a year.

Strengthening Cooperative Distribution Through Production

Several other production enterprises launched by consumer cooperatives extend the field "where consumers produce" should be mentioned here.

Co-operatives are witnessing in America a strengthening of cooperative distribution through increasing steps into production.

JUST OUT

"Cooperation and Religion" by Dr. M. M. Coady, Director of the Extension Department, St. Francis Xavier University, 12 pages, 5c. This provocative pamphlet is a chapter from Dr. Coady's recent book, "Masters of Their Own Destiny" and first appeared in Commonweal.

Twenty per cent discount in quantities of ten or more.

THE COOPERATIVE LEAGUE

167 W. 12th St., New York

November, 1939
COOPERATIVE PLAY AT WORK

A program of folk dances, music and drama, presented by the Rural Youth Councils of Ohio, packed the Farm Bureau rent to "standing room only" at the Ohio State Fair this fall. The youth groups from all over the state were responsible for certain periods of the program during the day and evening for the entire week of the Fair. One of the most interesting features was the participation of the audience in the program. They not only sang the songs as the young people did the dances on the stage but entered into the cooperative spirit by guessing the charades. Commenting on this unusual Farm Bureau "exhibit," the Ohio Farm Bureau News says, "They (the Rural Youth Councils) portrayed the fascinating self-made recreation standards by which they live back home; their spontaneous enthusiasm showed it, and it got over into the thousands who sat in their audience. The value of the continuing programs in the counties, of which these demonstrations were just a glimpse—their importance to the advancement of rural life—self-help, group action, economic cooperation, education and culture—was being realized, perhaps a bit unconsciously, perhaps consciously, but with feeling instead of in words."

A Halloween Folk Dance Party, arranged by the Cooperative Union, Chicago, was held at the Lincoln Center, October 21, with more than 320 present. The dancing, under the direction of "Bat" Graham started with simple singing games, which led into more complicated dances such as squares, and reels and finished with polkas, schottische, etc. Participation in the dances was practically 100%. A one-act play, "The Ghost of Benjamin Sweet" was presented by the Cooperative Theatre Group.

This party was part of the broad program of the Recreation Committee of the Cooperative Union which is interested in fostering the spread of cooperative recreation throughout the Chicago area. At the present time the program includes folk dance parties, classes in folk dance leadership, leadership and musical assistance to societies running local parties. A Cooperative Theatre Group has also developed which hopes in the not too distant future to have its own production unit. Crafts—creative music groups and other forms of recreational activity are also planned. As stated in the aims of the program, the Committee believes that "mutually shared recreation and social activity help to create an understanding of each other and a truly cooperative spirit." A good start has certainly been made.

The Third Annual Play Festival of the Northern States Cooperative Youth League held the final contest November 19, in Virginia, Minnesota. The District Executive Committee in the November Bulletin of the League, said, "The thrill of participating in such a broad group and the experience gained from such an adventure is a far better compensation than the winning of the first prize could possibly be."

Thirty-two representatives from cooperative recreation groups in Ohio, New York and Pennsylvania met at Zionsville, Pennsylvania for a regional conference of play and study September 29-October 1. The conference was sponsored by the Cooperative Society for Recreational Education, membership of which is composed of students attending the National Cooperative Recreation School conducted yearly by the Cooperative League.

The purpose of the conference was to exchange new ideas, discuss mutual recreation problems and to discover new materials which would be helpful to the group all of whom are recreation leaders in cooperative groups. The program included folk dancing, singing games, simple dramatic forms such as charades, pantomimes, tableaux, and singing. A one-act play on cooperative medicine, written by a member of the group was read. All of the groups represented reported a growing interest in recreation. A similar conference is planned for New Year's week-end at Columbus, Ohio.

CONSUMER CO-OPS ON THE MARCH

New York—The Eastern Cooperative League reports that 166 cooperative advisory councils, study-for-a-purpose clubs, were organized in the first six weeks of the ECL membership drive and the ABC Campaign to "teach consumers the ABC's of minding their OWN businesses."

Oakland, California—The cooperative educational federations and the co-op wholesales in both Northern and Southern California have unified the educational and business activities in their respective areas by amalgamating these two branches of cooperative activity.

In southern California the Cooperative Education Association and the Associated Cooperatives have become the Associated Cooperatives of Southern California with headquarters at 4043 W. 60th St., Los Angeles. In the North, the Northern California Cooperative Council and the California Cooperative Wholesale are now united in Associated Cooperatives of Northern California, located at 1715 University Avenue, Berkeley.

Columbus, Ohio—Before 20,000 members of Ohio cooperatives gathered here for the first annual Farm Bureau Field Day, October 10, Governor John W. Bricker commended the cooperatives on their progress and declared:

"This exhibits the ability and eagerness of Ohio farm people to do things through cooperation. If ever the economic and social problems of America are solved, if ever peace and security and contentment are brought to the world, it will be done by the people joining hands and working together with the same aggressiveness, fortitude and pioneering spirit as characterizes you—the farm people of Ohio."

November, 1939

North Kansas City, Mo.—A new "100% CO-OP PLAN," which calls for a drive to secure 100 member associations which will buy all their products through their own wholesale was launched at the annual meeting of the Consumers Cooperative Association here October 12 and 13. Howard Cowden, president of CCA, pointed out that 250 local cooperatives with an average membership of 425 could increase their patronage refunds by a million dollars a year under this plan.

The nine hundred representatives of cooperative associations from nine midwestern states gathered here for the meeting couned among their gains of the past year:

Erection of the first cooperative oil refinery in the U.S.

Adoption of a cash trading policy which saved their co-op wholesale $18,000 in operating expense during the year.

Addition of 28 new member cooperatives during the year bringing CCA's co-op family to 452 associations with 120,000 patron members.

Launching "loan capital" program to further cut capital costs thru bank balances carried with CCA at interest.

Cincinnati, Ohio—The executive council of the American Federation of Labor in its report to the fifty-ninth annual convention of the A. F. of L., October 1 to 13, later endorsed by the convention, restated its belief that "consumers' cooperation should go hand in hand with trade union organization"; welcomed the rapid growth of consumer cooperatives and credit unions during the last few years; and urged its members to study and organize cooperatives. After describing the cooperative activities of labor union people during the past year the report concluded:

Consumers' Cooperation
BOOK REVIEWS

MASTERS OF THEIR OWN DESTINY

As a Catholic Sees It

MASTERS OF THEIR OWN DESTINY—By Dr. M. M. Coady, Harper and Brothers, New York.

THIS COOPERATIVE BUSINESS

As a Protestant Sees It

As a Catholic Sees It

As a Protestant Sees It

Consumers' Cooperative

November, 1939
One error of fact mars his excellent chapter on spurious cooperatives. It is a bit disheartening to see Cooperative Distributors listed in this classification among with Harrison Parker's outfits and the Decimo Clubs. Mr. Burlough ought to have looked into CD's constitution and noted its operation before so classifying this mail-order development.

—COLSTON E. WARNE, Professor of Economics, Amherst College

STATEMENT OF OWNERSHIP, MANAGEMENT, CIRCULATION, ETC., REQUIRED BY THE ACTS OF CONGRESS OF AUGUST 30, 1912, AND MARCH 3, 1933, OF

CONSUMERS' COOPERATION

Published monthly at New York, N. Y. for October 1, 1939-December 1939. State of New York, County of New York, as.

Before me, a Notary Public in and for the State and county aforesaid, personally appeared WALLACE J. CAMPBELL, who, having been duly sworn according to law, depose and says that he is the Associate Editor of the CONSUMERS' COOPERATION, and that the following is, to the best of his knowledge and belief, a true statement of the ownership, management, etc., of the aforesaid publication for the date shown in the above caption, required by the Act of August 24, 1912, as amended by the Act of March 3, 1933, embodied in Section 351, Postal Laws and Regulations, printed on the reverse of this form, to wit:

1. The name and address of the publisher, managing editor, and business managers are: Publisher—The Cooperative League of the U.S.A., 167 West 12th Street, New York, N. Y. Managing Editor—WALLACE J. CAMPBELL, 167 West 27th Street, New York, N. Y.

2. That the owner is:

The Cooperative League of the U.S.A., the principal officers of which are: JAMES E. WADDELL, President; E. E. BOWEN, General Secretary, both of 167 West 12th Street, New York, N. Y.; and J. E. WOODCOCK, Treasurer, 155 Kent Avenue, Brooklyn, N. Y.

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 name of the person or corporation for whose benefit such trust is being administered. Also the said two paragraphs contain statements embracing all the full knowledge and belief as to the circumstances and conditions under which stockholders and security holders who do not appear upon the books of the company as trustees, hold stock and securities in a capacity other than that of a bona fide owner; and this affiant has no reason to believe that any other person, association, or corporation has any interest direct or indirect in the said stock, bonds, or other securities than as so stated by him.

THE COOPERATIVE LEAGUE OF THE U.S.A.

By WALLACE J. CAMPBELL, Associate Editor. Grown to and subscribed to before me this 29th day of September, 1939.

ALFRED L. LAURENTS, Notary Public.

CO-OP LITERATURE

- **Student Cooperatives**
  - Campus Co-ops, William Moore
  - Coops on the Campus, Bertimm R. Powell
- **Handbooks on Student Co-ops**, Based on the Findings of the Pacific Coast Conference of Student Cooperatives
- **Novels**
  - Fresh Patroon: Burris Jolkins (Special)
  - The Brave Years: Win. Heyliger
- **Textbooks on Cooperation**
  - The Consumers Cooperative as a Distributive Agency, Orin E. Burlough
  - Consumer Cooperative Adventures, Rudolf and Daggett, Case Studies, Special Cooperation, Hall and Watkins, Official British Textbook
  - Consumers' Cooperatives, Julius E. Johnson, Debate Handbook
  - When You Buy, Trilling, Eberhart and Nichols, High school text, two chapters on consumer cooperatives
  - Windows on the World, Kenneth Guild, high school text, one chapter on cooperatives

- **Cooperative Recreation**
  - The Consumer Consumed, Josephine Johnson, a Puppet Play
  - Cooperative Recreation, Carl Hutchinson, reprinted from The Annals of Economics, Amherst College
  - The Brave Years: Win. Heyliger
  - Education Through Recreation, L. P. Jacks
  - The Spider Web, 3-act play, Ellis Cowling
  - The Answer, 3-act play, Ellis Cowling
  - Two One Act Plays, Ellis Cowling
  - List of recreational materials, songs, dances, games, available from Cooperative Recreation Service, Delaware, Ohio

- **The Lord Helps Those Who Help Kxrself**
  - a new 3 reel, 16 mm. film of the Nith Kicthcni adult education and co-op program, produced by the Harmon Foundation

- **A House Without a Landlord**
  - a new 3 reel, 16 mm. silent film of the Amalgamated Cooperative Houses in New York City

- **Clasping Hands**
  - a new 2 reel, 30 mm. silent film on the Amalgamated Cooperative Houses in New York City

- **Prepare for It**
  - Cooperative Principles, 19 x 25"
  - Other, 5 for $1

- **Consumers' Cooperation**
  - Cooperative Principles, 19 x 25"
  - Elms, 5 for $1

- **Cooperative Ownership**, 19 x 25"
  - Mulberry, 5 for $1

- **Consumer Ownership**, 19 x 25"
  - Red-White-and-Blue, 5 for $1

CONSUMERS' COOPERATION

NATIONAL MAGAZINE FOR COOPERATIVE LEADERS

December 1939

Fosters

Organic Cooperative, 10 x 28" $10.00

Cooperative Principles, 19 x 25" $10.00

Elms, 5 for $1

Cooperative Ownership, 19 x 25" Mulberry, 5 for $1

Consumer Ownership, Of, By and For the People, 19 x 25", Red-White-and-Blue, 5 for $1

Consumers' Cooperation

- Organize Cooperatives, 10 x 28"
- Condensed Cooperative Balance Sheet Comparisons
- Condensed Cooperative
- Voluntary Adult Education-
- Cooperative Play
- Go Into Production
- Prepare for It
- Pennsylvania Consumers
- T. Warren Metzger
- Finland
- Voluntary Adult Education-
- Life Element of Democracy
- Alva Myrdal
- Madge Cooper
- E. R. Bowen
- Madge Cooper
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Readers Observer
Consumers Defender
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Midland Cooperator

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FRATERNAL MEMBERS
Credit Union National Association
Madison, Wisconsin
The Bridge

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 St., N. Y. C.

There can be no political peace without economic justice. There can be no justice in economic transactions in which there is profit. "Any price in which there is a profit is not a just price," as a striking advertisement of the Sydney Cooperative Society of Nova Scotia reads. Private-profits mean "robbing one's neighbour," as another advertisement in the Midland Cooperative reads. Profits mean exploitation of one another and there will be no "Peace on Earth" until there are "No Profits to ANY."

**Profits and Politics Won the Embargo Vote**

The vote on the repeal of the embargo should be recorded as a victory for profits and politics, rather than for the people and peace.

Both industrial and government leaders appealed to America to "reap the profits" of processing raw materials into munitions. Profits won again as they did when Ambassador Page made the same appeal before the World War. But while American industry reaped the profits then, the people still hold the bag in repudiated foreign bonds and debts. The profits of war will produce the same results again in one form or another as they always have and always will.

That politics won seems to have been overlooked by reporters and commentators on the vote in the House of Representatives. Out of 256 Democratic votes, 220 or 86% voted for repeal. Out of 164 Republican votes, 143 or 86% voted against repeal. To thus divide politically with 86% Democratic votes for repeal and 86% Republican votes against repeal is clear proof that politics won.

The vote was plainly not on the basis of principle but of profits and politics. The people lost another skirmish in the age-old struggle for peace against profits and politics but the people will win in the end.

---

**Private-Profits Industrialists Cannot Solve Unemployment**

Owen D. Young has just retired as head of the great General Electric Company. In business he could not, as the Luma Cooperative Factories in Sweden and Scotland do, reduce the prices of bulbs and other electric equipment to consumers because he had to make a profit for his stockholders. Because he and other industrialists cannot establish prices-without-profits which will increase buying by consumers, they were forced to admit in a report of the American Youth Commission, of which Young was chairman, that private business cannot put American youth at work. Yet they fear that jobless youth may lead us into war. Of course an industrialist who has spent his life as head of one of the corporations which produce unemployment through piling up private-profits cannot be expected to find the only real answer to unemployment, which is a non-profit co-operative economy. So private business, instead of solving unemployment which is the responsibility of business, again asks for a government dole as a temporary alleviation. There should have been a co-operator on the committee who knew the answer to unemployment.

---

**The Law Makes Me Pay More But My Cooperative Gives It Back**

When the editor lived in the State of New York we paid 10c. per $100 for insurance on our furniture to the Workmen's Mutual Fire Insurance Society, one of the oldest and strongest cooperatives in America. Now that we have been transferred to Illinois, we receive a letter from the Chicago office of Workmen's reading as follows:

"A new insurance law for the state of Illinois empowers the state insurance department to fix the rates we have to charge our policy holders. Although we have written insurance in this state for over forty years at a low rate, we were compelled to increase our rates from 10c. per hundred dollar insurance to 28c. on frame buildings. In all other states the old rates remain in effect."

"In vain we reasoned that a rate increase was not justified in view of the fact that our assets have increased, as can be seen in the enclosed annual report. To cooperate our policy holders a dividend will be paid at the end of the year whereby the difference between the old and the new rate will be about equalized."

So now we will pay 28c. per $100 instead of 10c., or a 180% increase, which is wholly unnecessary from the standpoint of the average cost to our cooper-
ANOTHER BUST AHEAD—PREPARE FOR IT!

W e again predict another "recession" in the permanent depression we are in, so long as the present economic system is in control. We made a similar prediction in June 1937, two months before the depression hit. There is only one question which to us is uncertain and that is the duration of the war. But "bust" we will again for the simple reason that farmers and workers incomes cannot absorb the present amount of production.

We urge you to study carefully the two charts shown here.

The first is a chart of "Business Activity" as reported by the ANNALIST. Three times before we have reached a similar figure of business activity and in each case we have had a collapse—in 1920, 1929 and 1937. We have almost reached the same index figure again. There are only three ways by which this degree of activity can be maintained:

First, by war. Our economy is now geared to war. Our production will be determined by war so long as it lasts, but when the war is over we will again collapse unless we adopt other economic policies than we seem likely to do.

Second, by taxation. If we would tax the few in the higher income brackets enough and distribute the amount to the lower income groups through social insurance and relief programs, instead of continuing to dodge the day when we know the profits in the higher income brackets will come through taxes, we could use the tax revenues to stimulate production.

Third, by trade. If we would only recognize the fact that free trade is the only way to build up our depressed economy, we would probably never have another depression. If we would only introduce the principles of international cooperation, the whole world would be benefited.

We urge you to study the charts shown here and plan now to protect yourselves against the "bust" which is sure to come if you do not do something to make your income an independent one and not dependent on the profits of others.
must tax-as-we-spend, we could maintain a higher degree of business activity. But there is little indication that we are yet ready to do this and we will again collapse if we do not tax.

Third, by increasing farmer and worker incomes. This is the only way by which business activity can be permanently increased. But it will be a gradual and not a sudden increase as now. And it will only come as cooperatives and unions grow in strength, which cannot take place fast enough to sustain the present rate of business activity after the war is over.

**Danger Signals**

The second chart shows prices of common stocks and commodities. In 1920 the collapse followed an increase in commodity prices. In 1929 the collapse followed an increase in stock prices. In 1937 the collapse followed an increase in both commodity and common stock prices. It was the sharpest collapse we have ever had. Both commodities and stocks again jumped rapidly after war was declared, as you can see by the course of the lines following September first. The present situation of the war has leveled prices out for the time being. The future of prices is any man’s guess on the continuation of the war.

Since cooperators are not a large enough percentage of the population to force through a real taxation program and prevent a collapse, and since cooperatives and unions cannot grow fast enough to distribute purchasing power and prevent a collapse, then the only wise thing for cooperatives to do is to prepare for the collapse ahead by doing these three things: First, reduce receivables. Adopt cash terms. Second, hold down inventories. Don’t speculate. Third, build up reserves and capital. Transfer more of savings into reserves and capital instead of paying them out in patronage dividends.

Of course these policies are wise ones for cooperatives always, but they are doubly wise under war conditions such as we now have.

**Prevent an After-the-War Collapse**

Remember the lessons of the past and prevent the same results happening to cooperatives again. After the collapse of 1920 many cooperatives were wiped out by uncollectible receivables, by inventory declines and by reduced volumes. One of the few wholesales which survived did so only by cutting its shares in half. After the collapse of 1937 some cooperatives lost heavily by inventory declines. Reduced receivables, held down inventories, increase reserves and capital—build stores to meet the after-the-war collapse ahead.

**Consumers’ Cooperatives**
The Pennsylvania Farm Bureau reached its "source of production" objective on Monday, November 13, when its new farm feed mill was formally opened at Manheim, Pa.

Building Distribution

Although it wasn't "planned that way," as a "five-year program," the Pennsylvania Cooperative feed mill became a reality in just that length of time. "By husband and wife" stage to that of a Co-op able to demonstrate the complete Cooperative cycle. Inscribed on the big metal grain-dryer, are these words: "Farmers have paid for many mills, but here is one they really own!" President R. N. Benjamin, the dynamic President of the Pennsylvania Cooperative, delights to drive home this point at every opportunity, and he used it again the day the new mill was formally opened. "By husbanding the savings your State Wholesale made on the business of your county co-ops YOU FARMERS own this mill here today," he said. "This is YOUR institution; the State Wholesale officials and the executives responsible for its operation are YOUR servants. No one can make a cent of profit on the work of this mill. It's YOURS—and now it's up to YOU to decide how eventually great and far-reaching this first Pennsylvania effort will be a complete cooperative cycle, making savings here and there, assuring the farmers of quality, and giving him a surer stake in his own business."

The Manheim mill will be operated by Roscoe E. Larson, whose background and life work have been spent in the farm cooperative movement. Mr. Larson is of Swedish ancestry, is a graduate of Iowa State Agricultural College, holds a Master's Degree in Feeds and Chemistry from Michigan State College, and for thirteen years was superintendent of the Farm Bureau Milling Company at Chicago.

An Example of Economic Transition

The same "depression" story figures in the Manheim mill. It was a baby that languished and died in 1932 after a checkered history of private ownership. Not a wheel had moved since. Today, "for a song" it comes into cooperative hands, and is already producing at nearly full capacity.

"This Manheim mill," said Mr. Agster on opening day, "is the realization of a practical dream of getting back to the source of production. Neither quantitatively or qualitatively has the farmer been master of his own affairs. This does not mean that we make a blanket indictment against all manufacturers—it means, rather, that by the farmers operating this mill for themselves, with profit for no one, they will get the feeds they ought to have, in the proper proportions as arrived at by competent and disinterested authorities. It means, also, that the earnings, when made, come back to the farmers."

The Complete Cooperative Cycle

"We will be able to take all the grain our farmers can bring to the mill and pay them going prices. We will eventually be able, even, to grind their wheat into flour for domestic needs—so that it will be a complete cooperative cycle, making savings here and there, assuring the farmers of quality, and giving him a surer stake in his own business."

The Manheim mill will be operated by Roscoe E. Larson, whose background and life work have been spent in the farm cooperative movement. Mr. Larson is of Swedish ancestry, is a graduate of Iowa State Agricultural College, holds a Master's Degree in Feeds and Chemistry from Michigan State College, and for thirteen years was superintendent of the Farm Bureau Milling Company at Chicago.
CONDENSED COOPERATIVE BALANCE SHEET COMPARISONS

It has been said many times that one of the virtues of cooperation is that "cooperatives compete for excellence." It is indeed fortunate that cooperative financial statements are published—that cooperatives follow the principle of open-books. For thereby cooperative managers, directors and members can compare their results with others and benefit greatly by such comparisons. The principal difficulties in taking full advantage of this possibility are first, that cooperatives have not sufficiently studied their balance sheets to understand them and second, that such statements are not sufficiently simplified.

We are gradually remediying the first difficulty through the development of discussion-groups. In Sweden such groups start studying the balance sheets as they do here. We are also endeavoring to remedy the second difficulty through the development of Condensed Comparative Balance Sheets.

For illustration, we are printing below a condensed comparison of two local cooperative associations. The figures are accurate in round numbers. Cooperative executives and auditors are experimenting with the setting up of comparisons, as shown below, between assets and liabilities in order to eventually adopt standards by which to judge the financial soundness of cooperatives. The standards which have been adopted temporarily for further study are these three:

First, that at the close of the year Cash should equal Earnings and Payables.
Second, that Reserves should equal Receivables, Inventories and Investments.
Third, that Capital and Mortgages should equal Facilities.

Note the difference in the situation between these two cooperatives on the basis of such condensed comparisons and judge as to their financial soundness.

CONDENSED COMPARATIVE BALANCE SHEETS

CO-OP A

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>LIABILITIES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>$9,200</td>
</tr>
<tr>
<td>Receivables</td>
<td>$9,200</td>
</tr>
<tr>
<td>Inventories</td>
<td>10,085</td>
</tr>
<tr>
<td>Investments</td>
<td>1,715</td>
</tr>
<tr>
<td>Facilities</td>
<td>9,250</td>
</tr>
<tr>
<td>Total</td>
<td>$28,535</td>
</tr>
<tr>
<td></td>
<td>$28,535</td>
</tr>
</tbody>
</table>

CO-OP B

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>LIABILITIES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>$1,120</td>
</tr>
<tr>
<td>Receivables</td>
<td>$8,820</td>
</tr>
<tr>
<td>Inventories</td>
<td>3,355</td>
</tr>
<tr>
<td>Investments</td>
<td>935</td>
</tr>
<tr>
<td>Facilities</td>
<td>5,400</td>
</tr>
<tr>
<td>Total</td>
<td>$19,710</td>
</tr>
<tr>
<td></td>
<td>$19,710</td>
</tr>
</tbody>
</table>

One of these two cooperatives would qualify in every way on the basis of all these standards of financial soundness. Just why do one do so and the other not? We do not know either of these two cooperatives from any first-hand knowledge. But on the face of the two statements we would conclude that Co-op A has thought more in terms of "Ownership" and Co-op B in terms of "Dividends." One has built up its reserves and capital to a far greater degree than the other. We urge you to experiment with this form of Condensed Comparative Balance Sheet. Judge your own cooperative on the basis of these three comparisons as to its financial strength. We need to become "Ownership-minded" in America rather than "Dividend-minded," as too many cooperatives are today. We need to build up capital and reserves sufficiently until we "own" everything on the asset side of our balance sheets rather than "owe" for them.

We need to drive for two things in America in order to build financially sound cooperatives—Cash and Capital. There is little value in a Cash Basis, if we pay out too much of our Earnings in Dividends. We need to transfer far more of our Earnings to Reserves and Capital rather than paying them out in Dividends.

VOLUNTARY ADULT EDUCATION—THE LIFE ELEMENT OF DEMOCRACY

The following extracts are taken from an address given by Mrs. Alva Myrdal, wife of the Swedish economist, Gunnar Myrdal, before the recent World Congress on Education for Democracy. After stating that "there is nothing so particular about our schools, nothing outstandingly democratic to distinguish them from schools in other countries," she launched into a description of the Swedish adult-education program that brought prolonged cheers from her audience. The following are quotations from her address:

"Making of ours a true education, that is: an education for life, must be the work of another form of education (than formal schooling) and that honor goes to voluntary adult education. The merit of the school system seems to be chiefly the negative one of not having hindered this prolongation of education (beyond the schools). The schools must at least leave the young people unsaturated, not sending them off with the idea that learning is a thing closed forever."

"Should the numbers in our adult education movement fall off, then we would begin to shiver for our democracy. For adult education and nothing else is the life element in our education for democracy. General school education can be only the foundation, upon which to build; vocational schools can and should be available to all according both to individual aptitudes and social needs. But true democratic culture cannot be spoonfed to anybody. It comes only on the call of eager activities on the part of the individuals themselves and thus emanates chiefly out of those educative processes that go on outside of schools."

"This has been realized or—in order not to make it seem superrational—has just happened to be the case in the country I speak of. Adult education has had a tremendous spread. It is a substitute for the shorter time spent in higher schools. It enables a much larger number to return for education at a later stage. Starting with libraries and popular lectures, it got its first animated strongholds in the 'people's high schools,' sometimes called folk schools. Sixty of them house some 6,000 young men and women, farm youth and industrial workers in their early twenties every year; giving them informally an education, not a training for any careers but a solid foundation for practical life, for intellectualizing their every-day activities, for elucidating political and economic issues with common sense."

"Most important of all is, however, the predominant form of Swedish adult education, the 'study circles.' More than 15,000 such groups with nearly 200,000 members—which in America would correspond to 4,000,000 working class people, meet regularly through the year to learn and discuss. True democratic education is in the end only completely
possible in such 'schools without a teacher' where there can never be any pressure to 'swear to the say of the master.'"

"If such an educational movement shall succeed, two maxims seem to be read out of the Swedish experiment:

"First, it is not an education for the people but by the people. It is created by the citizens as members of the great folk movements themselves: trade unions, good temperals, consumers' cooperatives, farmers', youth, church members. It has never been started by anyone condescending, be it educational authorities or idealistic enterprises. It has not even cost much money; besides a small administrative subsidy it is to this day only supported by the state giving books to a local library in proportion to study groups reported."

"Second, this education is not the servant of any one purpose. It is certainly not intended for individual careering—

**COOPERATIVE PLAY**

The Consumers' Cooperative Society at Racine, Wisconsin, reports the organization of a Co-op Recreational Group. The class was formed in response to interest created through several cooperative recreation nights held during the past year and the recreation enjoyed by many of the young people at the Youth Camp the past summer. Activities planned by the recreation group include handicrafts, folk dancing and dramatics.

Two one-act plays were presented November 5 by the Play Co-op, recreational group in New York City, followed by singing games and folk dances. Organized last winter, the Play Co-op is interested in a number of recreational activities—dramatics, playwriting, puppets and folk dancing. Opportunity is given in the group not only to learn something of the theatre from the acting end but also in directing and stage production.

Ruth Chorpenning and James Norris, who have been on the staff of the National Recreation School the past three years and who are in the professional theatre in New York, are members of the group and the dramatic activities are under their direction. The group meets weekly, devoting an hour and a half to simple dramatic forms such as charades, pantomimes, etc., or rehearsals, and the rest of the evening to singing games and folk dancing.

One of the purposes of the Play Co-op is to help train group recreation leaders. Once a month a discussion group on "Group Leadership" is held. The members are interested and have been helpful in getting other recreational groups started. Eight of the members attended the National Cooperative Recreation School at Milltown, Wisconsin, last summer.

One of the activities planned for this winter is a Cooperative Theatre Ticket Service. Such a service was started last year and it is planned to organize it on a permanent basis.

**Ohio Youth Meet**

LAST year when the Ohio Farm Bureau Cooperative Youth Councils met in convention at the Neil House in Columbus the enthusiastic few elbowed around the front half of the big ballroom with plenty of room to spare. But this year, at the special Youth Session of the annual convention of the Ohio Farm Bureau, November 29 and 30, the same ballroom was filled to overflowing, with more than eight hundred eager, enthusiastic young people ready to talk over their problems with those from other parts of the state who faced the same ones.

There was a period of folk singing led by Carl Hutchinson of the Education Department, and then Murray D. Lincoln, Executive Secretary of the Ohio Farm Bureau Cooperative Association, in the address of the morning, presented squarely the problem of starvation and want in a land of plenty. Mr. Lincoln said the tools for remedying this situation are already in our hands. They are, organization, education and economic cooperation. In the discussion period which was led by L. F. Warrington of the Education Department, the members had a chance to ask Mr. Lincoln's opinion on some of their most troubling questions. One of the most notable things about the whole session was the spirit of open minded inquiry which prevailed among both leaders and members.

At noon, as many as could, assembled in the dining room of the Y.W.C.A. where they played hosts to the state trustees of the Farm Bureau, and other guests. While the plates were being served there was more informal singing. Three minute talks followed by representative Cooperative Youth Council members.

In the evening about two hundred and fifty Youth Council members, many of them former students at the National Cooperative Recreation School, took part in a special recreation program on the floor of the auditorium which included the Italian Quadrille, Javornik, "Brown Eyed Mary and Figure Eight," a quadrille. Afterwards everybody had a good time with Darwin Bryan leading the group of about two thousand in singing games and squares.

**New Recreation Materials**

"Three American Folk Songs," words and music by W. W. Kapnick, published by the Central States Cooperative League, 2501 S. Millard Avenue, Chicago, Ill.

Mr. Kapnick ("Kap") is music director for the Circle Pines Center, and these songs have proven very popular at the Center and wherever they are sung. The collection includes "Song of the New World," "Hymn of the Hills" and "Evening Star.""
songs, with original music by Dorothy Gibby and words by George Tichenor, help to make the play effective entertainment.

The play was written for puppet presentation, but real actors can be used. Directions for puppet presentation and controls can be secured from the Eastern Cooperative League. Although "It Won't Happen Here" was written particularly for groups in the Eastern Cooperative Wholesale area, the problem is typical and the play can be used by any group simply by changing the names.

American Folk Dances, Kit 51, Cooperative Recreation Service, Delaware, Ohio, 25c

Full details of the unique process of simulated stained glass windows by John T. Morgan, the inventor. Twenty illustrations, cover in color.

BOOK REVIEWS

THE ROAD TO WHOSE RUIN?

The Road to Ruin—By Ray Murphy, Assistant General Manager, Association of Casualty and Surety Executives.

It is an old saying that if you want to know where the ripest apples are you should look at the tree with the most apples under it. On the basis of such evidence it is apparent that cooperative insurance is a "prolific" tree. Mr. Murphy is so concerned that he criticizes Consumers' Cooperatives as "The Road to Ruin" in an address before the Rotary Club of Rochester, N. Y.

We wish that Mr. Murphy had been more accurate in his statements for inaccuracies always hurt the speaker or writer far more than the cause he attacks. He says that "our tried and true system of private enterprise and free competition has made us the most prosperous people in all history" and that "our people enjoy the highest standard of living in the world." He conveniently "overlooks" the rich, natural resources of America which make it easily possible to produce plenty for all and which make it far more shameful that the wealth we produce is not equitably divided than in the Scandinavian countries. Although he says he was recently in Europe, he makes no reference to the many middlemen under Cooperation although he could have read the answer in George W. Russell's book, "Cooperation and Nationality."—They will slowly melt into the new order which will arise and they will find their place there. Mr. Murphy seems to think that we are Utopian in suggesting that Cooperation is the economic salvation of the world, but surely some method of salvation is vitally necessary. He offers the most hope today and is accordingly being increasingly tried by the people to the discomfiture of private insurance and other companies.


June, 1938 saw the first conference of the Consumer Education Association held during the meeting of the National Education Association in New York City. The members of the Association were educators in public and private schools and college and in adult education groups. After a little more than a year of germination the Association has now issued in October the first number of The Consumer Education Journal. It's Board of Editors is imposing one and includes many who are well known to cooperators. If the Journal should decide to adopt a slogan we believe it could well consider an adaptation of a sentence in the editorial section, "We believe that business was made for the consumer and not the consumer for business." This might also well include education and recreation as well as business. We predict success for this new journal, because of its sponsors and its subject, for the consumer is the key to the achievement of "the general welfare" to which America is committed by both its concepts and constitution.

THE STRUCTURE OF THE AMERICAN ECONOMY, by Harold L. Ickes.

The story of migratory farm labor in California which John Steinbeck dramatized in his best-seller novel "The Grapes of Wrath" has now been documented by Carey McWilliams, Commissioner of Immigration and Housing.

'..."The Cooperative Primer" written by R. A. Powers, head of the Department of Vocational Agriculture, Viroqua High School, Wisconsin, is a book that will be of value not only to teachers but to study circles, adult education groups and cooperatives. Seven of the sixteen chapters in the manual deal with conditions in foreign countries. The remainder of the book is concerned with American cooperatives and their problems. Each chapter is short, covering only five or six pages, and at the end of each section are guide questions. The book would have been improved if annotated bibliographies had been added at the close of each chapter. It is well written and the style should attract both young people and adults. —C. MAURICE WITTING
Co-operative Recreation, Carl Hutchinson, report with chart, $1.50

Consumers’ Cooperation

Co-operative Recreation, Carl Hutchinson, report with chart, $1.50

Education Through Recreation, L. F. Jacobson and Patricia Eagle, $1.00

The Spider Web, 3-act play, Ellis Cowling, $1.00

The American Story, 3-act play, Ellis Cowling, $1.00

Two One Act Plays, Ellis Cowling, $1.00


NATIONAL CONSUMER SAVINGS

"The Lord Helps Those Who Help Each Other," a new 3 reel, 16 mm. film of the New Zealand co-operative movement, produced by the Harmon Foundation. Excellent photography. $1.50 per day, 85c additional showings. $1.50 per day, 85c additional showings.

"A House Without a Landlord," a new 3 reel, 16 mm. silent film on the Amalgamated Cooperative Houses in New York City. "Grappling Hoes," 16 mm. silent, two reel film, showing how co-operation is taught in the schools of France. Won the Grand Prize at the International Exposition, Paris, 1913.

"When Manhood is Willing," a 16 mm. silent, three-reel film, with English titles, of co-operative stores, workshops and factories in France.

A Day With Kagawa, 3 reel, silent. 16 mm. Kagawa and his co-ops in Japan.

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Medicine

Cooperative Health Associations

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